

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

SENATE
S.B. No. 2102



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."

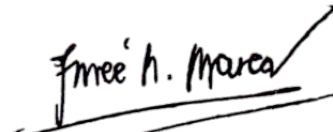
However, internet access in the Philippines remains limited. According to a survey of Pew Research Center released last April 2020, the Philippines ranked 29th out of 34 countries surveyed in terms of access to the internet. In the Digital Quality of Life Index 2020, the Philippines lands at the 82nd place, out of 85 spots, in terms of internet affordability.

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. 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.

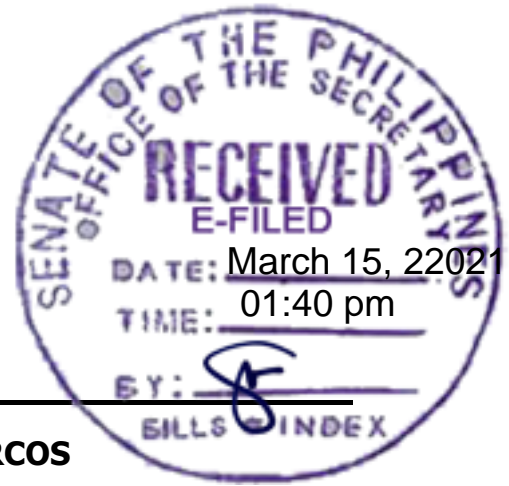
In view of the foregoing, approval of this bill is earnestly sought.



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

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

18 **A BROADBAND AND DATA LIFELINE RATE FOR QUALIFIED**
19 **MARGINALIZED INTERNET END-USERS SHALL BE SET BY THE**
20 **COMMISSION. "LIFELINE RATE" REFERS TO A SOCIALIZED**
21 **PRICING MECHANISM IN THE FORM OF APPLICABLE**
22 **DISCOUNTS BASED ON CONSUMPTION THRESHOLDS. THE**

1 LEVEL OF CONSUMPTION AND CORRESPONDING DISCOUNT
2 RATES SHALL BE DETERMINED BY THE COMMISSION AFTER
3 DUE NOTICE AND HEARING: PROVIDED, THAT THE
4 COMMISSION CANNOT SET A BASE LEVEL OF CONSUMPTION
5 LESS THAN ONE (1) GIGABYTE PER MONTH OR A BASE
6 DISCOUNT LOWER THAN TWENTY PERCENT (20%).

7 QUALIFIED MARGINALIZED INTERNET END-USERS SHALL
8 REFER TO THE FOLLOWING:

9 (A) QUALIFIED HOUSEHOLD-BENEFICIARIES UNDER REPUBLIC
10 ACT NO. 11310, OTHERWISE KNOWN AS THE PANTAWID
11 PAMILYANG PILIPINO PROGRAM, AS REGULARLY SUBMITTED
12 BY THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT
13 (DSWD) TO THE COMMISSION, AND THE PUBLIC
14 TELECOMMUNICATIONS ENTITY; OR

15 (B) MARGINALIZED END-USERS AS CERTIFIED BY THE PUBLIC
16 TELECOMMUNICATIONS ENTITY BASED ON A CRITERIA
17 DETERMINED BY THE COMMISSION: *PROVIDED*, THAT THE
18 CRITERIA SHALL TAKE INTO ACCOUNT THE POVERTY
19 THRESHOLD SET BY THE PHILIPPINE STATISTICS AUTHORITY,
20 AND PRIORITIZE MEMBERS OF INTERNET AND/OR
21 CONNECTIVITY-DEPENDENT SEGMENTS OF SOCIETY SUCH AS
22 STUDENTS, SENIOR CITIZENS, PERSONS WITH DISABILITIES,
23 THE ELDERLY AND THE LIKE, AND SHALL CONTAIN AN
24 EXCLUSIVE LIST OF REQUIREMENTS TO BE SUBMITTED TO THE
25 PUBLIC TELECOMMUNICATIONS ENTITY: *PROVIDED FURTHER*,
26 THAT THE EXCLUSIVE LIST OF REQUIREMENTS AND THE
27 PROCEDURE FOR THEIR SUBMISSION, WHICH SHALL BE
28 SUBJECT TO THE REVIEW AND SUPERVISION OF THE
29 COMMISSION, SHALL NOT BE BURDENSOME FOR THE
30 APPLICANT: *PROVIDED FINALLY*, THAT THE PUBLIC
31 TELECOMMUNICATIONS ENTITY SHALL ACT ON THE
32 APPLICATION FOR CERTIFICATION AS QUALIFIED
33 MARGINALIZED END-USER WITHIN TWO (2) WORKING DAYS
34 FROM SUBMISSION OF COMPLETE DOCUMENTARY
35 REQUIREMENTS, AND SHALL NOT UNREASONABLY WITHHOLD
36 OR DELAY THE ISSUANCE OF SUCH CERTIFICATION. THE
37 COMMISSION SHALL PROMULGATE RULES AND GUIDELINES
38 FOR QUALIFIED MARGINALIZED END-USERS WHOSE
39 ACCOUNTS ARE NOT REGISTERED IN THEIR NAME. THE

1 **COMMISSION SHALL SUBMIT TO THE JOINT CONGRESSIONAL**
2 **ENERGY COMMISSION AN ANNUAL REPORT ON THE**
3 **IMPLEMENTATION OF THE LIFELINE RATE, AND A**
4 **COMPREHENSIVE EVALUATION OF ITS IMPLEMENTATION**
5 **EVERY TWO (2) YEARS TO INCLUDE A COST-BENEFIT ANALYSIS**
6 **AS WELL AS MODES OF VALIDATION AND PREVENTION OF**
7 **LEAKAGES AND ABUSE.”**

8 SEC. 2. *Implementing Rules and Regulations.* – The National
9 Telecommunications Commission, in coordination with the Department of Information
10 and Communications Technology, and in consultation with other stakeholders from
11 the public and private sectors shall, within sixty (60) days from the date of effectivity
12 of this Act, promulgate and publish the rules and regulations for the effective and
13 faithful implementation of this Act: *Provided,* That the failure of the promulgation of
14 the said rules and regulations shall not prevent the implementation of this Act upon
15 its effectivity.

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

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

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

Approved,