

HOUSE OF REPRESENTATIVES

House Bill No. **1898**

Introduced by Representative Ben P. Evardone

EXPLANATORY NOTE

Voice over Internet Protocol (VoIP) is that transmission technology delivering voice communications over internet protocol networks such as the internet or other packet-switched networks instead of going through public-switched telephone networks of telecommunication companies. In short, VoIP allows voice communications through the internet. This technology proves to be very useful especially to those who have relative abroad like Filipino families who have members working as OFWs. It is said to be way cheaper, by almost 30% to 50%, as compared to doing long distance calls.

However, this 21st century innovation is not well-known to many; and thus, its potential has not been fully utilized and exhausted. This bill seeks to promote widespread utilization and deployment of VoIPs as an aid in lowering communications costs, especially international calls, and in assisting local companies, like the business process outsourcing (BPO) firms, enhance their competitiveness in the global economy.

VoIP systems do not require complicated set-ups nor do they use complicated wirings. In fact, it is highly mobile as transfer of voice, which is converted into signals, is dependent on the software, not on the hardware. A desktop computer, internet connection and a VoIP phone would complete a system already. New components may be added without difficulty for bigger scale use, like in companies.

The money saved in VoIPs can then be used for other purposes and needs so it is really cost-efficient.

Hence, the urgent passage of this bill is earnestly sought



BEN P. EVARDONE

Representative, Lone District of Eastern Samar

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AN ACT
TO PROMOTE AND GOVERN THE DEVELOPMENT OF VOICE OVER
INTERNET PROTOCOL IN THE PHILIPPINES

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

ARTICLE I
GENERAL PROVISIONS

SECTION 1. *Short title.* - This Act shall be known as the "Philippine VOIP Act of 2010".

SEC. 2. *Scope and Application.* - This Act shall apply to any person or entity seeking to
provide Voice Over Internet Protocol (VOIP) services to the public for compensation.

SEC. 3. *Definitions.* - For purposes of this Act, the following terms, where used shall
have the following meaning:

(a) Public telecommunications entity (PTE) - any person, firm, partnership or
corporation, government or private, engaged in the provision of telecommunications
services to the public for compensation;

(b) Value-added service (VAS) - enhanced services beyond those ordinarily
provided for by local exchange and inter-exchange operators, and overseas carriers,
where "ordinarily provided" services shall mean voice services offered through circuit
switched networks;

(c) Voice Over Internet Protocol (VOIP) - provision of voice communication using
Internet Protocol (IP) technology, instead of traditional circuit switched technology;

(d) Customer Premises Equipment (GPE) - equipment located in the premises of a
customer which is not part of but connected to the system or network of the PTE.

ARTICLE II
POLICY AND OBJECTIVES

SEC. 4. *Declaration of National Policy.* - It is the policy of the State to recognize the role
and contribution of communications in nation building. It is likewise the policy of the
State to recognize the need to (1) provide for the emergence of communications structure
suitable to the needs and aspirations of the nation, and (2) encourage the development of
new applications and services that can enhance Philippine competitiveness in the global
information and communications technology (ICT) market.

The growth and development of voice over internet protocol shall be pursued in
accordance with the following objectives:

(a) To protect, promote and develop any and all modes, means and forms of

1 communications, and make the same available and accessible to the general public;

2 (b) To encourage the growth, development and sustenance of VOIP as an
3 alternative mode of communications; and

4 (c) To foster a healthy competitive environment in which telecommunication
5 companies and internet service providers are free to interact with one another in
6 providing VOIP while maintaining affordable rates and ensuring their financial viability.

7
8 ARTICLE III
9 ADMINISTRATION

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11 SEC. 5. *Responsibilities of the National Telecommunications Commission (NTC).* The
12 National Telecommunications Commission (NTC) shall be the principal administrator of
13 this Act and as such shall take the necessary measures to implement the policies and
14 objectives set forth in this Act.

15
16 SEC. 6. *Registration.* - Any person or entity seeking to provide VOIP for use by the
17 public for compensation shall register as such with the NTC prior to operation as VOIP
18 provider.

19
20 SEC. 7. *Interconnection.* - No value-added service provider shall provide VOIP services
21 which require access to and/or use of a network provider's network, facilities and/or
22 equipment unless it has entered into an agreement with such network provider as to the
23 term and conditions of fair and reasonable access and or interconnection charges for such
24 access and/or use.

25 In cases where the VAS provider and network provider refuse to negotiate or are
26 unable to come to an agreement on the interconnection of their network, the NTC shall,
27 upon the complaint of any interested party or upon its own initiative, intervene and
28 assume jurisdiction over the matter and immediately direct physical interconnection of
29 the network of the parties under such terms and conditions it may deem proper under the
30 circumstances.

31 Nothing in this Act shall, however, prevent the parties from negotiating and
32 executing an interconnection agreement and submitting the same to the NTC for
33 approval.

34 For this purpose, the parties shall be given a period of ninety (90) days from receipt
35 of notice of the filing of the complaint within which to negotiate and execute an
36 interconnection agreement; *Provided*, that until an interconnection agreement is executed
37 the interconnection mandate adverted to in the immediately preceding paragraph shall
38 remain in full force and effect.

39
40 SEC. 8. *Equal Access.* - Network providers shall ensure equal access in terms of quantity
41 and quality, at the same prices for substantially similar service to VAS providers, and
42 shall not discriminate between VAS providers. The parties shall submit a copy of their
43 agreements on these matters for purposes of monitoring and supervision by the NTC. No
44 public telecommunications entity, network provider or other entity providing internet
45 access to subscribers and VAS providers shall impede or degrade the access of such
46 subscribers and VAS providers to the internet content of another application or service
47 providers, except where such access demonstrably threatens the integrity of their network
48 or facilities.

49
50 SEC. 9. *Customer Premises Equipment.* - The sale, lease, importation, distribution and/or
51 provision of CPE designed to enable or ease the use of VOIP shall be governed by the
52 existing rules and regulations on CPEs. CPEs and/or accessories designed to enable or
53 ease the use of VOIP not directly connected to the networks of PTEs shall not require
54 type approval or acceptance except when the VOIP equipment and/or accessories use
55 radio spectrum.

1 SEC. 10. *Subscribers' Rights.* - Network and/or internet service providers shall not
2 require subscribers to purchase or use or to refrain from purchasing or using any IP-
3 enabled service as a precondition to obtaining their broadband service.

4
5 SEC. 11. *Separability Clause.* - If any part or provision of this Act shall be held
6 unconstitutional or invalid, other provisions hereof that are not affected thereby shall
7 continue to be in full force and effect.

8
9 SEC. 12. *Repealing Clause.* -All laws, presidential decrees, executive orders, rules and
10 regulations, or parts thereof, which are not consistent with this Act, are hereby repealed,
11 amended or modified accordingly.

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13 SEC. 13. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its
14 publication in at least two (2) newspapers of general circulation.
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16 Approved,