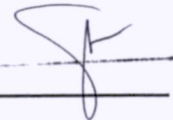


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SENATE

S. No. 779

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Introduced by **SENATOR LEILA M. DE LIMA**

**AN ACT
PROTECTING CONSUMERS AND USERS AGAINST FORCED E-BILLING,
ADDING FOR THIS PURPOSE A NEW PROVISION AND AMENDING
CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE
KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES, AND
PROVIDING PENALTIES FOR VIOLATIONS THEREOF**

EXPLANATORY NOTE

Article XVI, Section 9 of the 1987 Constitution states that, “[t]he State shall protect consumers from trade malpractices and from substandard hazardous products.”

Article II of Republic Act No. 7394, otherwise known as the Consumer Act of the Philippines, declares that, “[i]t is the policy of the state to protect the interests of the consumer, promote his general welfare and to establish standards of conduct for business and industry. Towards this end, the State shall implement measures to achieve the following objectives:

- (b) protection against deceptive, unfair, and unconscionable sales, acts and practices
- (c) provision of information and education to facilitate sound choice and the proper exercise of rights by the consumer; and
- (d) provision of adequate rights and means of redress.”

According to a news report, customers who chose to be billed in the traditional way are required to pay for the release of their paper bill usually at P50 per month for certain telecommunication companies¹. It was also mentioned that going paperless contributes to a greener environment due to the implication that less paper usage

¹ PLDT Home. “PLDT Paperless billing”. Retrieved from <https://pldthome.com/paperless-billing..>

means less cutting of trees. It was also reported that the Energy Regulatory Commission (ERC), which has the mandate to ensure customer choice and penalize abuse of market power in the electric industry², laid down their e-billing rules stating that the Commission aims “to reduce administrative costs caused by traditional billing and methods.”, and said rules encompass monthly billing statements and other consumer-related bills.³

Going paperless seems to be the answer to the plight of our society in solving environmental problems. However, the presentation of the e-billing scheme as a leading pro-environment advocacy is misleading. Certain scientific studies show that the paperless campaign contributes to increase in carbon emissions.⁴ At first glance, digital media does give the good impression of it being more sustainable. Using electronic gadgets like phones and laptops can be utilized in multiple uses and therefore making it a renewable resource. However, one must take into consideration that manufacturing of electronic gadgets leaves carbon footprint and further needs energy to function. This becomes a growing concern as discarded electronics continues to become the fastest-growing waste nowadays, especially in developing countries.”⁵

In addition, an article from Environmental LEADER, a leading trade publication that publishes energy, environmental and sustainability news, reported that “[i]t is increasingly clear that electronic communication and in particular the energy requirements of the increasing worldwide network of servers which are necessary to store all the information needed for immediate access, has a significant and increasing carbon footprint. Electronic document storage must be recognized as delivering efficiency but not sustainability.” It further stated that computers may consume up to 50% of household energy requirements in the next 10 years.⁶ To back this up, according to Greenbiz, “[t]here is a growing recognition that digital media technology uses significant amounts of energy from coal-fired power plants making a significant contribution to global warming.”⁷

² Energy Regulatory Commission. Mandate, Mission and Vision. Retrieved from <http://www.erc.gov.ph/ContentPage/17>.

³ Rivera, Danessa. 18 June 2017. Philippine Star. “ERC issues e-billing Rules.”. Retrieved from <https://www.philstar.com/business/2017/06/17/1710957/erc-issues-e-billing-rules>.

⁴ Environmental Leader. 12 August 2010. “Online Billing May Not Be as Sustainable as You Think”. Retrieved from <https://www.environmentalleader.com/2010/08/online-billing-may-not-be-as-sustainable-as-you-think/>.

⁵ The Guardian. “Is digital really greener than paper?”. 24 February 2014. Retrieved from <https://www.theguardian.com/sustainable-business/digital-really-greener-paper-marketing>

⁶ *Ibid*

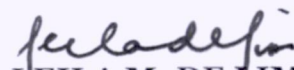
⁷ Carli, Don. “Going Paperless: Not as Green as You May Think. GreenBiz”. 14 April 2010. Retrieved from <https://www.greenbiz.com/blog/2010/04/14/going-paperless-not-green-and-tree-friendly-you-think>

Analysts opine that “[u]ntil more research has been done on the life-cycle and environmental impact of electronics, pitting paper and e-media against each other is somewhat futile. It doesn’t need to be an ‘either or’ situation. There is a place for both paper and e-media.”⁸

Surveys revealed that consumers still opt to print their bills at home and in return defeats again the very purpose of initiating payments through e-billing. ⁹ With the above-mentioned effects of electronic billing, requiring consumers to move from paper to electronic billing becomes merely a ploy of the service providers to shift the burden of paying the costs of printing and mailing the billing statements to the consumers and is not entirely about the preservation and conservation of the environment as they primarily claim.

The consumers thus have the right to be properly informed of the full details of the transaction and for them to be charged a premium cost for this information is a violation of this right which can ultimately lead to fraudulent behavior on the part of the sellers. There is a need to improve existing legislation, especially R.A. No. 7394, to strengthen and reinforce its fundamental purposes of shielding the interests of the consumers, promoting their general welfare and establishing ethical standards of conduct for business and industry.

Approval of this measure is earnestly sought.


JEILA M. DE LIMA

⁸ *Supra Ibid 6*

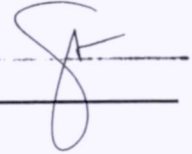
⁹ Reibe, Phil. 31 July 2013. TwoSides website. “*Most U.S. Consumers Want the Option to receive Paper Bills and Statements.*” Retrieved from <http://www.twosidesna.org/US/Most-US-Consumers-Want-the-Option-to-Receive-Paper-Bills-and-Statements>.

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AN ACT
PROTECTING CONSUMERS AND USERS AGAINST FORCED E-BILLING,
ADDING FOR THIS PURPOSE A NEW PROVISION AND AMENDING
CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE
KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES, AND
PROVIDING PENALTIES FOR VIOLATIONS THEREOF

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

1 Section 1. – A new Article 51-A is hereby inserted in Republic Act No. 7394,
2 otherwise known as the Consumer Act of the Philippines, to read as follows:

3 “SEC. 51-A. BILLING STATEMENTS AND OTHER TRANSACTION
4 DOCUMENTS MAY BE SENT IN PRINTED OR ELECTRONIC
5 FORM AT THE OPTION OF, AND WITHOUT ANY ADDITIONAL
6 COST, TO CONSUMERS. THE CONSUMERS’ RIGHT TO SELECT
7 THE MODE IN WHICH THEY RECEIVE THEIR BILLING
8 STATEMENTS AND OTHER TRANSACTION DOCUMENTS MAY
9 NOT BE CONDITIONED ON THE VALUE OF THE PRODUCTS OR
10 SERVICES PROVIDED IN THE TRANSACTION.”

11 Sec. 2. *Repealing Clause.* - All laws, executive orders, presidential decrees,
12 presidential proclamations, letters of implementation, rules and regulations or parts
13 thereof inconsistent with the provisions of this Act are hereby repealed or modified
14 accordingly.

1 Sec. 3. *Separability Clause.* - If any provision of this Act is declared invalid or
2 unconstitutional, the provisions not affected thereby shall continue to be in full force
3 and effect.

4 Sec. 4. *Effectivity.* - This Act shall take effect upon its approval fifteen (15)
5 days following its publication in the Official Gazette or in two (2) newspapers of
6 general circulation in the Philippines.

Approved,