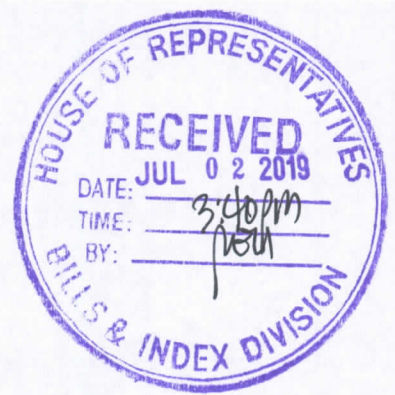


EIGHTEENTH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

House Bill No. 1067

Introduced by Representative Victor A. Yap

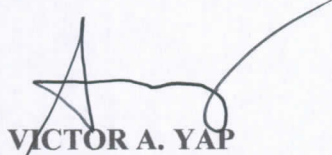
EXPLANATORY NOTE

The Philippines, having been called as the “texting capital of the world” and the “social media capital of the world”, has become one of the biggest mobile markets in the world. The country’s unique mobile subscriber growth has averaged 6% in the last three years.

Telecommunication services affect the efficiency of business enterprises as well as the everyday lives of Filipinos. Still, a lot of work remains to be done to foster competition and efficiency in the telecommunications sector.

This bill seeks to establish minimum standards of service and performance to govern players in the telecommunications service market. This measure aims to ensure that Filipinos enjoy the right to acquire access to basic telecommunications services of reasonable quality and cost.

The immediate passage of this bill is earnestly sought.



VICTOR A. YAP
Representative, 2nd District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 1067

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AN ACT
ESTABLISHING TELECOMMUNICATIONS SERVICE STANDARDS

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

SECTION 1. Title. – This Act shall be known as the "Telecommunications Service Standards Act".

SECTION 2. Declaration of Policy. –It shall be the policy of the State to ensure that the public shall have the right to acquire access to basic telephone service of reasonable quality and cost.

SECTION 3. Scope and Application. – This Act shall apply to all telecommunication utilities operating in the Philippines and which are under the jurisdiction of the National Telecommunications Commissions, hereinafter referred to as the "Commission".

SECTION 4. Definitions. – For purposes of this Act, the following definitions shall be used:

- a) Application – a request made in writing, for telecommunications service, including requests for changes in existing service.
- b) Base Rate Area- a specific area within any exchange service area as set forth in the telecommunication utilities’ tariff, map or descriptions, where local exchange service between two terminals within this area is furnished at uniform rates without extra mileage charge.
- c) Business Service – telecommunications service provided a customer where the use is primarily or substantially of a business, professional, institutional or otherwise occupational in nature, as distinguished from personal or residential.
- d) Busy Hour – any hour in a day during which the greatest volume of traffic is handled by local exchange.
- e) Calls – the attempts of a customer to dial another legitimate telephone number.

1 f) Central Office – an independent switching unit which may provide up to ten
2 thousand (10,000) access line in a telecommunications system providing service to the
3 general public, having the necessary equipment and operating arrangements for terminating
4 and interconnecting customer lines and trunks only. There may be more than one central
5 office in a building.

6 g) Channel – an electrical circuit for telecommunications between two or more
7 stations or central offices, or path for telecommunications between more stations or central
8 offices, furnished in such a manner as the telecommunications utility may elect, whether by
9 wire, radio or a combination thereof, and whether or not by single physical facility or route.

10 h) Class Service - a description of telecommunications service furnished a customer
11 which denotes such characteristics as nature of use (business or residential) or type of rate
12 (flat rate, measured rate, or message rate). Classes of service are usually subdivided in
13 “grades,” such as individual line, two-party or four-party.

14 i) Customer – any person, firm, partnership, corporation, municipality, cooperative,
15 organization, government agency, provided with telecommunications services by a regulated
16 telecommunications utility.

17 j) Customer Trouble Report - any oral or written report or inquiry services relating to
18 a physical defect or difficulty or dissatisfaction with the operation of the utility’s facilities.
19 For recording purposes, each report shall be considered separate and distinct even though it
20 may duplicate a previous report or merely follows up a previous report or inquiry.

21 k) Direct Distance Dial Service – long distance service in which the customer dials
22 his or her intended called party outside his local service area without the assistance of an
23 operator.

24 l) Exchange – a unit established by a telecommunications utility for the
25 administration of telecommunications services in a specified area for which a separate local
26 schedule is provided. It may consist of one or more central offices together with associated
27 plant facilities.

28 m) Exchange Service Area – the geographic territory served by an exchange, usually
29 embracing a city, town or barangay and its environs.

30 n) Flat Rate Services – local telecommunications service furnished at a fixed
31 recurring charge.

32 o) Grade of Service – the classification of a telecommunications channel in
33 accordance with the number of customers served on the line, such as one-party, two-party,
34 four-party, and so on.

35 p) Held Service Order - an application for establishment or re-grade of service not
36 filled within thirty (30) days after the customer has filed his application, except where the
37 customer request a later date.

1 q) Individual Line Service – a classification of exchange service which provides that
2 only one customer shall be served by the channel connecting the customer's service location
3 with the serving central office.

4 r) Intercept Service – a service arrangement provided by the telecommunications
5 utility whereby calls placed to a disconnected or discontinued telephone number are intercept
6 and the calling party is informed that the called telephone number has been disconnected, or
7 discontinued, or changed to another number, or that calls are being received by another
8 telephone number.

9 s) Inter-office – between central offices.

10 t) Intra-office – within the central office.

11 u) Local Access Line – a facility, totally within an exchange, providing a
12 telecommunications channel between a customer's service location and the serving central
13 office or remote switch.

14 v) Local Calling Area – the area within which telecommunications service is
15 furnished customers under a specific schedule or exchange rate. A local calling area may
16 include one or more exchange service areas or portions of exchange areas.

17 w) Local Measured Service – a type of local exchange facility to enable a customer to
18 send or receive telecommunications within the local service calling areas.

19 x) Local Service Charge – the charge for furnishing facilities to enable a customer to
20 send or receive telecommunications within the local service calling area. This local service
21 calling area may include one or more exchange service areas.

22 y) Long Distance Telecommunications Service or Toll Service – telecommunications
23 service rendered by telecommunications utilities which is furnished between customers in
24 different local service areas at measured rates.

25 z) Measured Rate – usage sensitive charge for telecommunication service which may
26 be based on the number, duration, distance, and time of day/day of week of messages, or any
27 combination thereof.

28 aa) Message – complete customer telephone call.

29 ab) Message Rate Service – a form of local measured service under which all
30 originated local messages are measured and charged for based solely on the number of
31 messages used during the billing period.

32 ac) Out of Service – when there exists a total of either incoming or outgoing
33 telecommunications capability.

34 ad) Outside Plant – the telecommunications equipment and facilities installed on,
35 along, over or under streets, alleys, highways or private rights-of-way between the central
36 office and customer's location or between central offices.

37 ae) Party Line Service – a grade of local exchange service which provides for a
38 number of customers to be served by the same central office channel.

af) Primary Service Order – an application for voice grade telecommunications service to be provided at a customer location which does not have telecommunications service.

ag) Private Line – a channel provided to furnish telecommunications service between two or more customer locations and not having connection with central office switching apparatus.

ah) **Public Telephone Service** – an individual line service equipped with a coin collecting telephone instrument installed by a telecommunications utility for the usage of the general public in locations where the general public has access to the telephone.

ai) Regrade – an application for a different class and /or grade of service.

aj) Remote Switch – a switching unit in a telecommunications system which is completely dependent upon a central office for certain operational functions and for calling outside of its own serving area.

ak) Tariff – the entire body or schedule of rates, tolls, rentals, charges, classifications and rules approved by the Commission for any authorized telecommunications utility.

al) Toll Connecting Trunks – a general classification of channel carrying toll traffic and ordinarily extending between a local central office and a toll office.

am) Traffic – telecommunications volume, based on number of calls and duration of messages.

RECORDS AND REPORTS

SECTION 5. Location of Records. – All records required under Section 7 and 8 hereof shall be kept within the premises of the utility and made available to the Commission or its duly authorized representatives at any reasonable time upon request.

SECTION 6. Retention Period for Records. – All records required by these rules shall be preserved for a period of five (5) years or any other period as may be specified by the Commission, except where otherwise permitted by the Commission to dispose of certain specific records.

SECTION 7. Reports. – Each telecommunications utility shall maintain records of its operations in sufficient details to permit review of its service performance, and such records shall be made available to the Commission upon request. Each incident which adversely affects telecommunications service to a substantial number of subscribers (the smaller of 25% or 1,000 of the subscribers in the local exchange) shall be promptly reported by the utility to the Commission and to the local news media.

SECTION 8. Data to be filed with the Communication – Each utility shall file with the Commission the following data:

- a) Tariff
- b) Exchange maps
- c) Accident reports
- d) Service report expansion plans

METERING, INSPECTION AND TEST EQUIPMENT

SECTION 9. Provision for Testing. – The utility shall ensure timely availability and have access to test facilities which will enable it to determine the operating and transmission capabilities of channels and switching equipment, both for routine maintenance and for fault location.

SECTION 10. Meter Reading Interval. – Billing meters shall be read at intervals closely corresponding with the customer's billing period.

SECTION 11. Meter Recording Equipment Testing Facilities. – Where local measured service is provided, the utility shall provide the necessary facilities, instruments, and equipment for testing its metering or recording equipment. The overall accuracy of the test equipment and test procedures shall be sufficient to enable tests of meters and recording equipment within the requirements of this Act.

SECTION 12. Meter and Recording Equipment Requirements. – All meters and/or recording devices used to record data and prepare customer's bills shall be in good mechanical and electrical condition, shall be accurately read and shall not involve approximations. All meters and recording devices shall accurately perform the following:

a) Message rate service, where timing the length of the message is not involved, the meter and /or recording device shall register the number of completed messages sent by the local access line which it is measuring;

b) For local measured and/or toll service, where in addition to recording the message it is necessary to time and distance-rate the messages, the recording device shall register the number of message and the chargeable time involved in each message, applicable distance information, and the local access line originating the message; and

c) Where the recording equipment provides coded information that is used to automatically prepare customer bills, accurate interpretation of such coded information is required and should be guaranteed. Deliberate mis-recording of meter readings to defraud customers shall merit expulsion from utility employment for life, without prejudice to

possible suits and claims that aggrieved parties may also file against the telecommunications skills.

SECTION 13. Initial Tests. – Every billing meter and/or recording device shall be tested for accuracy when it is released for service.

SECTION 14. As-found Test. – All meters and/or recording devices tested in accordance with this Act for routine maintenance or pursuant to complaints shall be tested in their normal operating normal operating locations and wiring modes prior to removal or adjustment.

SECTION 15. Routine Test. – The telecommunications utility shall perform periodic testing and maintenance of its controlling channel equipment associated with the meters and/or recording devices to assure the integrity of their operation. Periodic testing and maintenance shall be performed on meters and recording devices to show accuracy in their operation.

SECTION 16. Request Tests. – Upon request of any customer, the telecommunication utility shall make a test of any meter and/or recording device related to the billing in question. Such request should not be honored more often than once every three (3) months unless unusual circumstances exist.

SECTION 17. Referee Tests. – Any customer, by request to the Commission, may have a test of any meter or recording device related to the billing in question, conducted by the telecommunications utility in the presence of a representative of the Commission.

SECTION 18. Test Records. – A record of all meter and/or recording equipment tests and adjustments and data sufficient to allow checking of the results shall be recorded. Such record shall include the identifying number of the meter and/or recording device, its type, the date and kind of test and result of each test.

CUSTOMER RELATIONS

SECTION 19. Rate and Special Charges Information. - Upon the request of any customer or applicant, the telecommunications utility shall provide an explanation of the rates, charges and provisions applicable to the service furnished or available to such customer or applicant, and shall provide any information and assistance necessary to enable them to obtain the most economical telecommunications service confirming to their stated needs. Applicants for residential telephone service shall be advised as to alternate service available to meet their stated communications requirements. This information may include printed explanations of the alternate services and rates.

1 Correspondingly, the utility shall notify residential customers of any service connection charge to
2 be applied to their bills prior to undertaking any action and shall provide an estimate of the initial
3 billing for basic monthly service (including fractional monthly amounts) plus any other applicable
4 charges.

5
6 **SECTION 20. Estimate of Special Charges.** – The customer shall be provided with an
7 estimate of the charges where special charges not specially set forth in a telecommunications
8 utility's tariff are levied on the basis of actual cost for such items as extraordinary constructions,
9 maintenance, or replacement cost or expenses, overtime work at the customer's request and special
10 installations, equipment and assemblies.

11
12 **SECTION 21. Business Offices.** – Business offices shall be staffed to provide customers
13 and others with convenient access to qualified personnel, including supervisory personnel where
14 warranted, to provide information relating to services and rates, accept and process applications for
15 service, explain charges on customer's bills, adjust charges made in error and to generally act as
16 representatives of the telecommunications utility. Qualified personnel shall be instructed to be
17 courteous, considerate, efficient and be available to promptly serve whose contact the business
18 office.

19
20 **SECTION 22. Customer Billing.** – Billing to customers shall be typed or machine printed,
21 rendered regularly, and shall contain a listing of all charges and the period of time covered by the
22 billing. The local service charges may be shown as a single item even though they include service
23 options for which a monthly flat charge is made. Toll charges, if applicable, shall be itemized and
24 included with the local service bills.

25 In the event of a dispute between the customer and the telecommunications utility on any bill,
26 the utility may require the customer to pay the uncontested portion of the bill to avoid
27 discontinuance of service for nonpayment. The telecommunications utility shall make such
28 investigation as may be appropriate to the particular case, and report the result thereof to the
29 customer. In the event the dispute is not reconciled, the utility shall advise the customer that the
30 customer may make an application to the Commission for review and disposition of the matter.

31 In the event the customer's service is interrupted otherwise than by the negligence or willful
32 act of the customer and it remains out of order for more than twenty-four (24) hours after being
33 reported or found to be out of order, appropriate adjustment shall be automatically made to the
34 customer. For the purpose of administering this requirement, every month is considered to have
35 thirty (30) days.

36
37 **SECTION 23. Public Information.** – Access to the following information shall be made
38 available at every business office open to the public upon request:

- a) Copies of the latest schedule of approved tariffs by the Commission for the utility.
- b) Maps showing exchange, base rate area and zone (if applicable) boundaries in sufficient size and detail from which all customer locations can be determined and mileage and/or zone charges quoted.
- c) Publicity announced information as to the present and intended future availability of specific classes of service at an applicant's location.
- d) Publicity announced information concerning plan for major service charges in the areas served by the business office.
- e) Information pertaining to services and rates as proposed in pending tariff or rate change filings.

SECTION 24. Past Due Bill. - A telecommunications utility shall not consider a customers' bill past due unless it remains unpaid for period of twenty-five (25) calendar days after the billing date printed on the bill.

SECTION 25. Denial or Discontinuance of Service. - Unless otherwise stated, the customer shall be notified and allowed a reasonable time within which to comply with the rules before service is discontinued. However, service may be refused or discontinued for any of the following reasons:

- a) Without notice, in the event of customer use of telecommunications equipment in such a manner as to adversely affect the telecommunications utility's equipment, the utility's service to others, or the safety of the utility's employees or customers;
- b) Without notice, in the event of unauthorized tampering with any facilities or equipment furnished and owned by the utility;
- c) For violation of, or non-compliance with, the Commission's regulations governing use of services supplied by telecommunication utilities, or for violation of noncompliance with the utility's rules or tariff on file with the Commission;
- d) For failure to comply with municipal ordinance or other laws pertaining to use of telecommunications service;
- e) For failure of the customer to permit the utility reasonable access to its facilities or equipment;
- f) For nonpayment of any amount past due for service and not in *bona fide* dispute; and
- g) For failure to satisfy deposit or credit requirements for initial or additional service.

SECTION 26. Insufficient Reasons for Denying or Discontinuing Service. - The following shall not constitute sufficient cause for denying or discontinuing service to a present or prospective customer:

- a) Delinquency in payment by previous occupant at the premises to be served other than a member of the same household;
- b) Failure to pay for business service at a different location and different telephone number;
- c) Failure to pay any amount in *bona fide* dispute before the Commission.

SECTION 27. Complaints and Appeals. - The telecommunications utility shall fully and promptly investigate and respond to all complaints made by its applicants or customers either directly to it or through the Commission. When requested by the Commission or a Commission representative, the utility shall report the results of its complaint-related investigation.

The telecommunications utility shall direct its personnel engaged in initial contact with an applicant or customer in which dissatisfaction with the decision or explanation of such personnel is expressed, to inform the customer of their right to have the problem considered and acted upon by supervisory personnel of the telephone utility. The utility shall further direct such supervisory personnel to provide the name, address, and telephone number of the appropriate office of the Commission to be contacted for further review of an unresolved problem.

DIRECTORIES

SECTION 28. Publication of Directories. - Telephone directories shall be published at regular intervals, listing the names, address and telephone numbers of all customers, except public telephones and telephone service unlisted at the customer's request.

The telecommunications utility shall list its customers (except those requesting otherwise) with the directory assistance operator within 72 hours of service connection.

Upon the issuance, a copy of each directory shall be distributed free of charge to all customers in the local service area served by that directory and a copy of each directory shall be furnished to the Commission.

SECTION. 29. Features of the Directory. - The name of the telecommunications utility, an indication of the area included in the directory and the month and year of issue shall appear on the front cover. Information pertaining to the emergency calls such as for police and fire department shall appear conspicuously in the front part of the directory.

The directory shall contain instructions concerning placing local and long-distance calls, calls to repair and directory assistance services, and locations and telephone numbers of telecommunications utility business offices as may be appropriate to the area served by the directory. Likewise, the directory shall contain in a prominent manner in the instructional section, notice of the Commission's address and telephone number and the customer's right to bring complaints and inquiries regarding telecommunications service to the Commission.

SECTION 30. Change in Listing. – Whenever a telephone number is charged after a directory is published, the utility shall intercept all calls to the former number for a reasonable period of time, and give the calling party the new number, provided existing central office equipment will permit, unless the customer directs otherwise. When additions or charges in plan or charges to any other telecommunications utility operations necessitate changing telephone numbers to a group of customers, reasonable notice shall be given to all customers so affected even though the addition or charges may be coincident with a directory issue.

QUALITY OF SERVICE

SECTION 31. General. - Each telecommunications utility shall provide telecommunications service to the public in its service area in accordance with its tariffs on file with the Commission. The telecommunications utility shall employ prudent management and engineering practices, including but not limited to, the employment of reliable procedures for forecasting future demand for service, conducting studies, and maintaining records to the end that reasonable margins of facilities and adequate personnel are available with the objective that service will meet the quality standards described herein.

SECTION 32. Traffic Studies. – Each telecommunications utility shall make traffic studies and maintain records as required to determine that sufficient equipment and adequate operating force are provided at all times including the average busy hour, busy season.

SECTION 33. Public Telephones. – In each exchange area the telecommunications utility shall provide at least one-coin operated telephone available to the public at all hours, prominently located and lighted at night. All public telephones shall be properly maintained and equipped with dialing instructions, a directory, local call price information and appropriate emergency telephone numbers.

SECTION 34. Service Objectives and Surveillance Levels. - Under this Act, telecommunications utilities are required to meet the following service objectives. It also required the Commission to set certain surveillance levels that need to be met by the telecommunications utility, such that these will direct the utility to investigate, take appropriate corrective action, and provide a report of such activities to the Commission.

Each telecommunications utility shall make regular, periodic measurements to determine the level of service for each item included in this law. Each utility shall provide the Commissions or its representatives with the measurements and summaries thereof for any of the items included herein on the request of the Commission or its representatives.

a) Installation of Service.

1 1) Primary Service – All application shall be served not later than sixty (60)
2 calendar days after date of application. In accordance with the utility's
3 approved construction schedule but not later than two (2) years after the
4 approval of this Act, ninety percent (90%) of the utility's primary service
5 order installation shall be completed within the first thirty (30) calendar days
6 after the date of application. The intervals commence with the receipt of
7 application, unless a later date is requested by the applicant.

8 2) Non-primary service. – After application against deposit, all non-primary
9 service orders shall be filled within six (6) months, with ninety percent (90%)
10 of these service orders filled not later than sixty (60) calendar days, after date
11 of application except where the customer formally requests a later date. In the
12 event that the utility is unable to fill such an order, the customer will be
13 advised and furnished the date when it will be available.

14 b) Operator –Handled Calls. – All operator-handled calls shall be supervised. Calls
15 requiring timing shall be carefully and accurately timed. Each telecommunications utility
16 shall have adequately trained personnel in sufficient numbers to provide an average
17 "operator-answering" performance on a monthly basis, as follows-

18 1) Ninety percent (90%) of toll and assistance operator calls answered within
19 ten (10) seconds of completed attempt.

20 2) Ninety percent (90%) of repair service calls, calls to business office and
21 other calls shall be answered within twenty (20) seconds of completed
22 attempt. An "answer" shall mean that the operator or telecommunications
23 utility representative is ready to render assistance and/or ready to accept
24 information necessary to process the call, mere acknowledgement that puts the
25 customer on hold or has been waiting on the line shall not constitute an
26 "answer", until the message of the call is actually and properly received,
27 processed or serviced.

28 c) Local Dial Service. – Sufficient central office and inter-office channel capacity and
29 equipment shall be provided to meet the following requirements during the average busy
30 season, busy hour:

31 1) Dial tone within three (3) seconds on ninety-five percent (95%) of
32 attempted calls and within five (5) seconds on all attempted calls.

33 2) Proper connection of nine-five percent (95%) of correctly dialed inter-
34 office calls.

35 3) Proper completion of ninety-five percent (95%) of correctly dialed inter-
36 office local calls.

37 4) Direct Distance Dial (DDD) Service. – Engineering and maintenance of
38 the trunk and related switching components in the inter-toll network shall be

1 such as to at least achieve the following objectives on properly-dialed calls,
2 during the average busy season, without encountering blockages or
3 equipment irregularities.

4 i) successful connection of ninety-seven percent (97%) of outgoing
5 DDD calls made by customers (outgoing trunks.)

6 ii) successful connection of ninety-seven percent (97%) of incoming
7 DDD calls received by customers (incoming trunks.)

8 d) Customer Trouble Report. – Service shall be maintained in such a manner that the
9 monthly frequency of all customer trouble reports, excluding reports concerning non-
10 regulated customer premises equipment, does exceed ten (10) per one hundred (100) local
11 access lines per month per exchange. For the purpose of administering this requirement,
12 each party line shall be considered to have one local access line.

13 e) Transmission Requirements. – All channel facilities shall meet the generally
14 accepted international design standards and shall conform to the transmission design factors
15 required for meeting service objectives to be set by the Commission and the objectives of
16 direct distance dialing.

17
18 **SECTION 35. Penalties and Fines** – The Commission shall impose the following penalties
19 and fines, after due hearing, on each utility company which fails to comply with service standards as
20 required in this Act:

21 a) For every application in which the utility company fails to provide service as called
22 for in Section 34(a), a penalty of Five Thousand Pesos (P5,000.00) or twice the amount of
23 the subscriber's deposit, whichever is higher, shall be imposed and the utility shall render
24 free basic charge for every full month of delay in provision of the service applied for;

25 b) For every case in which the utility fails to meet the service objectives as called for in
26 Section 34(b), to (e) above, a penalty of One Thousand Pesos (P1,000.00) shall be levied. The
27 Commission shall establish other penalties and/or fines that it deems appropriate and necessary
28 for the effective provision of quality service.

29
30 **SECTION 36. Implementing Authority.** – The Commission shall issue such rules and
31 regulations as may be necessary for the economical, efficient and effective implementation of this Act.
32 For the purposes of monitoring compliance with the required of this Act, the Commission shall require a
33 monthly reporting of service performance.

34
35 **SECTION 37. Separability Clause.** - If any of the provision of this Act is declared invalid,
36 the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

1 **SECTION 38. Repealing Clause.** - All laws, decrees, ordinances, rules and regulations,
2 administrative or executive orders, and other presidential issuances inconsistent with this Act, are
3 hereby repealed, amended or modified accordingly.

4 **SECTION 39. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in
5 the Official Gazette or in at least two (2) newspapers of general circulation.

6
7 Approved,