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REPUBLIC OF THE PHILIPPINES)
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SENATE

S. No. 701

RECEIVED BY: _____

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
REQUIRING ALL PUBLIC TELECOMMUNICATIONS ENTITIES AND
INTERNET SERVICE PROVIDERS IN THE COUNTRY TO INCREASE SERVICE
COVERAGE AND DELIVER A MINIMUM STANDARD FOR INTERNET
CONNECTION SPEED**

EXPLANATORY NOTE

As a response and adaptation to the onslaught of the COVID-19 pandemic, the different sectors of the society implemented measures to maintain their activities and operationalization. The labor sector adopted alternative working arrangements, businesses utilized digital means for their transactions, and the education sector conducted online classes and other learning modalities. All of these activities required internet connection.

The government continues its efforts to improve internet accessibility, affordability and quality. Recently, the Anti-Red Tape Authority (ARTA) along with the Department of Information and Communications Technology (DICT), Department of the Interior and Local Government (DILG), Department of Human Settlements and Urban Development (DHSUD), Department of Public Works and Highways (DPWH) and other key agencies signed a Joint Memorandum Circular on pole, fiber ducts, and cable laying.

According to Ookla's Internet Performance Report for the fourth quarter of 2021, the Philippines' global ranking in mobile internet speed improved by climbing

one notch, now ranking 89th out of 138 countries. This is the net result of the variables which has to be attended to in order to achieve consistency. Median download speed for mobile internet increased from 18.68 to 19.20 megabits per second (Mbps) while mobile upload speed declined from 5.64 to 5.60 Mbps. Mobile latency or the speed of a device to get a response after its user sends out a request remains at 24 milliseconds. These variables show that there is a lot more to do to achieve better internet quality.

The "*Better Internet Act*" seeks to ensure the provision of strategic, reliable, cost-efficient, and citizens-centric information and communication technology (ICT) infrastructure, systems and resources. It mandates the National Telecommunications Commission (NTC) to require all Internet Service Providers (ISPs) and Public Telecommunications Entities (PTEs) to extend and expand the service coverage of internet service in unserved and underserved areas in the country. To provide clear mandate to concerned agencies, the measure outlines the responsibilities of the NTC and DICT with respect to the implementation of the proposed law.


This measure was reported out by the Committee on Public Services in the 18th Congress.

In view of the foregoing, the swift passage of this bill is earnestly sought.


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AN ACT
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SERVICE PROVIDERS IN THE COUNTRY TO INCREASE SERVICE COVERAGE
AND DELIVER A MINIMUM STANDARD FOR INTERNET CONNECTION SPEED

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 the "*Better Internet Act*".

2 Sec. 2. *Declaration of Policy.* - The State recognizes the importance of
3 technological advancements in nation building, economic development, and promoting
4 people's well-being and as such, it endeavors to ensure the provision of strategic,
5 reliable, cost-efficient, and citizen-centric information and communication technology
6 (ICT) infrastructure systems, and resources to guarantee that the population has
7 access to quality, reliable, and affordable ICT services.

8 In line with this, the State shall ensure that all Public Telecommunications
9 Entities (PTEs) and Internet Service Providers (ISPs) will continuously upgrade their
10 facilities and improve their services to be responsive to the growing demand for quality
11 internet access services.

12 Sec. 3. *Definition of Terms.* - As used in this Act, the following terms are
13 defined as follows:

14 (a) *Bandwidth* shall refer to the maximum data transfer rate over an internet
15 connection in a given amount of time expressed in bits per second or
16 multiples of it;

- 1 (b) *Broadband* shall refer to high-speed internet service that is always on
2 and faster than traditional dial-up access transmitted through various
3 wired or wireless data transmission technologies such as, but not limited
4 to, digital subscriber line (DSL), cable modem, fiber optic cable, fixed
5 wireless, satellite, cellular mobile, and TV white space.
- 6 (c) *Cellular towers* shall refer to passive telecommunication tower
7 infrastructure, including but not limited to: (i) three-legged or four-
8 legged structure; (ii) poles; (iii) mast; or, (iv) similar infrastructure used
9 to support mobile cellular network facilities;
- 10 (d) *Compliance period* refer to the first three (3) years from the effective
11 date of this Act within which all ISPs and PTEs are required to extend
12 and expand internet service coverage in all unserved and underserved
13 areas in the country;
- 14 (e) *Internet Service Providers or ISPs* shall refer to an entity, with or without
15 Congressional franchise, registered as value added service provider from
16 the National Telecommunications Commission (NTC) and authorized to
17 offer internet access services to the public for compensation;
- 18 (f) *Jitter* shall refer to the variation of end-to-end delay from one packet to
19 the next within the same packet stream, connection, or flow;
- 20 (g) *Latency* shall refer to the time it takes for a packet of data to get from
21 a source to destination;
- 22 (h) *Packet* shall refer to the unit of data that is routed between an origin or
23 source and a destination on the internet or any other packet-switched
24 network;
- 25 (i) *Packet Loss* shall refer to the number of packets that does not reach the
26 destination;
- 27 (j) *Public Telecommunications Entity or PTEs* shall refer to any person, firm,
28 partnership or corporation, government or private, engaged in the
29 provision of telecommunications services to the public for compensation;
- 30 (k) *National ICT Household Plan* refers to the plan for the improvement of
31 ICT access and use, including broadband access, by households and
32 individuals developed by the Department of Information and

1 Communications Technology (DICT) on the bases of information
2 gathered from the National ICT Household Survey;

3 (l) *Threshold Speed* refers to the minimum upload and download speeds
4 that an ISP and PTE must provide to their end user of broadband service;

5 (m) *Unserved Area* refers to a specific population or land area of a
6 city / municipality where broadband access service is not available, as
7 identified by the National ICT Household Plan;

8 (n) *Unserved Area* refers to a specific population or land area of a city /
9 municipality where broadband access service is covered and available,
10 but below the threshold speed. The underserved areas shall be
11 identified by the National ICT Household Plan while the threshold speed
12 shall be determined by this Act and, subsequently, by the NTC.

13 Sec. 4. *Increase in service coverage.* – The NTC shall require all ISPs and PTEs
14 to extend and expand the service coverage of fixed and mobile internet service in all
15 unserved and underserved areas in the Philippines within three (3) years from the
16 effective date of this Act, hereinafter referred to as the “Compliance Period”, according
17 to the schedule and strategy to be set forth by the DICT in the National ICT Household
18 Plan.

19 The DICT shall develop the National ICT Household Plan, identify therein
20 unserved and underserved areas in the Philippines and devise a plan of action to
21 ensure internet services shall be made available at the household level. The DICT
22 shall make such information and plans public within sixty (60) days from the effective
23 date of this Act: *Provided,* That subject to regulatory requirements, ISPs shall be
24 allowed to own, establish, and operate wired and wireless networks, utilizing any
25 available technology in order to meet their obligations under this Act. ISPs shall be
26 allowed access to unlicensed radio spectrum necessary to enable them to utilize
27 wireless technologies to provide internet service: *Provided further,* That ISPs shall not
28 build international carrier, inter-exchange carrier, local exchange carrier, and mobile
29 radio telephone networks reserved for PTEs, as provided for under Republic Act No.
30 7925, otherwise known as the Public Telecommunications Policy Act of the Philippines.

31 Sec. 5. *Threshold Speeds.* – PTEs and ISPs shall deliver paid broadband service
32 to subscribers at a minimum download speed of:

- 1 (a) 10 Megabits per second (Mbps) for fixed broadband and 5 Mbps for mobile
2 broadband in highly urbanized cities;
- 3 (b) 5 Mbps for fixed broadband and 3 Mbps for mobile broadband services in all
4 other cities; and,
- 5 (c) 3 Mbps for fixed broadband and 2 Mbps for mobile broadband services in rural
6 areas.

7 PTEs and ISPs shall have three (3) years from the effective date of this Act to
8 ensure that they provide, as a minimum, the threshold speeds to their end users.

9 After the end of the compliance period, it shall be considered a violation of this
10 Act, subject to the penalties provided in Section 15 of this law, to offer paid internet
11 service below threshold speed. For the avoidance of doubt, there shall be no minimum
12 speed required for free internet service: *Provided, however,* That service provided
13 under the Free Internet Access in Public Places Act or RA 10929 shall meet the
14 minimum speeds prescribed therein or in the relevant rules of the DICT for free
15 internet service programs.

16 *Sec. 6. Annual Review of Service Standards.* – The NTC shall review, on an
17 annual basis, the level of threshold speeds and prescribe the threshold speeds and
18 other quality of service standards, such as upload and download speeds, packet loss,
19 jitter, latency, and service availability, to provide subscribers average internet
20 connection speeds equal to, or above, what it prevalent among Asia Pacific countries
21 and the global average: *Provided,* That the NTC may not decrease the threshold
22 speeds set forth under this Act.

23 *Sec. 7. Measurement and Publication and Broadband Quality of Service (QOS).*

24 – In order to monitor and enforce compliance of PTEs and ISPs, the NTC shall:

- 25 (a) Prescribe a criteria and methodology for the measurement and
26 publication of broadband quality of service, including parameters such
27 as download speed, upload speed, latency, packet loss, jitter, and
28 service availability, with appropriate benchmarks;
- 29 (b) Provide the public a mechanism to run broadband diagnostics in a secure
30 and consumer-friendly format;
- 31 (c) Develop a procedure for collecting and analyzing broadband QOS
32 measurements from various platforms and processing test data in a

1 central database, which shall update and release results every twenty
2 four (24) hours, at the least;

3 (d) Make publicly available on the NTC website and other media the criteria
4 and methodology for the broadband QOS measurement tool and the list
5 of platforms using the NTC-prescribed broadband measurement
6 mechanism;

7 (e) Diligently monitor and conduct monthly network audits and/or QOS tests
8 in order to ensure compliance of the PTEs and ISPs with threshold
9 speeds, advertised speeds, and coverage obligations, and publish its
10 network audit report on a monthly basis; and,

11 (f) Publish the results of the NTC's broadband QOS tests and the results of
12 the consumer broadband QOS tests on a monthly basis. Such reports
13 should be in a format that can easily be analyzed by third party data
14 scientists.

15 *Sec. 8. Customer Protection.* – PTEs and ISPs shall not advertise nor offer
16 internet service speeds that they cannot consistently provide. PTEs and ISPs shall
17 provide to their subscribers 80% of their advertised speed available at 80% of the
18 time. Speed and reliability shall be measured based on the prescribed measurement
19 methodology by the NTC.

20 *Sec. 9. Responsibilities of the DICT.* – In addition to responsibilities imposed
21 in other Sections of this Act, the DICT shall:

22 (a) Maintain and make public a National ICT Assets Index (NICTAI), which shall be
23 updated on an annual basis, in order to provide accurate data on broadband
24 coverage and ICT adoption and utilization in the country;

25 (b) Conduct the National ICT Household Survey and publish the National ICT
26 Household Plan every three (3) years, and identify unserved and underserved
27 areas for purposes of this Act;

28 (c) Regularly review and update ICT policy guidelines, strategies and plans,
29 including, but not limited to, the National Broadband Plan to ensure that the
30 Philippines' Internet service policy framework is at par with global standards
31 and best practices; and,

1 (d) Ensure the delivery of internet services at the household level through a
2 schedule and plan of action that includes, but is not limited to, infrastructure
3 sharing and co-location arrangements.

4 Sec. 10. *Responsibilities of the NTC.* – In addition to responsibilities imposed
5 in other Sections of this Act, the NTC shall:

6 (a) ensure the PTEs and ISPs meet the minimum standards regarding connection,
7 reception, just pricing, and billing practices to promote and protect the rights
8 of consumers of internet services;

9 (b) determine whether the ICT industry has built out the optimal number of towers
10 and other infrastructure necessary to meet the objectives of this law;

11 (c) promulgate an efficient and expeditious administrative process for the
12 registration of internet service providers and shall, in coordination with the
13 DICT, develop a set of criteria for qualifying service providers that will
14 encourage the widest possible participation of as many industry players as
15 possible who will build the necessary network infrastructure and offer internet
16 services to end users in different parts of the country and will take national
17 security into consideration, particularly for facilities that interface directly with
18 another country's domestic network;

19 (d) publish a spectrum management policy framework that promotes a
20 transparent, efficient, and equitable approach to distributing spectrum,
21 including clear guidelines for: (i) recalling unutilized spectrum, (ii) reassigning
22 spectrum for more efficient use, and (iii) implementing an open frequency
23 approach to expand internet access in underserved and unserved areas, to be
24 developed together with the DICT and the Philippine Competition Commission
25 (PCC);

26 (e) provide the public with annual reports on the performance of PTEs and ISPs in
27 terms of increasing internet coverage and meeting the threshold download
28 speeds;

29 (f) provide policies and standards of network elements to ensure that PTEs and
30 ISPs will maintain the Quality of Service (QOS) of the internet connection they
31 provide to their respective area of coverage;

1 (g) provide for an expeditious mechanism to address consumer complaints on slow
2 internet speed and false advertising of internet speeds; and,

3 (h) establish an efficient monitoring system or framework with regard to the PTEs
4 and ISPs' management of consumer complaints and maintain records of
5 subscribers' complaints.

6 **Sec. 11. *Reports to Congress.*** – The DICT and NTC shall submit a quarterly
7 progress report to Congress of all acts performed pursuant to this Act during the first
8 week of the immediately preceding quarter.

9 **Sec. 12. *Streamlining Permitting Requirements.*** – The DICT and other relevant
10 regulatory agencies including, but not limited to, the Department of the Interior and
11 Local Government (DILG), the Department of Public Works and Highways (DPWH),
12 Department of Human Settlements and Urban Development (DHSUD), Anti-Red Tape
13 Authority (ARTA), Civil Aviation Authority of the Philippines (CAAP), Department of
14 Health (DOH), and the Food and Drug Administration (FDA) shall ensure the
15 streamlining of the permitting process for the construction, installation, and operation
16 of telecommunications tower and other infrastructure such as, but not limited to,
17 permits for base stations, cables, poles, and other work elements necessary to offer
18 internet service.

19 The DICT shall set up a one-stop shop that shall coordinate with other
20 regulatory agencies regarding the permitting requirements and applicable regulatory
21 fees for installing common towers, cables, poles, and other network elements in order
22 to facilitate the attainment of the objectives of this Act.

23 **Sec. 13. *Local Government Units (LGUs) as Partners in Broadband***
24 ***Infrastructure Development.*** – The LGU shall serve as a strategic partner who shall
25 ensure that all LGU-related permits and requirements necessary to expand internet
26 coverage and improve quality of internet service shall be acted upon immediately. In
27 order to ensure that all municipalities and barangays have access to internet facilities,
28 LGU shall be allowed to build and operate its own broadband network partnership with
29 PTEs and ISPs.

30 **Sec. 14. *Infrastructure Sharing and Co-location.*** –

31 (a) The DICT shall promulgate policies, rules, and regulations, in coordination
32 and/or jointly with the concerned national government agencies, government

1 owned and controlled corporations, and LGUs to ensure that infrastructure,
2 whether existing or built in the future, necessary or capable of supporting data
3 transmission networks or services are:

- 4 i. mandatory for open access and made available for co-location and co-
5 use by the owner of network facilities, equipment, and infrastructure on
6 an open, fair, and non-discriminatory basis to any access seeker's
7 network facilities;
- 8 ii. as far as possible, deployed together with roadworks, pipe-laying, and
9 other infrastructure development by both government and private
10 entities; and
- 11 iii. propagated in the most cost-efficient and timely manner through various
12 means, including encouraging the operation of independent entities that
13 build and operate towers, dark fiber, and utility corridors, among other
14 infrastructure that help facilitate broadband network deployment.

15 (b) The DICT shall, in coordination with the PCC and other relevant government
16 agencies, promulgate policies, rules, and regulations to ensure that buildings,
17 condominiums, villages, towns and subdivisions are all built with facilities, such
18 as cable entrances, ducts, and risers, that allow non-discriminatory and non-
19 exclusive access to multiple service providers, in order for PTEs and ISPs to
20 provide internet service;

21 (c) In case of a dispute arising from an infrastructure-sharing arrangement, the
22 DICT shall:

- 23 i. coordinate with the regulator of the infrastructure;
- 24 ii. mediate between a PTE or ISP and an infrastructure owner, which may
25 include a PTE, and ISP, or a public service network provider; and/or,
- 26 iii. serve as the primary enforcer of this provision

27 (d) The DICT shall encourage the use of existing infrastructure, such as those of
28 cable TV operators, to fast track the layout of networks, to increase coverage,
29 and to address the problem of unserved and underserved areas;

30 (e) The regulator of the shared infrastructure shall, in consultation with concerned
31 stakeholders, determine and ensure reasonable rental rates for use of shared

1 infrastructure such as, but not limited to, utility poles, utility corridors and
2 ducts; and,

3 (f) For shared infrastructure arrangements, the DICT shall also look into the
4 following considerations:

- 5 i. Technical feasibility of the request of access seeker to use infrastructure;
- 6 ii. Incentives to encourage investment in less commercially viable areas;
- 7 iii. Fair and reasonable rates for shared facilities, depending on the location
8 and market size in a particular area.

9 All policies, rules, and regulations under this Section shall be operationalized
10 within one (1) year from the effectivity of this Act.

11 Sec. 15. *Penalties.* – The NTC may, *motu proprio* or upon complaint of any
12 interest party, in the appropriate administrative and/or quasi-judicial process, and in
13 accordance with due process, shall:

14 (a) Require any PTE or ISP, who shall not meet the requirements set forth under,
15 or shall not comply with the provisions of this Act, to comply with service
16 standards that have not been met, or provisions of this Act that have been
17 violated;

18 (b) Impose upon entities who do not comply with internet service standards as laid
19 down by Sections 4, 5 and 8 of this Act and as prescribed by the NTC:

- 20 i. The penalty of a fine of not less than Two Hundred Thousand Pesos
21 (P200,000.00) but not more than Two Million Pesos (P2,000,000.00) for
22 each count of violation: *Provided,* That if a service provider has a gross
23 annual income not exceeding Ten Million Pesos (P10,000,000.00), the
24 penalty shall be equivalent to one percent (1%) to two percent (2%) of
25 its gross annual income; and,
- 26 ii. For repeated violations, revoke the PTE's Provisional Authority or
27 Certificate of Public Convenience and Necessity, or cancel the
28 registration of an ISP; whichever applies, including the waiving of any
29 pre-termination fees of affected subscribers and timely disbursement of
30 any remaining credits from excessive downtime.

31 The foregoing is without prejudice to any other remedies available to the NTC
32 under existing law.

1 Sec. 16. *Implementing Rules and Regulations.* – Within sixty (60) days after
2 the effectivity of this Act, the DICT and the NTC shall issue a Joint Memorandum
3 Circular setting forth the rules and regulations to effectively implement the provisions
4 of this Act.

5 Sec. 17. *Separability Clause.* – If any provision or part hereof is held invalid or
6 unconstitutional, the remainder of the law or the provision or part not otherwise
7 affected shall remain valid and subsisting.

8 Sec. 18. *Repealing Clause.* – Any law, presidential decree or issuance,
9 executive order, letter of instruction, administrative order, rule, or regulation contrary
10 to or inconsistent with the provisions of this Act are hereby repealed, modified, or
11 amended accordingly.

12 Sec. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its
13 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,