

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



'14 MAY 26 P4 :07

SENATE

S. No. 2238

RECEIVED BY: js

---

Introduced by Senator Ralph G. Recto

---

**AN ACT  
REQUIRING INTERNET SERVICE PROVIDERS TO DELIVER A MINIMUM  
STANDARD FOR INTERNET CONNECTION SPEED**

**Explanatory Note**

The access to a wide range of information in this digital age is reached in a few clicks in the Internet. The Human Rights Council of the United Nations General Assembly has, in fact, declared that access to the Internet is a human right which enables individuals to "exercise their right to freedom of opinion and expression."<sup>1</sup>

The internet has a pivotal role in advancing economic development and improving quality of life. Aside from the apparent value of facilitating faster and easier communication, the benefits reaped from internet connectivity goes on and on.

The internet improves access to education by accelerating knowledge sharing and by providing students and teachers with the gateway to a plethora of educational resources online.

In the business sector, the internet empowers businesses to compete on a global level. Small and medium enterprises (SMEs) benefit a lot from access to internet by reducing barriers to market entry. It is also essential in attaining and providing jobs, accelerating business development, and providing new opportunities for innovation and expansion.

The internet also allows the enhancement of disaster relief efforts by disseminating information online, implementing early-warning systems, and providing downloadable interactive catastrophe maps to reduce the vulnerability of areas prone to disaster. These types of information are extremely useful for preparation due to the disaster-prone nature of our country.

However, access to the internet alone does not guarantee the realization of these benefits under poor and sporadic internet speed connections. The world is quickly moving towards digital age and, consequently, one of the main challenges is to get information fast through high-speed connections and bigger bandwidths. Thus, any party that does not connect to high-speed access is certainly left behind.

According to a report released by a multinational provider of communications technology and services, Ericsson, there is a significant correlation between broadband speeds and the impact to economic development. The report found that doubling the broadband speed increases Gross Domestic Product (GDP) by 0.3%, which is a considerable impact in any economy.<sup>2</sup>

---

<sup>1</sup>The Promotion, Protection, and Enjoyment of Human Rights on the Internet - UN General Assembly Resolution (2012), <http://www.regeringen.se/content/1/c6/19/64/51/6999c512.pdf>, Accessed on May 22, 2014.

<sup>2</sup>New Study Quantifies the Impact of Broadband Speed on GDP, <http://www.ericsson.com/thecompany/press/releases/2011/09/1550083>. Accessed on May 22, 2014.

Unfortunately, the Philippines ranks at the tail-end of world broadband speed rankings and is also tagged as one of the most expensive. According to the Net Index data provided by Ookla, out of 190 countries, the Philippines ranks 161<sup>st</sup> with a measly average of 3.4 Megabits per second (Mbps) in terms of download speed which is way below the global download speed average of 18.4 Mbps. Amid such poor service, the country has one of the most expensive monthly cost per Mbps, placing 63<sup>rd</sup> out of 64 countries, registering at \$24.92<sup>3</sup> or roughly P1,120.

Meanwhile, according to ASEAN DNA<sup>4</sup>, in South East Asia, the Philippines ranks last on internet download speed running at just an average of 3.6 Mbps, in contrast to the average internet speed of Indonesia at 4.1 Mbps, Malaysia at 5.5 Mbps, and the fastest in the ASEAN: Singapore at 61.0 Mbps.<sup>5</sup>

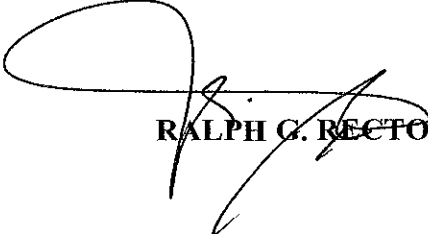
This bill recognizes the importance of high-speed internet connections in increasing productivity and the growing demands for connectivity. Thus, it mandates internet service providers (ISPs) to deliver a minimum internet connection speeds of 10 Mbps for mobile broadband/internet access and 20 Mbps for fixed and fixed wireless broadband/internet access to their subscribers. ISPs shall ensure that they continuously improve their system and work towards providing an average internet connection speed above global average.

Filipinos are quick to adopt to new technologies. Aside from being dubbed as the SMS capital of the world, the Philippines has also been named by the Global Web Index as having the Fastest Growing Internet Population with a 531% growth in the last five years<sup>6</sup>. This requires the need for ISPs to provide faster and wider services to cope with the increasing demands of its subscribers.

Faster internet speed surely comes with a price, but faster connection will save costs in the long run. The amount paid for bigger bandwidths is definitely higher but long term gains become more evident due to unparalleled convenience, increased productivity and better communication between the sender and the receiver.

Setting minimum internet connection speed standards not only ensures that consumers get the best quality of the service they pay for, but also makes the country connect up-to-date to our fast-changing world.

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



**RALPH G. RECTO**

/e/cv

<sup>3</sup> Household Download Index, <http://www.netindex.com/download/2,10/Philippines/>, Accessed on May 22, 2014; Download Speed results were obtained by analyzing test data from April 21, 2014 to May 20, 2014 from 2,435,077 unique IP Addresses; Median cost per Mbps results were obtained from analyzing survey results between May 20, 2013 and May 20, 2014.

<sup>4</sup> ASEAN DNA is a site to promote a better understanding and appreciation of shared values and common characteristics of ASEAN. It is owned and managed by Human Resources Institute, Thammasat University and operated by IBMP Club, Thammasat Business School, <https://www.facebook.com/ASEANDNA>

<sup>5</sup> ASEAN Average Internet Speed 2014, [www.facebook.com/ASEANDNA/photos/](http://www.facebook.com/ASEANDNA/photos/), Accessed on May 22, 2014.

<sup>6</sup> Fastest Growing Internet Populations, [globalwebindex.net](http://globalwebindex.net) (Q4 2013). Accessed on May 22, 2014.

'14 MAY 26 P4:07

SENATE

S. No. 2238

RECEIVED BY. *Jr*

---

Introduced by Senator Ralph G. Recto

---

AN ACT  
REQUIRING INTERNET SERVICE PROVIDERS TO DELIVER A MINIMUM  
STANDARD FOR INTERNET CONNECTION SPEED

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

1           **SECTION 1. Short Title.** – This Act shall be known as the “*Bilis Konek Act of 2014.*”

2           **SEC. 2. Declaration Policy.** – The State recognizes the vital role of communication and  
3 information in nation building and as such, it shall implement measures to provide  
4 communication standards suitable to the needs and aspirations of the nation.

5           The State gives priority to the protection of interests of consumers and the establishment  
6 of standards of conduct for business and industry for advancements in the field of  
7 telecommunications and connectivity.

8           In recognition of the significant role of the internet in this information age, the State  
9 ensures that internet users and subscribers be accorded the best quality of internet connection  
10 service.

11           **SEC. 3. Definition.** – For the purpose of this Act, the term:

- 12           a) *Bandwidth* shall refer to the measurement of data rate of available or  
13           consumed data communication resources expressed in bits per second or  
14           multiples of it.
- 15           b) *Broadband* shall refer to a transmission medium which enables high-speed  
16           Internet access transmitted through various technologies such as the Digital  
17           Subscriber Line (DSL), Cable Modem, Fiber Optics, Wireless, Satellite,  
18           Worldwide Interoperability for Microwave Access (WiMax), and White  
19           Space.
- 20           c) *Internet Service Providers* or *ISPs* shall refer to commercial entities with a  
21           nationwide franchise that enable users to access Internet content and  
22           services. It may also refer to a public telecommunications entity offering a  
23           value-added service such as the internet.

1 d) *Public Telecommunications Entity* or *PTE* shall refer to any person, firm,  
2 partnership or corporation, government or private, engaged in the provision  
3 of telecommunications services to the public for a fee.

4 **SEC. 4. *Standards on Broadband/Internet Service.*** – Within two (2) years from the  
5 effectivity of this Act, all ISPs shall provide a minimum internet download speed of 10 Mbps for  
6 mobile broadband/internet access and 20 Mbps for fixed and fixed wireless broadband/internet  
7 access and work towards providing an average internet connection speed above global average.

8 In order to meet the prescribed minimum standards, ISPs or PTEs shall modify, improve,  
9 or change telecommunication lines and systems or expand their infrastructure to run on higher  
10 capacity bandwidths based on the number of subscribers demanding for their services.

11 **SEC. 5. *Regulation.*** – The National Telecommunications Commission (NTC) shall, by  
12 regulation, establish requirements as deemed appropriate to ensure that ISPs meet the minimum  
13 standards in internet connection speed, which shall include standards regarding connection,  
14 reception, just pricing, and billing practices to promote and protect the rights of consumers of  
15 internet services.

16 **SEC. 6. *Penalties.*** – Any ISP who shall not meet the minimum standards mentioned  
17 under Section 4 hereof or the regulations promulgated thereunder, shall, upon conviction, be  
18 subject to the penalty of a fine of not less than Two hundred thousand pesos (P200,000.00) but  
19 not to exceed Two million pesos (P2,000,000.00).

20 **SEC. 7. *Implementing Rules and Regulations.*** - The NTC and the Information and  
21 Communications Technology Office under the Department of Science and Technology shall  
22 promulgate the necessary rules and regulations for the effective implementation of the provisions  
23 of this Act.

24 **SEC. 8. *Separability Clause.*** - If any provision of this Act is declared unconstitutional or  
25 invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and  
26 effect.

27 **SEC. 9. *Repealing Clause.*** - All laws, orders, issuances, circulars, rules and regulations or  
28 parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or  
29 modified accordingly.

30 **SEC. 10. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in  
31 the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved,