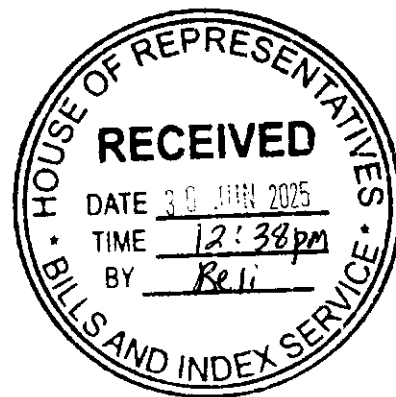




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**TWENTIETH CONGRESS**  
First Regular Session



House Bill No. 178

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**Introduced by Representative MARLESA “DOC MARLY” HOFER-HASIM**

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**EXPLANATORY NOTE**

Based on data from Statista, the number of internet users in the Philippines was estimated at 104.5 million in the year 2024.

In the digital age, access to stable, high-quality internet and telecommunications services is indispensable to the economic, educational, and social well-being of every Filipino. As more individuals, businesses, and institutions shift to online platforms, the demand for reliable and uninterrupted connectivity has become a national imperative.

Despite this, consumers continue to experience frequent and prolonged service outages and disruptions, often without warning, and with no corresponding adjustments in their billing. This results in financial loss, inconvenience, and unfair charging practices, especially among remote workers, online students, and prepaid subscribers.

This measure seeks to institutionalize a consumer redress mechanism for such service failures by mandating Public Telecommunications Entities (PTEs), including Internet Service Providers (ISPs), to provide automatic bill adjustments or refund credits to customers who experience service interruptions or outage.

Under this Act, PTEs and ISPs are required to automatically apply pro-rated refunds or bill adjustments to affected accounts without the need for demand from the subscriber, following a standard verification process to be overseen by the appropriate regulatory body. Subscribers retain the right to file a complaint with the proper administrative or quasi-judicial agency in case of disputes regarding the computation or application of the refund.

The proposed measure ensures equity for prepaid subscribers, who are often excluded from such redress mechanisms. The same refund credit shall be granted to prepaid users whose service was adversely affected, ensuring all customers are protected regardless of their payment model. By enacting this bill, the State affirms its commitment to consumer protection, service accountability, and digital fairness.

This proposal is still pending in the Senate after being approved on third and final reading in the House of Representatives during the previous 19th Congress.

In view of the foregoing, the immediate and favorable passage of this measure is earnestly sought.

**MARLESA “DOC MARLY” HOFER-HASIM**  
Representative, 2<sup>nd</sup> District of Zamboanga Sibugay



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**AN ACT**  
**MANDATING PUBLIC TELECOMMUNICATIONS ENTITIES AND INTERNET**  
**SERVICE PROVIDERS TO INSTITUTE AN AUTOMATIC REFUND MECHANISM**  
**FOR SERVICE OUTAGES AND DISRUPTIONS, PROVIDING PENALTIES FOR**  
**VIOLATIONS THEREOF**

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

1       **SECTION 1. *Short Title.*** – This Act shall be known as “*Automatic Refund for Internet and*  
2       *Telecommunications Services Outages and Disruptions Act.*”

3  
4       **SEC. 2. *Declaration of Policy.*** – The State recognizes the vital role of information and  
5       communications technology in nation building. The State shall implement measures to provide  
6       for regulations on internet and telecommunications services offered by public  
7       telecommunications entities (PTEs) and internet service providers (ISPs) and ensure that the  
8       interest and welfare of its people and the consuming public are protected and upheld.

9  
10       **SEC. 3. *Definition of Terms.*** – As used in this Act:

11       a. *Fortuitous event* refers to either an “act of God” or natural occurrences, such as floods,  
12       typhoons, storms, earthquakes and the likes; or an “act of man”, such as riots, strikes,  
13       wars, governmental prohibitions, robbery, theft, sabotage, cyberattacks, deliberate  
14       destruction, or accidental damage to telecommunications facilities by third parties and  
15       the likes;

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

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

4       **c.***Internet Access* refers to the process of connecting to the internet using personal  
5       computers, laptops, or mobile devices by users;

6       **d.***Internet Service Provider (ISP)* refers to a public telecommunications entity (PTE) or  
7       value-added service (VAS) provider duly authorized by or registered with the National  
8       Telecommunications Commission (NTC) that provides users or other entities with data  
9       connection allowing internet access through physical transport infrastructure, and such  
10      access is necessary for internet users to access content and service on the internet, and  
11      for content providers to publish or distribute materials online;

12      **e.***Network maintenance* refers to any process, whether minor or major, that is deemed  
13      necessary to sustain or update the services. This is further categorized as “scheduled”  
14      and “emergency”. The services provided may not be available during periods of  
15      maintenance, thus:

16      i)   *Scheduled network maintenance* refers to planned repairs and improvements  
17           carried out from time to time by PTEs and ISPs and shall not be deemed as  
18           service outage or disruption; and

19      ii) *Emergency network maintenance* refers to unscheduled maintenance where a  
20           repair is needed to an internet equipment or facility that suffered from  
21           unexpected breakdown or change in condition.

22      **f.***Public Telecommunications Entity or PTE* refers to any person, firm, partnership or  
23      corporation, government or private, engaged in the provision of telecommunications  
24      services to the public for a fee; and

25      **g.** *Scheduled network maintenance* refers to planned repairs and improvements, carried out  
26      from time to time by PTEs and ISPs, which are notified at least 48 hours in advance and  
27      which shall not exceed a cumulative duration of 48 hours per month, shall not be deemed  
28      as service outage;

30      **SEC. 4. Coverage.** – All Public Telecommunication Entities (PTEs), including internet  
31      service providers (ISPs) in the Philippines shall be covered by this Act.

33      **SEC. 5. Automatic Refunds for Internet and Telecommunications Service Outages and**  
34      **Interruptions.** - PTEs, including ISPs, shall, on a pro-rated basis, provide a refund credit to a  
35      customer, or adjust a customer’s bill, who was adversely affected by an internet service outage  
36      or interruption for an aggregate period of twenty-four (24) hours or more, within a month, except  
37      when the reason for such outage is due to scheduled maintenance which should be notified 48  
38      hours prior to the scheduled maintenance and should not exceed 48 hours in a month, a fortuitous  
39      event, or acts of third party or subscriber.

1 The PTEs and ISPs concerned shall apply a bill adjustment, automatically, without need of  
2 demand from the subscriber, after a standard process but shall not preclude the consumer from  
3 filing a complaint to the appropriate administrative or quasi-judicial agency for disputes regarding  
4 refund or bill adjustment amount.

5  
6 The refund credit granted under the circumstances mentioned *supra*, shall likewise be granted  
7 to customers subscribing to a service on a pre-paid basis.

8  
9 **SEC. 6. Penalties.** – The NTC may, *motu proprio* or upon complaint of any interested party,  
10 in the appropriate administrative or quasi-judicial process, and in accordance with due process:

- 11 a) Impose a fine of not less than Fifty thousand pesos (₱50,000.00) but not more than Two  
12 hundred thousand pesos (₱200,000.00) for each count of violation; and  
13 b) For repeated violations, aside from fine, revocation or cancellation of the license,  
14 registration or franchise of the PTEs or ISPs, whichever applies, including the waving  
15 of any pre-termination fees of affected subscribers and timely disbursement of any  
16 remaining credits from excessive downtime.

17  
18 **SEC. 7. Implementing Rules and Regulations.** – Within sixty (60) days from the  
19 effectivity of this Act, the NTC shall, in coordination with the Department of Information and  
20 Communications Technology, and other concerned agencies, promulgate the rules and  
21 regulations necessary to ensure the effective implementation of this Act.

22  
23 **SEC. 8. Repealing Clause.** – All laws, presidential decrees, executive orders,  
24 proclamations, rules and regulations, or any part thereof, which are inconsistent with the  
25 provisions of this Act are hereby repealed or modified accordingly.

26  
27 **SEC. 9. Separability Clause.** – If any provisions or part of this Act, or the application  
28 thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this  
29 Act shall not be affected thereby.

30  
31 **SEC. 10. Effectivity Clause.** – This Act shall take effect fifteen (15) days from its  
32 publications in the *Official Gazette* or in a newspaper of general circulation.

33  
34 *Approved,*