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BILLS AND INDEX SERVICE

HOUSE BILL NO. 4786

Introduced by
REPRESENTATIVE DAVID C. SUAREZ

EXPLANATORY NOTE

The digital landscape has profoundly transformed daily life, with social media platforms becoming indispensable conduits for communication, information dissemination, commerce, education, and public discourse. In the Philippines, this transformation is particularly pronounced: as of January 2024, there were 86.98 million internet users, representing a 73.6% internet penetration rate of the total population. The country also recorded 90.8 million social media user identities in January 2025, equivalent to 78% of the entire population, with 93.1% of internet users actively engaged on social media. Filipinos spend an average of 3 hours and 32 minutes daily on social media, significantly higher than the global average of 2 hours and 21 minutes, underscoring the pervasive and essential role these platforms play in the lives of Filipinos.

However, the rapid growth and pervasive influence of these platforms have also exposed significant regulatory gaps and posed substantial challenges to national interest, public welfare, and fair competition. Concerns regarding rampant disinformation, the proliferation of fake news, foreign interference in elections, and the spread of illegal or harmful content have underscored the urgent need for greater accountability and oversight. For instance, in early 2024, Facebook alone had an estimated 86.75 million users in the Philippines, while TikTok had approximately 49.09 million active users as of 2024, rising to 62.3 million by February 2025. These foreign-based platforms often operate with limited physical presence in the Philippines, making it challenging for the government to enforce laws, demand accountability for content moderation failures, address consumer complaints, and ensure equitable tax compliance.

Furthermore, the very nature of social media platforms, characterized by strong network effects, often leads to market dominance and near-monopoly status for a few key players. As more users join a platform, its value increases exponentially for existing and new users, creating significant barriers to entry for competitors. This aligns with the fundamental rationale behind regulating traditional public utilities and services: to ensure that essential services are provided reliably, accountably, and in the public interest, particularly in sectors prone to natural monopolies.

Republic Act No. 11659, which amended Commonwealth Act No. 146, otherwise known as the Public Service Act, redefined "public utility" to be limited to specific sectors. Nevertheless, it maintained that "public services with public interest," such as telecommunications systems, continue to require a congressional franchise. The Act provides criteria for the classification of a public service as a public utility, including services that regularly supply to the public through a network, are natural monopolies requiring regulation for the common good, are necessary for the maintenance of life and occupation of the public, and are obligated to provide adequate service on demand.

In light of their pervasive influence, essential nature, market dominance, and critical impact on national security and public discourse, social media platforms demonstrably embody the characteristics of a "public service of public consequence" or even "critical infrastructure." Their capacity to affect national security through the rapid spread of misinformation and their crucial role in the socio-economic activities of the populace necessitate a robust regulatory framework.

This proposed measure seeks to amend the Public Service Act to explicitly include social media platforms as public services requiring a congressional franchise. By requiring a franchise, the bill aims to:

- Ensure Accountability: Subject these platforms to the oversight of the Philippine government, allowing for greater accountability in content moderation, data privacy, and adherence to Philippine laws.

- Protect National Interest: Safeguard against disinformation, foreign interference, and the misuse of platforms for illicit activities, thereby strengthening national security and promoting responsible online behavior.

- Promote Fair Competition: Mitigate potential anti-competitive practices stemming from market dominance by establishing a clear regulatory framework.

- Enhance Consumer Protection: Provide a clear avenue for addressing consumer grievances and ensuring quality of service in the digital space.

- Facilitate Tax Compliance: Ensure that these platforms contribute equitably to the national economy, similar to other businesses operating within the Philippines.

The passage of this bill is crucial to modernize the Public Service Act to address the realities of the digital age, protect the welfare of the Filipino people, and ensure that powerful digital platforms operate responsibly and in alignment with national interests.

DAVID C. SUAREZ
2nd District, Province of Quezon

Sources of Statistics:

Social Media Statistics in the Philippines [Updated 2025] from Meltwater.

Digital 2024: The Philippines from DataReportal – Global Digital Insights.

Unlocking the Philippines' Digital Transformation by Increasing Internet Connectivity from the World Bank.

Social Media in Philippines - 2023 Stats & Platform Trends from OOSGA.

TikTok in the Philippines: Users, Statistics, Best Time to Post from Spiralytics.

Understudied Digital Platforms in the Philippines from Internews.

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AN ACT AMENDING COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE PUBLIC SERVICE ACT, AS AMENDED, TO INCLUDE SOCIAL MEDIA PLATFORMS AS PUBLIC SERVICES REQUIRING A CONGRESSIONAL FRANCHISE, AND FOR OTHER PURPOSES

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 "**Social Media Platform Franchise Act**."

SECTION 2. *Declaration of Policy.* – It is hereby declared the policy of the State to uphold the paramount public interest in the digital sphere by ensuring that social media platforms, as essential public services of national consequence, operate with accountability, transparency, and fairness; to protect national security, public order, and consumer welfare from the adverse effects of unregulated digital activities; and to promote fair competition and a level playing field in the digital economy. Towards this end, the State shall subject social media platforms to appropriate regulation, including the requirement of a congressional franchise, to safeguard the public interest and ensure their responsible operation within the Philippines.

SECTION 3. *Definition of Social Media Platform and Amendment.* – A new Section 4-A is hereby inserted after Section 4 of Commonwealth Act No. 146, as amended by Republic Act No. 11659, to read as follows:

"**SECTION 4-A**. *Definition of Social Media Platform and Franchise Requirement*. – For the purpose of this Act, 'Social Media Platform' refers to any digital platform or service whose primary purpose is to facilitate user-generated content, communication, and interaction through a network, allowing users to create public or semi-public profiles, share content, connect with other users, and engage in public or private messaging. This shall include any such platform operating substantially within the Philippines or serving Filipino users, with a user base exceeding a threshold to be determined by the Implementing Rules and Regulations (IRR).

Notwithstanding any provision to the contrary, Social Media Platforms, by virtue of their pervasive influence, essential role in public discourse, and critical impact on national security and socio-economic activities, are hereby declared as regulated public services of significant public consequence, operating as critical digital infrastructure. As such, they shall be required to secure a congressional franchise for their operation within the Philippines.

This classification shall not be construed as declaring them public utilities under Section 4(d) of this Act, and shall not of itself trigger constitutional foreign equity limitations unless otherwise provided by law."

SECTION 4. *Regulatory Authority.* – The Department of Information and Communications Technology (DICT), in coordination with the National Telecommunications Commission (NTC), shall exercise primary regulatory jurisdiction over social media platforms covered under this Act. The DICT shall ensure compliance with the terms of the franchise and oversee platform obligations related to content moderation, national security, data protection, user complaints, and public service standards.

SECTION 5. *Local Presence Requirement.* – All social media platforms covered by this Act shall:

1. Establish a registered legal entity or branch office in the Philippines;
2. Designate an official local representative for regulatory and legal compliance; and
3. Maintain a functional and responsive grievance redress system accessible to Philippine users.

SECTION 6. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the DICT shall, in consultation and coordination with the NTC, the National Privacy Commission (NPC), the Philippine Competition Commission (PCC), Bureau of Internal Revenue (BIR), Department of Trade and Industry (DTI), other appropriate government agencies, Civil Society Organizations (CSOs), Non-Government Organizations (NGOs), and other stakeholders, promulgate the Implementing Rules and Regulations for the effective and efficient implementation of the provisions of this Act.

SECTION 7. *Transitory Provisions.* – All social media platforms operating in the Philippines at the time of effectivity of this Act shall be given twelve (12) months to comply with the congressional franchise requirement. During this period, the DICT shall issue interim rules ensuring continuity of public access and initiate franchise compliance proceedings.

SECTION 8. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current year's appropriations of the Department of Information and Communications Technology (DICT). Thereafter, such sums as may be necessary for the continuous implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 9. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, other provisions not affected thereby shall continue to be in full force and effect.

SECTION 10. *Repealing Clause.* – All laws, decrees, executive orders, proclamations, other issuances, rules, and regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 11. *Effectivity.* – This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved.