

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

SIXTEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 1702

Introduced by CHRISTOPHER S. CO and RODEL M. BATOCABE

EXPLANATORY NOTE

This bill seeks to impose upon public utilities the obligation to render to their customers complete, honest, and easily understood billing statements. It gives consumers information including government entities collecting the fee, charges, or taxes, authority or purpose for collection, how the public utilities are collecting them, and how much.

The bill is a response to the complaints of subscriber-consumers of the unfair practices of utility provider of imposing charges, which are added to the bill without the subscriber's consent and usually labeled or disguised as a tax or miscellaneous fee, also known as "cramming".

Truth-in-billing practices will ensure that consumers receive accurate and comprehensible bills from service providers and protect them from the improper imposition of charges, whether or not intentional or fraudulent.

Billing statements are at times overwhelming even to an educated consumer such that an unwary consumer often overlooks small charges unnecessarily imposed and ultimately pays them. In response to this, the law does not only prohibit "cramming" practices but also requires that the bills be presented in a simple and plain language to ensure that consumers have in their bills accurate, comprehensible, and clear details about the services, charges, and other items included.

That the bill be presented in a plain and simple language is essential in enabling the consumer to determine whether or not charges have been properly assessed.

With the enforcement of these practices, consumers will also be able to assist the government in ensuring that public utility providers will not impose fraudulent or illegal charges.

In light of these circumstances, the swift passage of the bill is earnestly sought.


Rep. CHRISTOPHER S. CO


Rep. RODEL M. BATOCABE

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HOUSE BILL NO. **1702**

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AN ACT
REQUIRING THE DISCLOSURE OF ALL CHARGES IN BILLING STATEMENTS ISSUED BY
WATER, POWER AND ELECTRIC LIGHT, WIRE OR WIRELESS COMMUNICATIONS, AND
WIRE OR WIRELESS BROADCASTING UTILITIES AND PROVIDING PENALTIES FOR
VIOLATIONS THEREFOR

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

SECTION 1. Title – This Act shall be known as the “TRUTH IN BILLING ACT OF 2013”,

SECTION 2. Declaration of policy – It is hereby declared to be the policy of the State to protect its citizens from lack of awareness of the true cost of their utilities by assuring a complete disclosure of the cost.

SECTION 3. Definition of Terms – When used in this Act,

- (a) **Utilities** shall mean water supply, power and electric light, wire or wireless communications system, and wire or wireless broadcasting stations.
- (b) **Utility provider** shall include every individual, co-partnership, joint-stock company or corporation, whether domestic or foreign, their lessees, trustees, or receivers, as well as any municipality, province, city, government-owned or controlled corporation, or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate utilities. The term includes billing or collection agents of the utility provider, and agents authorized to receive complaints for and on behalf of the utility provider.
- (c) **Charges** shall include any rate, classifications, schedules, commutation, mileage, kilometrage or other special rate, or special charges, including their respective computation.

SECTION 4. Truth-in-Billing. A utility provider that is required to adopt, establish, fix, impose, maintain, collect, or carry into effect any rate, classifications, schedules, commutation, mileage, kilometrage or other special rate, or charges, shall identify on each subscriber's bill, in simple, plain, and non-misleading language, either in English or Filipino:

- (a) A description of the rate, classifications, schedules, commutation, mileage, kilometrage or other special rate, or charges, imposed, charged, or collected;

- (b) The nature and purpose of any and all charges imposed, charged, or collected;
- (c) The identity of the governmental tax, fund, program to which the contribution or assessment is made;
- (d) The identity of the governmental authority whose rules require or authorize the contribution or assessment;
- (e) The amount for each and every charge imposed, charged, or collected from each subscriber;

SECTION 5. *Suspension of Collection Efforts.* If a customer notifies the utility provider that an unauthorized charge has been included in the bill, the utility provider shall immediately suspend collection efforts and shall resolve the complaint within five (5) days from the receipt of the complaint.

If after five (5) days the utility provider is not able to justify the questioned charge or present documents justifying such, it shall immediately remove any charges associated with the unauthorized service. The collection efforts shall resume after the questioned charge has been resolved or satisfactorily explained to the customer.

SECTION 6. *Refund.* The utility provider must refund to the customer any amounts paid for an unauthorized charge or service that were billed; *Provided* that the complaint shall be made within 6 months after the customer's receipt of the bill; *Provided further*, that the customer shall present past bills issued by the utility provider that contains the unauthorized charges.

SECTION 7. *Implementing Rules and Regulation.* The National Telecommunications Commission (NTC) for wire or wireless communications system and and or wireless broadcasting stations, the Energy Regulatory Commission (ERC) for the power and electric light, and the National Water Resources Board (NWRB) for water utilities, shall prescribe rules and regulations as may be necessary or proper in carrying out the provisions of this Act. Any rule or regulation prescribe hereunder may contain such classifications and differentiations as in the judgment of the Commission are necessary or proper to effectuate the purposes of this Act or to prevent circumvention or evasion, or to facilitate the enforcement of this Act, or any rule or regulation issued thereunder.

SECTION 8. *Other Prohibited Acts.* In addition to the failure to comply with the requirements of this Act and the rules and regulations adopted pursuant to this Act, it shall also be unlawful for the utility provider to:

- a. Impose or forward any charge for services unauthorized by law or by the subscriber;
- b. Require consumers to pay the amount as reflected in the bill pending the resolution of a complaint on any charge imposed, charged, or collected on the bill;
- c. Request consumers to pay the amount as reflected on the bill with a promise or assurance that any adjustments made on the bills shall be credited on the subsequent bill; and
- d. Require, as a condition for the application of the service, the waiver of all the rights of the customer that is provided for in this Act.

SEC. 9. *Penalty.* The NTC, ERC and the NWRB shall have the power to impose upon a utility provider within their respective jurisdiction an administrative penalty in an amount in an amount not more than one hundred thousand pesos (PhP 100,000) per violation. The amount shall be based on the following factors:

- a. The nature, severity, extent, severity of the violation;
- b. The history of previous or repeat violations; and
- c. The amount necessary to deter future violations.

SECTION 10. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall continue to be in full force and effect.

SECTION 11. *Repealing Clause.* All laws, decrees, executive orders or rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 12. *Effectivity Clause.* This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.