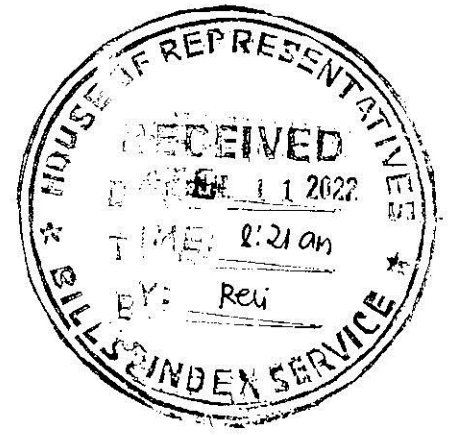


Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

House Bill No. 1734



Introduced by Representative Maria Rachel J. Arenas

AN ACT
MANDATING AND INSTITUTIONALIZING ROLL-OVER DATA ALLOCATION
SCHEME
AND PROVIDING FOR PENALTIES

EXPLANATORY NOTE

We cannot imagine the world without the internet which connects billions of people around the world in what we now know of, as digital citizens of this modern information society.

According to STATISTA, a leading market and consumer data provider, “as of April 2022, there were five billion internet users worldwide, which is 63 percent of the global population.” This data was taken from Statista's Key Market Indicators (KMI). The KMI are a collection of primary and secondary indicators on the macro-economic, demographic and technological environment in up to 150 countries and regions worldwide. All indicators are sourced from international and national statistical offices, trade associations and the trade press and they are processed to generate comparable data sets (see supplementary notes under details for more information).

Of about 150 countries surveyed, the Philippines ranked No. 11 as the country with the highest number of internet users, or about 85 million users, where China, with more than a billion users, India and the United States ranked ahead all other countries. As of 2021, Asia's region had the largest number of online users at over 2.8 billion, with Europe ranking a far second with almost 744 million internet users.

Internet users continue to grow in big waves, such that the 12 months leading up to April 2022, the world's connected population grew by almost 200 million. The average global internet user spends almost 7 hours online a day.

Considering the number of internet users in the country, and the role internet plays in our lives, it is important that governments are able to craft the best policies and exercise best practices to enhance internet usage. In this regard, one of the most important concerns should be the protection of consumer rights over access, use and cost of data allocation, such as enabling data rollover by service providers.

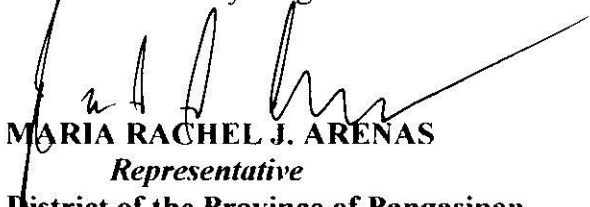
Data rollover is a feature that mobile service providers can offer on prepaid and postpaid mobile plans. Data rollover or mobile data rollover is a feature in your monthly mobile data plan that allows you to carry forward unused data in a given period. If you exceed your data allowance in any given month, your mobile operator may charge you for data overage, or block your usage once you exceed your limit. What happens then, to your unused data allocation, if you do not consume your it within a given period?

This Bill aims to entitle consumers to a data rollover scheme which allows them to take any leftover data from one month to the next month. For example, if the monthly data allowance is 10 GB and only 8 GB has been used in the month of August, the remaining 2 GB will be rolled over to the next month giving the user 12 GB in September, which, in turn this extra 2GB must be used in September or a given period.

This Bill enabling data rollover, protects consumers from unfair business practices. Unused data allocation from internet data packages or promotions will not expire but instead, be allowed to carry over to the next allocation in the succeeding months until the end of the year. If at the end of the year there are still remaining unused data allocations, the same may be converted into other forms of benefit or reward of equal value to the internet user or subscriber. To ensure strict compliance, this measure provides for the imposition of penalties for violations or non-compliance.

This Bill is based on House Bill No. 9057 from the Committee Report of the Committee on Information and Communication Technology chaired by Representative Victor Yap in the 18th Congress, the "*Roll-Over Internet Act.*" – This Bill was passed on Third Reading after committee deliberations were done on House Bill No. 7509 introduced by Representatives Enrico A. Pineda and Michael Odylon L Romero; House Bill No. 8085 introduced by Rep. Strike B. Revilla; and House Bill No. 8639 introduced by Rep. Joy Myra S. Tambunting.

In view of this, the early passage of this Bill is earnestly sought.


MARIA RACHEL J. ARENAS
Representative
3rd District of the Province of Pangasinan

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AN ACT
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SCHEME
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Be it enacted by the Senate and House of Representatives of the Philippines in session assembled:

SECTION 1. ***Short Title.*** ? This Act shall be known as "***Roll-Over Internet Act.***"

SECTION 2. ***Declaration of Policy*** - The State recognizes the vital role of information and communications technology in nation building. The State shall implement measures to provide for regulations on internet services provided by internet service providers and ensure that the interest and welfare of the people and the consuming public are protected and upheld.

SECTION 3. ***Definition of Terms.*** - As used in this Act:

- a. ***Data Capping*** refers to the limit of bandwidth allocation an internet service providers (ISP) is offering to its subscriber per day, week, or month;
- b. ***Internet Data Package*** refers to the internet service packages, plans or promos offered by ISPs with maximum limits on the open access data volume an end user may avail per set period of the package;
- c. ***Internet Service Provider*** refers to any service-based operator whose services involve the combination of computer processing, information storage, protocol conversion, and transmission to enable subscribers to access internet content and services as well as multimedia services and its transmission of data through digital subscriber line (DSL), fixed wireless broadband, cable broadband, fiber optic or fiber-to-the-home (FTTH) and mobile data to enable subscribers to access internet content and services, as well as multimedia services;

- d. **Offer Duration** refers to the length of time a subscriber or user is allowed to use an internet data package service and promos.
- e. **Roll-Over Data Allocation** refers to the unused internet data allocation per day, week or month, as the case may be, depending on the applicable Internet Data Package, which shall be carried over to the following day, week or month until it is fully consumed;
- f. **Unlimited Internet Data Package** refers to an internet service package with no data cap;

SECTION 4. **Coverage.** - All ISPs in the Philippines shall be covered by this Act.

SECTION 5. **Roll-Over Data Allocation Scheme.** - All ISPs are required to implement a Roll-Over Data Allocation Scheme for their subscribers as follows:

- a. For postpaid subscribers or users:

The rolled-over data allocation shall be prioritized to be consumed in the preceding month: Provided, That the unused data every month will be rolled-over and accumulated up until the last month of the year: Provided farther, That all unused data allocation for a year may be used and converted as rebates, that may be used by subscribers as payment for internet service in the succeeding year of subscription.

- b. For prepaid subscribers or users and postpaid subscribers who avail of internet data package promo offers:

1. Unused data allocation shall be rolled-over provided that the subscriber or user renews the subscription right after the lapse of the offer duration.
2. The unused data allocation of subscribers or users who fail to renew subscription shall be reduced by twenty percent (20%) every day until the subscription is renewed.
3. If after five (5) days, the subscription is not renewed, all unused data allocation shall be considered consumed.

SECTION 6. **Exemptions.** - Subscribers who availed and shall avail of any unlimited Internet data package with no data cap shall be exempted from this Act.

SECTION 7. **Penalties.** - Any ISP who fails to comply with any of the provisions of this Act, the following penalties shall be imposed:

- a. A fine of Fifty thousand pesos (P 50,000.00) per violation per subscriber; and
- b. For repeated violations, aside from fine, revocation or cancellation of the license, registration or franchise of an ISP including the waiving of any pre-termination fees of affected subscriber.

SECTION 8. ***Implementing Rules and Regulations.*** - Within sixty (60) days from the effectivity of this Act, the Secretary of the Department of Information and Communications Technology (DICT), in coordination with the National Telecommunications Commission (NTC) and other concerned agencies, shall promulgate the rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

SECTION 9. ***Separability Cause.*** - Should any part or provision of this Act be declared unconstitutional or invalid, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SECTION 10. ***Repealing Clause.*** - All laws, decrees, executive orders, issuances, rules and regulations which may be inconsistent with any of the provisions of this Act, are hereby deemed repealed, amended or modified accordingly.

SECTION 11. ***Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,