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SENATE
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SENATE

RECEIVED BY: 

Senate Bill No. 1067

INTRODUCED BY HON. MANNY VILLAR

EXPLANATORY NOTE

Use of Voice Over Internet Protocol (VOIP) as an alternative to public switched telephone network (PSTN) lessens communication costs. Its new applications and adoption of computer technology provide wide unregulated usage which makes it vulnerable to misuse and abuse. Thus, its classification will properly regulate VOIP operation among network and Value Added Service (VAS) providers as well as the subscribers.


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**AN ACT TO PROMOTE AND GOVERN THE DEVELOPMENT OF VOICE OVER
INTERNET PROTOCOL IN THE PHILIPPINES**

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

ARTICLE I. GENERAL PROVISIONS

SEC.1. Short Title - This Act shall be known as the "Philippine VOIP Act."

SEC. 2 Scope and Application - This Act shall apply to any person or entity seeking to provide Voice Over Internet Protocol (VOIP) services to the public for compensation.

SEC. 3 Definitions - For Purposes of this Act, the following terms shall have the following meanings:

(a) Public telecommunications entity (PTE) - any person, firm, partnership or corporation, government or private, engaged in the provision of telecommunications services to the public for compensation;

(b) Value Added Service (VAS) - enhanced services beyond those ordinarily provided for by local exchange and inter-exchange operators, and overseas carriers, where "ordinarily provided" services shall mean voice services offered through circuit switched networks;

(c) Voice Over Internet Protocol (VOIP) - a value added service that provides voice communication using Internet Protocol (IP) technology, instead of traditional circuit switched technology;

(d) Customer Premises Equipment (CPE) - equipment located in the premises of a customer which is not part of but connected to the system or network of the PTE.

ARTICLE II: POLICY AND OBJECTIVES

SEC. 4. Declaration of National Policy - It is the policy of the State to recognize the role and contribution of communications in nation building. It is likewise the policy to recognize the need to (1) provide for the emergence of communications structures suitable to the needs and aspirations of the nation, and (2) encourage the development of new applications and services that can enhance Philippine competitiveness in the global information and communications technology (ICT) market.

The growth and development of voice over internet protocol, a value added service, shall be pursued in accordance with the following objectives:

(a) To protect, promote and develop any and all modes, means and forms of communications and make the same available and accessible to the general public, and;

(b) To encourage the growth, development and sustenance of VOIP as an alternative mode of communications and shall not be restricted by the laws, rules and regulations of telecommunications;

(c) To foster a healthy competitive environment in which telecommunications companies and internet service providers are free to make business decision and to interact with one another in providing VOIP while maintaining globally competitive consumer rates and ensuring their financial viability;

ARTICLE III: ADMINISTRATION

SEC. 5. Responsibilities of the National Telecommunications Commission (NTC):
- The National Telecommunications Commission (NTC) shall be the principal initiator of this Act and as such shall take the necessary measures to implement the policies and objectives set forth in this Act.

SEC. 6. Registration - Any person or entity seeking to provide VOIP for use by the public for compensation shall register themselves as such with the NTC prior to operation as VOIP provider;

SEC. 7 Interconnection - The NTC shall determine the interconnection rates to be charged by the network access provider that the VOIP service provider shall pay for access. In order to insure that the VOIP service provider shall have a fair and reasonable margin to make the operations technically and financially viable, the National Communications Commission shall not allow prohibitive interconnection rates.

SEC. 8 Equal Access - Network providers shall ensure equal access in terms of quantity and quality, at the same prices for substantially similar service to VAS providers and shall not discriminate between VAS providers. For this purpose, the parties shall submit a copy of their agreements on these matters for purposes of the monitoring and supervision by the NTC.

No public telecommunications entity, network provider or other entity providing internet access to subscribers and VAS providers shall impede or degrade the access of such subscribers and VAS providers to the internet content of another application or service provider, except where such access demonstrably threatens the integrity of their network or facilities.

SEC. 9. Customer Premises Equipment. The sale, lease, importation, distribution and/or provision of customer premises equipment (CPE) designed to enable or ease the use of VOIP shall be governed by the existing rules and regulations on CPEs.

CPE and/or accessories designed to enable or ease the use of VOIP not directly connected to the networks of PTEs shall not require type approval/acceptance except when the VOIP equipment and/or accessories use radio spectrum

SEC. 10. Subscribers Rights - Network and/or internet service providers shall not require subscribers to purchase/use or to refrain from purchasing/using any IP-enabled service as a pre-condition to obtaining their broadband service.

SEC. 11. Separability Clause - Any portion or provision of this Act that may be declared unconstitutional or invalid shall not have the effect of nullifying other portions or provisions hereof, as long as such remaining portions or provisions can still subsist and be given effect in their entirety.

SEC. 12. Repealing Clause - All laws, ordinances, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 13. Effectivity Clause - This Act shall take effect thirty (30) days after its publication in two newspapers of general circulation.

Approved,