

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

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'04 JUN 30 P5:25

SENATE

RECEIVED BY: *Osmeña*

S. No. 430

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Telecommunications is a key public service that affects the efficiency of business enterprises and the quality of life of private individuals. For several decades until quite recently, the stranglehold of a giant monopoly managed to delay the development of the industry.

The deregulation measures initiated under the Ramos administration was a big stride for the industry, as it opened heretofore unserved or underserved areas for franchise by new companies that would hopefully introduce new blood and competitive vigor to the industry. Still, a lot of work remains to be done to upgrade the quality of service and performance delivered by the existing players in the telecommunications service market.

This bill seeks to address the needs of the industry by establishing minimum standards of service and performance in certain areas such as the following:

- (a) mechanical and electrical condition of meters or recording devices used to record data and prepare accurate customers' bills
- (b) efficient and courteous customer service in response to customers' requests for information regarding alternative kinds of service plans available, and the corresponding determination of, and prevailing rates and charges on such plans; and;
- (c) ceiling on the amounts of and refund procedures for customers' deposits;
- (d) user-friendly public telephones;
- (e) grounds for denial or discontinuance of service;
- (f) minimizing waiting time or "on-hold" acknowledgment and improvement of operator-handled calls.

The quality of telecommunications services that will be available to our citizenry and business enterprises will indeed determine the competitiveness of our products and services in the world market during the oncoming millennium.

In view of the foregoing, the immediate approval of this bill is earnestly requested.

S. Osmeña III
SERGIO OSMEÑA III
Senator

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S E N A T E

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Introduced by Senator S. R. Osmeña III

AN ACT
ESTABLISHING TELECOMMUNICATIONS SERVICE STANDARDS AND FOR
OTHER PURPOSES

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

1 GENERAL PROVISIONS

2 SECTION 1. *Short Title.* – This Act shall be known as the
3 “Telecommunications Service Standards Act”.

4 SECTION 2. *Declaration of Policy.* -- It shall be the policy of the State to
5 ensure that the public shall have the right to acquire access to basic telephone
6 service of reasonable quality and cost.

7 SECTION 3. *Scope and Application.* – This Act shall apply to all
8 telecommunication utilities operating in the Philippines and which are under the
9 jurisdiction of the National Telecommunications Commission, hereinafter referred
10 to as the “Commission”.

11 SECTION 4. *Definitions.* – For the purposes of this Act, the following
12 definitions shall be used:

13 a) “Application” – a request made in writing, for telecommunications
14 service, including requests for changes in existing service.

15 b) “Base Rate Area” – a specific area within any exchange service
16 area as set forth in the telecommunication utilities’ tariffs, maps or descriptions,

1 where local exchange service between two terminals within this area is furnished
2 at uniform rates without extra mileage charge.

3 c) "Business Service" – Telecommunications service provided a
4 customer where the use is primarily or substantially of a business, professional,
5 institutional or otherwise occupational in nature, as distinguished from personal
6 or residential.

7 d) "Busy Hour" – any hour in a day during which the greatest volume
8 of traffic is handled by a local exchange.

9 e) "Calls" – the attempts of a customer to dial another legitimate
10 telephone number.

11 f) "Central Office" - An independent switching unit which may
12 provide up to ten thousand (10,000) access lines in a telecommunications
13 system providing service to the general public, having the necessary equipment
14 and operating arrangements for terminating and interconnecting customer lines
15 and trunks only. There may be more than one central office in a building.

16 g) "Channel" - An electrical circuit for telecommunications between
17 two or more stations or central offices or path for telecommunications between
18 two or more customers or central offices, furnished in such a manner as the
19 telecommunications utility may elect, whether by wire, radio or a combination
20 thereof, and whether or not by a single physical facility or route.

21 h) "Class of Service" - a description of telecommunications service
22 furnished a customer which denotes such characteristics as nature of use
23 (business or residential) or type of rate (flat rate, measured rate, or message
24 rate). Classes of service are usually subdivided in "grades", such as individual
25 line, two-party or four-party.

26 i) "Commission" - National Telecommunications Commission.

27 j) "Customer" - any person, firm, partnership, corporation,
28 municipality, cooperative, organization, governmental agency, etc., provided with
29 telecommunications services by a regulated telecommunications utility.

1 k) "Customer Trouble Report" - any oral or written report or inquiry
2 services relating to a physical defect or difficulty or dissatisfaction with the
3 operation of the utility's facilities. For recording purposes, each report shall be
4 considered as separate and distinct even though it may duplicate a previous
5 report or merely follows up a previous report or inquiry.

6 l) "Direct Distance Dial Service" - long distance service in which the
7 customer dials his or her intended called party outside his local service area
8 without the assistance of an operator.

9 m) "Exchange" - a unit established by a telecommunications utility for
10 the administration of telecommunication services in a specified area for which a
11 separate local rate schedule is provided. It may consist of one or more central
12 offices together with associated plant facilities.

13 n) "Exchange Service Area" - the geographical territory served by an
14 exchange, usually embracing a city, town, or barangay and its environs.

15 o) "Flat Rate Service" - local telecommunications service furnished at
16 a fixed recurring charge.

17 p) "Grade of Service" - the classification of a telecommunications
18 channel in accordance with the number of customers served on the line, such as
19 one-party, two-party, four-party, etc.

20 q) "Held Service Order" - an application for establishment or re-grade
21 of service not filled within thirty (30) days after the customer has filed his
22 application, except where the customer requests a later date.

23 r) "Individual Line Service" - a classification of exchange service
24 which provides that only one customer shall be served by the channel connecting
25 the customer's service location with the serving central office.

26 s) "Intercept Service" - a service arrangement provided by the
27 telecommunications utility whereby calls placed to a disconnected or
28 discontinued telephone number are intercepted and the calling party is informed
29 that the called telephone number has been disconnected, or discontinued, or

1 changed to another number, or that calls are being received by another
2 telephone number, etc.

3 t) "Inter-office" - between central offices.

4 u) "Intra-office" – within one central office.

5 v) "Local Access Line" – a facility, totally within a exchange, providing
6 a telecommunications channel between a customer's service location and the
7 serving central office or remote switch.

8 w) "Local Calling Area" – the area within which telecommunications
9 service is furnished customers under a specific schedule or exchange rate. A
10 local calling area may include one or more exchange service areas or portions of
11 exchange areas.

12 x) "Local Measured Service" – a type of local exchange facility to
13 enable a customer to send or receive telecommunications within the local service
14 calling area. This local service calling area may include one or more exchange
15 service areas.

16 y) "Local Service Charge" – the charge for furnishing facilities to
17 enable a customer to send or receive telecommunications within the local service
18 calling area. This local service calling area may include one or more exchange
19 service areas.

20 z) "Long Distance Telecommunications Service or Toll Service" –
21 telecommunications service rendered by telecommunications utilities which is
22 furnished between customers in different local service areas at measured rates.

23 aa) "Measured Rate" – usage sensitive charges for telecommunication
24 service which may be based on the number, duration, distance, and time of
25 day/day of week of messages, or any combination thereof.

26 bb) "Message" – a completed customer telephone call.

27 cc) "Message Rate Service" – a form of local measured service under
28 which all originated local messages are measured and charged for, based solely
29 on the number of messages used during the billing period.

1 dd) "Out of Service" – when there exists a total lack of either incoming
2 or outgoing telecommunications capability.

3 ee) "Outside Plant" – the telecommunications equipment and facilities
4 installed on, along, over or under streets, alleys, highways or on private rights-of-
5 way between the central office and customer's locations or between central
6 offices.

7 ff) "Party Line Service" – a grade of local exchange service which
8 provides for a number of customers to be served by the same central office
9 channel.

10 gg) "Primary Service Order" – an application for voice grade
11 telecommunications service to be provided at a customer location which does not
12 have telecommunications service.

13 hh) "Private Line" – a channel provided to furnish telecommunications
14 service between two or more customer locations and not having connection with
15 central office switching apparatus.

16 ii) "Public Telephone Service" – an individual line service equipped
17 with a coin collecting telephone instrument installed by a telecommunications
18 utility for the usage of the general public in locations where the general public
19 has access to the telephones.

20 jj) "Regrade" – an application for a different class and/or grade of
21 service.

22 kk) "Remote Switch" – a switching unit in a telecommunications system
23 which is completely dependent upon a central office for certain operational
24 functions and for calling outside of its own serving area.

25 ll) "Tariff" – the entire body or schedule of rates, tolls, rentals,
26 charges, classifications and rules approved by the Commission for any
27 authorized telecommunications utility.

1 mm) "Toll Connecting Trunks" – a general classification of channels
2 carrying toll traffic and ordinarily extending between a local central office and a
3 toll office.

4 nn) "Traffic" – telecommunications volume, based on number of calls
5 and duration of messages.

6 RECORDS AND REPORTS

7 **SECTION 5. *Location of Records.*** – All records required under Section
8 7 and 8 hereof shall be kept within the premises of the utility and made available
9 to the Commission or its duly authorized representatives at any reasonable time
10 upon request.

11 **SECTION 6. *Retention Period for Records.*** – All records required by
12 these rules shall be preserved for a period of five (5) years or any other period as
13 may be specified by the Commission, except where otherwise permitted by the
14 Commission to dispose of certain specific records.

15 **SECTION 7. *Reports.*** – Each telecommunications utility shall maintain
16 records of its operations in sufficient details to permit review of its service
17 performance, and such records shall be made available to the Commission upon
18 request. Each incident which adversely affects telecommunications service to a
19 substantial number of subscribers (the smaller of 25% or 1,000 of the subscribers
20 in the local exchange) shall be promptly reported by the utility to the Commission
21 and to the local news media.

22 **SECTION 8. *Data to be filed with the Commission.*** – Each utility shall
23 file with the Commission the following data:

- 24 a. Tariffs
- 25 b. Exchange maps
- 26 c. Accident reports
- 27 d. Service report expansion plans.

28 METERING, INSPECTION AND TEST EQUIPMENT

1 **SECTION 9. *Provision for Testing.*** – The utility shall ensure timely
2 availability and have access to test facilities which will enable it to determine the
3 operating and transmission capabilities of channels and switching equipment,
4 both for routine maintenance and for fault location.

5 **SECTION. 10. *Meter Reading Interval.*** – Billing meters shall be read at
6 intervals closely corresponding with the customer's billing periods.

7 **SECTION 11. *Meter and Recording Equipment Testing Facilities.*** –
8 Where local measured service is provided, the utility shall provide the necessary
9 facilities, instruments, and equipment for testing its metering or recording
10 equipment. The overall accuracy of the test equipment and test procedures shall
11 be sufficient to enable tests of meters and recording equipment within the
12 requirements of this Act.

13 **SECTION 12. *Meter and Recording Equipment Requirements.*** – All
14 meters and/or recording devices used to record data and prepare customer's bills
15 shall be in good mechanical and electrical condition, shall be accurately read and
16 shall not involve approximations. All meters and recording devices shall
17 accurately perform the following:

18 a) Message rate service, where timing the length of the message is not
19 involved, the meter and/or recording device shall register the number of
20 completed messages sent by the local access line which it is measuring;

21 b) For local measured and/or toll service where in addition to recording
22 the message it is necessary to time and distance-rate the messages, the
23 recording device shall register the number of messages and the chargeable time
24 involved in each message, applicable distance information, and the local access
25 line originating the message; and

26 c) Where the recording equipment provides coded information that is
27 used to automatically prepare customer bills, accurate interpretation of such
28 coded information is required and should be guaranteed. Deliberate mis-
29 recording of meter readings to defraud customers shall merit expulsion from

1 utility employment for life, without prejudice to possible suits and claims that
2 aggrieved parties may also file against the telecommunications utility.

3 **SECTION 13. *Initial Tests.*** – Every billing meter and/or recording
4 device shall be tested for accuracy when it is released for service.

5 **SECTION 14. *As-found Tests.*** – All meters and/or recording devices
6 tested in accordance with this Act for routine maintenance or pursuant to
7 complaints shall be tested in their normal operating locations and wiring modes
8 prior to removal or adjustment.

9 **SECTION 15. *Routine Tests.*** – The telecommunications utility shall
10 perform periodic testing and maintenance of its controlling channel equipment
11 associated with the meters and/or recording devices to assure the integrity of
12 their operation. Periodic testing and maintenance shall also be performed on
13 meters and recording devices to show accuracy in their operation.

14 **SECTION 16. *Request Tests.*** – Upon request of any customer, the
15 telecommunication utility shall make a test of any meter and/or recording device
16 related to the billing in question. Such request should not be honored more often
17 than once every three (3) months unless unusual circumstances exist.

18 **SECTION 17. *Referee Tests.*** – Any customer, by request to the
19 Commission, may have a test of any meter or recording device related to the
20 billing in question, conducted by the telecommunications utility in the presence of
21 a representative of the Commission.

22 **SECTION 18. *Test Records.*** – A record of all meter and/or recording
23 equipment tests and adjustments and data sufficient to allow checking of the
24 results shall be recorded. Such record shall include the identifying number of the
25 meter and/or recording device, its type, the date and kind of test and the result of
26 each test.

27 **CUSTOMER RELATIONS**

28 **SECTION 19. *Rate and Special Charges Information.*** – Upon the
29 request of any customer or applicant, the telecommunications utility shall provide

1 an explanation of the rates, charges, and provisions applicable to the service
2 furnished or available to such customer or applicant, and shall provide any
3 information and assistance necessary to enable them to obtain the most
4 economical telecommunications service conforming to their stated needs.
5 Applicants for residential telephone service shall be advised as to alternate
6 service available to meet their stated communications requirements. This
7 information may include printed explanations of the alternate services and rates.
8 Correspondingly, the utility shall notify residential customers of any service
9 connection charge to be applied to their bills prior to undertaking any action and
10 shall provide an estimate of the initial billing for basic monthly service (including
11 fractional monthly amounts) plus any other applicable charges.

12 **SECTION. 20. *Estimate of Special Charges.*** – The customer shall be
13 provided with an estimate of the charges where special charges not specifically
14 set forth in a telecommunications utility's tariff are levied on the basis of actual
15 cost for such items as extraordinary construction, maintenance, or replacement
16 costs or expenses, overtime work at the customer's request and special
17 installations, equipment and assemblies.

18 **SECTION 21. *Business Offices.*** – Business offices shall be staffed to
19 provide customers and others with convenient access to qualified personnel,
20 including supervisory personnel where warranted, to provide information relating
21 to services and rates, accept and process applications for service, explain
22 charges on customer's bills, adjust charges made in error and to generally act as
23 representatives of the telecommunications utility. Qualified personnel shall be
24 instructed to be courteous, considerate, efficient and be available to promptly
25 serve those who contact the business office.

26 **SECTION 22. *Customer Billing.*** – Bills to customers shall be typed or
27 machine printed, rendered regularly, and shall contain a listing of all charges and
28 the period of time covered by the billing. The local service charges may be
29 shown as a single item even though they include service options for which a

1 monthly flat charge is made. Toll charges, if applicable, shall be itemized and
2 included with the local service bills.

3 In the event of a dispute between the customer and the
4 telecommunications utility respecting any bill, the utility may require the customer
5 to pay the uncontested portion of the bill to avoid discontinuance of service for
6 nonpayment. The telecommunications utility shall make such investigation as
7 may be appropriate to the particular case, and report the result thereof to the
8 customer. In the event the dispute is not reconciled, the utility shall advise the
9 customer that the customer may make an application to the Commission for
10 review and disposition of the matter.

11 In the event the customer's service is interrupted otherwise than by the
12 negligence or willful act of the customer and it remains out of order for more than
13 twenty-four (24) hours after being reported or found to be out of order,
14 appropriate adjustments shall be automatically made to the customer. For the
15 purpose of administering this requirement, every month is considered to have
16 thirty (30) days.

17 **SECTION 23. Public Information.** – Access to the following information
18 shall be made available at every business office open to the public upon request:

19 a) Copies of the latest schedule of approved tariffs by the Commission for
20 the utility.

21 b) Maps showing exchange, base rate area and zone (if applicable)
22 boundaries in sufficient size and detail from which all customer locations can be
23 determined and mileage and/or zone charges quoted.

24 c) Publicly announced information as to the present and intended future
25 availability of specific classes of service at an applicant's location.

26 d) Publicly announced information concerning plan for major service
27 changes in the areas served by the business office.

28 e) Information pertaining to services and rates as proposed in pending
29 tariff or rate change filings.

1 **SECTION 24. *Customer Deposits for Telecommunications Services.***

2 – The deposit rules described herein shall apply to service to residential
3 customers. Deposits on service to business telecommunications customer
4 should be in accordance with tariffs on file. Deposit rules shall be subject to prior
5 approval by the Commission.

6 a) Under this Act, it is recognized that it is in the public interest for the
7 National Telecommunications Commission to issue and administer fairly and
8 without discrimination, deposit or credit policies and regulations, in accord with
9 the provisions of this Act, which will permit an applicant for telecommunications
10 subscriber service, hereinafter referred to as “applicant,” to commence a
11 commercial relationship with the relevant telecommunications utility or allow a
12 previous subscriber to reestablish such relationship. The Act further declares
13 that an essential ingredient in each utility’s administration of deposit policy in
14 accordance with the provisions of the Act is the equitable and indiscriminate
15 application of pertinent rules and laws to all applicants for service and customer
16 throughout its service area without regard to the economic character of the
17 applicant’s neighborhood, and such deposit policy shall not be predicted upon
18 the collective credit reputation of the neighborhood in which the customer or
19 applicant lives or in which his business is conducted. Only if an applicant or
20 subscriber has established a consistent and notorious history of bad credit may
21 the telephone utility apply to treat the subject differently with respect to deposit or
22 connection requirements.

23 b) Each telecommunications utility shall direct its personnel normally
24 engaged in contact with applicants for service or customers seeking to establish
25 or reestablish credit under the provisions of this Act, to inform customers
26 expressing non-acceptance of the decision of such personnel, of their right to
27 have the problem considered and acted upon by supervisory personnel of the
28 company. Each telecommunications utility shall further direct such supervisory
29 personnel to inform applicants or customers expressing non-acceptance of the

1 supervisor's decision, of their right to have the problem reviewed by the
2 Commission, and shall furnish them with the address and telephone number of
3 the appropriate section of the Commission.

4 **SECTION 25. *Past Due Bill.*** – A telecommunications utility shall not
5 consider a customers' bill past due unless it remains unpaid for a period of
6 twenty-five (25) calendar days after the billing date printed on the bill.

7 **SECTION 26. *Amount of Deposit.*** – The amount of the deposit which
8 may be required of a customer or applicant shall not exceed two and one-half
9 times the estimated monthly bill. The determination of the customer's estimated
10 bill, as distinguished from an applicant's, shall be based upon the use of the
11 class of service involved. In those cases where an applicant has no previous
12 service record, the utility may require a deposit based upon the monthly bill for
13 residential customers in that area.

14 The amount of the deposit may be adjusted on the basis set forth in
15 Section 24 above, at the request of the customer or by the telecommunications
16 utility at any time when the character or degree of the customer's use of the
17 service has materially changed or when it is indicated that the character or
18 degree of such use will materially change.

19 **SECTION 27. *Refund of Deposits.*** – Deposits, net of liabilities to the
20 utility, are to be refunded immediately under the following conditions:

21 a) Upon discontinuance of service, the utility shall promptly refund
22 deposits, plus accrued simple interest at the rate of twelve percent (12%) per
23 annum or the balance, if in excess of the unpaid bills for the service furnished by
24 the utility. A transfer of service from one location to another in the same service
25 area served by the utility shall not be deemed a discontinuance of service if the
26 character of the service remains unchanged.

27 When a deposit, with interest on the deposit, is applied to the liquidation of
28 unpaid bills, the utility shall mail, or otherwise deliver, to the customer, a
29 statement showing the amount of the original deposit, plus any accrued interest,

1 the amount of the unpaid bills liquidated by the deposit, plus interest and the
2 balance remaining due either to the customer or the utility; and

3 b) Unless the utility has sufficient factual information to determine that a
4 customer is an unsatisfactory credit risk, the utility shall promptly refund half of
5 the customer's outstanding deposit, plus interest, when the customer has paid
6 bills for service for twelve (12) consecutive billing periods without having had
7 service discontinued for nonpayment of bills, and the customer has paid ten or
8 more of the bills by the date on which the bills became past due over the 12-
9 month period. The amount to be refunded may also be credited to the
10 immediately succeeding subscription bills.

11 The utility shall annually review accounts of customers with deposits and
12 shall refund deposits in accordance with Section 32(b).

13 **SECTION 28. *Deposit Records.*** – The utility shall keep a record of
14 each cash deposit until the deposit is returned. The record shall show the name
15 and current billing address of the depositor, the amount and date of the deposit,
16 and each transaction concerning the deposit. At the time that a cash deposit is
17 received, the utility shall provide the applicant for service or customer with a
18 receipt showing the receipt date, the name and billing address of the applicant or
19 customer to be served or being served, and the amount of the deposit.

20 **SECTION 29. *Interest on Deposits.*** – Simple interest at the annual rate
21 of twelve percent (12%) shall accrue on all outstanding deposit and shall be paid
22 at the time the deposit is returned or applied to the customer's final bill for
23 service.

24 **SECTION 30. *Public Notice of Commission Deposit Rules.*** – The
25 telecommunications utility shall post a notice in all its business offices open to the
26 public advising the public of the availability of Commission deposit rules and shall
27 make said rules available at each of those business offices to customers upon
28 request.

1 **SECTION 31. Denial or Discontinuance of Service.** – Unless

2 otherwise stated, the customer shall be notified and allowed a reasonable time in
3 which to comply with the rules before service is discontinued. However, service
4 may be refused or discontinued for any of the following reasons:

- 5 a) Without notice, in the event of customer use of telecommunications
6 equipment in such a manner as to adversely affect the
7 telecommunications utility's equipment, the utility's service to others, or
8 the safety of the utility's employees or customers;
- 9 b) Without notice, in the event of unauthorized tampering with any
10 facilities or equipment furnished and owned by the utility;
- 11 c) For violation of, or noncompliance with, the Commission's regulations
12 governing use of services supplied by telecommunication utilities, or
13 for violation of or noncompliance with the utility's rules or tariffs on file
14 with the Commission;
- 15 d) For failure to comply with municipal ordinance or other laws pertaining
16 to use of telecommunications service;
- 17 e) For failure of the customer to permit the utility reasonable access to its
18 facilities or equipment;
- 19 f) For nonpayment of any amount past due for service and not in *bona*
20 *fide* dispute; and
- 21 g) For failure to satisfy deposit or credit requirements for initial or
22 additional service.

23 **SECTION 32. Insufficient Reasons for Denying or Discontinuing**
24 **Service.** – The following shall not constitute sufficient cause for denying or
25 discontinuing service to a present or prospective customer:

- 26 a) Delinquency in payment by previous occupant at the premises to be
27 served other than a member of the same household;
- 28 b) Failure to pay for business service at a different location and a different
29 telephone number;

1 c) Failure to pay for any amount in *bona fide* dispute before the
2 Commission.

3 **SECTION 33. *Complaints and Appeals.*** – The telecommunications
4 utility shall fully and promptly investigate and respond to all complaints made by
5 its applicants or customers either directly to it or through the Commission. When
6 requested by the Commission or a Commission representative, the utility shall
7 report the results of its complaint-related investigation.

8 The telecommunications utility shall direct its personnel engaged in initial
9 contact with an applicant or customer in which dissatisfaction with the decision or
10 explanation of such personnel is expressed, to inform the customer of their right
11 to have the problem considered and acted upon by supervisory personnel of the
12 telephone utility. The utility shall further direct such supervisory personnel to
13 provide the name, address, and telephone number of the appropriate office of the
14 Commission to be contacted for further review of an unresolved problem.

15 **DIRECTORIES**

16 **SECTION 34. *Publication of Directories.*** – Telephone directories shall
17 be published at regular intervals, listing the names, addresses and telephone
18 numbers of all customers, except public telephones and telephone service
19 unlisted at the customer's request.

20 The telecommunications utility shall list its customers (except those
21 requesting otherwise) with the directory assistance operator within 72 hours of
22 service connection.

23 Upon issuance, a copy of each directory shall be distributed free of charge
24 to all customers in the local service area served by that directory and a copy of
25 each directory shall be furnished to the Commission.

26 **SECTION 35. *Features of the Directory.*** – The name of the
27 telecommunications utility, an indication of the area included in the directory and
28 the month and year of issue shall appear on the front cover. Information

1 pertaining to the emergency calls such as for police and fire departments shall
2 appear conspicuously in the front part of the directory.

3 The directory shall contain instructions concerning placing local and long
4 distance calls, calls to repair and directory assistance services, and locations and
5 telephone numbers of telecommunications utility business offices as may be
6 appropriate to the area served by the directory. Likewise, the directory shall
7 contain in a prominent manner in the instructional section, notice of the
8 Commission's address and telephone number and the customer's right to bring
9 complaints and inquiries regarding telecommunications service to the
10 Commission.

11 **SECTION 36. *Changes in Listing.*** – Whenever a telephone number is
12 changed after a directory is published, the utility shall intercept all calls to the
13 former number for a reasonable period of time, and give the calling party the new
14 number, provided existing central office equipment will permit, unless the
15 customer directs otherwise. When additions or changes in plant or changes to
16 any other telecommunications utility operations necessitate changing telephone
17 numbers to a group of customers, reasonable notice shall be given to all
18 customers so affected even though the addition or changes may be coincident
19 with a directory issue.

20 **QUALITY OF SERVICE**

21 **SECTION 37. *General.*** – Each telecommunications utility shall provide
22 telecommunications service to the public in its service area in accordance with its
23 tariffs on file with the Commission. The telecommunications utility shall employ
24 prudent management and engineering practices, including but not limited to, the
25 employment of reliable procedures for forecasting future demand for service,
26 conducting studies, and maintaining records to the end that reasonable margins
27 of facilities and adequate personnel are available with the objective that service
28 will meet the quality standards described herein.

1 **SECTION 38. *Traffic Studies.*** – Each telecommunications utility shall
2 make traffic studies and maintain records as required to determine that sufficient
3 equipment and adequate operating force are provided at all times including the
4 average busy hour, busy season.

5 **SECTION 39. *Public Telephones.*** – In each exchange area the
6 telecommunications utility shall provide at least one coin operated telephone
7 available to the public at all hours, prominently located and lighted at night. All
8 public telephones shall be properly maintained and equipped with dialing
9 instructions, a directory, local call price information and appropriate emergency
10 telephone numbers.

11 **SECTION 40. *Service Objectives and Surveillance Levels.*** – Under
12 this Act, telecommunications utilities are required to meet the following service
13 objectives. It also requires the Commission to set certain surveillance levels that
14 need to be met by the telecommunications utility, such that these will direct the
15 utility to investigate, take appropriate corrective action, and provide a report of
16 such activities to the Commission.

17 Each telecommunications utility shall make regular, periodic
18 measurements to determine the level of service for each item included in this
19 law. Each utility shall provide the Commission or its representatives with the
20 measurements and summaries thereof for any of the items included herein on
21 the request of the Commission or its representatives.

22 a) Installation of Service

23 1) Primary Service – All applications shall be served not later than
24 sixty (60) calendar days after date of application. In accordance
25 with the utility's approved construction schedule but not later than
26 two (2) years after the approval of this Act, ninety percent (90%) of
27 the utility's primary service order installations shall be completed
28 within the first thirty (30) calendar days after date of application.

1 The intervals commence with the receipt of application unless a
2 later date is requested by the applicant.

3 2) Non-primary service. – After application against deposit, all non-
4 primary service orders shall be filled within six (6) months, with
5 ninety percent (90%) these service orders filled not later than sixty
6 (60) calendar days, after date of application except where the
7 customer formally requests a later date.

8 In the event that the utility is unable to fill such an order, the
9 customer will be advised and furnished the date when it will be
10 available.

11 b) Operator-Handled Calls. – All operator-handled calls shall be
12 supervised. Calls requiring timing shall be carefully and accurately
13 timed. Each telecommunications utility shall have adequately trained
14 personnel in sufficient numbers to provide an average “operator-
15 answering” performance on a monthly basis, as follows:

16 1) Ninety percent (90%) of toll and assistance operator calls answered
17 within ten (10) seconds of completed attempt.

18 2) Ninety percent (90%) of repair service calls, calls to business office
19 and other calls shall be answered within twenty (20) seconds of
20 completed attempt.

21 An “answer” shall mean that the operator or telecommunications
22 utility representative is ready to render assistance and/or ready to accept
23 information necessary to process the call, mere acknowledgement that
24 puts the customer on hold or has been waiting on the line shall not
25 constitute an “answer”, until the message of the call is actually and
26 properly received, processed or serviced.

27 c) Local Dial Service. – Sufficient central office and interoffice channel
28 capacity and equipment shall be provided to meet the following
29 requirements during the average busy season; busy hour:

1 1) Dial tone within three (30) seconds on ninety-five percent (95%) of
2 attempted calls and within five (5) seconds on all attempted calls.

3 2) Proper connection of ninety-five percent (95%) of correctly dialed
4 interoffice calls.

5 3) Proper completion of ninety-five percent (95%) of correctly dialed
6 interoffice local calls.

7 4) Direct Distance Dial (DDD) Service. – Engineering and
8 maintenance of the trunk and related switching components in the
9 intertoll network shall be such as to at least achieve the following
10 objectives on properly-dialed calls, during the average busy
11 season, without encountering blockages or equipment irregularities.

12 i) successful connection of ninety-seven percent (97%) of
13 outgoing DDD calls made by customers (outgoing trunks.)

14 ii) successful connection of ninety-seven percent (97%) of
15 incoming DDD calls received by customers (incoming trunks).

16 d) Customer Trouble Report. – Service shall be maintained in such a
17 manner that the monthly frequency of all customer trouble reports,
18 excluding reports concerning non-regulated customer premises
19 equipment, does not exceed ten per 100 local access lines per month
20 per exchange. For the purpose of administering this requirement, each
21 party line shall be considered to have one local access line.

22 e) Transmission Requirements. – All channel facilities shall meet the
23 generally accepted international design standards and shall conform to
24 the transmission design factors required for meeting service objectives
25 to be set by the Commission and the objectives of direct distance
26 dialing.

27 **SECTION 41. Penalties and Fines.** – The Commission shall impose the
28 following penalties and fines, after due hearing, on each utility company which
29 fails to comply with service standards as required in this Act:

1 a) For every application in which the utility company fails to provide
2 service as called for in Section 42(a), a penalty of Five thousand pesos
3 (P5,000.00) or twice the amount of the subscriber's deposit, whichever
4 is higher, shall be imposed and the utility shall render free basic charge
5 for every full month of delay in provision of the service applied for;

6 b) For every case in which the utility fails to meet the service objectives
7 as called for in Section 41(b), to (f) above, a penalty of One thousand
8 pesos (P1,000.00) shall be levied.

9 The Commission shall establish other penalties and/or fines that it deems
10 appropriate and necessary for the effective provision of quality service.

11 **SECTION 42. *Implementing Authority.*** – The Commission shall issue
12 such rules and regulations as may be necessary for the economical, efficient and
13 effective implementation of this Act. For the purposes of monitoring compliance
14 with the requirements of the Act, the Commission shall require a monthly
15 reporting of service performance.

16 **SECTION 43. *Separability Clause.*** – If any provision of this Act is
17 declared unconstitutional or invalid, such parts or portions not affected thereby
18 shall remain in full force and effect.

19 **SECTION 44. *Repealing Clause.*** – All laws, decrees, executive orders,
20 rules and regulations, or parts hereof inconsistent with the provision of this Act
21 are hereby repealed, amended or modified accordingly.

22 **SECTION 45. *Effectivity.*** – This Act shall take effect fifteen (15) days
23 after its publication in the *Official Gazette* or in at least two (2) newspapers of
24 general circulation, whichever comes earlier.

Approved,