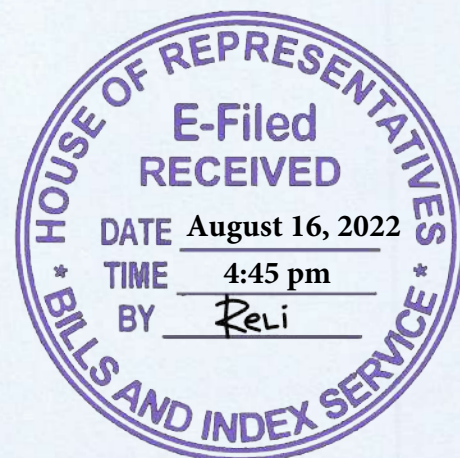


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3711



Introduced by Representative Rex Gatchalian

AN ACT
REQUIRING ALL PUBLIC TELECOMMUNICATIONS ENTITIES AND INTERNET
SERVICE PROVIDERS TO INCREASE SERVICE COVERAGE AND DELIVER A
MINIMUM STANDARD FOR INTERNET CONNECTION SPEED

EXPLANATORY NOTE

As of January 2022, there are now over 76 million internet users in the Philippines translating to an internet penetration rate of 68%. The number of internet users increased by 2.8% year-on-year and analysts predict that there will be a steady increase in the number of internet users in the coming years. The Philippines dominates internet-use and ranks 2nd on the list of countries whose citizens spend the most time on the internet.

On the other hand, the latest Speedtest Global Index Report published by Ookla, fixed broadband speed in the Philippines improved to 52.16 mbps as of March 2022 while average mobile download speed improved to 19.38 mbps. While significant progress has already been made in terms of internet speed, with the Philippines now ranking 93rd for mobile internet speed and 60th for fixed broadband connections, further improvement on internet quality and coverage has to be made.

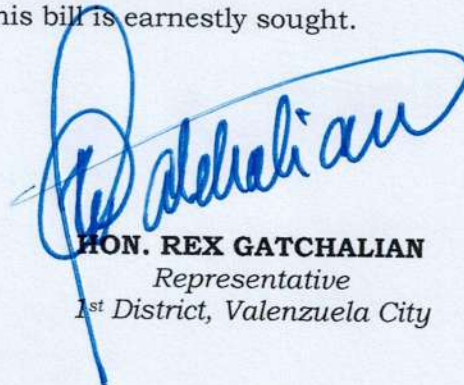
While many Filipinos are connected to the internet, the country's weak digital infrastructure has hampered its effective use. Digital technologies for public services are still not used by most Filipinos and Filipino businesses and are limited to the technologically literate. This is compounded by the fact that in rural and remote areas, digitalization is basically non-existent contributing to unequal access for services delivered via the internet.

And while the internet is accessible, many Filipinos still experience poor data services, even with 4G and 5G. Users also experience slower speeds than advertised and encounter poor performance on other important measures of Internet service quality, such as upload speeds, latency, jitter, and packet loss, which affect transmission of data. This leads to the poor adoption of digital applications such as digital banking, telehealth, ecommerce, and e-governance.

Thus, there is a need for urgent and substantial improvements to our digital infrastructure for it plays a key role in the Philippine economy. As we have seen during the COVID-19 pandemic, access to basic government services like education, healthcare, social security, trade and even business can be streamlined and improved with the use of technology – red tape can be reduced, waiting times in government offices limited, and efficiency among all stakeholders will be improved.

Thus, this bill sets minimum standards for broadband quality of service to discourage the common practice of telecommunication companies and internet service providers from advertising internet speeds, service reliability and other measures that mislead the consumer. It enforces compliance to performance standards and penalize service providers who consistently fail to deliver the acceptable level of broadband quality of service. Ultimately, it seeks to promote the rights and welfare of broadband end-users.

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



HON. REX GATCHALIAN
Representative
1st District, Valenzuela City

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

1 SECTION 1. **Short Title.** – This Act shall be known as the “*Better Internet Act.*”

2
3 SEC. 2. **Declaration of Policy.** – The State recognizes the importance of
4 technological advancements in nation building, economic development, and
5 promoting people's well-being and as such, it endeavors to ensure the provision of
6 strategic, reliable, cost-efficient, and citizen-centric information and communication
7 technology (ICT) infrastructure, systems, and resources to guarantee that the
8 population has access to quality, reliable, and affordable ICT services.

9
10 In line with this, the State shall ensure that all Public Telecommunications
11 Entities (PTEs) and Internet Service Providers (ISPs) will continuously upgrade their
12 facilities and improve their services to be responsive to the growing demand for
13 quality Internet access services.

14
15 SEC. 3. **Definition of Terms.** - As used in this Act, the following terms are
16 defined as follows:

- 17
18 a. *Bandwidth* shall refer to the data transfer rate or the amount of data
19 that can be carried from one point to another in a given time period
20 expressed in bits per second or multiples of it;
21

- 1 b. *Broadband* shall refer to high-speed internet service that is always on
2 and faster than traditional dial-up access transmitted through various
3 wired or wireless data transmission technologies such as, but not
4 limited to, digital subscriber line (DSL), cable modem, fiber optic cable,
5 fixed wireless, satellite, cellular mobile, Television (TV) white space, and
6 other evolving and emerging technologies as may be developed in the
7 future;
- 8
9 c. *Cellular towers* shall refer to passive telecommunication tower
10 infrastructure, including, but not limited to, three-legged or four-legged
11 structure, poles, mast, or similar infrastructure used to support mobile
12 cellular network facilities;
- 13
14 d. *Compliance period* shall refer to the first two (2) years from the effectivity
15 of this Act within which all Internet Service Providers (ISP) and Public
16 Telecommunications Entities (PTE) are required to comply with the
17 minimum broadband download speeds set forth in this Act;
- 18
19 e. *Greenfield Service Area* shall refer to a barangay where an ISP is
20 completely absent or a barangay that has internet connection but such
21 connection does not reach an average minimum broadband speed of
22 two (2) megabits per second (MBPS) or such speed as may be prescribed
23 by the DICT, whichever is higher;
- 24
25 f. *Internet Service Providers* or *ISPs* shall refer to an entity, with or without
26 a Congressional franchise, registered as a value-added service (VAS)
27 provider from the National Telecommunications Commission (NTC) and
28 authorized to build, install, operate, and maintain an internet network
29 in order to offer internet access services to the public for compensation;
- 30
31 g. *Jitter* shall refer to the variation of end-to-end delay from one packet to
32 the next within the same packet stream, connection, or flow;
- 33
34 h. *Latency* shall refer to the time it takes for one data packet to travel from
35 one designated point to another;
- 36

- 1 i. *Packet* shall refer to the unit of data that is routed between an origin or
2 source and a destination on the Internet or any other packet-switched
3 network;
- 4
- 5 j. *Packet Loss* shall refer to the number of packets that does not reach
6 the destination;
- 7
- 8 k. *Service reliability* or *Uptime* shall refer to the probability that the
9 product or service will deliver the advertised speed to a subscriber over
10 a given time;
- 11
- 12 l. *Public Telecommunications Entity* or *PTEs* shall refer to any person, firm,
13 partnership or corporation, government or private, engaged in the
14 provision of telecommunications services to the public for
15 compensation;
- 16
- 17 m. *National ICT Household Plan* shall refer to the plan for the improvement
18 of ICT access and use, including broadband access, by households and
19 individuals developed by the Department of Information
20 Communications Technology (DICT) on the basis of information
21 gathered from the National ICT Household Survey;
- 22
- 23 n. *Threshold Speed* shall refer to minimum upload and download speeds
24 that an ISP or PTE must provide to their end user as entry-level
25 broadband service;
- 26
- 27 o. *Unserved Area* shall refer to a specific population or land area of a
28 city/municipality where broadband access service is not available, as
29 identified by the National ICT Household Plan;
- 30
- 31 p. *Underserved Area* shall refer to a specific population or land area of a
32 city/municipality where broadband access service is covered and
33 available, but below the threshold speed. The underserved areas shall
34 be identified by the National ICT Household Plan while the threshold
35 speed shall be determined by this Act and, subsequently, by the NTC.
- 36

1 SEC. 4. ***Increase in Service Coverage.*** – The NTC shall require all ISPs and
2 PTEs to extend and expand the service coverage of wired and wireless broadband
3 service in all unserved and underserved areas in the Philippines within two (2) years
4 from the effectivity of this Act, according to the schedule and strategy to be set forth
5 by the DICT in the National ICT Household Plan.
6

7 The DICT shall develop the National ICT Household Plan, identify therein
8 unserved and underserved areas in the Philippines and devise a plan of action to
9 ensure Internet services shall be made available at the household level. The DICT
10 shall make such information and plans public within sixty (60) days from the
11 effectivity of this Act: *Provided*, That subject to regulatory requirements, ISPs shall
12 be allowed to own, establish, and operate wired and wireless networks, utilizing any
13 available technology, in order to meet their obligations under this Act. ISPs shall be
14 allowed access to unlicensed radio spectrum necessary to enable them to utilize
15 wireless technologies to provide Internet service: *Provided, Further*, That ISPs shall
16 not build international carrier, inter-exchange carrier, local exchange carrier, and
17 mobile radio telephone networks reserved for PTEs, as provided for in Republic Act
18 No. 7925, otherwise known as the Public Telecommunications Policy Act of the
19 Philippines.
20

21 SEC. 5. ***Delivery of Advertised Speeds.*** – Within one (1) year from the
22 effectivity of this Act, the NTC is hereby mandated to require all PTEs and ISPs to
23 only advertise and offer internet service download speeds that they can consistently
24 provide and work towards providing an average internet connection speed above
25 global average. PTEs and ISPs shall deliver at least eighty percent (80%) of advertised
26 broadband speed at eighty percent (80%) service reliability: *Provided*, That the entry-
27 level broadband connection speed offered by ISPs or PTEs to subscribers shall not
28 be lower than the following:
29

30 (A) Twenty (20) Megabits per second (Mbps) for wired broadband and ten
31 (10) Mbps for wireless broadband in metropolitan cities;
32

33 (B) Ten (10) Mbps for wired broadband and five (5) Mbps for wireless
34 broadband services in all other cities; and
35

1 (C) Five (5) Mbps for wired broadband and two (2) Mbps for wireless
2 broadband services in rural areas.
3

4 PTEs and ISPs shall have two (2) years from the effectivity of this Act to ensure
5 that they provide the minimum threshold speeds stated in this section to their end
6 users; *Provided*, That PTEs and ISPs that will expand coverage and offer internet
7 services in Greenfield Service Areas or previously unserved or underserved areas, as
8 identified by the DICT, shall not be subjected to the minimum download speed for
9 the next five (5) years.
10

11 The NTC shall conduct a regular review of technological advancements in the
12 field of communications and data transmission to determine the necessity of
13 adjusting the minimum speed standards set in this Act: *Provided*, That internet
14 speed and service reliability of internet connections delivered by service providers
15 shall be measured based on the methodology prescribed by the NTC.
16

17 After the end of the compliance period, it shall be considered a violation of this
18 Act, subject to the penalties provided in Sec. 15 hereof, to offer paid internet service
19 below the threshold speed. For the avoidance of doubt, there shall be no minimum
20 speed required for free Internet service: *Provided*, however, that the service provided
21 under Republic Act No. 10929, otherwise known as the "Free Internet Access in
22 Public Places Act", shall meet the minimum speeds prescribed therein or under the
23 relevant rules of the DICT for free internet service programs.
24

25 SEC. 6. ***Measurement and Publication of Broadband Quality of Service***
26 ***(QOS)***. – In order to monitor and enforce compliance of PTEs and ISPs, the NTC shall:
27

28 (A) Prescribe, in coordination with DICT, a criteria and methodology for the
29 measurement and publication of broadband QOS, including
30 parameters such as download speed, upload speed, latency, packet
31 loss, jitter, and service reliability, with appropriate benchmarks, after
32 public consultations and hearings within six (6) months from the
33 effectivity of this Act;
34

35 (B) Provide the public a mechanism to run broadband diagnostic in a
36 secure and consumer-friendly format;

- 1
- 2 (C) Develop a procedure for collecting and analyzing broadband QOS
- 3 measurements from various platforms and processing test data in a
- 4 central database, which shall update and release results, at least, every
- 5 24 hours;
- 6
- 7 (D) Make publicly available, on the NTC website and other media, the
- 8 criteria and methodology for the broadband QOS measurement tool and
- 9 the list of platforms using the NTC-prescribed broadband measurement
- 10 mechanism;
- 11
- 12 (E) After the two-year compliance period, annually review the compliance
- 13 of PTEs and ISPs with the minimum download speeds;
- 14
- 15 (F) After the two-year compliance period, annually prescribe and upgrade
- 16 the minimum broadband download speed and QOS standards to
- 17 ensure that the performance standards of ISPs and PTEs are at par
- 18 with the service levels established in regional data network
- 19 performance indices and are aligned with best practices. Such QOS
- 20 standards shall take into account download speed, upload speed,
- 21 latency, packet loss, jitter, and service reliability: *Provided*, That the
- 22 NTC shall not decrease the minimum speeds set forth in this Act:
- 23 *Provided, further*, That new performance standards shall be published
- 24 at least thirty (30) days before they take effect;
- 25
- 26 (G) Diligently monitor and conduct monthly network audits or QOS tests
- 27 to ensure compliance of PTEs and ISPs with threshold speeds,
- 28 advertised speeds, and coverage obligations; and
- 29
- 30 (H) Publish the results of all the NTC's network audits, broadband QOS
- 31 tests, and the results of the consumer broadband QOS tests on their
- 32 official website and social media accounts, and furnish a copy of the
- 33 same to the DICT every month. Such reports should be in a format that
- 34 can easily be analyzed by third party data scientists.
- 35

36 SEC. 7. **Responsibilities of the DICT.** – In addition to the responsibilities

37 imposed in other sections of this Act, the DICT shall:

- 1 (A) Maintain and make public a National ICT Assets Index (NICTAI), which
2 shall be updated annually, in order to provide accurate data on
3 broadband coverage and ICT adoption and utilization in the country;
4
- 5 (B) Conduct the National ICT Household Survey and publish the National
6 ICT Household Plan every three (3) years, and identify unserved and
7 underserved areas;
8
- 9 (C) Regularly review and update ICT policy guidelines, strategies and
10 plans, including, the National Broadband Plan to ensure that the
11 Philippines' internet service policy framework is at par with global
12 standards and best practices; and
13
- 14 (D) Ensure the delivery of internet services at the household level through
15 a schedule and plan of action that includes infrastructure sharing and
16 co-location arrangement.
17

18 SEC. 8. **Responsibilities of the NTC.** – In addition to the responsibilities
19 imposed in other sections of this Act, the NTC shall:
20

- 21 (A) Ensure that PTEs and ISPs meet the minimum standards regarding
22 connection, reception, just pricing, and billing practices to promote and
23 protect the rights of consumers of internet services;
24
- 25 (B) Determine whether the ICT industry has built out the optimal number
26 of towers and other infrastructure necessary to meet the objectives of
27 this law;
28
- 29 (C) Promulgate an efficient and expeditious administrative process for the
30 registration of ISPs and shall, in coordination with the DICT, develop a
31 set of criteria for qualifying service providers that will encourage the
32 widest possible participation of as many industry players as possible
33 who will build the necessary network infrastructure and offer internet
34 services to end users in different parts of the country and will take
35 national security into consideration, particularly for facilities that
36 interface directly with another country's domestic network;
37

- 1 (D) Publish a spectrum management policy framework that promotes a
2 transparent, efficient, and equitable approach to distributing spectrum,
3 including clear guidelines for: (i) recalling unutilized spectrum, (ii)
4 reassigning spectrum for more efficient use, and (iii) implementing an
5 open frequency approach to expand internet access in underserved and
6 unserved areas, to be developed together with the DICT and the
7 Philippine Competition Commission (PCC);
8
9 (E) Provide the public with annual reports on the performance of PTEs and
10 ISPs in terms of increasing internet coverage and meeting the threshold
11 download speeds;
12
13 (F) Provide policies and standards of network elements to ensure that PTEs
14 and ISPs will maintain the QOS of the internet service they provide to
15 their respective area of coverage;
16
17 (G) Provide for an expeditious mechanism to address consumer complaints
18 on slow internet speed and false advertising of internet speeds; and,
19
20 (H) Establish an efficient monitoring system or framework with regard to
21 the PTEs and ISPs' management of consumer complaints and maintain
22 records of subscribers' complaints.
23

24 SEC. 9. **Reports to Congress.** – The DICT and NTC shall submit a quarterly
25 progress report to Congress of all acts performed pursuant to this Act during the first
26 week after the immediately preceding quarter for the next two (2) years from the
27 effectivity of this Act.
28

29 SEC. 10. **Streamlining Permitting Requirement.** – The DICT and other
30 relevant agencies including, the Department of Interior and Local Government
31 (DILG), Department of Public Works and Highways (DPWH), Department of Human
32 Settlements and Urban Development (DHSUD), Anti-Red tape Authority (ARTA), Civil
33 Aviation Authority of the Philippines (CAAP), Department of Health (DOH), and the
34 Food and Drug Administration (FDA) shall ensure the streamlining of the permitting
35 process for the construction, installation, and operation of telecommunications tower
36 and other infrastructure such as, permits for base stations, cables, poles, and other
37 work elements necessary to offer internet service.

1
2 The DICT shall set up a one-stop shop that shall coordinate with other
3 regulatory agencies regarding the permitting requirements and applicable regulatory
4 fees for installing common towers, cables, poles, and other network elements in order
5 to facilitate the attainment of the objectives of this Act.
6

7 To facilitate the expeditious planning of the country's ICT infrastructure, all
8 PTEs and ISPs are required to submit, within fifteen (15) working days upon the
9 request of the DICT or the NTC, a copy of their most updated and complete
10 broadband network map, enabling the government to draw up incentive plans and
11 opportunities in order to boost internet service and compel the creation of the
12 infrastructure essential for overall economic growth.
13

14 SEC. 11. **Rights of End-Users.** – The user of internet services shall have the
15 following basic rights, in addition to other rights under existing laws:
16

- 17 (A) To be entitled to internet services which is reliable, non-discriminatory,
18 and conforms with the minimum standards set by the NTC;
19
20 (B) To be rendered internet services within two (2) months from application
21 for service, in areas where the service is advertised to be available;
22
23 (C) Timely correction of errors in billing or in prepaid load and the
24 immediate provision of rebates or refunds by the service provider
25 without the need for demand by the user; and
26
27 (D) Subject to the filing of a formal request to the service provider, a user
28 may request the immediate termination of service without the
29 imposition of fees or penalties, and with the refund of any fee or charge
30 already paid by the user, should a service provider not consistently
31 comply with paragraphs (a), (b), and (c) of this Section, or any minimum
32 performance standards by the NTC.
33

34 SEC. 12. **Local Government Units (LGUs) as Partners in Broadband**
35 **Infrastructure Development.** – The LGU shall serve as a strategic partner who shall
36 ensure that all LGU-related permits and requirements necessary to expand internet

1 coverage and improve quality of internet service shall be acted upon immediately. In
2 order to ensure that all municipalities and barangays have access to internet
3 facilities, an LGU shall be allowed to build and operate its own broadband network
4 in partnership with PTEs and ISPs.

5
6 SEC. 13. ***Infrastructure Sharing and Co-location.*** –

7
8 (A) The DICT shall promulgate policies, rules and regulations, in
9 coordination or jointly with the concerned national government
10 agencies, government owned and controlled corporations, and LGUs to
11 ensure that infrastructure, whether existing or to be built in the future,
12 necessary or capable of supporting data transmission networks or
13 services are:

14
15 (i) Mandatory for open access and made available for co-location
16 and co-use by the owner of network facilities, equipment, and
17 infrastructure on an open, fair, and non-discriminatory basis to
18 any access seeker's network facilities;

19
20 (ii) As far as possible, deployed together with roadworks, pipe-
21 laying, and other infrastructure development by both
22 government and private entities; and

23
24 (iii) Propagated in the most cost-efficient and timely manner through
25 various means, including encouraging the operation of
26 independent entities that build and operate towers, dark fiber,
27 and utility corridors, among other infrastructure that help
28 facilitate broadband network deployment.

29
30 (B) The DICT shall, in coordination with the PCC and other relevant
31 government agencies, promulgate policies, rules, and regulations to
32 ensure that buildings, condominiums, villages, towns, and
33 subdivisions are all built with facilities, such as cable entrances, ducts,
34 and risers, that allow non-discriminatory and non-exclusive access to
35 multiple service providers, in order for PTEs and ISPs to provide
36 internet service;

1
2 (C) In case of disputes arising from infrastructure-sharing arrangements,
3 the DICT shall:

4
5 (i) Coordinate with the regulator of the infrastructure;

6
7 (ii) Mediate between a PTE or ISP and an infrastructure owner,
8 which may include a PTE, an ISP, or a public service network
9 provider; and

10
11 (iii) Serve as the primary enforcer of this provision.
12

13 (D) The DICT shall encourage the use of existing infrastructure, such as
14 those of cable TV operators, to fast track the layout of networks, to
15 increase coverage, and to address the problem of unserved and
16 underserved areas;
17

18 (E) The regulator of the shared infrastructure shall, in consultation with
19 concerned stakeholders, determine and ensure reasonable rental rates
20 for use of shared infrastructure such as utility poles, utility corridors
21 and ducts; and
22

23 (F) For shared infrastructure arrangements, the DICT shall also look into
24 the following considerations:

25
26 (i) Technical feasibility of the access seeker's request to use the
27 infrastructure;

28
29 (ii) Incentives to encourage investment in less commercially viable
30 areas;

31
32 (iii) Fair and reasonable rates for shared facilities, depending on the
33 location and market size in a particular area.
34

35 All policies, rules, and regulations under this Section shall be operationalized
36 within one (1) year from the effectivity of this Act.

1
2 SEC. 14. **Penalties.** – The NTC may, *motu proprio* or upon complaint of any
3 interested party in any appropriate administrative or quasi-judicial proceeding, and
4 in accordance with due process, shall:

5
6 (A) Require any PTE or ISP who fails to meet the requirements set forth
7 under this Act to immediately comply with the minimum service
8 standards that have not been met;

9
10 (B) Require any PTE or ISP who violates any provision of this Act, to cease
11 committing such violation and to comply with the provisions of this Act
12 that have been violated;

13
14 (C) Impose upon entities who do not comply with internet service
15 standards as laid down by Sections 4 and 5 of this Act and as
16 prescribed by the NTC:

17
18 (i) The penalty of a fine of not less than two hundred thousand
19 pesos (P200,000.00) but not more than two million pesos
20 (P2,000,000.00) for each count of violation: *Provided*, That if a
21 service provider has a gross annual income not exceeding Ten
22 Million Pesos (P10,000,000.00), the penalty shall be equivalent
23 to one percent (1%) to two percent (2%) of its gross annual
24 income; and

25
26 (ii) For repeated violations, the NTC shall revoke the PTE's
27 Provisional Authority or Certificate of Public Convenience and
28 Necessity, or cancel the registration of an ISP, whichever applies,
29 including the waiving of any pre-termination fees of affected
30 subscribers and timely disbursement of any remaining from
31 excessive downtime.

32
33 The foregoing is without prejudice to any other remedies available to the NTC
34 under existing laws.
35

1 SEC. 15. **Implementing Rules and Regulations (IRR).** – Within sixty (60)
2 days after the effectivity of this Act, the DICT and the NTC shall issue a Joint
3 Memorandum Circular setting forth the rules and regulations to effectively
4 implement the provisions of this Act.

5
6 SEC. 16. **Separability Clause.** – If any provision or part of this Act is held
7 invalid or unconstitutional, the remaining parts or provisions not affected shall
8 remain in full force and effect.

9
10 SEC. 17. **Repealing Clause.** – All laws, executive orders, presidential decrees
11 or issuances, letter of instruction, administrative orders, rules, and regulations as
12 well as local ordinances contrary to or inconsistent with the provisions of this Act
13 are hereby repealed, amended, or modified accordingly.

14
15 SEC. 18. **Effectivity Clause.** – This Act shall take effect fifteen (15) days after
16 its publication in the *Official Gazette* or in a newspaper of general circulation.

17
18 Approved,