

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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5 MAR -1 P3:47

SENATE

RECEIVED BY: _____

P.S. Res. No. 200

INTRODUCED BY HON. MANUEL B. VILLAR, JR.

RESOLUTION

**DIRECTING THE COMMITTEE ON PUBLIC SERVICES TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, INTO THE 'FORFEITURE POLICY' ON
UNUSED VALUES OF CELLPHONE LOAD PRACTICED BY
TELECOMMUNICATION COMPANIES TO PREPAID SUBSCRIBERS, WITH THE
END VIEW OF DETERMINING WHETHER SUCH PRACTICE IS IN VIOLATION OF
R.A. No. 7925 AND RECOMMENDING POLICY MEASURES TO PREVENT SUCH
IRREGULAR AND UNFAIR PRACTICE**

Whereas, telecommunication companies in the country are imposing period limits on the consumption of the prepaid card values, after which period, any unconsumed value will be forfeited in favor of the telecommunication companies;

Whereas, Globe Telecommunication put a 15-day limit for 100 denomination card and 60-day limit for 250, 300, 500, and 1000 denominations, while, Smart Communications put a 60-day limit for 300, 500, 1000 card denominations and 3-day limit for 30 autoloading, 6-day limit for 60 autoloading, 12-day limit for 115 autoloading, and 30-day limit for 200 autoloading;

Whereas, forfeited values are included in the operating revenue of the telephone companies;

Whereas, the telecommunication companies have said that the forfeiture of unused values is a way of recovering initial investment of the company;

Whereas, in 2003, Smart Communication reported an operating revenue of Php 4.99B, from which P4.09B or 82% of the revenue comes from Prepaid Subscribers, while, Globe Telecommunication reported a revenue of P8.08B earned from its subscribers from January-September 2003, from which P7.41B or 91.7% comes from its Prepaid Subscribers;

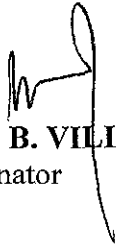
Whereas, in 2003, Globe prepaid subscribers numbered to 7,413,733 while Smart Communications reported 10,780,000 subscribers;

Whereas, the time limit on prepaid load ironically affect most the ones who can least afford it, those belonging to the lower income groups who avail the lower denominated cards or autoloading/eload.

Whereas, Article 6, Section 17 of Republic Act No. 7925 provides that rates and tariffs of telecommunication companies must be fair, reflective of a fair return on their investments, reasonable, and are not distorted such that the public is adversely affected;

Now, therefore, **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to direct the Committee on Public Services to conduct an inquiry, in aid of legislation, into the 'forfeiture policy' on unused values of cellphone load practiced by telecommunication companies to prepaid subscribers, with the end view of determining whether such practice is in violation of Republic Act No. 7925 and recommending policy measures to prevent such irregular and unfair practice.

Adopted,


MANUEL B. VILLAR, JR.
Senator