

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

Seventeenth Congress
_____ Session

H.B. No. **6736**



Introduced by Congressman Dakila Carlo E. Cua

**AN ACT SYSTEMIZING SPECTRUM USER FEES
IMPOSED AGAINST ALL ALLOCATED AND ASSIGNED
RADIO FREQUENCY BANDS, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 7925 OTHERWISE
KNOWN AS THE "PUBLIC TELECOMMUNICATIONS
POLICY ACT OF THE PHILIPPINES"**

EXPLANATORY NOTE

This bill seeks to systematize spectrum user fees imposed against all allocated and assigned radio frequency bands.

Spectrum user fees have long been imposed and collected by the National Telecommunications Commission [NTC] against all allocated and assigned National Radio Frequency Bands. However, to date, there is still no definite system on its imposition. Thus, in the last twenty years, the NTC issued numerous Memoranda classifying, reclassifying, clarifying, correcting, and amending its rules on spectrum user fees.

Notwithstanding this effort, the NTC still failed to maintain a levelled playing field for all telecommunication companies. As borne by the records, bigger telecommunication companies are hoarding most of the available frequency bands without even utilizing them. As a result, new companies were prevented from entering the industry, or competing with the larger and more established telecommunication companies.

In order to correct this injustice, this representation sincerely proposes to systemize the spectrum user fees imposed against all allocated and assigned national radio frequency bands.


DAKILA CARLO ENRIQUEZ CUA

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

Section 1. The provisions of Article IX of Republic Act No. 7925 otherwise known as the "Public Telecommunications Policy Act of the Philippines" ["RA7925"] are hereby amended to include the following provisions imposing spectrum user fees against all allocated and assigned national radio frequency bands:

ARTICLE IX. SPECTRUM USER FEES

Section 24. Spectrum User Fees. – Spectrum user fees ["SUF"] shall be collected annually against all frequency band allocated, regardless of the type of service being offered and the economic classification of the areas covered.

Section 25. Amount of SUF. – The SUF shall be based on the amount of bandwidth assigned:

- a. For the first 10MHz, the SUF shall be Php6,500,000.00 per MHz;
- b. For each additional 1MHz or fraction thereof in excess of the first 10MHz but not exceeding 20MHz, the SUF shall be P8,500,000.00 per MHz;

- c. For each additional 1MHz or fraction thereof in excess of the first 20MHz but not exceeding 30MHz, the SUF shall be Php12,000,000.00 per MHz;
- d. For each additional 1MHz or fraction thereof in excess of the first 30MHz, the SUF shall be Php16,000,000.00 per MHz.

SUF rates indicated above shall cover both transmit and receive, i.e., Php6,500,000.00/MHz shall mean one (1) MHz of both transmit and receive.

An additional SUF of Php2,000,000.00 shall be imposed for every 100,000 additional subscribers/users in excess of the first 4 million subscribers/users. The number of subscribers/users to be used in the computation of the SUF for the current year shall be based on the number of subscribers/users reported at the end of the immediately preceding year or one/half (1/2) of the maximum capacity of the access codes assigned as of the immediately preceding year, whichever is higher.

Section 26. Due Date, Surcharges, and Penalties. – The SUF shall be paid not later than 31 January of each year. A surcharge of 25% of the amount of the SUF due plus 1% of the principal per month of delay shall be imposed for late payments. If the SUF due is not paid in full, the 25% surcharge shall be imposed on the balance, in addition to the 1% per month penalty imposed on the outstanding unpaid SUF.

Section 2. The present Article IX of RA7925 and the following sections thereunder are amended and renumbered as follows:

“ARTICLE X. FINAL PROVISIONS”

Present Number	New Number
Section 24	Section 27
Section 25	Section 28
Section 26	Section 29
Section 27	Section 30

Section 3. Separability Clause. – If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

Section 4. Implementing Rules and Regulations. The NTC shall promulgate the rules and regulations to effectively implement this Act.

Section 5. Repealing Clause. – All laws, decrees, executive orders, rules and regulations or parts or provisions thereof which are not consistent with this Act are hereby repealed, amended, or modified accordingly.

Section 6. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,