

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4440



Introduced by **REP. JOSE FRANCISCO “KIKO” B. BENITEZ, Ph.D.**

EXPLANATORY NOTE

The COVID-19 pandemic accelerated the digital transformation of government bureaucracies, businesses and schools, driving an increase in Internet adoption and use around the world. According to the International Telecommunication Union, global Internet use increased by 17 percent, from 4.1 billion users in 2019 to 4.9 billion in 2021. In the Philippines, at the onset of the pandemic in January 2020, there were 73 million Internet users; by January 2022, 76.01 million were using the Internet.¹

The youth are among the most prolific users of the Internet. In 2019, use of the Internet for research and social media were highest among the age group 15 to 19 years old, at 87.1 percent and 93.1 percent, respectively.² The shift from in-person classes to distance learning, and the promotion of remote work, at the height of the pandemic has increased reliance on the Internet among students and young professionals.

Demand for Internet, however, exposed the wide digital divide in the country. Many do not have access to affordable, fast Internet. The pandemic thus highlighted the need for urgent interventions to enhance Internet infrastructure and regulatory structure to improve not just access to but also the quality of Internet services in the country.

One such intervention is to mandate Internet Service Providers to provide affordable options on Internet data subscription, including subscription plans and promos with data rollover. Instead of unused data expiring at the end of the subscription period, it will be added to your data allocation for the following subscription period or until end of the calendar year. This effectively lowers the cost of Internet data and saves the user money that they could use for other needs – a great help for students in blended or distance learning set-ups, and workers who choose remote work options. Data rollover guarantees that users will get the most from the enjoy to the fullest the data allocation that they pay for.

¹ Digital 2022: Philippines. <https://datareportal.com/reports/digital-2022-philippines>

² 2019 Functional Literacy, Education and Mass Media Survey. Philippine Statistics Authority.

This bill was approved on third reading in the 18th Congress; the text thereof was refined by a Technical Working Group co-chaired by Rep. Strike Revilla and this humble representation.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


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AN ACT
MANDATING AND INSTITUTIONALIZING ROLL-OVER DATA ALLOCATION
SCHEME AND PROVIDING FOR PENALTIES

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 “Roll-Over Internet Act”.

SEC. 2. *Declaration of Policy.* – The State recognizes the vital role of information and communications technology in nation building. The State shall implement measures to provide for regulations on internet services provided by internet service providers and ensure that the interest and welfare of the people and the consuming public are protected and upheld.

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

- (a) Data Capping refers to the limit of bandwidth allocation an internet service providers (ISP) is offering to its subscriber per day, week, or month;
- (b) Internet Data Package refers to the internet service packages, plans or promos offered by ISPs with maximum limits on the open access data volume an end user may avail per set period of the package;
- (c) Internet Service Provider refers to any service-based operator whose services involve the combination of computer processing, information storage, protocol conversion, and transmission to enable subscribers to access internet content and services as well as multimedia services and its transmission of data through digital subscriber line (DSL), fixed wireless broadband, cable broadband, fiber-optic or fiber-to-the-home (FTTH) and mobile data to enable subscribers to access internet content and services, as well as multimedia services;
- (d) Offer Duration refers to the length of time a subscriber or user is allowed to use an internet data package service and promos;

- (e) Roll-Over Data Allocation refers to the unused internet data allocation per day, week or month, as the case may be, depending on the applicable Internet Data Package, which shall be carried over to the following day, week or month until it is fully consumed;
- (f) Unlimited Internet Data Package refers to an internet service package with no data cap.

SEC. 4. Coverage. – All ISPs in the Philippines shall be covered by this Act.

SEC. 5. Roll-Over Data Allocation Scheme. – All ISPs are required to implement a Roll-Over Data Allocation Scheme for their subscribers as follows:

- (a) For postpaid subscribers or users:

The rolled-over data allocation shall be prioritized to be consumed in the preceding month: Provided, That the unused data every month will be rolled-over and accumulated up until the last month of the year: Provided further, That all unused data allocation for a year may be used and converted as rebates, that may be used by subscribers as payment for internet service in the succeeding year of subscription.

- (b) For prepaid subscribers or users and postpaid subscribers who avail of internet data package promo offers:

- 1) Unused data allocation shall be rolled-over provided that the subscriber or user renews the subscription right after the lapse of the offer duration;
- 2) The unused data allocation of subscribers or users who fail to renew subscription shall be reduced by twenty percent (20%) every day until the subscription is renewed;
- 3) If after five (5) days, the subscription is not renewed, all unused data allocation shall be considered consumed.

SEC. 6. Exemptions. – Subscribers who availed and shall avail of any unlimited Internet data package with no data cap shall be exempted from this Act.

SEC. 7. Penalties. – Any ISP who fails to comply with any of the provisions of this Act, the following penalties shall be imposed:

- (a) A fine of Fifty thousand pesos (P 50,000.00) per violation per subscriber; and,

- (b) For repeated violations, aside from fine, revocation or cancellation of the license, registration or franchise of an ISP including the waiving of any pre-termination fees of affected subscriber.

SEC. 8. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the Secretary of the Department of Information and Communications Technology (DICT), in coordination with the National Telecommunications Commission (NTC) and other concerned agencies, shall promulgate the rules and regulations and other issuances as may be necessary to ensure the effective implementation of this Act.

SEC. 9. *Separability Cause.* – Should any part or provision of this Act be declared unconstitutional or invalid, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All laws, decrees, executive orders, issuances, rules and regulations which may be inconsistent with any of the provisions of this Act, are hereby deemed repealed, amended or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,