

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 9168



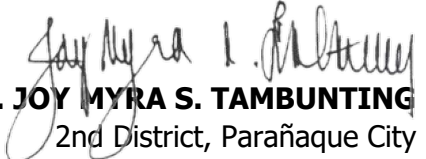
Introduced by **HON. JOY MYRA S. TAMBUNTING**

EXPLANATORY NOTE

COVID-19 pushed broadband and/or data access to become an indispensable utility for everyone. With the shift to blended learning, telecommuting and contactless transactions, the public is forced to adapt in a world wherein internet access is a need. Whilst we welcome this advancement, broadband and data packages tend to be costly and more often inaccessible to marginalized communities. It is then the responsibility of the State to introduce measures to make this utility more accessible, and to ensure that the poor and marginalized will not be left behind as the nation move towards digital transformation.

This proposed measure draws inspiration from the lifeline rate implemented for electric and water utilities. This measure aims to introduce a socialized pricing mechanism to broadband and data packages for the benefit of marginalized internet end-users who cannot afford to pay at full cost. This measure shall offer discounts to qualified users based on consumption thresholds which shall be determined by the National Telecommunications Commission.

On behalf of the people of Parañaque City's Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


REP. JOY MYRA S. TAMBUNTING
2nd District, Parañaque City

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Introduced by **HON. JOY MYRA S. TAMBUNTING**

AN ACT
IMPLEMENTING A LIFELINE RATE FOR INTERNET SERVICES, AMENDING FOR THIS
PURPOSE SECTION 17 OF REPUBLIC ACT NO. 7925, OTHERWISE KNOWN AS THE
"PUBLIC TELECOMMUNICATIONS POLICY ACT OF THE PHILIPPINES"

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

SECTION 1. Extension of Lifeline Rate. – Section 17 of Republic Act No. 7925, otherwise known as the "Public Telecommunications Policy Act of the Philippines", is hereby amended to read as follows:

"SEC. 17. Rates and Tariffs. – The Commission shall establish rates and tariffs which are fair and reasonable, and which provide for the economic viability of telecommunications entities and a fair return on their investments considering the prevailing cost of capital in the domestic and international markets.

The Commission shall exempt any specific telecommunications service from its rate or tariff regulations if the service has sufficient competition to ensure fair and reasonable rates or tariffs. The Commission shall, however, retain its residual powers to regulate rates or tariffs when ruinous competition results or when a monopoly or a cartel or combination in restraint of free competition exists and the rates or tariffs are distorted or unable to function freely and the public is adversely affected. In such cases, the Commission shall either establish a floor or ceiling on the rates or tariffs.

A BROADBAND AND DATA LIFELINE RATE FOR QUALIFIED MARGINALIZED INTERNET END-USERS SHALL BE SET BY THE COMMISSION. "LIFELINE RATE" REFERS TO A SOCIALIZED PRICING MECHANISM IN THE FORM OF APPLICABLE DISCOUNTS BASED ON CONSUMPTION THRESHOLDS. THE LEVEL OF CONSUMPTION AND CORRESPONDING DISCOUNT RATES SHALL BE DETERMINED BY THE COMMISSION AFTER DUE NOTICE AND HEARING: PROVIDED, THAT THE COMMISSION CANNOT SET A BASE LEVEL OF CONSUMPTION LESS THAN

ONE (1) GIGABYTE PER MONTH OR A BASE DISCOUNT LOWER THAN TWENTY PERCENT (20%).

QUALIFIED MARGINALIZED INTERNET END-USERS SHALL REFER TO THE FOLLOWING:

- (A) QUALIFIED HOUSEHOLD-BENEFICIARIES UNDER REPUBLIC ACT NO. 11310, OTHERWISE KNOWN AS THE PANTAWID PAMILYANG PILIPINO PROGRAM, AS REGULARLY SUBMITTED BY THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) TO THE COMMISSION, AND THE PUBLIC TELECOMMUNICATIONS ENTITY; OR**

- (B) MARGINALIZED END-USERS AS CERTIFIED BY THE PUBLIC TELECOMMUNICATIONS ENTITY BASED ON A CRITERIA DETERMINED BY THE COMMISSION: PROVIDED, THAT THE CRITERIA SHALL TAKE INTO ACCOUNT THE POVERTY THRESHOLD SET BY THE PHILIPPINE STATISTICS AUTHORITY, AND PRIORITIZE MEMBERS OF INTERNET AND/OR CONNECTIVITY-DEPENDENT SEGMENTS OF SOCIETY SUCH AS STUDENTS, SENIOR CITIZENS, PERSONS WITH DISABILITIES, THE ELDERLY AND THE LIKE, AND SHALL CONTAIN AN EXCLUSIVE LIST OF REQUIREMENTS TO BE SUBMITTED TO THE PUBLIC TELECOMMUNICATIONS ENTITY: PROVIDED FURTHER, THAT THE EXCLUSIVE LIST OF REQUIREMENTS AND THE PROCEDURE FOR THEIR SUBMISSION, WHICH SHALL BE SUBJECT TO THE REVIEW AND SUPERVISION OF THE COMMISSION, SHALL NOT BE BURDENSOME FOR THE THE APPLICANT: PROVIDED FINALLY, THAT THE PUBLIC TELECOMMUNICATIONS ENTITY SHALL ACT ON THE APPLICATION FOR CERTIFICATION AS QUALIFIED MARGINALIZED END-USER WITHIN TWO (2) WORKING DAYS FROM SUBMISSION OF COMPLETE DOCUMENTARY REQUIREMENTS, AND SHALL NOT UNREASONABLY WITHHOLD OR DELAY THE ISSUANCE OF SUCH CERTIFICATION. THE COMMISSION SHALL PROMULGATE RULES AND GUIDELINES FOR QUALIFIED MARGINALIZED END-USERS WHOSE ACCOUNTS ARE NOT REGISTERED IN THEIR NAME. THE COMMISSION SHALL SUBMIT TO THE JOINT CONGRESSIONAL ENERGY COMMISSION AN ANNUAL REPORT ON THE IMPLEMENTATION OF THE LIFELINE RATE, AND A COMPREHENSIVE EVALUATION OF ITS IMPLEMENTATION EVERY TWO (2) YEARS TO INCLUDE A COST-BENEFIT ANALYSIS AS WELL AS MODES OF VALIDATION AND PREVENTION OF LEAKAGES AND ABUSE."**

SEC. 2. Implementing Rules and Regulations. – The National Telecommunications Commission, in coordination with the Department of Information and Communications Technology, and in consultation with other stakeholders from the public and private sectors shall, within sixty (60) days from the date of effectivity of this Act, promulgate and publish the rules

and regulations for the effective and faithful implementation of this Act: Provided, That the failure of the promulgation of the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

SEC. 3. Separability Clause. – If, for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 4. Repealing Clause. – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 5. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,