

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **7148**



INTRODUCED BY REPRESENTATIVE ALFRED VARGAS

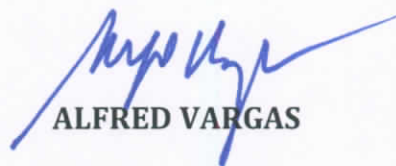
EXPLANATORY NOTE

This bill seeks to reform the Philippine telecommunication sector, introduce the concept of *mobile number portability*, and allow mobile users to transfer telecommunications network providers or switch from postpaid to prepaid subscription or vice versa while retaining their existing mobile numbers.

More often than not, mobile subscribers opt to tolerate and continue to pay for the poor service of their network providers as they do not want the inconvenience of changing their personal mobile numbers, their digital identity, for fear of losing important contacts and opportunities.

Through this, we are giving back to the mobile subscribers the power of consumer choice; the freedom to choose the network provider that would give the best value for their money without having to lose or change their mobile numbers. Furthermore, this measure will attract more telecommunications players to enter the Philippine market, therefore encouraging competition.

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


ALFRED VARGAS

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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 "*Lifetime Cellphone Number Act.*"

SEC. 2. *Declaration of Policy.* It is hereby declared the 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 will stimulate public telecommunications entities to provide consumers with the best overall value that they can offer. It will also foster

technological innovation that will lead to even greater demand for telecommunications products and services and lead to 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 and 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 postpaid subscriber who has no existing financial obligation to the Donor Provider arising from a subscription contract under a postpaid plan, or a prepaid subscriber, to either retain an existing mobile number when moving from one public telecommunications entity to another, or to change subscription from postpaid to prepaid or from prepaid to postpaid, without impairment of the standards of quality, reliability, or convenience prescribed by the National Telecommunications Commission.
- 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 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; Limitation.* – 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 either switch from one PTE to another, or to change subscription from postpaid to prepaid or from prepaid to postpaid, be delayed, withheld, refused or otherwise not delivered by more than twenty-four (24) hours from the time such mobile subscriber shall be allowed to port the same number from one PTE to another only after the lapse of sixty (60) days from the completion of the last porting process.

SEC. 6. *Obligation of Public Telecommunications Entities to Set Up a Mechanism for Mobile Number Portability.* – Every PTE shall, within six (6) months from the promulgation of 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. It shall also provide subscribers sufficient and relevant information on MNP including, but not limited to, its features, the porting application requirements, and the porting process.

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 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.

If the mobile number sought to be ported has any pre-existing obligation arising from a subscription contract with the Donor Provider, such provider shall give the subscriber a period of not more than three (3) days from the time of receipt of mobile number porting application to settle the outstanding obligation. Upon full payment, the Donor Provider shall immediately notify the Recipient Provider that the mobile number is cleared for porting.

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

SEC. 10. *Privacy of Data.* – PTEs and other third party entities to whom mobile numbers, or other classes of personal information have been disclosed, shall maintain the confidentiality of the information obtained, and shall not monitor or disclose the contents of any usage transaction contained within the databases under its control, except to the extent necessary for the purpose of maintaining compliance with the provisions of this Act and its implementing rules and regulations.

The information gathered by PTEs and other third party entities under the provisions of this Act shall be subject to the provisions of Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and its implementing rules and regulations.

SEC. 11. *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 not less than One Hundred Thousand Pesos (Php100,000.00) up to Three Hundred Thousand Pesos (Php300,000.00) for the first offense, and a fine of not less than Four Hundred Thousand Pesos (Php400,000.00) up to Six Hundred Thousand Pesos (Php600,000.00) for the second offense. In case of a subsequent offense, the penalty shall be a fine of not less than Seven Hundred Thousand Pesos (Php700,000.00) up to One Million Pesos (Php1,000,000.00) and revocation of the PTE's franchise to operate.

SEC. 12. *Implementing Rules and Regulations.* – Within 90 days from the effectivity of this Act, the National Telecommunications Commission, as the government entity mandated to implement nationwide MNP, shall coordinate with the Department of Information and Communications Technology, the National Privacy Commission, the Philippine Competition Commission, and other concerned agencies, and promulgate rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

Within six (6) months from the promulgation of the rules and regulations, the PTEs shall comply with the provisions of this Act and set up a mechanism for the purpose of implementing nationwide MNP.

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 most appropriate, efficient, and cost-effective porting scheme to be adopted;

- (2) the specific rights and obligations of mobile subscribers, 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 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. 13. *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. 14. *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. 15. *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,