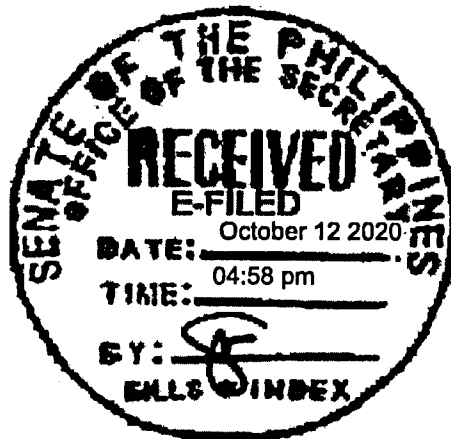


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE

S. No. 1880



Introduced by Senator Manuel "Lito" M. Lapid

AN ACT
MANDATING AND INSTITUTIONALIZING ROLL-OVER DATA ALLOCATION
SCHEME, PROVIDING FOR PENALTIES AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The New Normal brought about by the COVID-19 pandemic is characterized by ever more reliance of the people and businesses on the internet, online/virtual communication and digital technologies. From our shopping routines, to financial transactions and money transfers, to work meetings, and even to classes and other modalities of learning – all of these activities are now heavily dependent on internet connectivity. This transformation has brought to the fore the gaps and weaknesses of our country's internet infrastructure and capabilities. And we are literally lagging behind in this aspect. The Philippines currently sits 120th and 106th worldwide in terms of mobile internet speed and fixed broadband speed, respectively – we even rank way below our ASEAN neighbors Thailand, Vietnam, Laos, Malaysia and Singapore.

It is therefore imperative that the government enact and implement policies, measures and strategies to address this connectivity problem and provide interventions that will improve our citizens' experience with the quality of services offered by internet service providers (ISPs) and telecommunications companies operating in our country.

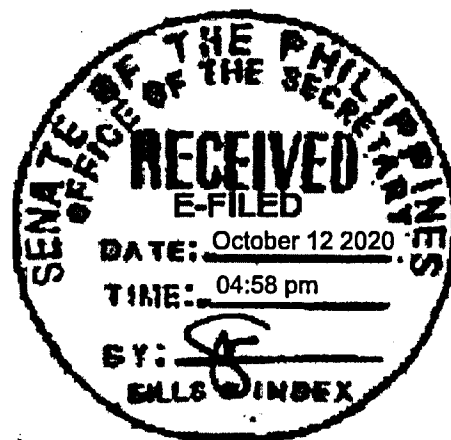
As one possible intervention towards this goal, this bill seeks to institutionalize a "roll-over data scheme" applicable to all ISPs. Through this scheme, unused data allocation from internet data packages or promos will not expire but will instead carry over to succeeding months until the end of the year. If at the end of the year, there are still remaining unused data allocations, the same will be converted into rebates which, in turn, may be used for future subscriptions. Subscribers will definitely get the full value of the money they have spent in paying for these packages and promo. This will prevent the common scenario wherein subscribers will lose megabytes (MB), if not gigabytes (GB), of data allocation just because the expiry date of the package or promo had already passed. This situation is quite unfortunate in light of our current data-hungry, internet-based world, especially for the poor who are forced to allocate their meager financial resources for internet subscriptions. To ensure strict compliance to the scheme, this measure also proposes the imposition of penalties against non-compliant ISPs in the form of fines and even revocation of licenses and franchises in case of repeat offenders (three times or more).

In view of this, early passage of this bill is sought.



MANUEL "LITO" M. LAPID
Senator

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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 "*Roll-Over Internet Act*".

2

3 Sec. 2. *Declaration of Policy.* The State recognizes the vital role of information
4 and communications technology in nation building. The State shall implement
5 measures to provide for regulations on internet services offered by internet service
6 providers and ensure that the interest and welfare of its people and the consuming
7 public are protected and upheld.

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9 Sec. 3. *Definition of Terms.* As used in this Act:

10

11 a. *Internet Service Provider (ISP)* – refers to any service-based operators whose
12 services is to combine computer processing, information storage, protocol
13 conversion, and routing with transmission to enable subscribers to access
14 internet content and services as well as multimedia services and its
15 transmission through digital subscriber line (DSL), fixed wireless broadband,
16 cable broadband, fiber-optic or fiber-to-the-home (FTTH) and mobile data.

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b. *Internet Data Package* – refers to the Internet service packages, plans or promos offered by ISPs with maximum limits on the data volume an end user may avail per day, week, or month.

c. *Unlimited Internet Data Package* – refers to Internet service package with no data cap.

d. *Roll-Over Data Allocation* – refers to the unused Internet data allocation per month which shall be carried over to the following month.

e. *Data Capping* – refers to the limit of bandwidth allocation an ISP is offering to its subscriber per day, week, or month.

Sec. 4. Coverage. All Internet Service Providers (ISPs) in the Philippines shall be covered by this Act.

Sec. 5. Roll-Over Data Allocation Scheme. All Internet Service Providers (ISPs) are required to implement a roll-over data system for their subscribers: *Provided*, That the rolled-over data allocation shall be prioritized to be consumed in the preceding month: *Provided further*, that the unused data every month will be rolled-over and accumulated up until the last month of the year: *Provided lastly*, that all unused data allocation for a year may be used and converted as rebates, that may be used by the subscribers as payment for Internet service in the succeeding year of subscription.

Sec. 6. Exemptions. Subscribers who shall avail of any unlimited Internet data package shall be exempted from this Act.

Sec. 7. Penalties. Any ISP who fails to comply with any of the provisions of this Act shall pay a fine of Three hundred thousand pesos (Php 300,000.00) for the first offense, and a fine of Five hundred thousand pesos (Php 500,000.00) for the second offense. In case of subsequent offense, a fine of One million pesos (Php 1,000,000.00)

1 and the revocation of the ISP's license and franchise.

2

3 **Sec. 8. *Implementing Rules and Regulations (IRR).*** Within sixty (60) days from
4 the effectivity of this Act, the Secretary of the Department of Information and
5 Communications Technology (DICT), in coordination with the National
6 Telecommunications Commission (NTC) and other concerned agencies, shall
7 promulgate the implementing rules and regulations and other issuances as may be
8 necessary to ensure the effective implementation of this Act.

9

10 **Sec. 9. *Separability Clause.*** Should any part or provision of this Act be declared
11 unconstitutional or invalid, the remaining parts or provisions not affected thereby shall
12 remain in full force and effect.

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14 **Sec. 10. *Repealing Clause.*** — All laws, decrees, executive orders, issuances,
15 rules and regulations which may be inconsistent with any of the provisions of this Act,
16 are hereby deemed repealed, amended or modified accordingly.

17

18 **Sec. 11. *Effectivity.*** — This Act shall take effect fifteen (15) days after its
19 complete publication in the Official Gazette or in two (2) newspapers of general
20 circulation.

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22 *Approved,*

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