



HOUSE OF REPRESENTATIVES

H. No. 178

BY REPRESENTATIVES HOFER-HASIM, TIANGCO, ALMARIO (C.M.), PLEYTO, REVILLA (B.), MERCADO-REVILLA, REVILLA (R.J.), ARROGANCA, NISAY, VILLAFUERTE (M.L.), DY (F.), MARCOS, RIVERA, ADIONG, VARGAS, GARCIA (M.A.), SINGSON (R.), IWAY, HORIBATA, DAZA, ROMAN, ROMULO, ODUCAO, LAGDAMEO (J.M.), LAGON (S.), SALCEDA, GARCIA (K.H.), AUMENTADO, YNARES, PADIERNOS, RODRIGUEZ (E.), QUIMBO, MATIBAG, CO, LACSON, BAUTISTA-LIM, ANGELES AND GARIN

AN ACT

MANDATING PUBLIC TELECOMMUNICATIONS ENTITIES AND INTERNET SERVICE PROVIDERS TO INSTITUTE AN AUTOMATIC 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:

1 **SECTION 1. Short Title.** – This Act shall be known as “Automatic Refund for Internet
2 and Telecommunications Services Outages and Disruptions Act.”

3 **SEC. 2. Declaration of Policy.** – The State recognizes the vital role of information
4 and communications technology in nation building. The State shall implement measures to
5 regulate internet and telecommunications services offered by public telecommunications
6 entities (PTEs) and internet service providers (ISPs) and ensure that the interest and
7 welfare of its people, more particularly the consuming public, are protected and upheld.

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

9 (a) *Fortuitous event* refers to either an “act of God” or natural occurrences, such as
10 floods, typhoons, storms, earthquakes and the like; or an “act of man”, namely
11 riots, strikes, wars, governmental prohibitions, robbery, theft, sabotage,

1 cyberattacks, deliberate destruction, or accidental damage to telecommunications
2 facilities by third parties and the like;

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

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

8 (d) *Internet service provider (ISP)* refers to a public telecommunications entity (PTE)
9 or value-added service (VAS) provider duly authorized by or registered with the
10 National Telecommunications Commission (NTC) that provides users or other
11 entities with data connection allowing internet access through physical transport
12 infrastructure, and such access is necessary for internet users to reach content
13 and service on the internet, and for content providers to publish or distribute
14 materials online; and

15 (e) *Public telecommunications entity or PTE* refers to any person, firm, partnership or
16 corporation, government or private, engaged in the provision of
17 telecommunications services to the public for a fee.

18 **SEC. 4. Coverage.** – All PTEs, including ISPs in the Philippines shall be covered by
19 this Act.

20 **SEC. 5. Network Maintenance.** – In the conduct of their necessary network
21 maintenance to sustain or update their services, whether minor or major, the services
22 provided by PTEs and ISPs may not be available. Thus, the planned repairs and
23 improvements or the scheduled network maintenance carried out from time to time by
24 PTEs and ISPs, which should be notified at least 48 hours in advance and which shall not
25 exceed a cumulative duration of 48 hours in a month, shall not be deemed as service
26 outage. Likewise, the unscheduled maintenance or the emergency network maintenance
27 where a repair is needed to an internet equipment or facility that suffered from unexpected
28 breakdown or change in condition, shall not be considered as service outage.

29 **SEC. 6. Automatic Refunds for Internet and Telecommunications Service**
30 **Outages and Interruptions.** – PTEs, including ISPs, shall, on a pro-rated basis, provide a
31 refund credit to a customer, or adjust a customer's bill, who was adversely affected by an
32 internet service outage or interruption for an aggregate period of twenty-four (24) hours or
33 more, within a month, except when the reason for such outage is due to network
34 maintenance, a fortuitous event, or acts of third party or subscriber.

1 The concerned PTEs and ISPs shall apply an automatic bill adjustment, without need
2 for consumer to initiate request, after a standard process but shall not preclude the
3 consumer from filing a complaint to the appropriate administrative or quasi-judicial agency
4 for disputes regarding refund or bill adjustment amount.

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

7 **SEC. 7. Penalties.** – Any PTE or ISP who fails to comply with any of the provisions
8 of this Act, the NTC may, *motu proprio* or upon complaint of any interested party, in the
9 appropriate administrative or quasi-judicial process, and in accordance with due process,
10 shall impose the following penalties:

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

13 (b) For repeated violations, aside from fine, revocation or cancellation of the license,
14 registration or franchise of the PTEs or ISPs, whichever applies, including the
15 waving of any pre-termination fees of affected subscribers and timely
16 disbursement of any remaining credits from excessive downtime.

17 **SEC. 8. Implementing Rules and Regulations.** – Within sixty (60) days after the
18 effectivity of this Act, the NTC shall, in coordination with the Department of Information and
19 Communications Technology, and other concerned agencies, promulgate the rules and
20 regulations necessary to ensure the effective implementation of this Act.

21 **SEC. 9. Repealing Clause.** – All laws, presidential decrees, executive orders,
22 proclamations, rules and regulations, or any part thereof, which are inconsistent with the
23 provisions of this Act are hereby repealed or modified accordingly.

24 **SEC. 10. Separability Clause.** – If any provisions or part of this Act, or the
25 application thereof to any person or circumstance, is held unconstitutional or invalid, the
26 remainder of this Act shall not be affected thereby.

27 **SEC. 11. Effectivity.** – This Act shall take effect fifteen (15) days after its publication
28 in the *Official Gazette* or in a newspaper of general circulation.

Approved,