



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2312

Introduced by Rep. Winston "Winnie" Castelo

EXPLANATORY NOTE

Eighty five million Filipinos are mobile phone subscribers.

Three or even less than this number of telecommunication companies lord it over the interconnecting universe in a constant flow of voice calls and text messages.

Profits in the billions of pesos fully reward telecommunication companies to the brim in a business environment alien to any form of governmental interference.

Major players in the thriving telecommunications industry have truly enjoyed their 'holidays', as if it were that the door to new emerging or even minor players is just open ajar.

NTC, supposed to flex regulatory muscle perhaps realized only late in the day that such interconnection charges that 85 million subscribers pay for are in fact, one of the highest in the Asia Pacific Region.

Two issues come into play for any plan to reduce interconnection charges, namely, issue of benefits on the part of the consumers and issue of costs on the part of the producers or service providers, call it that.

NTC can strike a balance on apparently conflicting interests.

This bill seeks to find that balance, hence this submission.

Approval of this humble measure is most urgently sought.

WINSTON "WINNIE" CASTELO

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Introduced by **Rep. Winston "Winnie" Castelo**

AN ACT
PRESCRIBING REDUCED RATES OF INTERCONNECTION CHARGES FOR
VOICE CALLS AND FOR TEXT MESSAGES AMONG TELECOMMUNICATION
OPERATORS/NETWORKS/CARRIERS WITHIN THE NEXT THREE (3) YEARS IN
ORDER TO BENEFIT OVER EIGHTY FIVE (85) MILLION MOBILE PHONE
SUBSCRIBERS AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as the Fair Interconnection Charges Act of 2011.

SEC. 2. It is hereby prescribed that the interconnection charges for voice calls be lowered to P1 per minute from P4 within the next three (3) years while that of text messages to P0.15 from the current P0.35 per text following however the three-year glide path scheme beginning January 31, 2012 to give mobile operators time to restructure business plans and models as well as help cushion revenue losses.

The resulting reduction rates prescribe P2.50 interconnection charges for voice calls on the first year, P2.00 on the second year, and P1.50 on the third year while for SMS, charging is P0.25 on the first year, P0.20 on the second year and P0.15 on the third year.

For landline, charging is P2.00 on the first year, P1.50 on the second year and P1.00 on the third year.

SEC. 3. The Commissioner of the National Telecommunications Commission shall issue appropriate rules and regulations as may be necessary to properly carry out the purpose of this Act.

SEC. 4. This Act shall take effect in the year 2012 after its publication in the Official Gazette and three newspapers of general circulation.

Approved,