

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

House Bill No. 5337



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Introduced by Representative Luis Jose Angel N. Campos, Jr.

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**EXPLANATORY NOTE**

Telecommunications and technological advancement in wired and wireless communications such as the internet and high speed broadband internet connections provide convenience and facilitates the sharing of ideas and information in real time. Keeping in touch with family and friends though separated by distance becomes easy because of these advancements.

Historically, voice communication is considered as the basic service in telecommunications industry. However, the fast and notable progress in information and communications technology has made internet and high speed broadband internet service a significant part of everyday living. Personal and business transactions have become more convenient and efficient due to the availability of internet and high speed broadband internet service. Nowadays, voice communication and data travel at the speed of light to everywhere in the world through the digital networks. Telecommunications regulation needs to cover not only voice-related issues but also connectivity and capacity issues. Hence, it is essential to put up an updated policy that reflects the realities of modern telecommunications breakthroughs such as the short messaging service (SMS) and internet services, including high speed broadband services.

Telecommunications companies in the Philippines are raking in billions and billions of profits from their telecommunications products including SMS and internet services. However, the quality of internet connections rendered by the telecommunications companies is in a sad and pathetic state. Despite the high cost of the services, the internet connections and signals are slow and unstable. A study by Akamai, entitled "*State of the Internet Report, 2016*" shows that the Philippines ranked 7<sup>th</sup> in the slowest internet connection in the whole world next only to countries such as Iraq, Afghanistan and Ethiopia. Currently, the Philippine internet connection is one of the slowest in Asia.

Presently, internet services and SMS are technically part of the value-added services (VAS) by the telecommunications companies, hence, the rates and tariffs are not under the regulatory powers of the National Telecommunications Commission.

This measure proposes to classify the provision of internet services, including high speed broadband services as basic service to enable the National Telecommunications Commission to adequately promote and protect the rights of consumers and users, encourage further innovation, improve the quality of internet

connection and SMS, ensure that fees imposed upon consumers are reasonable, and punish violations of telecommunications laws and rules by expanding its powers and placing internet services and SMS within its regulatory authority.

In view of the foregoing, approval of this bill is earnestly sought.



LUIS JOSE ANGEL N. CAMPOS, JR.

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AN ACT

EXPANDING THE POWERS OF THE NATIONAL TELECOMMUNICATIONS COMMISSION AND CLASSIFYING INTERNET, INCLUDING BROADBAND SERVICE, AS BASIC TELECOMMUNICATIONS SERVICE, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7925, OTHERWISE KNOWN AS THE "PUBLIC TELECOMMUNICATIONS POLICY ACT OF THE PHILIPPINES"

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

SECTION 1. Section 3 of Republic Act No. 7925 is hereby amended to read as follows:

"SEC. 3. *Definition and Interpretation.* – For purposes of this Act, the following terms shall be used:

a)        xxx                                xxx                                xxx

h)        *Value-Added Service provider (VAS)* – an entity which, relying on the transmission, switching and local distribution facilities of the local exchange and inter-exchange operators, and overseas carriers, offers enhanced services beyond those ordinarily provided for by such carriers.

             xxx                                xxx                                xxx

L)        INTERNET – REFERS TO A COMMUNICATION NETWORK THAT ALLOWS CONNECTION AMONG COMPUTERS AND DEVICES WORLDWIDE.

M)        BROADBAND - REFERS TO A DATA CONNECTION SPEED OF AT LEAST 256 KILOBYTES PER SECOND (KBPS)."

SEC. 2.        Section 5 of the same Act is hereby amended as follows:

"SEC. 5. *Responsibilities of National Telecommunications Commission.* – The National Telecommunications Commission (Commission) shall be the principal administrator of this Act and as such shall take the necessary measures to implement the policies and objectives set forth in this Act. Accordingly, in addition to its existing functions, the Commission shall be responsible for the following:

1 a) xxx xxx xxx;

2  
3 b) Ensure quality, safety, reliability, security, compatibility and  
4 inter-operability of telecommunications facilities and services,  
5 **INCLUDING INTERNET AND BROADBAND SERVICES**, in conformity  
6 with standards and specifications set by international radio and  
7 telecommunications organizations to which the Philippines is a signatory;  
8

9 xxx xxx xxx;

10  
11 e) Promote consumers' **RIGHTS AND** welfare by facilitating  
12 access to telecommunications services, **INCLUDING INTERNET AND**  
13 **BROADBAND SERVICES**, whose infrastructure and network must be  
14 geared towards the needs of individual and business users;  
15

16 f) Protect consumers against misuse of a telecommunications  
17 entity's monopoly or quasi-monopolistic powers by, but not limited to the  
18 investigation of complaints and exacting compliance with service standards  
19 from such entity; **[and]**  
20

21 g) In the exercise of its regulatory powers, continue to impose  
22 such fees and charges as may be necessary to cover reasonable cost and  
23 expense for the regulation and supervision of the operations of  
24 telecommunication entities.  
25

26 **H) DEVELOP, IMPLEMENT AND MAINTAIN STANDARDS,**  
27 **POLICIES, PROGRAMS AND PLANS TO PROVIDE EFFECTIVE,**  
28 **EFFICIENT AND RELIABLE TELECOMMUNICATIONS SERVICES,**  
29 **INCLUDING INTERNET AND BROADBAND SERVICES; AND**  
30

31 **I) PROVIDE MECHANISMS TO UTILIZE MEDIATION**  
32 **AND ARBITRATION TO RESOLVE AND SETTLE DISPUTES, AND**  
33 **IMPLEMENT MECHANISMS AND OTHER MEASURES FOR THE**  
34 **WELFARE AND PROTECTION OF THE CONSUMERS.**  
35

36 **FOR PURPOSES OF THIS ACT, THE NATIONAL**  
37 **TELECOMMUNICATIONS COMMISSION SHALL IMPOSE FINES FOR**  
38 **ANY VIOLATION OF TELECOMMUNICATIONS LAWS, RULES AND**  
39 **REGULATIONS. ANY PUBLIC TELECOMMUNICATIONS ENTITY**  
40 **WHO VIOLATES OR FAILS TO COMPLY WITH THE TERMS AND**  
41 **CONDITIONS OF ANY CERTIFICATE OF PUBLIC CONVENIENCE**  
42 **AND NECESSITY OR ANY LAW, ORDER, DECISION OR**  
43 **REGULATION OF THE NATIONAL TELCOMMUNICATIONS**  
44 **COMMISSION SHALL BE SUBJECT TO A FINE OF FIFTY THOUSAND**  
45 **PESOS (P50,000.00) TO ONE HUNDRED THOUSAND PESOS**  
46 **(P100,000.00) PER DAY OF VIOLATION BUT NOT TO EXCEED FIVE**  
47 **HUNDRED (500) DAYS OR FIFTY MILLION PESOS (P50,000,000.00) PER**  
48 **VIOLATION WHICHEVER IS HIGHER."**  
49

50 SEC. 3. A new section denominated as Sections 5-A is hereby inserted after  
51 Section 5 of the same Act, which shall read as follows:  
52  
53

1 "SEC. 5-A. IMMUNITY FROM SUIT. - THE CHAIRPERSON,  
2 COMMISSIONERS AND OFFICERS OF THE COMMISSION SHALL  
3 NOT BE CIVILLY LIABLE FOR ANY ACTION, CLAIM OR DEMAND  
4 IN CONNECTION WITH ANY OFFICIAL ACT DONE IN GOOD  
5 FAITH OR IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES."  
6

7 SEC. 4. Section 11 of the same Act is hereby amended to read as follows:  
8

9 "SEC. 11. *Value-Added Service Provider.* - Provided that it does not  
10 put up its network, a VAS provider need not secure a franchise. A VAS  
11 provider shall be allowed to competitively offer its services and/or  
12 expertise, and lease or rent telecommunications equipment and facilities  
13 necessary to provide such specialized services, in the domestic and/or  
14 international market in accordance with network compatibility.  
15

16 Telecommunications entities may provide VAS, subject to the  
17 additional requirements that:  
18

19 a) prior approval of the Commission is secured to ensure that  
20 such VAS offerings are not cross-subsidized from the proceeds of their  
21 utility operations;  
22

23 b) other providers of VAS are not discriminated against in rates  
24 not denied equitable access to their facilities; [and]  
25

26 c) separate books of accounts are maintained for the VAS.  
27

28 VALUE-ADDED SERVICE (VAS) INCLUDES  
29 TELECOMMUNICATIONS SERVICE FOR WHICH A PROVIDER  
30 ENHANCES THE FORM OR CONTENT OF THE CUSTOMER'S  
31 INFORMATION BY PROVIDING FOR ITS STORAGE AND  
32 RETRIEVAL INCLUDING ONLINE DATA PROCESSING, ONLINE-  
33 DATABASE STORAGE AND RETRIEVAL, E-MAIL, VOICE MAIL AND  
34 SIMILAR SERVICES.  
35

36 BASIC TELECOMMUNICATION SERVICE INCLUDES END-  
37 TO-END TRANSMISSION OF CUSTOMER SUPPLIER INFORMATION  
38 SUCH AS VOICE TELEPHONE SERVICES, PACKET-SWITCH DATA  
39 TRANSMISSION SERVICES, CIRCUIT-SWITCH DATA  
40 TRANSMISSION SERVICES, TELEX, TELEGRAPH, FACSIMILES,  
41 ANALOG, DIGITAL, CELLULAR AND MOBILE SERVICES, MOBILE  
42 DATA SERVICES, PAGING, SATELLITE BASED MOBILE SERVICES,  
43 FIXED SATELLITE SERVICES, VERY SMALL APERTURE TERMINAL  
44 SERVICES, GATEWAY EARTHSTATION SERVICES,  
45 TELECONFERENCING, VIDEO TRANSPORT, TRUNKED RADIO  
46 SYSTEM SERVICES AND ANY IMPROVEMENT AND UPGRADE  
47 THEREOF IN THE FUTURE.  
48

49 UNDER THIS ACT, INTERNET INCLUDING BROADBAND  
50 SERVICE, IS CONSIDERED BASIC SERVICE AND IS WITHIN THE  
51 JURISDICTION AND REGULATORY POWER OF THE NATIONAL  
52 TELECOMMUNICATIONS COMMISSION."  
53  
54

1  
2  
3 SEC. 5. Section 20 of the same Act is hereby amended to read as follows:  
4

5 "SEC. 20. *Rights of End Users.* - The user of telecommunications  
6 service shall have the following basic rights:  
7

8 a) xxx xxx xxx;  
9

10 b) Right to be given the first single-line telephone connection or  
11 the first party-line connection within two (2) months of application for  
12 service, against deposit; or within three (3) months after targeted  
13 commencement of service in the barangay concerned per the original  
14 schedule of service expansion approved by the Commission, whichever  
15 deadline comes later; **OR WITHIN ONE (1) MONTH OF APPLICATION**  
16 **FOR SERVICE IN CASE OF INTERNET OR BROADBAND**  
17 **APPLICATIONS;**  
18

19 c) Regular, timely and accurate billing, courteous and efficient  
20 service at utility business offices and by utility company personnel,  
21 **PROMPT CORRECTION OF ERRORS IN BILLING AND THE**  
22 **PROVISION FOR IMMEDIATE REBATES OR REFUND BY THE**  
23 **TELECOMMUNICATIONS COMPANY; [and]**  
24

25 d) Thorough and prompt investigation of, and action upon  
26 complaints. The utility shall endeavor to allow complaints to be received  
27 over the telephone, **THROUGH E-MAIL, SMS AND OTHER**  
28 **AVAILABLE MODES OF COMMUNICATION** and shall keep a record of  
29 all written or phoned-in complaints;  
30

31 **E) RIGHT TO RECEIVE AFFORDABLE, QUALITY,**  
32 **EFFICIENT AND RELIABLE TELECOMMUNICATIONS SERVICE;**  
33

34 **F) RIGHT TO RECEIVE A WRITTEN CONTRACT**  
35 **INCLUDING SPECIFIC DETAILS ON THE SERVICES SUBSCRIBED**  
36 **TO, THE COST AND TARIFFS, THE MINIMUM SERVICE QUALITY**  
37 **LEVEL, INCLUDING THE PROVISIONS FOR REFUND, AND**  
38 **TERMINATION OF CONTRACT IF THE WARRANTED QUALITY OF**  
39 **SERVICE IS NOT MET; AND**  
40

41 **G) RIGHT TO PRIVACY OF COMMUNICATION SUCH**  
42 **THAT DATA STORED OR TRANSMITTED OVER THE**  
43 **TELECOMMUNICATIONS AND INTERNET NETWORK ARE NOT**  
44 **ACCESSED BY PERSONS, PARTIES, OR ENTITIES OTHER THAN**  
45 **THE ONE TO WHOM THE DATA ARE SENT OR MADE AVAILABLE**  
46 **BY THE SENDER."**  
47

48 SEC. 6. All other laws, decrees, orders, rules and regulations, or parts  
49 thereof, inconsistent with the provisions of this Act are hereby repealed, amended or  
50 modified accordingly.  
51

52 SEC. 7. This Act shall take effect fifteen (15) days after its publication in the  
53 *Official Gazette* or in a national newspaper of general circulation.

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Approved,