EXPLANATORY NOTE

COVID-19 pushed broadband and/or data access to become an indispensable utility for everyone. With the shift to blended learning, telecommuting and contactless transactions, the public is forced to adapt in a world wherein internet access is a need. Whilst we welcome this advancement, broadband and data packages tend to be costly and more often inaccessible to marginalized communities. It is then the responsibility of the State to introduce measures to make this utility more accessible, and to ensure that the poor and marginalized will not be left behind as the nation move towards digital transformation.

This proposed measure draws inspiration from the lifeline rate implemented for electric and water utilities. This measure aims to introduce a socialized pricing mechanism to broadband and data packages for the benefit of marginalized internet end-users who cannot afford to pay at full cost. This measure shall offer discounts to qualified users based on consumption thresholds which shall be determined by the National Telecommunications Commission.

On behalf of the people of Parañaque City’s Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.

REP. JOY MYRA S. TAMBUNTING
2nd District, Parañaque City
AN ACT
IMPLEMENTING A LIFELINE RATE FOR INTERNET SERVICES, AMENDING FOR THIS
PURPOSE SECTION 17 OF REPUBLIC ACT NO. 7925, OTHERWISE KNOWN AS THE
"PUBLIC TELECOMMUNICATIONS POLICY ACT OF THE PHILIPPINES"

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

SECTION 1. Extension of Lifeline Rate. – Section 17 of Republic Act No. 7925, otherwise
known as the “Public Telecommunications Policy Act of the Philippines”, is hereby amended to
read as follows:

"SEC. 17. Rates and Tariffs. – The Commission shall establish rates and tariffs
which are fair and reasonable, and which provide for the economic viability of
telecommunications entities and a fair return on their investments considering the
prevailing cost of capital in the domestic and international markets.

The Commission shall exempt any specific telecommunications service from its
rate or tariff regulations if the service has sufficient competition to ensure fair and
reasonable rates or tariffs. The Commission shall, however, retain its residual
powers to regulate rates or tariffs when ruinous competition results or when a
monopoly or a cartel or combination in restraint of free competition exists and the
rates or tariffs are distorted or unable to function freely and the public is adversely
affected. In such cases, the Commission shall either establish a floor or ceiling on
the rates or tariffs.

A BROADBAND AND DATA LIFELINE RATE FOR QUALIFIED
MARGINALIZED INTERNET END-USERS SHALL BE SET BY THE
COMMISSION. "LIFELINE RATE" REFERS TO A SOCIALIZED PRICING
MECHANISM IN THE FORM OF APPLICABLE DISCOUNTS BASED ON
CONSUMPTION THRESHOLDS. THE LEVEL OF CONSUMPTION AND
CORRESPONDING DISCOUNT RATES SHALL BE DETERMINED BY THE
COMMISSION AFTER DUE NOTICE AND HEARING: PROVIDED, THAT THE
COMMISSION CANNOT SET A BASE LEVEL OF CONSUMPTION LESS THAN
QUALIFIED MARGINALIZED INTERNET END-USERS SHALL REFER TO THE FOLLOWING:

(A) QUALIFIED HOUSEHOLD-BENEFICIARIES UNDER REPUBLIC ACT NO. 11310, OTHERWISE KNOWN AS THE PANTAWID PAMILYANG PILIPINO PROGRAM, AS REGULARLY SUBMITTED BY THE DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD) TO THE COMMISSION, AND THE PUBLIC TELECOMMUNICATIONS ENTITY; OR


SEC. 2. Implementing Rules and Regulations. – The National Telecommunications Commission, in coordination with the Department of Information and Communications Technology, and in consultation with other stakeholders from the public and private sectors shall, within sixty (60) days from the date of effectivity of this Act, promulgate and publish the rules
and regulations for the effective and faithful implementation of this Act: Provided, That the failure of the promulgation of the said rules and regulations shall not prevent the implementation of this Act upon its effectivity.

**SEC. 3. Separability Clause.** – If, for any reason or reasons, any part or provision of this Act shall be declared as unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

**SEC. 4. Repealing Clause.** – All provisions of existing laws, orders, rules and regulations or parts thereof which are in conflict or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

**SEC. 5. Effectivity.** – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation in the Philippines.

Approved,