

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 649



Introduced by: **REP. TOBIAS "TOBY" M. TIANGCO**

EXPLANATORY NOTE

To curb the effects of the Covid-19 pandemic, Filipinos stayed mostly indoors resulting in an increase in reliance in internet connectivity. This made internet connection an essential commodity. In fact, based on an article by the Manila Times, in 2021, the Philippines is the second "heaviest internet user in the world." However, the country is still faced with the issue of frequent internet service interruptions. A twenty-four (24)-hour internet service interruption may result in a loss of profit for an online shop, a salary for a laborer, and a loss of learning opportunity for a student attending his or her online class.

In September 2020, major telecommunication companies announced a five (5)-day internet service interruption due to the maintenance of an international cable system called Asia-America Gateway (AAG). Due to this, a lot of schools have called off regular classes to prevent missed quizzes and interrupted lectures and regular work has also been suspended.

Despite this poor internet service, Philippines' internet service is among the costliest in the world, ranking 82nd in terms of internet affordability out of 85 countries based on 2020 Digital Quality of Life Index.

In a news report by Agonoy (2015), it was explained that the Philippines has very outdated laws and policies in relation to the internet. Hence, this bill will serve as a protection for consumers and a challenge for Internet Service Providers to improve their services. In fact, according to the Organization for Economic Co-operation and Development (OECD), less developing economies could increase household income by as much as \$800 a year with a broadband connection of at least 0.5Mbps. Specifically, the economy will grow by 1.13% if there were a 10% increase in "broadband penetration" in the Philippines according to the World Bank.

This bill seeks to ensure that Internet Service Providers will improve their services by requiring them to provide on a pro-rated basis to refund to a customer who has experienced an internet service outage of at least twenty-four (24) hours within a month.

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



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AN ACT
AMENDING REPUBLIC ACT NO. 7925, OTHERWISE KNOWN AS THE "PUBLIC TELECOMMUNICATIONS POLICY ACT OF THE PHILIPPINES", BY REQUIRING PUBLIC TELECOMMUNICATION ENTITIES AND INTERNET SERVICE PROVIDERS TO INSTITUTE A REFUND MECHANISM FOR SERVICE OUTAGES AND DISRUPTIONS AND PROVIDING PENALTIES FOR VIOLATIONS THEREOF.

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

Section 1. *Short Title.* – This Act shall be known as "Refund for Internet and Telecommunications Services Outages and Disruptions Act."

Section 2. *Definition of Terms.* – For the purpose of this act, the term:

(A) xxx

(B) xxx

(C) FORTUITOUS EVENT MAY EITHER BE AN "ACT OF GOD," OR NATURAL OCCURRENCES SUCH AS FLOODS OR TYPHOONS, STORMS, EARTHQUAKES OR OTHER CATAclySMIC EVENTS; OR AN "ACT OF MAN," SUCH AS RIOTS, STRIKES, WARS, GOVERNMENTAL PROHIBITIONS, ROBBERY, ETC.

(D) xxx

(E) INTERNET SERVICE OUTAGE IS THE COMPLETE OR PARTIAL FAILURE OF INTERNET SERVICES.

(F) xxx

(G) xxx

(H) xxx

(I) xxx

(J) xxx

(K) xxx

(L) xxx

Section 3. A new Section 20-A in Article VII, is hereby added to Republic Act No. 7925, otherwise known as the "Public Telecommunications Policy Act of the Philippines", to read as follows:

SECTION 20-A. REFUNDS FOR INTERNET AND TELECOMMUNICATIONS SERVICE OUTAGES AND INTERRUPTIONS. – (A) PUBLIC TELECOMMUNICATION ENTITIES, INCLUDING INTERNET SERVICE PROVIDERS (ISPS), SHALL, ON A PRO-RATED BASIS, PROVIDE A REFUND CREDIT TO A CUSTOMER, OR ADJUST A CUSTOMER'S BILL, WHO HAS EXPERIENCED AN INTERNET SERVICE OUTAGE OR DISRUPTION FOR AN AGGREGATE PERIOD OF TWENTY-FOUR (24) HOURS OR MORE WITHIN A MONTH EXCEPT WHEN THE REASON FOR SUCH OUTAGE IS DUE TO FORTUITIOUS EVENT.

THE ISPS AND PTES CONCERNED SHALL NOT REQUIRE THE CUSTOMER TO TAKE ANY ACTION IN ORDER TO RECEIVE A REFUND CREDIT OR BILL ADJUSTMENT BUT SHALL NOT PRECLUDE THE CONSUMER FROM FILING A COMPLAINT TO THE APPROPRIATE ADMINISTRATIVE AND/OR QUASI-JUDICIAL AGENCY FOR DISPUTES REGARDING REFUND OR BILL ADJUSTMENT AMOUNT.

(B) THE REFUND CREDIT GRANTED UNDER THE CIRCUMSTANCES MENTIONED ABOVE SHALL LIKEWISE BE GRANTED TO CUSTOMERS SUBSCRIBING TO A SERVICE ON A PRE-PAID BASIS.

(C) PENALTIES- THE NATIONAL TELECOMMUNICATIONS COMMISSION MAY, MOTU PROPRIO OR UPON COMPLAINT OF ANY INTERESTED PARTY, IN THE APPROPRIATE ADMINISTRATIVE AND/OR QUASI-JUDICIAL PROCESS, AND IN ACCORDANCE WITH DUE PROCESS, SHALL:

- 1. IMPOSE A FINE OF NOT LESS THAN TWO HUNDRED THOUSAND PESOS (PHP 200,000.00) BUT NOT MORE THAN TWO MILLION PESOS (PHP 2,000,000.00) FOR EACH COUNT OF VIOLATION. PROVIDED, THAT IF THE SERVICE PROVIDER HAS A GROSS ANNUAL INCOME NOT EXCEEDING TEN MILLION PESOS (PHP 10,000,000.00), THE PENALTY SHALL BE EQUIVALENT TO ONE PERCENT (1%) TO TWO PERCENT (2%) OF ITS GROSS ANNUAL INCOME; AND**
- 2. FOR REPEATED VIOLATIONS, REVOKE THE PTES PROVISIONAL AUTHORITY OR CERTIFICATE OF PUBLIC CONVENIENCE AND NECCESITY, OR CANCEL THE REGISTRATION OF AN ISP, WHICHEVER APPLIES, INCLUDING THE WAVING OF ANY PRE-TERMINATION FEES OF AFFECTED SUBSCRIBERS AND TIMELY DISBURSEMENT OF ANY REMAINING CREDITS FROM EXCESSIVE DOWNTIME.**

Section 4. *Repealing Clause.* – All laws, presidential decrees, executive orders, proclamations, rules and regulations, or any part thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 5. *Separability Clause.* – If any provisions or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.

Section 6. *Effectivity Clause.* – This Act shall take effect fifteen (15) days from its publications in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,