

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 7281



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

This bill proposes to require every Public Telecommunications Entity (PTE) to provide subscribers nationwide with Mobile Number Portability (MNP) to allow the easy movement of subscribers from one service provider to another without having to change their current mobile numbers. This intends to provide mobile subscribers the flexibility to choose among service providers with ease while helping promote competition between and among public telecommunications entities. It also intends to contribute to the current efforts in establishing "mobile identity" among mobile subscribers.

According to the Philippine Institute for Development Studies¹, our current telecommunications regulatory framework need to be reassessed. The absence of number portability for consumers was considered a weakness of Philippine telcos. Along with current proposed policies on interconnection and strengthening the powers of the National Telecommunications Commission, this bill hopes to add to the proposals that aim to improve the current Philippine telecommunications policy environment.

Mobile Number Portability has also been long recognized by other countries as a telecommunications industry standard from far back as 1995 by Singapore to most

¹ <http://www.sunstar.com.ph/manila/local-news/2017/05/31/govt-think-tank-ph-telco-regulatory-environment-weak-544922>

recently in 2017 by countries such as Vietnam, Haiti, and Barbados². Over 100 countries have seen the benefits of implementing MNP policies and have considered the following as factors for doing so: (1) Consumer ease in switching networks; (2) Stimulating competition in the market; and (3) Anticipation of new players in the market. In the Philippines, the NTC has recognized the same and has expressed its support for the Senate version of the bill to be approved in the hopes of attracting additional telcos in the market³.

The Senate has approved last February 20, 2018 the proposed "Lifetime Cellphone Number Act"⁴. In view of this progress, the approval of this bill is earnestly sought.



LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

² <http://www.nicta.gov.pg/consultative-papers?task=download&id=242>

³ <http://newsinfo.inquirer.net/943590/breaking-news-ntc-national-telecommunications-commission-senate-mobile-number-portability-telecoms-edgardo-cabarrios-sherwin-gatchalian>

⁴ <http://cnnphilippines.com/news/2018/02/20/senate-lifetime-cellphone-numbers.html>

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AN ACT
REQUIRING PUBLIC TELECOMMUNICATIONS ENTITIES TO PROVIDE
NATIONWIDE MOBILE NUMBER PORTABILITY TO SUBSCRIBERS

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

SECTION 1. *Short Title.* – This Act shall be known as the “Lifetime Cellphone Number Act of 2018.”

SECTION 2. *Declaration of Policy.* – It is the declared policy of the State to recognize the primary role of the private sector as engine of economic growth and guarantees the right of individuals and private groups, including corporations, to own, establish and operate economic enterprises. Along with this recognition, the 1987 Constitution under its provisions on National Economy and Patrimony states that the use of property bears a social function where all economic agents shall contribute to the common good. The right of corporations to own, establish and operate economic enterprises if therefor subject to the duty of the State to intervene when the common good so demands – including the duty to regulate the acquisition, ownership, use and disposition of private property through the regulation or prohibition of monopolies and combinations in restraint of trade or unfair competition.

SECTION 3. *Guiding Principles for Implementation.* – This Act declares the following as guiding principles:

- a) The basic premise behind a nationwide mobile number portability system is to promote competition between and among public telecommunications entities by giving consumers the freedom to choose and to respond to quality, price and other relevant considerations without changing their mobile numbers whenever they change service providers.
- b) In addition to promoting consumer welfare, mobile number portability is envisioned to provide powerful incentives for public telecommunications entities to compete with each other and to provide consumers with the best overall value that they can offer. It will also foster technological innovation that will stimulate even greater demand for telecommunications products and services and lead to a virtuous cycle of economic growth.

SECTION 4. *Definition of Terms.* – As used in this Act:

- a) Donor Provider – refers to the public telecommunications entity to whose network the mobile number belongs at the time the subscriber makes an application for porting;
- b) Mobile Number – refers to the number series assigned by a public telecommunications entity to its postpaid and/or prepaid subscribers;
- c) Mobile Number Portability or MNP – refers to the ability of a subscriber, whether postpaid or prepaid, to retain an existing mobile number when moving from one public telecommunications entity to another without impairment of quality, reliability or convenience;
- d) Mobile Postpaid Subscriber – refers to any person, natural or juridical, who avails of the mobile telecommunications service under a prior arrangement with a public telecommunications entity. The subscriber is billed after the fact, according to the use of mobile services at the end of the monthly billing cycle;
- e) Mobile Prepaid Subscriber – refers to any person, natural or juridical, who avails of the mobile telecommunications service from a public telecommunications entity by purchasing credit in advance of service use. The purchased credit is used to pay for mobile phone services at the point the service is accessed or consumed;
- f) Porting Application – refers to an application made by a mobile subscriber to the Recipient Provider to move a mobile number from the Donor Provider;

- g) Porting Process – refers to the process by which a subscriber moves a mobile number from a Donor Provider to a Recipient Provider. In no case shall the entire porting process take more than twenty-four (24) hours;
- h) Public Telecommunications Entity or PTE – refers to any duly enfranchised and authorized public telecommunications entity that offers voice, short messaging system (SMS or text), mobile data, value added services (VAS) or any other telecommunications services to the public for a fee;
- i) Recipient Provider – refers to the public telecommunications entity that will be providing mobile telecommunications service to the subscriber after porting;
- j) Subscriber – refers to any person, natural or juridical, who avails of the mobile telecommunications service from a public telecommunications entity.

SECTION 5. *Obligation of Public Telecommunications Entities to Provide Mobile Number Portability.* – It shall be the obligation of every PTE to provide nationwide MNP to all mobile subscribers, whether postpaid or prepaid. In no case, under penalty of law as provided hereunder, shall be the benefits of MNP to a mobile subscriber who has decided to switch from one service provider to another be delayed, withheld, refused or otherwise not delivered by more than twenty-four (24) hours from the time such mobile subscriber completes his or her porting application.

SECTION 6. *Obligation of Public Telecommunications Entities to Set Up a Mechanism for Mobile Number Portability.* – Every PTE shall, within the period stated under the implementing rules and regulations of this Act, set up a mechanism for the purpose of implementing MNP. It shall interconnect directly or indirectly with the infrastructure, facilities, systems, or equipment of other PTEs and not install network features, functions or capabilities that will impede the implementation of a nationwide MNP system.

SECTION 7. *Obligation of the Recipient Provider.* – The Recipient Provider shall complete the porting process within a period of twenty-four (24) hours from the time of receipt of the mobile number porting application from the subscriber. Within such 24-hour period, it must transmit the mobile number for porting. Upon notification that the mobile number has been completely ported to the Recipient Provider. The porting

process shall be deemed complete upon the subsequent activation of the mobile number under the network of the Recipient Provider.

SECTION 8. *Obligation of the Donor Provider.* – The Donor Provider shall, within the same 24-hour period provided under Section 7 of this Act, clear the mobile number for porting. It shall however continue to provide all subscribed telecommunications services to the subscriber until the mobile number has been completely ported to the Recipient Provider. The porting process shall be deemed complete upon the subsequent activation of the mobile number under the network of the Recipient Provider.

If the mobile number sought to be ported has any pre-existing obligation arising from a subscription contract with the Donor Provider, such provider shall give the subscriber a period of not more than three (3) days from the time of receipt of the mobile number porting application to settle the outstanding obligation. Upon full payment, the Donor Provider shall immediately notify the Recipient Provider that the mobile number is cleared for porting.

SECTION 9. *Cost of Mobile Number Portability.* – Every PTE shall provide mobile number portability to subscribers completely free of charge.

SECTION 10. *Penalties.* – For every failure to comply with, or for every instance of violation of any provision of this Act, the PTE shall pay a fine of Three Hundred Thousand Pesos (Php 300,000.00) for the first offence, and a fine of Five Hundred Thousand Pesos (Php 500,000.00) for the second offense. In case of a subsequent offense, the penalty shall be a fine of One Million Pesos (Php 1,000,000.00) and revocation of the PTE's franchise to operate.

SECTION 11. *Implementing Rules and Regulations (IRR).* – Within ninety (90) days from the effectivity of this Act, the National Telecommunications Commission, in coordination with other concerned agencies, shall promulgate rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

The rules and regulations shall provide an expeditious framework to govern all relevant aspects of MNP including, but not limited to, the following factors: 1) the period of time to be given for PTEs to comply with the provisions of this Act and set up a mechanism for the purpose of implementing nationwide MNP; 2) the specific rights and obligations of the Donor and Recipient Providers, and other parties to the porting process; 3) the coordinated procedure to be followed by each party in processing a mobile number porting application, including the specific time limits given to every party to complete the required steps in the entire porting process which process shall, in no case, exceed twenty-four (24) hours; and, 4) the measures to ensure the least amount of disruption of service to the consumer when implementing mobile number portability.

SECTION 12. *Separability Clause.* – If any provision or part thereof, is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

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

SECTION 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its complete publication in at least two (2) national newspapers of general circulation.

Approved,