

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3019



Introduced by: **REP. SALVADOR A. PLEYTO, SR.**

EXPLANATORY NOTE

In an increasingly digital world, reliable access to telecommunications and internet services has become a fundamental necessity for work, education, commerce, and social interaction. Despite their critical importance, consumers frequently experience service outages and disruptions, ranging from intermittent internet connectivity to complete loss of signal for extended periods. Under current regulations, there is often no clear and consistent mechanism for subscribers to seek and obtain appropriate compensation or refunds for these service interruptions.

This lack of a standardized refund system is a big disadvantage to consumers who pay for services they do not fully receive. Further, without direct financial repercussions for outages, PTEs and ISPs may have less incentive to invest in robust infrastructure, proactive maintenance, and rapid service restoration.

While some providers may offer partial refunds or rebates on a particular basis, and others offer none, this leads to inequitable treatment among subscribers. Repeated uncompensated service disruptions can lead to consumer frustration and a decline in trust towards service providers.

This bill seeks to address these deficiencies by establishing a clear, mandatory, and transparent refund mechanism. PTEs and ISPs will be legally required to institute a mechanism for providing refunds or rebates to subscribers for periods of service outage or disruption. The definition of service outages and disruptions will also be outlined, which could vary from significant degradation of internet speed, or the connectivity is below the advertised and subscribed plan.

Mandating public telecommunications entities and internet service providers to institute a refund mechanism for service outages and disruptions represents a crucial step towards strengthening consumer rights and fostering greater accountability in the telecommunications sector. By ensuring fair compensation for service interruptions, the bill aims to incentivize improved service quality and build greater trust between providers and their subscribers,

ultimately benefiting the entire digital ecosystem in the Philippines. Its successful implementation will require clear guidelines, robust oversight, and cooperation from all stakeholders.

In view of the foregoing, the immediate consideration and passage of this bill is hereby earnestly sought.



SALVADOR A. PLEYTO, SR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 3019

Introduced by: **REP. SALVADOR A. PLEYTO, SR.**

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

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 “Refund for Internet and Telecommunications Services Outages and Disruptions Act.”

SEC. 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 and telecommunications services offered by public telecommunications entities (PTEs) and internet service providers (ISPs), and ensure that the interest and welfare of its people and the consuming public are protected and upheld.

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

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

(b) Internet refers to the biggest global computer network providing a wide variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols;

(c) Internet Access refers to the process of connecting to the internet using personal computers, laptops, or mobile devices by users;

(d) Internet Service Provider (ISP) refers to a public telecommunications entity (PTE) or value-added service (VAS) provider duly authorized by or registered with the National Telecommunications Commission (NTC) that provides users or other entities with data

connection allowing internet access through physical transport infrastructure, and such access is necessary for internet users to access content and service on the internet, and for content providers to publish or distribute materials online;

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

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

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

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

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

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

SEC. 5. Refunds for Internet and Telecommunications Service Outages and Interruptions. – PTEs, including ISPs, shall, on a pro-rated basis, provide a refund credit to a customer, or adjust a customer’s bill, who was adversely affected by an internet service outage or interruption for an aggregate period of twenty-four (24) hours or more, within a month, except when the reason for such outage is due to scheduled maintenance which should be notified 48 hours prior to the scheduled maintenance and should not exceed 48 hours in a month, a fortuitous event, or acts of third party or subscriber. The PTEs and ISPs concerned shall apply a bill adjustment, automatically, without need of demand from the subscriber, after a standard process but shall not preclude the consumer from filing a complaint to the appropriate administrative or quasi-judicial agency for disputes regarding refund or bill adjustment amount.

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

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

(a) Impose a fine of not less than Fifty thousand pesos (₱50,000.00) but not more than Two hundred thousand pesos (₱200,000.00) for each count of violation; and

(b) For repeated violations, aside from fine, revocation or cancellation of the license, registration or franchise of the PTEs or ISPs, whichever applies, including the waving

of any pre-termination fees of affected subscribers and timely disbursement of any remaining credits from excessive downtime.

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

SEC. 8. *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.

SEC. 9. *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.

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

Approved,