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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH (15TH) CONGRESS
Third Regular Session

House Bill No. 6247

Introduced by: Rep. Bernadette Herrera-Dy

EXPLANATORY NOTE

This bill seeks to authorize the NTC to implement a mobile voice service billing scheme of 6 seconds per pulse, down from a 60 seconds per pulse (per minute billing), in order to protect consumers from excessive mobile phone charges.

As of 2011 there are about 92 million mobile phone subscribers¹ and this number is expected to grow in time.

The prevailing billing method is based on the number of minutes a mobile call consumed. However, our findings show that the per-minute billing scheme does not provide consumers a fair and reasonable method since most calls do not terminate exactly at the end of a minute. Subscribers are still charged for the whole minute even if they consume less than sixty seconds.

The Constitution, through Section 24, Article 2, fully recognizes the vital role of communications in nation building and provides for the emergence of communications structures suitable to the needs and aspirations of the nation.

The promotion of competition in the telecommunications market is a key objective of Republic Act No. 7925, otherwise known as The Public Telecommunications Policy Act of the Philippines, which mandates that "a healthy competitive environment shall be fostered, one in which telecommunications carriers are free to make business decisions and interact with one another in providing telecommunications services, with

¹ Philippines – Telecoms, Mobile, Broadband, and Forecasts. Retrieved June 7 2012 from <http://www.budde.com.au/Research/Philippines-Telecoms-Mobile-Broadband-and-Forecasts.html>

1 the end in view of encouraging their financial viability while maintaining affordable
2 rates."²

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4 Furthermore, Sec. 4(d) of R.A. No. 7925 provides that rates and tariff charges shall be
5 fair, just and reasonable.

6
7 Pursuant to R.A. No. 7925 and in order to protect and promote the interest of
8 subscribers/end-users,³ it is essential to decrease the maximum unit of billing for the
9 cellular mobile telephone service whether postpaid or prepaid to six (6) seconds per
10 pulse.

11
12 The use of per-pulse billing scheme is increasingly an industry practice all over the
13 world. The Philippines remains to be one of the few countries in the world where
14 subscribers are charged by the minute, and no less, on mobile phone calls.⁴ With the
15 implementation of the six-second per-pulse billing scheme, average subscribers are
16 expected to realize larger savings and our telecom charging system will be aligned to
17 international standards.⁵

18
19 Pursuant to the provision of its existing charter, Executive Order No. 546, the National
20 Telecommunications Commission is empowered to regulate the telecommunications
21 industry. One of its powers, under Section 15, paragraph k of the said Executive Order,
22 permits the Commission to perform such other functions as may be provided for by
23 law. Hence this bill seeks to authorize the Commission to require, if it finds necessary
24 and in the interest of the public, to the billing of cellular phone charges on a per pulse
25 basis, to be implemented by the NTC accordingly.

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27 In view of the foregoing, the approval of this bill is earnestly recommended.
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BERNADETTE HERRERA-DY

² Memorandum circular 05-07-2009. *ntc.gov.ph*, retrieved June 7, 2012 from
http://r7.ntc.gov.ph/index.php?option=com_content&view=article&id=116&Itemid=53

³ *Id.*

⁴ CA orders telecom firms to comply with 'per pulse' billing, *Inquirer News Online*, Retrieved June 7,
2012 from <http://business.inquirer.net/42555/ca-orders-telecom-firms-to-comply-with-%E2%80%99per-pulse%E2%80%99-billing>

⁵ *Id.*

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

SECTION 1. *Short Title.* This Act shall be known as "The Per Pulse Mobile Voice Service Billing Act."

SECTION 2. Declaration of Policy. The State recognizes the vital role of the telecommunications industry in national growth and development. Towards this end, the State shall protect the interests of consumers by providing an internationally acceptable and consumer friendly unit of measure for call charges.

SECTION 3. *Definition of Terms.* - For purposes of this Act, the following terms are hereby defined:

- "Call" - refers to the moment a receiver is connected to a caller,
- "Caller" - refers to the person dialing a mobile phone number,
- "Receiver" - refers to the person attempting to be contacted by the caller,
- "Cellular mobile phone" - refers to any wireless telephone that communicates with a local transmitter using a short-wave analog or digital transmission. This definition includes units that are capable of relaying and receiving visible and/or audible electronic messages;
- "Commission" - refers to the National Telecommunications Commission;

- 1 f) "Postpaid" - refers to a conventional method of payment for wireless service
2 where a subscriber pays for a significant portion of services and usage in
3 arrears, subsequent to consuming the services;
- 4 g) "Prepaid" - refers to a method of payment for wireless service that allows a
5 subscriber to prepay a set amount of airtime in advance of actual usage;
- 6 h) "Pulse" – refers to a period of 6 seconds;
- 7 i) "Provider" - refers to every cellular mobile phone service provider or any profit-
8 oriented entity or company that provides wireless telecommunications to its
9 subscribers;
- 10 j) "Special Prefixes" – refers to codes or combinations added before the actual
11 contact number of the receiver in order to opt out of the per-minute billing
12 scheme when making a call.
- 13 k) "Subscriber" - refers to a user of wireless service bought from a provider or a
14 person who avails the cellular mobile phone services offered by a provider; and

15 **SECTION 4. Default Rules for Call Billing.** Unless the Commission sets a
16 different billing scheme subsequent to the effectivity of this Act, the following default
17 rules shall apply:

- 18 1. The standard unit of billing for the cellular mobile call whether postpaid or
19 prepaid shall be six (6) seconds per pulse.
- 20 2. Existing authorized rates shall be adjusted correspondingly. The rate for the first
21 two (2) pulses, or its equivalent if a lower period per pulse is used, may be
22 higher than the succeeding pulses to recover the cost of the call set-up;
23 provided, however, that the first two (2) pulses or their equivalent shall not be
24 substantially more onerous to the subscriber than a standard six (6) seconds
25 pulse.
- 26 3. A call shall only be billed from the moment the receiver accepts the phone call
27 of the caller.
- 28 4. Providers shall submit to the Commission their respective proposed rates based
29 on the herein prescribed unit of billing within thirty (30) days from the
30 effectivity of this Act.

31
32 **SECTION 5. Exceptions.**

- 33 1) International call service shall not be covered.⁶
- 34 2) Subscribers may opt to be billed on a one (1) minute per pulse basis or to
35 subscribe to unlimited service offerings or any service offerings if they actively
36 and knowingly enroll in the billing plan; provided, that such plan or billing

⁶ Ibid

1 system would lead to significantly no less onerous results to the subscriber had
2 the latter enrolled in per pulse billing.

3 **SECTION 6. *Amendment of Agreements.*** Interconnection agreements between
4 cellular mobile telephone service providers (CMTS) and between CMTS providers and
5 other interconnecting network and service providers shall be amended to incorporate
6 the herein prescribed unit of billing within thirty (30) days from the effectivity of this
7 Act.⁷

8 **SECTION 8. *Mandatory Nature of Billing.*** Service providers are prohibited from
9 requiring subscribers to dial special prefixes or their functional equivalent when
11 mandatory nature of the proposed billing.⁸

12 **SECTION 7. *Implementing Agency.*** The Commission shall be the implementing
13 agency charged with carrying out the provisions of this Act, with authority to assign the
14 direct executive control of the enforcement of its provisions and the rules and
15 regulations that may hereafter be promulgated to such representatives, bureau, office or
16 service as the Commission may designate.

17 **SECTION 8. *Separability Clause.*** In the event that any provision of this Act is
18 declared unconstitutional, invalid, or illegal, the constitutionality, validity, or legality of
19 the remainder of the provisions of this Act shall not be affected thereby.

20 **SECTION 9. *Repealing Clause.*** All laws, presidential decrees, letters of
21 instructions, executive orders, administrative orders, rules, regulations, and other
22 issuances or parts thereof which are contrary to or inconsistent with the provisions of
23 this Act are hereby revoked, repealed or modified accordingly.

24 **SECTION 10. *Effectivity.*** This Act shall take effect fifteen (15) days following
25 the completion of its publication in any two (2) national newspapers of general
26 circulation.

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28 *Approved,...*
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⁷ Memorandum circular 05-07-2009, *ntc.gov.ph*, retrieved June 7, 2012 from
http://r7.ntc.gov.ph/index.php?option=com_content&view=article&id=116&Itemid=53

⁸ CA orders telecom firms to comply with 'per pulse' billing, *Inquirer News Online*. Retrieved June 7,
2012 from <http://business.inquirer.net/42555/ca-orders-telecom-firms-to-comply-with-%E2%80%99per-pulse%E2%80%99-billing>