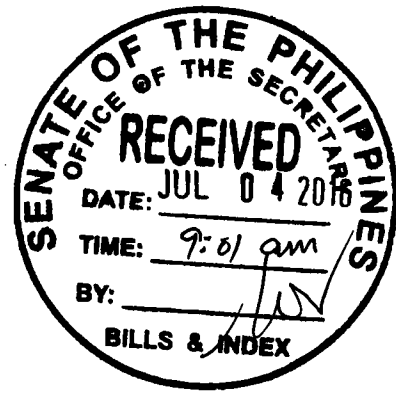


SEVENTEENTH CONGRESS OF THE)
 REPUBLIC OF THE PHILIPPINES)
 First Regular Session)

SENATE

S. No. 269



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."¹

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 Ericsson, a multinational provider of communications technology and services, 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.²

¹The 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.

²New 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 4th Quarter report of the 2015 State of the Internet, the Philippines ranks 107th out of 148 countries in terms of average connection speed, or a measly average of 3.2 Megabits per second (Mbps) which is way below the global average connection speed of 5.6 Mbps³. Yet despite being one of the slowest, internet in the Philippines is one of the most expensive, with a monthly average cost of \$18.19 (P848.65) per Mbps—over three times the average global cost of \$5.21 (P243.07)—ranking 59th in subscription cost at \$31.55 (P1,471.97).⁴

Meanwhile, according to ASEAN DNA⁵, 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.⁶

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 in 2014 as having the Fastest Growing Internet Population with a 531% growth in the last five years⁷. 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

/ejcv

³ Akamai Technologies 2015 State of the Internet Report, Q4. <https://www.stateoftheinternet.com/downloads/pdfs/2015-q4-state-of-the-internet-report.pdf>. Accessed on June 27, 2016.

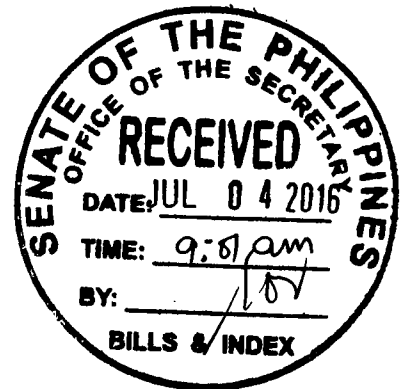
⁴ "Why is our internet so slow?," CONJUGATIONS By Lila Ramos Shahani (philstar.com). Accessed on June 27, 2016

⁵ 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>

⁶ ASEAN Average Internet Speed 2014, www.facebook.com/ASEANDNA/photos/. Accessed on May 22, 2014.

⁷ Fastest Growing Internet Populations, globalwebindex.net (Q4 2013). Accessed on May 22, 2014.

SEVENTEENTH CONGRESS OF THE)
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SENATE

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**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 2016.*”

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 Megabits
6 per second (Mbps) for mobile broadband/internet access and 20 Mbps for fixed and fixed
7 wireless broadband/internet access and work towards providing an average internet connection
8 speed above global average.

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

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

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

21 **SEC. 7. *Implementing Rules and Regulations.*** - The NTC and the Department of
22 Information and Communications Technology (DICT) shall promulgate the necessary rules and
23 regulations for the effective implementation of the provisions 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,