



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



Eighteenth Congress
Second Regular Session

House Bill No. 8168

Introduced by Representatives PAUL RUIZ DAZA, JOSE "BONG" J. TEVES, JR. and
ALFREDO A. GARBIN, JR.

AN ACT
ESTABLISHING A ZERO SPECTRUM USER FEE (SUF) POLICY AND
REGULATION FOR PHILIPPINE TELCOS FOR THE USE OF Wi-Fi
FREQUENCIES OR SPECTRUM, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

In this time of the COVID-19 pandemic, our country has been forced to heavily rely on internet connectivity in our everyday lives. Majority in the education sector and work force are now operating through work-from-home setup which requires internet access.

Unfortunately, internet access seems to be restrictive for an ordinary Filipino due to its limited coverage and expensive plans. There were reports that students and teachers in the provinces climb up trees in order to get decent internet access¹. Some simply cannot afford to purchase the relatively expensive prepaid internet packages. According to

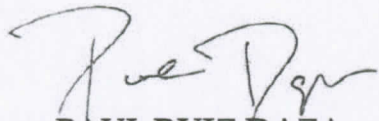
¹ <https://www.gmanetwork.com/news/news/regions/752712/grade-schooler-climbs-tree-for-internet-signal-online-classes/story/>

former Department of Information and Communications Technology Undersecretary Rio, only 20% of the total homes in the country are connected to the internet compared with Malaysia's 90% and Singapore's 100% connectivity.²

However, telcos are not entirely to be blamed in this drawback. The government too should be held accountable for charging hefty spectrum user's fee (SUF) to telcos using only wi-fi connection; when in fact, the government should only be charging SUFs to telcos using exclusively licensed frequencies or spectrums granted by the government. This is the reason why telcos cannot offer competitive internet plans to its consumers or at least lower their costly internet plans.

Lastly, the Philippines should be aligned to global best practices in regulation of SUF for Wi-Fi and should be guided by the International Telecommunications Union (ITU) of the United Nations which charges zero SUF on Wi-Fi. In fact, the ITU reports that United States of America, Australia, Singapore, South Korea, and Indonesia are implementing zero SUF on Wi-Fi.

Thus, the undersigned representatives recommend the immediate approval of this bill.



PAUL RUIZ DAZA
Representative
1st District, Northern Samar



JOSE "BONG" J. TEVES, JR.
Representative
TGP Partylist



ALFREDO A. GARBIN, JR.
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² <https://businessmirror.com.ph/2020/04/23/spectrum-user-fee-cuts-for-small-isps-eyed-to-widen-internet-access/>



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**AN ACT
ESTABLISHING A ZERO SPECTRUM USER FEE (SUF) POLICY AND
REGULATION FOR PHILIPPINE TELECOMMUNICATIONS COMPANIES
USING Wi-Fi FREQUENCIES OR SPECTRUM, AND FOR OTHER PURPOSES**

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

SECTION 1. *Title.* - This Act shall be known as the "*Zero Spectrum User Fee for
Telcos Using Wi-Fi Act of 2020*".

SECTION 2. *Declaration of Policy.* - The State recognizes the vital role of
communication and information in nation-building as provided for in Section 24 of the
Philippine Constitution. The State further recognizes that Wi-Fi, sometimes technically

described by local regulation as Wireless Data Network (WDN), which is a low-cost information and communication technology supposedly open to use by its citizenry particularly by the poor and the disadvantaged in life, has been for many years not only poorly supported in infrastructure building, but more importantly where in limited cases that it is available, is very expensive and unaffordable especially to the poor and disadvantaged. The State is cognizant that this is mainly due to the fact that there exists an unjust and unfair policy and regulation within the instrumentalities of the national government that levies an exorbitant Spectrum User Fee (SUF) for the use of Wi-Fi frequency or spectrum because the basis used to make those levies is a regulation that is meant not for Wi-Fi but for frequencies whose assignment is dedicated to telcos or what is known as licensed frequencies or spectrum where the SUFs are at a much greater disparity in charging level compared to Wi-Fi. The State realizes that this the reason why Wi-Fi in the Philippines is and has always been expensive not only for its citizenry and has also contributed to the poor state of internet access in the country.

The State further explicitly acknowledges that this is not aligned with global best practices which exacts a zero SUF for Wi-Fi to make Wi-Fi affordable to all and is contrary to the guidelines issued by the International Telecommunications Union, the United Nations' global regulatory body on telecommunications.

The state further realizes that never has this issue been ever more necessary and immediate than in these times of public health and economic crisis brought about by a global pandemic.

The State shall therefore promote the acceleration of internet which includes Wi-Fi infrastructure in the whole country for its citizens particularly the poor and underprivileged to have reliable, accessible and most of all, affordable Wi-Fi connectivity by making it a state policy to reduce to zero the Spectrum User Fees paid by Telcos to the national government so that Wi-Fi infrastructure proliferates extensively and Wi-Fi prices to consumer becomes affordable ultimately.

The State shall further undertake this policy of making Wi-Fi affordable in accord with the rhythm and harmony of global best practice.

In doing so, the State shall give priority to the needs of the underprivileged, the sick, the elderly, the disabled, the women, and the children.

SECTION 3. *Definition of Terms:*

a) *Wi-Fi*– refers to one of the most commonly used wireless networking technology based on the Institute of Electrical and Electronics Engineers (IEEE) wireless communication standard which allows various devices to connect with other devices to exchange information with one another thereby creating a relatively low cost network that connects to the internet.

b) *Internet* refers to the biggest worldwide global computer network providing a wide variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols.

c) *Wireless Data Network* refers to the technical descriptive of Wi-Fi. Also known by its initials WDN which works on Wi-Fi frequencies of 2.4 and 5 Ghz spectrum and Wi-Fi radios and devices.

d) *Frequency or Spectrum* refers to the entire range of electromagnetic frequencies used for communications which includes frequencies for radio, radar, wireless telecommunications, and television uses.

e) *Wi-Fi Frequency or Spectrum* refers to 2.4 and 5 Ghz frequencies where Wi-Fi operates. There is also 6 Ghz which the ITU has declared to be included in the frequencies classified as Wi-Fi. The US and other countries have already started adopting 6 Ghz as an inclusion to Wi-Fi frequencies. It is important to note that Wi-Fi frequencies are unlicensed frequencies meaning the use of such frequencies can be shared by two or more telcos in whichever area such telcos operate, provided they do not interfere with each other's radio frequency signal (non-interference policy).

f) *Licensed frequency or spectrum* refers to all frequencies whose use are paid for by a telco for its exclusive use. These frequencies in the Philippine regulator's context are the cellular (900 and 800 Mhz for 2G), broadband wireless access or BWA meaning those frequencies used for mobile technologies in wide area coverage (3G, 4G and 5G which runs the 1800, 1900, 2100, 2300, 2700 Mhz frequencies) as well as any other frequencies outside of the Wi-Fi spectrum of 2.4, 5 and 6 Ghz frequencies. Licensed frequencies are higher in spectrum user fee charges than Wi-Fi .

g) *Spectrum User Fee (SUF)* - refers to the charges made by the government regulator (NTC) in a telco's use of a particular frequency or spectrum.

h) *ITU* refers to International Telecommunications Union, a specialized agency of the United Nations responsible for all matter related to information and communication technologies. Established in 1865 as the International Telegraph Union. It is one of the oldest international organizations in the world.

i) *Telco* – refers to the shortened nomenclature for Telecommunications Companies. In the Philippine regulation context, Telcos are those companies who own a congressionally approved nationwide franchise granted by law.

j) *Major Telcos* are telecommunication companies operating nationwide and have assets and facilities across the full suite of telecommunications services, namely mobile eg. 2G, 3G, 4G, 5G technologies running on licensed frequencies on the back of a cell site tower infrastructure, and also has fixed-fiber, fixed-wireless facilities with own backbone transmission and data center network nationwide and is a part of a consortium owner of a dedicated internet bandwidth submarine cable supply facility and have millions of subscribers serviced.

k) *Small Telcos* are telecommunication companies that operate on a smaller scale and scope than major telcos. Some of the small telcos may operate mainly on fixed internet via fiber only. Some operate on fixed-wireless using licensed frequency.

l) *Internet Service Provider or ISPs in the context of the Philippine environment* refer to entities who do not have a congressional telecommunications franchise from Congress but offer internet services by way of alliances with telcos as a VAS licensee, a permit they secure from the NTC with the sponsorship by a telco. ISPs do not build a radio network because they do not possess a franchise. So it is the sponsor telco who addresses the network build.

m) *Pandemic* – refers to an outbreak of a disease that occurs over a wide geographic area and affects an exceptionally high proportion of the population;

n) *Free Wi-Fi Project Of The Government Under the National Broadband Plan.* Refers to the 10,000 or so Wi-Fi hotspots or internet hubs that the DICT plans to build all over the country to cover public places like the Barangay Office, Health Center, Municipal Hall and some key points of public schools where consumers or student traffic in those

areas could be served for free. For purposes of this House Bill, the Free Wi-Fi project of the government does not need to be covered anymore by this act as the government already subsidizes that program totally.

SECTION 4. *Establishing a Zero Spectrum User Fee.* - The State through the Department of Information and Communications Technology and the National Telecommunications Commission shall not impose a levy, charge, or collect fees to telcos for their use of Wi-Fi or wireless data network provided that it shall not interfere with each other's Wi-Fi airwaves in the course of their operations, thereby effectively establishing a Zero Spectrum User Fee.

Spectrum User Fee shall only be levied or collected to telcos for their exclusive use of licensed frequencies as provided and granted by the government.

SECTION 5. *Implementing Rules and Regulations.* - The Department of Information and Communications Technology, the National Telecommunications Commission, and stakeholders from the telco sector shall jointly formulate the implementing rules and regulations sixty (60) days after the effectivity of this Act.

SECTION 6. *Congressional Oversight Committee.* -- The Congressional Oversight Committee on the Implementation of this Act, shall maintain oversight function over the implementation of this Act by the DICT and NTC.

SECTION 7. *Supplementary Application.* – The provisions of Republic Act No. 10844 also known as the Department of Information and Communications Technology Act of 2015 and other laws consistent with this Act shall have supplementary effect.

SECTION 8. *Repealing Clause.* – All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed, superseded or modified accordingly.

SECTION 9. *Separability Clause.* – Any portion of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof, as long as such remaining provisions can still subsist and be given effect in their entirety.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,