

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
1st Regular Session

House Bill No. **7027**



**Introduced by Representatives OMAR VINCENT S. DUTERTE and
PAOLO Z. DUTERTE**

EXPLANATORY NOTE

The 1987 Constitution highlights the essential role of communication and information in building our nation. Such necessity was never more apparent than during the COVID-19 pandemic, which forced an immediate transition to digital spaces for work, business, and education. Presently, the society has fully embraced a digital-first economy, making stable internet connectivity an absolute requirement rather than a luxury.

Despite the mandates of Republic Act No. 7925 or *The Public Telecommunications Policy Act* to innovate and expand services, the Philippines continues to struggle with the twin issues of high costs and inconsistent reliability.

In the 2025 Surfshark Digital Quality of Life Index, the Philippines ranks 57th globally. While overall quality has shown slight improvement, the country remains severely hindered by internet affordability, where it ranks a low 105th. Moreover, as of late 2024 and early 2025, the Philippines remains one of the most expensive regions for fixed broadband in Southeast Asia, with average monthly costs hovering around ₱2,049, a high price point compared to regional peers like Vietnam or Thailand. While median fixed broadband speeds have reached approximately 93.68 Mbps, the consistency of such connections remains a point of contention for millions of users.

To address these persistent gaps, this bill seeks to amend Republic Act No. 7925 by institutionalizing a mandatory automatic refund or bill adjustment mechanism. Telecommunications companies and Internet Service Providers (ISPs) would be required to automatically credit both postpaid and prepaid subscribers for service disruptions, in which a refund is triggered whenever a subscriber experiences an aggregate outage of at least twenty-four (24) hours within a single month. By removing the need for customers to file individual, often tedious complaints, the bill ensures that users pay only for the service they actually receive.

In view of the foregoing, the approval of this Bill is earnestly sought.


HON. OMAR VINCENT S. DUTERTE


HON. PAOLO Z. DUTERTE

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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 TELECOMMUNICATIONS ENTITIES AND INTERNET SERVICE PROVIDERS TO INSTITUTE A REFUND MECHANISM FOR SERVICE OUTAGES AND DISRUPTIONS

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 Service Outages and Disruptions Act".

SEC. 2. A new subsection under Section 3 of Republic Act No. 7925, otherwise known as the "Public Telecommunications Policy Act of the Philippines" to read as follows:

(A) XXX

(B) XXX

[...]

(L) **INTERNET SERVICE OUTAGE IS THE COMPLETE OR PARTIAL FAILURE OF INTERNET SERVICES**

(M) **FORTUITOUS EVENT MAY EITHER BE AN "ACT OF GOD," OR NATURAL OCCURENCES 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.**

SEC. 4. A new Section 20-A is hereby added to Republic Act No. 7925, otherwise known as the "Public Telecommunications Policy Act of the Philippines", to read as follows:

"SEC. 20-A. REFUNDS FOR INTERNET AND TELECOMMUNICATIONS SERVICE OUTAGES AND INTERRUPTIONS. — (A) PUBLIC TELECOMMUNICATIONS 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 A SERVICE OUTAGE OR DISRUPTION FOR AN

**AGGREGATE PERIOD OF TWENTY-FOUR (24) HOURS OR MORE
— WITHIN A MONTH.**

THE ISPS AND PUBLIC TELECOMMUNICATIONS ENTITIES CONCERNED SHALL NOT REQUIRE THE CUSTOMER TO TAKE ANY ACTION IN ORDER TO RECEIVE A REFUND CREDIT OR BILL ADJUSTMENT UNDER THIS SECTION;

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

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

(1) IMPOSE 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 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 PUBLIC CONVENIENCE AND NECESSITY, 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."

SEC. 3. *Separability Clause.* - If any portion or provision of the Act is declared void or unconstitutional, the remaining portions or provisions hereof shall not be affected by such declaration.

SEC. 4. *Repealing Clause.* - Any provision of law or regulations inconsistent herewith is hereby repealed, modified or amended accordingly.

SEC. 5. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,