

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



'22 SEP 19 P 3:34

SENATE
S.B. No. 1326

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Introduced by **SENATOR IMEE R. MARCOS**

**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"**

EXPLANATORY NOTE

Article II, Section 9 of the 1987 Constitution affirms that "*the State values the dignity of every human person and guarantees full respect for human rights.*" In 2016, the United Nations Human Rights Council adopted a resolution on the promotion, protection, and enjoyment of human rights on the internet, based on the realization that the internet has become an indispensable means in the exercise of well-established rights such as the rights to freedom of expression, peaceful assembly and association, and education.

In recognition of the importance of exercising human rights on the internet, other jurisdictions have passed legislation to promote internet access. In 2000, Estonia declared internet access as a fundamental human right, arguing that it is essential for living in the 21st century. In 2010, Finland became the first nation to make reasonably priced broadband connection a legal right for all its citizens through a "*universal service obligation.*" Spain followed suit with similar legislation in 2011. The Philippines enacted R.A. No. 10929 otherwise known as the "*Free Internet in Public Places Act*", which declares that it is a state policy "*to promote an environment for the development of structures that would ensure the availability and accessibility to reliable and secure internet access suitable to the needs and aspirations of the nation.*"

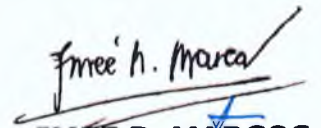
However, internet access in the Philippines remains limited. In the 2021 Digital Quality of Life Index, the Philippines landed at the 48th place out of 85 countries ranked globally in terms of overall digital quality of life. It ranked 12th out of 32 countries in Asia. It ranked particularly dismally in terms of internet affordability (72nd), electronic government (67th), and electronic infrastructure (63rd).

The quality of internet access available to Filipinos is also an issue. Given the access and pricing issues associated with broadband Internet in the Philippines, most of the internet use in the Philippines is mobile. As of February 2022, there are 79.66 million internet users in the Philippines and 72.7% internet user penetration rate according to Statista.com with median download speed of 18.79 megabits per second (Mbps) for mobile internet and 49.10 Mbps for fixed broadband according to Ookla Speedtest.

Many users are constrained to depend on mobile promotions like Free Facebook and platform-based access, which restrict the type of content available through a "*walled garden*" system. As such, there is a need to provide not just cheap access to Internet, but meaningful access as well.

This bill aims to establish a lifeline rate for internet access, similar to the lifeline rate implemented in other utilities such as electricity and potable water. Such rate recognizes internet access as a primary right and provides a much-needed assistance to low-income and connectivity-dependent internet consumers, which allows them to realize their rights to freedom of expression, peaceful assembly and association, information, and education.

For the foregoing reasons, the passage of this bill is earnestly sought.


IMEE R. MARCOS

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

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

4
5 "SEC. 17. *Rates and Tariffs.* - The Commission shall establish rates and
6 tariffs which are fair and reasonable and which provide for the economic
7 viability of telecommunications entities and a fair return on their
8 investments considering the prevailing cost of capital in the domestic
9 and international markets.

10
11 The Commission shall exempt any specific telecommunications service
12 from its rate or tariff regulations if the service has sufficient competition
13 to ensure fair and reasonable rates or tariffs. The Commission shall,
14 however, retain its residual powers to regulate rates or tariffs when
15 ruinous competition results or when a monopoly or a cartel or
16 combination in restraint of free competition exists and the rates or tariffs
17 are distorted or unable to function freely and the public is adversely

1 affected. In such cases, the Commission shall either establish a floor or
2 ceiling on the rates or tariffs.

3
4 **A BROADBAND AND DATA LIFELINE RATE FOR QUALIFIED**
5 **MARGINALIZED INTERNET END-USERS SHALL BE SET BY THE**
6 **COMMISSION. "LIFELINE RATE" REFERS TO A SOCIALIZED**
7 **PRICING MECHANISM IN THE FORM OF APPLICABLE**
8 **DISCOUNTS BASED ON CONSUMPTION THRESHOLDS. THE**
9 **LEVEL OF CONSUMPTION AND CORRESPONDING DISCOUNT**
10 **RATES SHALL BE DETERMINED BY THE COMMISSION AFTER**
11 **DUE NOTICE AND HEARING: *PROVIDED*, THAT THE**
12 **COMMISSION CANNOT SET A BASE LEVEL OF CONSUMPTION**
13 **LESS THAN ONE (1) GIGABYTE PER MONTH OR A BASE**
14 **DISCOUNT LOWER THAN TWENTY PERCENT (20%).**

15
16 **QUALIFIED MARGINALIZED INTERNET END-USERS SHALL**
17 **REFER TO THE FOLLOWING:**

18
19 **(A) QUALIFIED HOUSEHOLD-BENEFICIARIES UNDER**
20 **REPUBLIC ACT NO. 11310, OTHERWISE KNOWN AS THE**
21 **PANTAWID PAMILYANG PILIPINO PROGRAM, AS REGULARLY**
22 **SUBMITTED BY THE DEPARTMENT OF SOCIAL WELFARE AND**
23 **DEVELOPMENT (DSWD) TO THE COMMISSION, AND THE**
24 **PUBLIC TELECOMMUNICATIONS ENTITY; OR**

25
26 **(B) MARGINALIZED END-USERS AS CERTIFIED BY THE PUBLIC**
27 **TELECOMMUNICATIONS ENTITY BASED ON A CRITERIA**
28 **DETERMINED BY THE COMMISSION: *PROVIDED*, THAT THE**
29 **CRITERIA SHALL TAKE INTO ACCOUNT THE POVERTY**
30 **THRESHOLD SET BY THE PHILIPPINE STATISTICS AUTHORITY,**
31 **AND PRIORITIZE MEMBERS OF INTERNET AND/OR**
32 **CONNECTIVITY-DEPENDENT SEGMENTS OF SOCIETY SUCH AS**
33 **STUDENTS, SENIOR CITIZENS, PERSONS WITH DISABILITIES,**
34 **THE ELDERLY AND THE LIKE, AND SHALL CONTAIN AN**
35 **EXCLUSIVE LIST OF REQUIREMENTS TO BE SUBMITTED TO THE**
36 **PUBLIC TELECOMMUNICATIONS ENTITY: *PROVIDED***
37 ***FURTHER*, THAT THE EXCLUSIVE LIST OF REQUIREMENTS AND**
38 **THE PROCEDURE FOR THEIR SUBMISSION, WHICH SHALL BE**

1 **SUBJECT TO THE REVIEW AND SUPERVISION OF THE**
2 **COMMISSION, SHALL NOT BE BURDENSOME FOR THE**
3 **APPLICANT: *PROVIDED FINALLY*, THAT THE PUBLIC**
4 **TELECOMMUNICATIONS ENTITY SHALL ACT ON THE**
5 **APPLICATION FOR CERTIFICATION AS QUALIFIED**
6 **MARGINALIZED END-USER WITHIN TWO (2) WORKING DAYS**
7 **FROM SUBMISSION OF COMPLETE DOCUMENTARY**
8 **REQUIREMENTS, AND SHALL NOT UNREASONABLY WITHHOLD**
9 **OR DELAY THE ISSUANCE OF SUCH CERTIFICATION. THE**
10 **COMMISSION SHALL PROMULGATE RULES AND GUIDELINES**
11 **FOR QUALIFIED MARGINALIZED END-USERS WHOSE**
12 **ACCOUNTS ARE NOT REGISTERED IN THEIR NAME. THE**
13 **COMMISSION SHALL SUBMIT TO THE JOINT CONGRESSIONAL**
14 **ENERGY COMMISSION AN ANNUAL REPORT ON THE**
15 **IMPLEMENTATION OF THE LIFELINE RATE, AND A**
16 **COMPREHENSIVE EVALUATION OF ITS IMPLEMENTATION**
17 **EVERY TWO (2) YEARS TO INCLUDE A COST-BENEFIT**
18 **ANALYSIS AS WELL AS MODES OF VALIDATION AND**
19 **PREVENTION OF LEAKAGES AND ABUSE.”**
20

21 **SEC. 2. *Implementing Rules and Regulations.*** – The National
22 Telecommunications Commission (NTC), in coordination with the Department of
23 Information and Communications Technology (DICT), and in consultation with other
24 stakeholders from the public and private sectors shall, within sixty (60) days from the
25 date of effectivity of this Act, promulgate and publish the rules and regulations for the
26 effective and faithful implementation of this Act: Provided, That the failure of the
27 promulgation of the said rules and regulations shall not prevent the implementation of
28 this Act upon its effectivity.
29

30 **SEC. 3. *Separability Clause.*** – If, for any reason or reasons, any part or
31 provision of this Act shall be declared as unconstitutional or invalid, the other
32 parts or provisions hereof which are not affected thereby shall continue to be in
33 full force and effect.
34

35 **SEC. 4. *Repealing Clause.*** – All provisions of existing laws, orders, rules
36 and regulations or parts thereof which are in conflict or inconsistent with the
37 provisions of this Act are hereby repealed, amended or modified accordingly.
38

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

Approved,