



HOUSE OF REPRESENTATIVES

H. No. 9021

BY REPRESENTATIVES TIANGCO, TAMBUNTING, CASTRO (F.), BROSAS, MANUEL, DALIPE, VILLAFUERTE (L.R.), DUTERTE, YAP (ERIC), YAP (EDVIC), TULFO (J.), TULFO (R.W.), GUINTU, REVILLA (B.), MARAÑON, ALMARIO, VERGARA, GONZALES (A.), EMANO, CHATTO, TANJUATCO, CABREDO, ORTEGA, TIENG, NISAY, PADIERNOS, ACHARON, GARCIA (M.A.), NOGRALES (M.), SINGSON-MEEHAN, BENITEZ, REVILLA (R.J.), PALMA AND SUAN

AN ACT
MANDATING PUBLIC TELECOMMUNICATIONS ENTITIES AND INTERNET SERVICE PROVIDERS TO INSTITUTE A REFUND MECHANISM FOR SERVICE OUTAGES AND DISRUPTIONS, PROVIDING PENALTIES FOR VIOLATIONS THEREOF

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 “Refund for Internet and
2 Telecommunications Services Outages and Disruptions Act.”

3 **SEC. 2. Declaration of Policy.** – The State recognizes the vital role of information
4 and communications technology in nation building. The State shall implement measures to
5 provide for regulations on internet and telecommunications services offered by public
6 telecommunications entities (PTEs) and internet service providers (ISPs) and ensure that
7 the interest and welfare of its people and the consuming public are protected and upheld.

8 **SEC. 3. Definition of Terms.** – As used in this Act:

9 (a) *Fortuitous event* refers to either an “act of God” or natural occurrences, such as
10 floods, typhoons, storms, earthquakes and the likes; or an “act of man”, such as
11 riots, strikes, wars, governmental prohibitions, robbery, theft, sabotage,
12 cyberattacks, deliberate destruction, or accidental damage to telecommunications
13 facilities by third parties and the likes;

1 (b) *Internet* refers to the biggest global computer network providing a wide variety of
2 information and communication facilities, consisting of interconnected networks
3 using standardized communication protocols;

4 (c) *Internet Access* refers to the process of connecting to the internet using personal
5 computers, laptops, or mobile devices by users;

6 (d) *Internet Service Provider (ISP)* refers to a public telecommunications entity (PTE)
7 or value-added service (VAS) provider duly authorized by or registered with the
8 National Telecommunications Commission (NTC) that provides users or other
9 entities with data connection allowing internet access through physical transport
10 infrastructure, and such access is necessary for internet users to access content
11 and service on the internet, and for content providers to publish or distribute
12 materials online;

13 (e) *Network maintenance* refers to any process, whether minor or major, that is
14 deemed necessary to sustain or update the services. This is further categorized
15 as “scheduled” and “emergency”. The services provided may not be available
16 during periods of maintenance, thus:

17 (i) *Scheduled network maintenance* refers to planned repairs and improvements
18 carried out from time to time by PTEs and ISPs and shall not be deemed as
19 service outage or disruption; and

20 (ii) *Emergency network maintenance* refers to unscheduled maintenance where a
21 repair is needed to an internet equipment or facility that suffered from
22 unexpected breakdown or change in condition.

23 (f) *Public Telecommunications Entity or PTE* refers to any person, firm, partnership
24 or corporation, government or private, engaged in the provision of
25 telecommunications services to the public for a fee; and

26 (g) *Scheduled network maintenance* refers to planned repairs and improvements,
27 carried out from time to time by PTEs and ISPs, which are notified at least 48
28 hours in advance and which shall not exceed a cumulative duration of 48 hours
29 per month, shall not be deemed as service outage.

30 **SEC. 4. Coverage.** – All Public Telecommunication Entities (PTEs), including internet
31 service providers (ISPs) in the Philippines shall be covered by this Act.

32 **SEC. 5. Refunds for Internet and Telecommunications Service Outages and**
33 **Interruptions.** – PTEs, including ISPs, shall, on a pro-rated basis, provide a refund credit
34 to a customer, or adjust a customer’s bill, who was adversely affected by an internet
35 service outage or interruption for an aggregate period of twenty-four (24) hours or more,
36 within a month, except when the reason for such outage is due to scheduled maintenance

1 which should be notified 48 hours prior to the scheduled maintenance and should not
2 exceed 48 hours in a month, a fortuitous event, or acts of third party or subscriber.

3 The PTEs and ISPs concerned shall apply a bill adjustment, automatically, without
4 need of demand from the subscriber, after a standard process but shall not preclude the
5 consumer from filing a complaint to the appropriate administrative or quasi-judicial agency
6 for disputes regarding refund or bill adjustment amount.

7 The refund credit granted under the circumstances mentioned *supra*, shall likewise be
8 granted to customers subscribing to a service on a pre-paid basis.

9 **SEC. 6. Penalties.** – The NTC may, *motu proprio* or upon complaint of any interested
10 party, in the appropriate administrative or quasi-judicial process, and in accordance with
11 due process:

12 (a) Impose a fine of not less than Fifty thousand pesos (₱50,000.00) but not more
13 than Two hundred thousand pesos (₱200,000.00) for each count of violation; and

14 (b) For repeated violations, aside from fine, revocation or cancellation of the license,
15 registration or franchise of the PTEs or ISPs, whichever applies, including the
16 waving of any pre-termination fees of affected subscribers and timely
17 disbursement of any remaining credits from excessive downtime.

18 **SEC. 7. Implementing Rules and Regulations.** – Within sixty (60) days from the
19 effectivity of this Act, the NTC shall, in coordination with the Department of Information and
20 Communications Technology, and other concerned agencies, promulgate the rules and
21 regulations necessary to ensure the effective implementation of this Act.

22 **SEC. 8. Repealing Clause.** – All laws, presidential decrees, executive orders,
23 proclamations, rules and regulations, or any part thereof, which are inconsistent with the
24 provisions of this Act are hereby repealed or modified accordingly.

25 **SEC. 9. Separability Clause.** – If any provisions or part of this Act, or the
26 application thereof to any person or circumstance, is held unconstitutional or invalid, the
27 remainder of this Act shall not be affected thereby.

28 **SEC. 10. Effectivity Clause.** – This Act shall take effect fifteen (15) days from its
29 publications in the *Official Gazette* or in a newspaper of general circulation.

Approved,