

Republic of the Philippines
House of Representatives
Quezon City

Twentieth Congress
First Regular Session



House Bill No. 5318

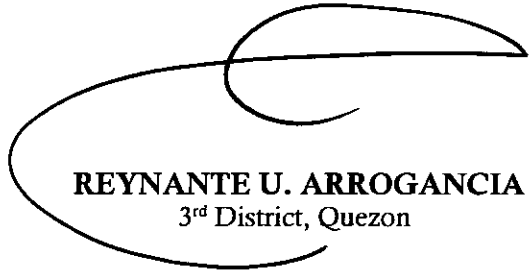
Introduced by Representative Reynante U. Arrogancia

EXPLANATORY NOTE

Access to the internet has now become vital to each and every Filipino. The internet is used for learning, work or means of communication. It is critical to have a reliable internet service and any outage for extended periods can cause frustration, losses, and inconvenience to consumers. Hence, this bill seeks the right of consumers to a pro rata refund through mechanisms for internet service interruptions and outages.

This bill seeks to improve the quality of service of public telecommunications entities (PTEs) and internet service providers (ISPs) through bill adjustment when a consumer experiences any internet service outage beyond reasonable duration. Consumers have a right to uninterrupted service and any outages beyond a reasonable duration should result in pro-rated refund to a customer or adjustment of their bills. This proposed legislation mandates the PTEs and ISPs to automatically apply the bill adjustments when circumstances warrant, and the same will not preclude the customer from filing a complaint concerning the refund. Furthermore, this bill authorizes the National Telecommunications Commission (NTC) to impose fines and even revoke the license or registration of PTEs or ISPs, for repeated violations.

This bill has been filed in the previous Congress and considering the need to uphold the protection of consumers to rely on reliable internet services, the passage of this bill is earnestly sought.



REYNANTE U. ARROGANCIA
3rd District, Quezon

Republic of the Philippines
House of Representatives
Quezon City

Twentieth Congress
First Regular Session

House Bill No. **5318**

Introduced by Representative Reynante U. Arrogancia

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 House of Representatives of the Philippines in Congress assembled:

Section 1. Short Title. – This Act shall be known as the “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 likes; 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. - The 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 which should be 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.

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

- 75
- 76 a) Impose a fine of not less than Fifty thousand pesos (P50,000.00) but not more
77 than Two hundred thousand pesos (P200,000.00) for each count of violation;
78 and
- 79 b) For repeated violations, aside from fine, revocation or cancellation of the
80 license, registration or franchise of the PTEs or ISPs, whichever applies,
81 including the waving of any pre-termination fees of affected subscribers and
82 timely disbursement of any remaining credits from excessive downtime.
83

84 **SEC. 7. Implementing Rules and Regulations.** – Within sixty (60) days from the
85 effectivity of this Act, the NTC shall, in coordination with the Department of
86 Information and Communications Technology, and other concerned agencies,
87 promulgate the rules and regulations necessary to ensure the effective implementation
88 of this Act.
89

90 **SEC. 8. Repealing Clause.** – All laws, presidential decrees, executive orders,
91 proclamations, rules and regulations, or any part thereof, which are inconsistent with
92 the provisions of this Act are hereby repealed or modified accordingly.
93

94 **SEC. 9. Separability Clause.** – If any provisions or part of this Act, or the application
95 thereof to any person or circumstance, is held unconstitutional or invalid, the
96 remainder of this Act shall not be affected thereby.
97

98 **SEC. 10. Effectivity Clause.** – This Act shall take effect fifteen (15) days from the date
99 of its complete publication in the Official Gazette or in at a newspaper of general
100 circulation.
101

102 Approved,