



Republic of the Philippines
House of Representatives
Quezon City

TWENTIETH CONGRESS

First Regular Session

House Bill No. 5423



Introduced by Representative Jernie Jett V. Nisay

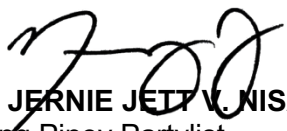
EXPLANATORY NOTE

Reliable internet and telecommunications services are essential to national development, public service delivery, education, and economic productivity. However, recurring and prolonged service disruptions continue to burden Filipino consumers, affecting livelihoods, business operations, and access to essential services.¹

This bill seeks to mandate public telecommunications entities (PTEs) and internet service providers (ISPs) to implement a refund or bill adjustment mechanism in cases of service outages or interruptions lasting a cumulative period of twenty-four (24) hours or more within a month. It ensures that consumers are automatically compensated, without the need for formal demand, except in cases of scheduled maintenance, fortuitous events, or acts beyond the provider's control.

The measure upholds the right of consumers to fair and reasonable service, consistent with the Consumer Act of the Philippines (Republic Act No. 7394) and the Public Telecommunications Policy Act (Republic Act No. 7925), which guarantee protection against unfair trade practices and substandard service.² It likewise strengthens accountability among telecommunications providers and promotes higher service quality standards in the rapidly digitalizing economy.³

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


REP. JERNIE JETT V. NISAY
Pusong Pinoy Partylist

¹ National Telecommunications Commission (NTC). (2023). *Consumer Complaints Report on Internet Service Quality*. Quezon City: NTC.

² Republic Act No. 7394, *Consumer Act of the Philippines* (1992).

³ Republic Act No. 7925, *Public Telecommunications Policy Act of the Philippines* (1995).



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

SEC 2. *Declaration of Policy.* – TheThe 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;

1 (b) Internet refers to the biggest global computer network providing a wide variety of
2 information and communication facilities, consisting of interconnected networks
3 using 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
7 (PTE) or value-added service (VAS) provider duly authorized by or registered
8 with the National Telecommunications Commission (NTC) that provides users or
9 other entities with data connection allowing internet access through physical
10 transport infrastructure, and such access is necessary for internet users to
11 access content and service on the internet, and for content providers to publish
12 or distribute materials online;

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

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

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

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

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

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

3
4 **SEC. 5. Refunds for Internet and Telecommunications Service Outages and**
5 **Interruptions.** – PTEs, including ISPs, shall, on a pro-rated basis, provide a refund
6 credit to a customer, or adjust a customer's bill, who was adversely affected by an
7 internet service outage or interruption for an aggregate period of twenty-four (24) hours
8 or more, within a month, except when the reason for such outage is due to scheduled
9 maintenance which should be notified 48 hours prior to the scheduled maintenance and
10 should not exceed 48 hours in a month, a fortuitous event, or acts of third party or
11 subscriber. The PTEs and ISPs concerned shall apply a bill adjustment, automatically,
12 without need of demand from the subscriber, after a standard process but shall not
13 preclude the consumer from filing a complaint to the appropriate administrative or quasi-
14 judicial agency for disputes regarding refund or bill adjustment amount.

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

18
19 **SEC. 6. Penalties.** – The NTC may, motu proprio or upon complaint of any interested
20 party, in the appropriate administrative or quasi-judicial process, and in accordance with
21 due process:

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

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

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

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

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5 *Approved,*