

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 8322



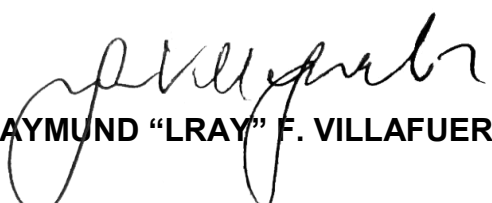
Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

This proposed measure aims to improve internet access in the country by promoting investment in the ICT sector and expanding the existing digital infrastructure that will ensure universal access to the internet such as satellite-based internet technologies. Better information and communications technology (ICT) infrastructure can have lasting impact on the delivery of basic services, education, health, trade, finance, disaster preparedness, and public safety. Through this proposed measure, Internet Service Providers may directly access available satellite-based technologies and need not wait for infrastructure to be set up.

Our broadband infrastructure is lacking owing to the fact that it is challenging and more expensive to build them in the islands or mountains with small populations. This is why we should aim to explore technologies such as satellite-based internet technologies. Satellite-based internet technology is already a proven internet technology to provide internet services especially in areas where putting up wired or mobile networks can be challenging.

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


LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.

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Introduced by **HON. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR.**

AN ACT
ENCOURAGING AND PROMOTING THE USE AND DEVELOPMENT OF
SATELLITE-BASED TECHNOLOGIES FOR INTERNET CONNECTIVITY

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 "*Satellite-Based Technologies for Internet Connectivity Act.*"

Sec. 2. *Declaration of Policy.* – It shall be declared the policy of the State to promote broad and inclusive access to satellite technology for reliable and affordable internet services, which are crucial for stimulating economic growth, providing opportunities for decent employment in the countryside, and improving educational results.

Towards these objectives, the State shall liberalize access to satellite-based services and hasten the expansion of broadband infrastructure, especially in places unserved or underserved by conventional wired and cellular mobile networks, and bring reliable internet service to all Filipinos anywhere in the country.

Sec. 3. *Definition of Terms.* – For the purposes of this Act, the term:

- (a) *Core Services* shall refer to circuit switched voice services rendered over cellular mobile, fixed line (local exchange), and inter-exchange facilities;

- (b) *Direct Access* shall mean direct dealings between authorized or permitted entities and satellite system providers at any segment or all levels of their broadband network;
- (c) *ICT Sector* shall mean those engaged in providing goods and services primarily intended to fulfill or enable the function of information processing and communication by electronic means. The ICT Sector includes telecommunications and broadcast information operators, ICT equipment manufacturers, multimedia content developers and providers, ICT solution providers, internet service providers, ICT training institutions, software developers and ICT-ES providers, and other ICT and ICT-ES providers;
- (d) *ICT-Enabled Sector or ICT-ES* shall mean those engaged in providing services that require the intrinsic use of ICTs including engineering or architectural design, informatics service providers, offshoring and outsourcing service providers such as call centers, back office processing, software development, medical or legal transcription, animation, game development, and other services that require the intrinsic use of a networked information infrastructure.
- (e) *Internet Service Providers (ISP)* shall refer to organizations that provide services for accessing, using, or participating in the Internet, whether as commercial, community-owned, non-profit, or private-owned organizations;
- (f) *Permitted Entities* shall refer to: (i) Enfranchised public telecommunications entities (PTEs) duly authorized by the NTC to provide internet services; and (ii) Value-Added Service (VAS) providers and Internet Service Providers (ISPs) duly registered with the NTC, whether with or without a legislative franchise.
- (g) *Satellite-based technologies* shall refer to technologies that employ infrastructure and/or mechanisms related to artificial satellites;
- (h) *Value-Added Service (VAS) providers* shall refer to providers of non-Core services;
- (i) *Very-small-aperture terminal (VSAT)* shall refer to a two-way satellite ground station with a dish antenna, typically not more than four (4) meters, and whose technical specifications the Department of Information and Communications Technology (DICT) may further define.

Sec. 4. Additional mandate to the Department of Information and Communications Technology (DICT). – To expand access to satellite-based

technologies as an alternative connectivity solution to ensure universal access to the internet the DICT shall:

- (1) Exercise regulatory and administrative jurisdiction over ISPs and satellite policies;
- (2) Adopt an expeditious administrative process for the registration of ISPs, whether local or foreign; for this purpose, the registration of, and jurisdiction over, ISPs is hereby transferred from the National Telecommunications Commission (NTC) to the DICT;
- (3) Pursue policies to secure necessary orbital slots for Philippine satellite(s);
- (4) Work with relevant agencies to encourage the commercial development of technologies complementary to satellites-based technologies;
- (5) Create a coherent spectrum management policy which include radio frequency spectrum for satellite systems;
- (6) Conduct annual policy review together with relevant stakeholders and concerned government agencies with consideration of different opportunities and challenges that satellite internet brings;
- (7) Identify areas that are underserved and unserved by traditional broadband network operators and where the use of satellite-based internet can be maximized;
- (8) Issue rules and regulations on the development, use, and maintenance of satellite-based technology; and
- (9) Perform such other functions as may be relevant to its work as the principal regulatory and development agency for satellite technology.

Sec. 5. Policy on the Use of Satellite Technology for Internet Connectivity. – The government shall promote the use and development of satellite services as a means to ensure universal access to the internet, especially in critical areas such as e-government and the delivery of basic services, education, health, trade, finance, disaster preparedness, and public safety. Specifically:

- (a) To promote the expansion of satellite-based networks, particularly in rural areas, and in areas with limited fixed or cellular mobile network connectivity, VAS providers and ISPs shall be allowed direct access to all satellite systems—whether fixed or mobile, international or domestic—for all segments of the broadband network. VAS providers and ISPs shall be allowed to directly

access, utilize, own and operate networks for internet access service utilizing satellite technologies such as VSAT and other similar technologies for all segments of the broadband network without need of a franchise and a provisional authority or Certificate of Public Convenience and Necessity (CPCN) from the NTC. VAS providers and ISPs shall, however, comply with existing policies requiring registration of VAS and ISP offerings and submission of their schedule of rates;

- (b) To invite investment and the propagation of new internet technologies in the ICT and ICT-enabled sector, ISPs and VAS Providers may be 100% foreign-owned. ISPs and VAS providers shall, however, comply with the policies of the DICT for the registration of ISPs and VAS Providers.
- (c) The NTC and DICT shall comply with international regulations on the allocation and use of frequency for satellite services, and shall not re-allocate them to the detriment of users of VSAT or other satellite technologies. The NTC and DICT shall ensure the availability of satellite frequencies for the use of VAS providers and ISPs. The NTC shall, within thirty (30) days upon the effectivity of this Act, issue the rules and regulations necessary for the implementation of portions of this paragraph that require administrative and regulatory oversight. *Provided,* That Section 7 of this Act shall be immediately executory upon the effectivity of this Act.

Sec. 6. Direct Access to Satellite Systems. – Permitted Entities are allowed to (i) deploy satellite technology and use associated spectrum in any or all segments of their broadband network without needing to go through, lease or rent capacity for such from PTEs, and (ii) apply with the NTC for permission to use spectrum for this purpose. PTEs, VAS Providers, and ISPs may directly access, utilize, own and operate facilities for internet access service using satellite technologies such as, but not limited to, VSAT, Broadband Global Area Network and other similar technologies, for all segments of the broadband network without need of a Congressional franchise.

Prior authorization of either the DICT (for broadband networks) or the NTC (for broadcast providers and for services that do not involve broadband networks) shall not

be required for direct access to satellite systems under this provision provided that the terms and conditions, which include levels of access to any international fixed or mobile satellite system, shall be submitted by the Permitted Entities to the DICT or NTC, as applicable, for record purposes.

Sec. 7. *Promotion of Satellite-based Technologies for Sustainable Development and Inclusive Growth.* – Government organizations, public and non-profit private institutions, volunteer organizations engaged in education, health, finance, agriculture, environmental management, climate change management, disaster preparedness and crisis response shall be allowed to own and operate satellite-based technology in order to aid and augment their activities.

The NTC shall, within thirty (30) days upon the effectivity of this Act, establish an expeditious administrative process to allow such entities to apply for permits to import and or own such technology. The Anti-Red Tape Authority (ARTA) shall ensure that the procedures set forth by the NTC pursuant to this Section complies with Republic Act No. 9485, or the Anti-Red Tape Act of 2007.

Sec. 8. *Appropriation.* – The amount necessary for the implementation of this Act shall be charged against available funds of the DICT and NTC, as may be applicable. Thereafter, the amount shall be included in the General Appropriations Act.

Sec. 9. *Implementing Rules and Regulations.* – Unless otherwise stated, the DICT, in coordination with the NTC, and in consultation with relevant groups and sectors, shall issue the implementing rules and regulations ("IRRs") within sixty (60) days upon the effectivity of this Act. The IRRs shall incorporate the provisions of NTC Memorandum Circular Nos. 04-03-99 and 01-03-2008 in so far as practicable and in furtherance to the objectives of this Act.

Sec. 10. *Repealing Clause.* – Provisions of Executive Order Nos. 467 (s. 1998) and 127 (s. 2021) that are inconsistent with this Act are hereby repealed or modified accordingly. All other laws, decrees, rules and regulations inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

Sec. 11. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, any part or provision not affected thereby shall remain in full force and effect.

Sec. 12. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,