

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



'22 JUL 11 P6:33

SENATE
S. No. 282

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Introduced by SENATOR JINGGOY EJERCITO ESTRADA

**AN ACT
REQUIRING ALL PUBLIC TELECOMMUNICATIONS ENTITIES AND INTERNET
SERVICE PROVIDERS IN THE COUNTRY TO INCREASE SERVICE COVERAGE
AND DELIVER A MINIMUM STANDARD FOR INTERNET CONNECTION SPEED**

EXPLANATORY NOTE

Several years ago, the Philippines was named as the country with one of the worst internet services in the world. The country had the slowest internet speed, most expensive rate and unstable connection. At one point, Philippines ranked at the bottom of the list of Southeast Asian countries in terms of speed of internet service.

With government interventions and unrelenting public clamor for better services, the situation has indeed improved. The country's median fixed broadband speeds are now 14 times faster compared seven years ago. Among the ten countries in ASEAN region, Philippines had the second highest speed improvement at 1,396%¹ between 2014 and 2021.

This proposed legislation aims to sustain the gains achieved and to further enhance the internet services in the country, considering the importance and high demand for information and communications technology (ICT) in the age of the New Normal.

Specifically, this bill provides the following:

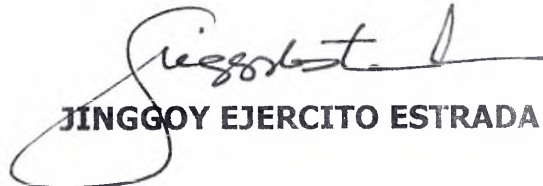
- a) Internet service providers (ISPs) and public telecommunications entities (PTEs) to extend and expand the service coverage of fixed and mobile

¹ "Internet Speeds: Are we still the slowest in ASEAN?" January 20, 2022.
<https://www.yugatech.com/feature/internet-speeds-are-we-still-the-slowest-in-asean/>

- internet service in all unserved and underserved areas in the Philippines within three (3) years;
- b) PTEs and ISPs to deliver paid broadband service to subscribers at a minimum download speed, specific to highly urbanized cities, other cities and rural areas;
 - c) National Telecommunications Commission (NTC) to review the level of threshold speeds and prescribe the threshold speeds and other quality of service standards to provide subscribers average internet connection speeds equal to, or above, what is prevalent among Asia Pacific countries and the global average;
 - d) The streamlining of the permitting process for the construction, installation, and operation of telecommunications tower and other infrastructure, such as permits for base stations, cables, poles, and other work elements necessary to offer internet service.

This measure was reported out by the Senate Committee on Public Services during the Eighteenth Congress.

In light of the foregoing, passage of this bill is recommended.



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

1 Section 1. *Short Title.* – This Act shall be known as the “*Better Internet Act*”.

2 Sec. 2. *Declaration of Policy.* – The State recognizes the importance of
3 technological advancements in nation building, economic development, and promoting
4 people’s well-being and as such, it endeavors to ensure the provision of strategic,
5 reliable, cost-efficient, and citizen-centric information and communication technology
6 (ICT) infrastructure systems, and resources to guarantee that the population has
7 access to quality, reliable, and affordable ICT services.

8 In line with this, the State shall ensure that all Public Telecommunications
9 Entities (PTEs) and Internet Service Providers (ISPs) will continuously upgrade their
10 facilities and improve their services to be responsive to the growing demand for quality
11 internet access services.

12 Sec. 3. *Definition of Terms.* – As used in this Act, the following terms are
13 defined as follows:

14 (a) *Bandwidth* shall refer to the maximum data transfer rate over an internet
15 connection in a given amount of time expressed in bits per second or
16 multiples of it;

- 1 (b) *Broadband* shall refer to high-speed internet service that is always on and
2 faster than traditional dial-up access transmitted through various wired or
3 wireless data transmission technologies such as, but not limited to, digital
4 subscriber line (DSL), cable modem, fiber optic cable, fixed wireless,
5 satellite, cellular mobile, and TV white space.
- 6 (c) *Cellular towers* shall refer to passive telecommunication tower
7 infrastructure, including but not limited to: (i) three-legged or four-legged
8 structure; (ii) poles; (iii) mast; or, (iv) similar infrastructure used to support
9 mobile cellular network facilities;
- 10 (d) *Compliance period* refer to the first three (3) years from the effective date
11 of this Act within which all ISPs and PTEs are required to extend and expand
12 internet service coverage in all unserved and underserved areas in the
13 country;
- 14 (e) *Internet Service Providers or ISPs* shall refer to an entity, with or without
15 Congressional franchise, registered as value added service provider from
16 the National Telecommunications Commission (NTC) and authorized to
17 offer internet access services to the public for compensation;
- 18 (f) *Jitter* shall refer to the variation of end-to-end delay from one packet to the
19 next within the same packet stream, connection, or flow;
- 20 (g) *Latency* shall refer to the time it takes for a packet of data to get from a
21 source to destination;
- 22 (h) *Packet* shall refer to the unit of data that is routed between an origin or
23 source and a destination on the internet or any other packet-switched
24 network;
- 25 (i) *Packet Loss* shall refer to the number of packets that does not reach the
26 destination;
- 27 (j) *Public Telecommunications Entity or PTEs* shall refer to any person, firm,
28 partnership or corporation, government or private, engaged in the provision
29 of telecommunications services to the public for compensation;
- 30 (k) *National ICT Household Plan* refers to the plan for the improvement of ICT
31 access and use, including broadband access, by households and individuals
32 developed by the Department of Information and Communications

1 Technology (DICT) on the bases of information gathered from the National
2 ICT Household Survey;

3 (l) *Threshold Speed* refers to the minimum upload and download speeds that
4 an ISP and PTE must provide to their end user of broadband service;

5 (m) *Unserved Area* refers to a specific population or land area of a city /
6 municipality where broadband access service is not available, as identified
7 by the National ICT Household Plan;

8 (n) *Unserved Area* refers to a specific population or land area of a city /
9 municipality where broadband access service is covered and available, but
10 below the threshold speed. The underserved areas shall be identified by
11 the National ICT Household Plan while the threshold speed shall be
12 determined by this Act and, subsequently, by the NTC.

13 **Sec. 4. Increase in service coverage.** – The NTC shall require all ISPs and PTEs
14 to extend and expand the service coverage of fixed and mobile internet service in all
15 unserved and underserved areas in the Philippines within three (3) years from the
16 effective date of this Act, hereinafter referred to as the “Compliance Period”, according
17 to the schedule and strategy to be set forth by the DICT in the National ICT Household
18 Plan.

19 The DICT shall develop the National ICT Household Plan, identify therein
20 unserved and underserved areas in the Philippines and devise a plan of action to
21 ensure internet services shall be made available at the household level. The DICT
22 shall make such information and plans public within sixty (60) days from the effective
23 date of this Act: *Provided*, That subject to regulatory requirements, ISPs shall be
24 allowed to own, establish, and operate wired and wireless networks, utilizing any
25 available technology in order to meet their obligations under this Act. ISPs shall be
26 allowed access to unlicensed radio spectrum necessary to enable them to utilize
27 wireless technologies to provide internet service: *Provided further*, That ISPs shall not
28 build international carrier, inter-exchange carrier, local exchange carrier, and mobile
29 radio telephone networks reserved for PTEs, as provided for under Republic Act No.
30 7925, otherwise known as the Public Telecommunications Policy Act of the Philippines.

31 **Sec. 5. Threshold Speeds.** – PTEs and ISPs shall deliver paid broadband service
32 to subscribers at a minimum download speed of:

- 1 (a) 10 Megabits per second (Mbps) for fixed broadband and 5 Mbps for mobile
2 broadband in highly urbanized cities;
- 3 (b) 5 Mbps for fixed broadband and 3 Mbps for mobile broadband services in
4 all other cities; and,
- 5 (c) 3 Mbps for fixed broadband and 2 Mbps for mobile broadband services in
6 rural areas.

7 PTEs and ISPs shall have three (3) years from the effective date of this Act to
8 ensure that they provide, as a minimum, the threshold speeds to their end users.

9 After the end of the compliance period, it shall be considered a violation of this
10 Act, subject to the penalties provided in Section 15 of this law, to offer paid internet
11 service below threshold speed. For the avoidance of doubt, there shall be no minimum
12 speed required for free internet service: *Provided, however,* That service provided
13 under the Free Internet Access in Public Places Act or RA 10929 shall meet the
14 minimum speeds prescribed therein or in the relevant rules of the DICT for free
15 internet service programs.

16 *Sec. 6. Annual Review of Service Standards.* – The NTC shall review, on an
17 annual basis, the level of threshold speeds and prescribe the threshold speeds and
18 other quality of service standards, such as upload and download speeds, packet loss,
19 jitter, latency, and service availability, to provide subscribers average internet
20 connection speeds equal to, or above, what is prevalent among Asia Pacific countries
21 and the global average: *Provided,* That the NTC may not decrease the threshold
22 speeds set forth under this Act.

23 *Sec. 7. Measurement and Publication and Broadband Quality of Service (QOS).*
24 – In order to monitor and enforce compliance of PTEs and ISPs, the NTC shall:

- 25 (a) Prescribe a criteria and methodology for the measurement and publication
26 of broadband quality of service, including parameters such as download
27 speed, upload speed, latency, packet loss, jitter, and service availability,
28 with appropriate benchmarks;
- 29 (b) Provide the public a mechanism to run broadband diagnostics in a secure
30 and consumer-friendly format;
- 31 (c) Develop a procedure for collecting and analyzing broadband QOS
32 measurements from various platforms and processing test data in a central

1 database, which shall update and release results every twenty four (24)
2 hours, at the least;

3 (d) Make publicly available on the NTC website and other media the criteria
4 and methodology for the broadband QOS measurement tool and the list of
5 platforms using the NTC-prescribed broadband measurement mechanism;

6 (e) Diligently monitor and conduct monthly network audits and/or QOS tests in
7 order to ensure compliance of the PTEs and ISPs with threshold speeds,
8 advertised speeds, and coverage obligations, and publish its network audit
9 report on a monthly basis; and,

10 (f) Publish the results of the NTC's broadband QOS tests and the results of the
11 consumer broadband QOS tests on a monthly basis. Such reports should
12 be in a format that can easily be analyzed by third party data scientists.

13 *Sec. 8. Customer Protection.* – PTEs and ISPs shall not advertise nor offer
14 internet service speeds that they cannot consistently provide. PTEs and ISPs shall
15 provide to their subscribers 80% of their advertised speed available at 80% of the
16 time. Speed and reliability shall be measured based on the prescribed measurement
17 methodology by the NTC.

18 *Sec. 9. Responsibilities of the DICT.* – In addition to responsibilities imposed in
19 other Sections of this Act, the DICT shall:

20 (a) Maintain and make public a National ICT Assets Index (NICTAI), which shall
21 be updated on an annual basis, in order to provide accurate data on
22 broadband coverage and ICT adoption and utilization in the country;

23 (b) Conduct the National ICT Household Survey and publish the National ICT
24 Household Plan every three (3) years, and identify unserved and
25 underserved areas for purposes of this Act;

26 (c) Regularly review and update ICT policy guidelines, strategies and plans,
27 including, but not limited to, the National Broadband Plan to ensure that
28 the Philippines' Internet service policy framework is at par with global
29 standards and best practices; and,

30 (d) Ensure the delivery of internet services at the household level through a
31 schedule and plan of action that includes, but is not limited to,
32 infrastructure sharing and co-location arrangements.

1 Sec. 10. *Responsibilities of the NTC.* – In addition to responsibilities imposed in
2 other Sections of this Act, the NTC shall:

- 3 (a) ensure the PTEs and ISPs meet the minimum standards regarding
4 connection, reception, just pricing, and billing practices to promote and
5 protect the rights of consumers of internet services;
- 6 (b) determine whether the ICT industry has built out the optimal number of
7 towers and other infrastructure necessary to meet the objectives of this
8 law;
- 9 (c) promulgate an efficient and expeditious administrative process for the
10 registration of internet service providers and shall, in coordination with the
11 DICT, develop a set of criteria for qualifying service providers that will
12 encourage the widest possible participation of as many industry players as
13 possible who will build the necessary network infrastructure and offer
14 internet services to end users in different parts of the country and will take
15 national security into consideration, particularly for facilities that interface
16 directly with another country's domestic network;
- 17 (d) publish a spectrum management policy framework that promotes a
18 transparent, efficient, and equitable approach to distributing spectrum,
19 including clear guidelines for: (1) recalling unutilized spectrum, (ii)
20 reassigning spectrum for more efficient use, and (iii) implementing an open
21 frequency approach to expand internet access in underserved and unserved
22 areas, to be developed together with the DICT and the Philippine
23 Competition Commission (PCC);
- 24 (e) provide the public with annual reports on the performance of PTEs and ISPs
25 in terms of increasing internet coverage and meeting the threshold
26 download speeds;
- 27 (f) provide policies and standards of network elements to ensure that PTEs
28 and ISPs will maintain the Quality of Service (QOS) of the internet
29 connection they provide to their respective area of coverage;
- 30 (g) provide for an expeditious mechanism to address consumer complaints on
31 slow internet speed and false advertising of internet speeds; and,

1 (h) establish an efficient monitoring system or framework with regard to the
2 PTEs and ISPs' management of consumer complaints and maintain records
3 of subscribers' complaints.

4 Sec. 11. *Reports to Congress.* – The DICT and NTC shall submit a quarterly
5 progress report to Congress of all acts performed pursuant to this Act during the first
6 week of the immediately preceding quarter.

7 Sec. 12. *Streamlining Permitting Requirements.* – The DICT and other relevant
8 regulatory agencies including, but not limited to, the Department of the Interior and
9 Local Government (DILG), the Department of Public Works and Highways (DPWH),
10 Department of Human Settlements and Urban Development (DHSUD), Anti-Red Tape
11 Authority (ARTA), Civil Aviation Authority of the Philippines (CAAP), Department of
12 Health (DOH), and the Food and Drug Administration (FDA) shall ensure the
13 streamlining of the permitting process for the construction, installation, and operation
14 of telecommunications tower and other infrastructure such as, but not limited to,
15 permits for base stations, cables, poles, and other work elements necessary to offer
16 internet service.

17 The DICT shall set up a one-stop shop that shall coordinate with other
18 regulatory agencies regarding the permitting requirements and applicable regulatory
19 fees for installing common towers, cables, poles, and other network elements in order
20 to facilitate the attainment of the objectives of this Act.

21 Sec. 13. *Local Government Units (LGUs) as Partners in Broadband*
22 *Infrastructure Development.* – The LGU shall serve as a strategic partner who shall
23 ensure that all LGU-related permits and requirements necessary to expand internet
24 coverage and improve quality of internet service shall be acted upon immediately. In
25 order to ensure that all municipalities and barangays have access to internet facilities,
26 an LGU shall be allowed to build and operate its own broadband network partnership
27 with PTEs and ISPs.

28 Sec. 14. *Infrastructure Sharing and Co-location.* –

29 (a) The DICT shall promulgate policies, rules, and regulations, in coordination
30 and/or jointly with the concerned national government agencies,
31 government owned and controlled corporations, and LGUs to ensure that

1 infrastructure, whether existing or built in the future, necessary or capable
2 of supporting data transmission networks or services are:

- 3 i. mandatory for open access and made available for co-location and co-
4 use by the owner of network facilities, equipment, and infrastructure
5 on an open, fair, and non-discriminatory basis to any access seeker's
6 network facilities;
- 7 ii. as far as possible, deployed together with roadworks, pipe-laying, and
8 other infrastructure development by both government and private
9 entities; and
- 10 iii. propagated in the most cost-efficient and timely manner through
11 various means, including encouraging the operation of independent
12 entities that build and operate towers, dark fiber, and utility corridors,
13 among other infrastructure that help facilitate broadband network
14 deployment.

15 (b) The DICT shall, in coordination with the PCC and other relevant government
16 agencies, promulgate policies, rules, and regulations to ensure that
17 buildings, condominiums, villages, towns, and subdivisions are all built with
18 facilities, such as cable entrances, ducts, and risers, that allow non-
19 discriminatory and non-exclusive access to multiple service providers, in
20 order for PTEs and ISPs to provide internet service;

21 (c) In case of a dispute arising from an infrastructure-sharing arrangement,
22 the DICT shall:

- 23 i. coordinate with the regulator of the infrastructure;
- 24 ii. mediate between a PTE or ISP and an infrastructure owner, which
25 may include a PTE, and ISP, or a public service network provider;
26 and/or,
- 27 iii. serve as the primary enforcer of this provision

28 (d) The DICT shall encourage the use of existing infrastructure, such as those
29 of cable TV operators, to fast track the layout of networks, to increase
30 coverage, and to address the problem of unserved and underserved areas;

31 (e) The regulator of the shared infrastructure shall, in consultation with
32 concerned stakeholders, determine and ensure reasonable rental rates for

1 use of shared infrastructure such as, but not limited to, utility poles, utility
2 corridors and ducts; and,

3 (f) For shared infrastructure arrangements, the DICT shall also look into the
4 following considerations:

- 5 i. Technical feasibility of the request of access seeker to use
6 infrastructure;
- 7 ii. Incentives to encourage investment in less commercially viable areas;
- 8 iii. Fair and reasonable rates for shared facilities, depending on the
9 location and market size in a particular area.

10 All policies, rules, and regulations under this Section shall be operationalized
11 within one (1) year from the effectivity of this Act.

12 Sec. 15. *Penalties.* – The NTC may, *motu proprio* or upon complaint of any
13 interested party, in the appropriate administrative and/or quasi-judicial process, and
14 in accordance with due process, shall:

15 (a) Require any PTE or ISP, who shall not meet the requirements set forth
16 under, or shall not comply with the provisions of this Act, to comply with
17 service standards that have not been met, or provisions of this Act that
18 have been violated;

19 (b) Impose upon entities who do not comply with internet service standards as
20 laid down by Sections 4, 5 and 8 of this Act and as prescribed by the NTC:

21 i. The penalty of a fine of not less than Two Hundred Thousand Pesos
22 (P200,000.00) but not more than Two Million Pesos (P2,000,000.00)
23 for each count of violation: *Provided*, That if a service provider has a
24 gross annual income not exceeding Ten Million Pesos
25 (P10,000,000.00), the penalty shall be equivalent to one percent (1%)
26 to two percent (2%) of its gross annual income; and,

27 ii. For repeated violations, revoke the PTE's Provisional Authority or
28 Certificate of Public Convenience and Necessity, or cancel the
29 registration of an ISP, whichever applies, including the waiving of any
30 pre-termination fees of affected subscribers and timely disbursement
31 of any remaining credits from excessive downtime.

1 The foregoing is without prejudice to any other remedies available to the NTC
2 under existing law.

3 Sec. 16. *Implementing Rules and Regulations.* – Within sixty (60) days after
4 the effectivity of this Act, the DICT and the NTC shall issue a Joint Memorandum
5 Circular setting forth the rules and regulations to effectively implement the provisions
6 of this Act.

7 Sec. 17. *Separability Clause.* – If any provision or part hereof is held invalid or
8 unconstitutional, the remainder of the law or the provision or part not otherwise
9 affected shall remain valid and subsisting.

10 Sec. 18. *Repealing Clause.* – Any law, presidential decree or issuance, executive
11 order, letter of instruction, administrative order, rule, or regulation contrary to or
12 inconsistent with the provisions of this Act are hereby repealed, modified, or amended
13 accordingly.

14 Sec. 19. *Effectivity.* – This Act shall take effect fifteen (15) days after its
15 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,