

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

FIFTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 1206

INTRODUCED BY CONGRESSMAN PEDRO P. ROMUALDO

EXPLANATORY NOTE

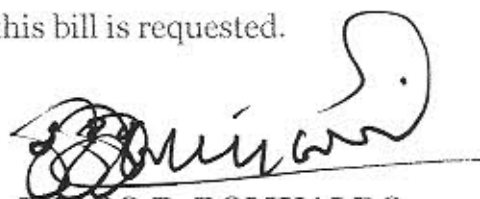
Presidential Decree 217 was issued to establish the basic policies for the telephone industry. Its aim was to attain an efficient telephone service for as wide an area as possible at the lowest reasonable cost to the subscriber. Among the salient provisions of PD 217 was a financing scheme for the expansion of telephone service known as the Subscriber Investment Plan (SIP).

Under the SIP, telephone subscribers will finance part of the capital investments in telephone installation through the purchase of stocks in the telephone company. However, in the past few years we have witnessed the emergence of new players in the telecommunications industry. This was largely due to the advances in technology coupled with laws that encouraged the participation of the private sector and the compulsory interconnection of authorized public telecommunications carriers.

At present, the Philippines has a highly competitive telecommunications industry, a vast contrast to the sector's situation in 1970's when PD 217 was issued. At that time, PLDT had a virtual monopoly of the sector. Today, the expansion of telephone service is no longer a problem. We now have a number of authorized telephone service providers in all the regions of the country. Consumers already enjoy a wide range of choices for their telecommunication needs. And with the booming mobile phone industry, the country now has an efficient and effective telecommunications system.

It is on this premise that this proposed measure is seeking to repeal PD 217. The rationale behind the provisions of the decree no longer stands. The repeal will also result to an even playing field among the players which will benefit the general public.

With the foregoing, the immediate passage of this bill is requested.


PEDRO P. ROMUALDO

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AN ACT

REPEALING PRESIDENTIAL DECREE NO. 217, AS AMENDED, ENTITLED, "ESTABLISHING BASIC POLICIES FOR THE TELEPHONE INDUSTRY, AMENDING FOR THE PURPOSE THE PERTINENT PROVISIONS OF COMMONWEALTH ACT NO. 146, AS AMENDED, OTHERWISE KNOWN AS "THE PUBLIC SERVICE ACT", THE FRANCHISE OF THE PHILIPPINE LONG DISTANCE TELEPHONE COMPANY UNDER ACT NO. 3426, AS AMENDED, AND ALL INCONSISTENT LEGISLATIVE AND MUNICIPAL FRANCHISES INCLUDING OTHER EXISTING LAWS

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. Presidential Decree No. 217, as amended, entitled "Establishing Basic Policies For The Telephone Industry, Amending For The Purpose The Pertinent Provisions Of Commonwealth Act No. 146, As Amended, Otherwise Known As "The Public Service Act," The Franchise Of The Philippine Long Distance Telephone Company Under Act No. 3426, As Amended, And All Inconsistent Legislative And Municipal Franchise Including Other Existing Laws" is hereby repealed.

SEC. 2. The Secretary of the Department of Transportation and Communications and the Chairman of the National Telecommunications Commission in coordination with the affected sectors, shall issue the implementing rules and regulations within sixty (60) days from the effectivity of this Act.

SEC. 3. All other laws, decrees, orders, rules and regulations, issuances, or parts thereof, which are inconsistent with any of the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 4. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,