

Republic of the Philippines
HOUSE OF REPRESENTATIVES

Quezon City
17th CONGRESS
First Regular Session

House Bill No. **5765**



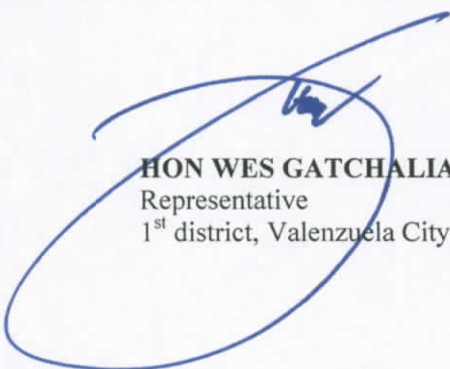
Introduced by Representative Wes Gatchalian

EXPLANATORY NOTE

This legislation requires every Public Telecommunications Entity (PTE) to provide subscribers nationwide with Mobile Number Portability (MNP) to facilitate the easy movement of subscribers from one service provider to another without losing their existing mobile numbers. The ability to retain one's existing mobile number even when switching to another service provider will not only benefit the consumer in terms of the unprecedented convenience of maintaining a "mobile identity". Though admittedly this proposal seems a far away dream considering our present paradigm, this proposal is actually not too foreign in other countries as states like Singapore and Hong Kong has implemented the same measure as far back as the late 90's.

There are several levels of benefits which this bill seeks to build upon. First it will spur competition and efficiency between and among PTEs who would have greater incentives to genuinely compete with each other, and to therefore provide the best value for their money. This is so because admittedly more often a subscriber who has established himself vis-à-vis a specific contact detail is stuck to a PTE for the simple fact that having to re-establish himself to a different contact detail is too much of a barrier. The net result is that a subscriber remains with a PTE not because of the bevy of products and services that it offers but rather simply because it is too inconvenient to change to another number. The proponent of this bill believes that this is not how the market should work. A consumer must not be hostage to an ecosystem of a PTE out of inconvenience instead of quality. Second, it is submitted that this measure would encourage a more accountable usage of cellular connection. The age of the new millennium has seen an unprecedented rise in the platforms of communications, at the center of which is the use of cellular phones. While bringing about much progress to the community, as is often the case, there are several negative externalities which up to now had remained unaddressed. The several text scams, and hoax bomb threats are realities that we each have to go through from day-to-day, to name a few. Having established mobile identities would be a step towards a more accountable use of the platform.

In sum it is probably proper to remember the immortal words that declared, "some men see things as they are and say 'why', I dream of things that never were and say 'why not?'" The benefits that this proposal will bring to the consumers and the community are immeasurable, that we as a body should beg the question - "why not?"



HON WES GATCHALIAN
Representative
1st district, Valenzuela City

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AN ACT
REQUIRING PUBLIC TELECOMMUNICATIONS ENTITIES TO PROVIDE NATIONWIDE
MOBILE NUMBER PORTABILITY TO SUBSCRIBERS

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 “Mobile Number Portability Act.”

SEC. 2. Declaration of Policy. – It is the declared policy of the State to recognize the primary role of the private sector as engine of economic growth and guarantees the right of individuals and private groups, including corporations, to own, establish and operate economic enterprises. Along with this recognition, the 1987 Constitution under its provisions on National Economy and Patrimony states that the use of property bears a social function where all economic agents shall contribute to the common good. The right of corporations to own, establish and operate economic enterprises is therefore subject to the duty of the State to intervene when the common good so demands – including the duty to regulate the acquisition, ownership, use and disposition of private property through the regulation or prohibition of monopolies and combinations in restraint of trade or unfair competition.

SEC. 3. Guiding Principles for Implementation. – This Act declares the following as guiding principles:

- a. The basic premise behind a nationwide mobile number portability system is to promote competition between and among public telecommunications entities by giving consumers the freedom to choose and to respond to quality, price and other relevant considerations without changing their mobile numbers whenever they change service providers.
- b. In addition to promoting consumer welfare, mobile number portability is envisioned to provide powerful incentives for public telecommunications entities to compete with each other and to provide consumers with the best overall value that they can offer. It will also foster technological innovation that will stimulate even greater demand for telecommunications products and services and lead to a virtuous cycle of economic growth.

SEC. 4. Definition of Terms. – As used in this Act:

- a. Donor Provider refers to the public telecommunications entity to whose network the mobile number belongs at the time the subscriber makes an application for porting.
- b. Mobile Number refers to the number series assigned by a public telecommunications entity to its postpaid and/or prepaid subscribers.

- c. Mobile Number Portability or MNP refers to the ability of a subscriber, whether postpaid or prepaid, to retain an existing mobile number when moving from one public telecommunications entity to another without impairment of quality, reliability or convenience.
- d. Mobile Postpaid Subscriber refers to any person, natural or juridical, who avails of the mobile telecommunications service under a prior arrangement with a public telecommunications entity. The subscriber is billed after the fact, according to the use of mobile services at the end of the monthly billing cycle.
- e. Mobile Prepaid Subscriber refers to any person, natural or juridical, who avails of the mobile telecommunications service from a public telecommunications entity by purchasing credit in advance of service use. The purchased credit is used to pay for mobile phone services at the point the service is accessed or consumed.
- f. Porting Application refers to an application made by a mobile subscriber to the Recipient Provider to move a mobile number from the Donor Provider.
- g. Porting Process refers to the process by which a subscriber moves a mobile number from a Donor Provider to a Recipient Provider. In no case shall the entire porting process take more than twenty-four (24) hours.
- h. Public Telecommunications Entity or PTE refers to any duly enfranchised and authorized public telecommunications entity that offers voice, short messaging system (SMS or text), mobile data, value added services (VAS) or any other telecommunications services to the public for a fee.
- i. Recipient Provider refers to the public telecommunications entity that will be providing mobile telecommunications service to the subscriber after porting.
- j. Subscriber refers to any person, natural or juridical, who avails of the mobile telecommunications service from a public telecommunications entity.

SEC. 5. *Obligation of Public Telecommunications Entities to Provide Mobile Number Portability.* – It shall be the obligation of every PTE to provide nationwide MNP to all mobile subscribers, whether postpaid or prepaid. In no case, under penalty of law as provided hereunder, shall the benefits of MNP to a mobile subscriber who has decided to switch from one service provider to another be delayed, withheld, refused or otherwise not delivered by more than twenty-four (24) hours from the time such mobile subscriber completes his or her porting application.

SEC. 6. *Obligation of Public Telecommunications Entities to Set Up a Mechanism for Mobile Number Portability.* – Every PTE shall, within the period stated under the implementing rules and regulations of this Act, set up a mechanism for the purpose of implementing MNP. It shall interconnect directly or indirectly with the infrastructure, facilities, systems or equipment of other PTEs and not install network features, functions or capabilities that will impede the implementation of a nationwide MNP system.

SEC. 7. *Obligation of the Recipient Provider.* – The Recipient Provider shall complete the porting process within a period of twenty-four (24) hours from the time of receipt of the mobile number porting application from the subscriber. Within such 24-hour period, it must transmit the mobile number porting application to the Donor Provider for the purpose of clearing the mobile number for porting. Upon notification that the mobile number has been cleared for porting, it shall immediately activate the subscriber's ported number under its network.

SEC. 8. *Obligation of the Donor Provider.* – The Donor Provider shall, within the same 24-hour period provided under Section 7 of this Act, clear the mobile number for porting. It shall however continue to provide all subscribed telecommunications services to the subscriber until the mobile number has been completely ported to the Recipient Provider. The porting process shall be deemed complete upon the subsequent activation of the mobile number under the network of the Recipient Provider.

SEC. 9. *Cost of Mobile Number Portability.* – Every PTE shall provide mobile number portability to subscribers completely free of charge.

SEC. 10. *Penalties.* – For every failure to comply with, or for every instance of violation of any provision of this Act, the PTE shall pay a fine of Three Hundred Thousand Pesos (P300,000.00) for the first offense, and a fine of Five Hundred Thousand Pesos (P500,000.00) for the second offense. In case of a subsequent offense, the penalty shall be a fine of One Million Pesos (P1,000,000.00) and revocation of the PTE's franchise to operate.

SEC. 11. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the National Telecommunications Commission, in coordination with other concerned agencies, shall promulgate rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

The rules and regulations shall provide an expeditious framework to govern all relevant aspects of MNP including, but not limited to, the following factors: 1) the period of time to be given for PTEs to comply with the provisions of this Act and set up a mechanism for the purpose of implementing nationwide MNP; 2) the specific rights and obligations of the Donor and Recipient Providers, and other parties to the porting process; 3) the coordinated procedure to be followed by each party in processing a mobile number porting application, including the specific time limits given to every party to complete the required steps in the entire porting process which process shall, in no case, exceed twenty-four (24) hours; and, 4) the measures to ensure the least amount of disruption of service to the consumer when implementing mobile number portability.

SEC. 12. *Separability Clause.* – If any provision of this Act is held invalid or unconstitutional, the other provisions not affected thereby shall remain in full force and effect.

SEC. 13. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, rules and regulations, and issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified accordingly.

SEC. 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,