

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

SIXTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 326



Introduced by Honorable **Aleta C. Suarez**

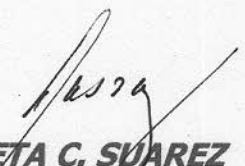
EXPLANATORY NOTE

One of the functions of the government is regulatory governance, hence, the existence of a number of government agencies with regulatory functions. For the telecommunications industry, the National Telecommunications Commission (NTC) stands as the regulatory agent of the government. The NTC is the sole body that exercises jurisdiction over the supervision, adjudication and control over all telecommunications services throughout the country. For the effective enforcement of this responsibility, it adopts and promulgates such guidelines, rules, and regulations relative to the establishment operation and maintenance of various telecommunications facilities and services nationwide.

Throughout the years, the telecommunications industry grew rapidly particularly the cellular mobile telecommunications sector. As of 2009, the three major players (Smart, Globe, Digitel/Suncellular) registered 76.9 million subscribers from more than 57 million subscribers in 2007, and have grown into a multi-billion industry. The three major players reported in 2007 a combined gross revenues of P149.5 B, combined declared net income of P35.5 B and a combined tax payments of P32 B (based from the financial statements submitted to NTC). However, no one knows in the government if these voluntary declarations are accurate and reflect the true income of the players.

It is in this light that this measure is being proposed – to legislate the mandatory installation of a "metering device" between the NTC and the telecommunications players as part of its regulatory and supervisory functions in the industry. Such metering device is an electronic platform which will record every text, call, internet usage, and other transactions being offered by the telecommunications players. This will capture the true number of transactions which will become the reference of total revenues generated by any telecommunications service provider. As there would be cost in the procurement of the metering device, funds for this purpose need to be allocated in the General Appropriations Act. Any information the NTC derives from this installation would definitely help in the government's campaign of generating more revenues to address its budgetary deficit.

Urgent approval of this bill is earnestly sought.


ALETA C. SUAREZ
Representative

3rd District, Province of Quezon

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**AN ACT MANDATING THE NATIONAL TELECOMMUNICATIONS
COMMISSION (NTC) TO INSTALL A REGULATORY METERING
DEVICE TO INTERLINK WITH THE TELECOMMUNICATIONS
INDUSTRY PLAYERS AS AN ENHANCEMENT TO ITS SUPERVISORY
FUNCTIONS, AND FOR OTHER PURPOSES**

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

SECTION 1. Short Title. – This Act shall be known as the
"Telecommunications Industry Regulatory Metering Device Act of 2010".

SECTION 2. Installation of a Regulatory Metering Device – The National
Telecommunications Commission (NTC) shall install a regulatory metering device to
interlink its office to the telecommunications industry players to enhance its supervisory
and regulatory authority over the industry.

SECTION 3. Funding Source. – The procurement of the said regulatory
metering device shall be appropriated in the General Appropriations Act.

SECTION 4. Implementing Rules and Regulations. – The NTC, with the
Department of Budget and Management and the Commission of Information and
Communication Technology shall draft the implementing rules and regulations of this
Act.

SECTION 5. Separability Clause. – If any provision of this Act is declared
invalid by a competent court, the remainder of this Act or any provision not affected by
such declaration of invalidity shall remain in force and effect.

SECTION 6. Repealing Clause. – All laws, presidential decrees, executive
orders, other executive issuances, rules and regulations, or parts thereof, which are
inconsistent with this Act are hereby repealed, amended or modified accordingly.

SECTION 7. Effectivity. – This Act shall take effect fifteen (15) days after its
publication in at least two (2) newspapers of general circulation.

Approved,