

SEVENTEENTH CONGRESS  
OF THE REPUBLIC OF THE PHILIPPINES  
*First Regular Session*

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HOUSE OF REPRESENTATIVES  
House Bill No. **671**

HOUSE OF REPRESENTATIVES
<b>RECEIVED</b>
DATE: <u>30 JUN 2016</u>
TIME: <u>11:17 PM</u>
BY: <u>[Signature]</u>
REGISTRATION UNIT BILLS AND INDEX SERVICE

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Introduced by Representative Victor A. Yap

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#### EXPLANATORY NOTE

Section 21 and 23 of Commonwealth Act (CA) No. 146 provides the impossible penalties against erring Public Communications Entities for violation of the terms and/or conditions of any certificate, authority, order, decision, resolution or regulation of the National Telecommunications Commission (NTC).

However, the said penalty in Section 21 of CA No. 146 amounts only to Two Hundred Pesos (Php 200.00) per day of violation, and the penalty under Section 23 of CA No. 146 is a maximum of Twenty Five Thousand Pesos (Php 25,000.00) impossible fines or an imprisonment not exceeding Five (5) years for violations. These penalties are obsolete and insignificant given the high level of income earned by Public Communications Entities.

In order to ensure compliance by the Public Communications Entities with the law and the NTC's certificate, authority, order, decision, resolution or regulation, it is necessary to impose higher penalties and to provide a legal mechanism to allow NTC to adjust penalties based on a rational standard.

In view of the foregoing, the swift approval of this measure is sought.

  
**VICTOR A. YAP**  
Representative, 2<sup>nd</sup> District of Tarlac

HOUSE OF REPRESENTATIVES

House Bill No. 671

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Introduced by Representative Victor A. Yap

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AN ACT  
PROVIDING FOR PENALTIES OR FINES AGAINST ERRING PUBLIC  
TELECOMMUNICATIONS ENTITIES FOR VIOLATION OF THE TERMS OR  
CONDITIONS OF ANY CERTIFICATE, AUTHORITY, ORDER, DECISION,  
RESOLUTION OR REGULATION OF THE NATIONAL TELECOMMUNICATIONS  
COMMISSION (NTC), AMENDING FOR THE PURPOSE SECTIONS 21 AND 23 OF  
COMMONWEALTH ACT NO. 146

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1           **SECTION 1.** Under Section 21 of Commonwealth Act No. 146, after the second  
2 paragraph, the following paragraphs shall be inserted to read as follows:

3           “PUBLIC TELECOMMUNICATIONS ENTITIES VIOLATING OR  
4 FAILING TO COMPLY WITH THE TERMS AND CONDITIONS OF ANY  
5 CERTIFICATE, AUTHORITY, ORDER, DECISION, RESOLUTION OR  
6 REGULATION OF THE NATIONAL TELECOMMUNICATIONS  
7 COMMISSION (NTC), SHALL BE SUBJECT TO FINES AND PENALTIES OF  
8 THREE HUNDRED THOUSAND PESOS (PHP 300,000.00) BUT NOT  
9 EXCEEDING FIVE MILLION PESOS (PHP 5,000,000.00) FOR EVERY DAY  
10 DURING WHICH SUCH DEFAULT OR VIOLATION CONTINUES; AND  
11 THE NTC IS HEREBY AUTHORIZED AND EMPOWERED TO IMPOSE  
12 SUCH FINE, AFTER DUE NOTICE AND HEARING.

13           THE FINES OR PENALTIES IMPOSED SHALL BE PAID TO THE  
14 GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES THROUGH  
15 THE NTC. FAILURE TO PAY THE FINES OR PENALTIES IN ANY CASE  
16 WITHIN THE TIME SPECIFIED IN THE ORDER OR DECISION OF THE  
17 NTC SHALL BE DEEMED GOOD AND SUFFICIENT REASON FOR THE  
18 SUSPENSION OF THE CERTIFICATE OF SAID PUBLIC  
19 TELECOMMUNICATIONS ENTITY UNTIL PAYMENT THEREOF SHALL  
20 HAVE BEEN MADE.

1 THE NTC SHALL INCREASE THE AMOUNT OF THE  
2 ABOVESTATED FINES OR PENALTIES EVERY FIVE (5) YEARS SUBJECT  
3 TO A CERTIFICATION FROM THE NATIONAL ECONOMIC AND  
4 DEVELOPMENT AUTHORITY (NEDA) ON THE COMPUTATION OF COST  
5 OF MONEY BASED ON THE CURRENT CONSUMER PRICE INDEX.”

6 SECTION 2. Under Section 23 of Commonwealth Act No. 146, a second paragraph shall  
7 be inserted to read as follows:

8 “PUBLIC TELECOMMUNICATIONS ENTITIES SHALL PERFORM,  
9 COMMIT, OR DO ANY ACT OR THING HEREIN FORBIDDEN OR  
10 PROHIBITED OR SHALL NEGLECT, FAIL, OR OMIT TO DO OR PERFORM  
11 ANY ACT OR THING HEREIN REQUIRED TO BE DONE OR PERFORMED,  
12 SHALL BE PUNISHED BY A FINE NOT EXCEEDING THREE HUNDRED  
13 MILLION PESOS (PHP 300,000,000.00)

14 SECTION. 3. Section 21 and 23 of Commonwealth Act No. 146 and all other laws,  
15 orders, decrees, rules and regulations or parts thereof inconsistent with are hereby repealed or  
16 modified accordingly.

17 SECTION 4. This Act shall take effect fifteen (15) days after publication in two (2) national  
18 newspapers of general circulation.

19 Approved,