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SENATE

S. No. 229

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

Technological changes are much more pronounced in the case of recent scientific breakthroughs in micro-electronics, digital technology, optical fibers and satellite communications, computer hardware and software, and the advent of facsimile cable television technology, electronic mail, and internet telephony and the convergence of telecommunications and mass media technology and services, resulting in interactive multimedia services.

Republic Act No. 7925, otherwise known as the "Telecommunications Law", does not, however, cover cable television and internet service industries. The inadequacy of another law, E.O. No. 430, in addressing the concerns of the industry likewise necessitates remedial legislation.

As the converging industries are impressed with public interest, this bill aims to provide the sectors covered by convergence the impetus it needs to develop by laying down the legal basis for the entry of needed capital, albeit foreign-owned. To ensure the dominance of local equity, the bill provides incentives and support mechanisms that will promote a level playing field and will allow a comparative advantage of the different and dominant market players.

The proposed legislation also seeks to rationalize government regulation of the industry by clearly delineating the powers of the government agency mandated by law under E.O. No. 430 and R.A. No. 7925 and formulating provisions specific and categorical to the industry. This bill aims to bring the Philippine telecommunications, broadcast communication, cable television and broadband industry at par with global trends and standards through technology transfer.

It is hoped that the innovations in law will ultimately redound to the benefit of the industry's subscribers, majority of whom belong to the masses.

In light of the above premises, the early passage of this bill is earnestly urged.


ANTONIO "SONNY" F. TRILLANES IV
Senator

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S. No. 229

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AN ACT
TO GOVERN THE INTRODUCTION, PROMOTION AND DEVELOPMENT OF
THE TELECOMMUNICATIONS-RELATED CONVERGING TECHNOLOGIES
AND SERVICES

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

ARTICLE I

GENERAL PROVISIONS

SECTION 1. *Short Title.* - This act shall be known as "*The Telecommunications Convergence Act of the Philippines.*"

SEC. 2. *Scope and Applications.* - This Act shall apply to the provisioning of telecommunications related converging services or technologies.

SEC. 3. *Definition and Interpretations.* - For purposes of this Act, the following terms shall mean:

- a. "Convergence" refers to technologies moving together towards a common point, eliminating differences between the provision of video, voice and data, using digital and other emerging technologies; the ability of different network platforms to carry essentially similar kinds of services; and the coming

1 together of consumer devices such as the telephone, television and personal
2 computer.

3 b. "Emerging technologies"- refers to new technologies such as wireless local
4 loop, telco-cable and wireless cable that permit the transmission and delivery
5 of video, voice and data platforms; technologies that are now only becoming
6 manifest or known, helping break down artificial monopolies and furnishing
7 economic advantage via competitive provision of services; and new or
8 enhanced telecommunications technologies, predominantly digital, that are
9 becoming available through complementary advances in other disciplines and
10 technologies including programming, material sciences, satellite technology,
11 optics, etc.

12 c. "Multimedia transmission" is the simultaneous transmission of voice, video
13 and data in a digital format; the simultaneous transmission of text, sound,
14 fixed and moving images and data through a common media from which users
15 may interact.

16 d. "Multimedia service" is the furnishing of simultaneous transmission of voice,
17 video and data over common communication facilities including copper,
18 coaxial cable, fiber and/or other means including wireless delivery systems in
19 a digital format.

20 e. "Authorized facilities" are the physical and intangible facilities used in the
21 transmission of telecommunications by all companies authorized or enabled to
22 furnish telecommunications, broadcast and value added services as defined
23 under Republic Act 7925.

24 f. "Broadband services" are the communication services distributed using
25 bandwidth larger than voice grade, either wireline or wireless which typically

1 carry far more information in a short amount of time than narrowband voice
2 technology but are much more expensive.

3 g. "Asynchronous Transfer Mode (ATM)" – is a multiplexed information
4 transfer technique in which information is organized into fixed length cells
5 and transmitted according to each end user's instantaneous needs.

6 h. "Internet" refers to a large international "Network of interconnected
7 networks;" a world-wide interconnection of national and regional networks
8 that offer E-mail, file transfer, and other network services.

9
10 **ARTICLE II**

11 **POLICY**

12 **SEC. 4. Declaration of a National Policy .** – The state recognizes the vital role of
13 communications and information in nation-building and that telecommunications is
14 essential to the economic development, integrity and security of the country. The State
15 shall provide the policy environment for the full development of Filipino capability and
16 the emergence of communication structures suitable to the needs and aspirations of the
17 nation and the balanced flow of information into, out of, and across the country, in
18 accordance with a policy that respects the freedom of speech and of the press.

19 The State recognizes the reality of rapid and explosive change that has never
20 previously occurred in human history, the way and manner in which humans
21 communicate, as well as the need to understand and take stock of these changes and their
22 technologies and the technological reasons essential to the economic development,
23 integrity and security of the Philippines.

1 To promote the growth and development of telecommunication services, the
2 development, future changes and growth of the Philippine economy and the telecom
3 sector shall be pursued in accordance with the following policies:

4 a. Recognizing and understanding that convergent multimedia applications for
5 the simultaneous transmission of voice, video and data require new
6 approaches to furnish these services on a widespread basis to the advantage of
7 the Filipino people.

8 b. Promoting the competitive provision of multimedia services by all companies
9 authorized or enabled to furnish telecommunications, broadcast and value
10 added services as defined under R.A. 7925 and other existing laws.

11 c. Authorizing and conferring upon all companies currently authorized or
12 enabled to furnish telecommunications, broadcast and value added services, as
13 defined under R.A. 7925, and related business activities to provide multimedia
14 services, such as the furnishing of simultaneous transmission of text, voice,
15 and data over existing or new communication facilities, including cable plant,
16 whether copper, coax fiber and/or by any other means including wireless
17 delivery systems, and as further provided herewith.

18
19 **ARTICLE III**

20 **ADMINISTRATION**

21 **SEC. 5. Responsibilities of the National Telecommunications Commission. –**

22 The National Telecommunications Commission (NTC) shall be the principal
23 administrator of this Act and as such, shall take the necessary measures and remove any
24 impediments to implement the policies and objectives set forth in this Act and shall adopt

1 the necessary rules and regulations based on market freedoms, business realities and the
2 general interest to facilitate the rapid introduction of convergent multimedia services.

3 Additionally, the NTC shall ensure fair and equitable access to critical radio
4 frequency spectrum, and efficiency in the use of available spectrum by current and new
5 users.

7 **ARTICLE IV**

8 **TELECOMMUNICATIONS PROVIDERS**

9 **SEC. 6. *Authorization of Telecommunication Providers.*** – All companies
10 authorized to furnish telecommunications, broadcast and value added services, as defined
11 under R.A. No. 7925 and those in related business activities brought together into
12 convergence under this Act shall henceforth be authorized to competitively provision,
13 through their authorized facilities, multimedia services as defined in this Act. This
14 includes telephone companies furnishing entertainment services, and broadcast, cable
15 television and internet companies furnishing switched voice and data services as well as
16 entertainment services as provided herewith

18 **ARTICLE V**

19 **FRANCHISE, AUTHORITIES TO FURNISH SERVICES**

20 **SEC. 7. *Franchise, Authorities to Furnish Services.*** – All persons whose
21 franchises authorize the “conduct of business of being a public telecommunications
22 entity,” and all value added services providers engaged in furnishing internet service,
23 who have received all required approval(s) from the NTC to operate and furnish services,
24 shall be henceforth authorized to furnish multimedia services as enumerated in this Act.

25

1 **ARTICLE VI**

2 **FINAL PROVISIONS**

3 **SEC. 8. Separability Clause.** – Any provision or provisions of this Act that may
4 be declared unconstitutional or invalid shall not have the effect of nullifying other
5 portions or provision hereof as long as such remaining portions can still subsist and be
6 given effect in their entirety.

7
8 **SEC. 9. Repealing Clause.** - All laws, ordinances, rules and regulations, and
9 other issuances or parts thereof which are inconsistent with this Act are hereby repealed
10 or modified accordingly.

11
12 **SEC. 10. Effectivity Clause.** - This Act shall take effect fifteen (15) days from the
13 date of its publication in at least two (2) newspapers of general circulation.

Approved,