



HOUSE OF REPRESENTATIVES

H. No. 5284

BY REPRESENTATIVES MARTINEZ, MITRA, GARIN, KINTANAR, BIAZON,
CODILLA AND VILLAFUERTE, PER COMMITTEE REPORT NO. 1566

AN ACT TO PROMOTE AND GOVERN THE DEVELOPMENT OF
VOICE OVER INTERNET PROTOCOL IN THE PHILIPPINES

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

ARTICLE I

GENERAL PROVISIONS

SECTION 1. *Short Title.* – This Act shall be known as the “Philippine
VOIP Act of 2006”.

SEC. 2. *Scope and Application.* – This Act shall apply to any person or
entity seeking to provide voice over internet protocol (VOIP) services to the
public for compensation.

SEC. 3. *Definitions.* – For purposes of this Act, the following terms,
where used, shall have the following meanings:

(a) “Public telecommunications entity (PTE)” refers to any person,
firm, partnership or corporation, government or private, engaged in the
provision of telecommunications services to the public for compensation.

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1 (b) "Value-added service (VAS)" refers to enhanced services beyond
2 those ordinarily provided for by local exchange and inter-exchange operators,
3 and overseas carriers, where "ordinarily provided" services shall mean voice
4 services offered through circuit-switched networks.

5 (c) "Voice over internet protocol (VOIP)" refers to a value-added
6 service that provides voice communication using internet protocol (IP)
7 technology instead of the traditional circuit-switched technology.

8 (d) "Customer premises equipment (CPE)" refers to equipment located
9 in the premises of a customer which is not part of, but connected to, the system
10 or network of the PTE.

11 ARTICLE II

12 POLICY AND OBJECTIVES

13 SEC. 4. *Declaration of National Policy.* – It is the policy of the State to
14 recognize the role and contribution of communications in nation building. It is
15 likewise the policy of the State to recognize the need to: (1) provide for the
16 emergence of communications structures suitable to the needs and aspirations
17 of the nation; and (2) encourage the development of new applications and
18 services that can enhance Philippine competitiveness in the global information
19 and communications technology (ICT) market.

20 The growth and development of VOIP, a value-added service, shall be
21 pursued in accordance with the following objectives:

22 (a) To protect, promote and develop any and all modes, means and
23 forms of communications, and make the same available and accessible to the
24 general public;

25 (b) To encourage the growth, development and sustenance of VOIP as
26 an alternative mode of communications and shall not be restricted by the laws,
27 rules and regulations of telecommunications; and

1 (c) To foster a healthy competitive environment in which
2 telecommunications companies and internet service providers (ISPs) are free to
3 make business decisions and to interact with one another in providing VOIP
4 while maintaining globally competitive consumer rates and ensuring their
5 financial viability.

6 ARTICLE III

7 ADMINISTRATION

8 SEC. 5. *Responsibility of the National Telecommunications*
9 *Commission (NTC).* – The NTC shall be the principal administrator of this Act
10 and, as such, shall take the necessary measures to implement the policies and
11 objectives set forth in this Act.

12 SEC. 6. *Registration.* – Any person or entity seeking to provide VOIP
13 for use by the public for compensation shall register themselves as such with
14 the NTC prior to operation as VOIP provider.

15 SEC. 7. *Interconnection.* – The NTC shall determine the
16 interconnection rates to be charged by the network access provider that the
17 VOIP service provider shall pay for access. In order to insure that the VOIP
18 service provider shall have a fair and reasonable margin to make the operations
19 technically and financially viable, the NTC shall not allow prohibitive
20 interconnection rates.

21 SEC. 8. *Equal Access.* – Network providers shall ensure equal access in
22 terms of quantity and quality, at the same prices for substantially similar
23 service to VAS providers, and shall not discriminate between VAS providers.
24 For this purpose, the parties shall submit a copy of their agreements on these
25 matters for purposes of monitoring and supervision by the NTC.

26 No public telecommunications entity, network provider or other entity
27 providing internet access to subscribers and VAS providers shall impede or
28 degrade the access of such subscribers and VAS providers to the internet

1 content of another application or service provider, except where such access
2 demonstrably threatens the integrity of their network or facilities.

3 SEC. 9. *Customer Premises Equipment (CPE)*. – The sale, lease,
4 importation, distribution and/or provision of CPE, designed to enable or ease
5 the use of VOIP, shall be governed by the existing rules and regulations on
6 CPEs.

7 CPE and/or accessories designed to enable or ease the use of VOIP not
8 directly connected to the networks of PTEs shall not require type
9 approval/acceptance except when the VOIP equipment and/or accessories use
10 radio spectrum.

11 SEC. 10. *Subscribers' Rights*. – Network and/or ISPs shall not require
12 subscribers to purchase/use or to refrain from purchasing/using any IP-enabled
13 service as a precondition to obtaining their broadband service.

14 SEC. 11. *Separability Clause*. – Any portion or provision of this Act
15 that may be declared unconstitutional or invalid shall not have the effect of
16 nullifying other portions or provisions hereof, as long as such remaining
17 portions or provisions can still subsist and be given effect in their entirety.

18 SEC. 12. *Repealing Clause*. – All laws, ordinances, rules and
19 regulations and other issuances or parts thereof which are inconsistent with the
20 provisions of this Act are hereby repealed or modified accordingly.

21 SEC. 13. *Effectivity Clause*. – This Act shall take effect thirty (30) days
22 after its publication in two newspapers of general circulation.

Approved,