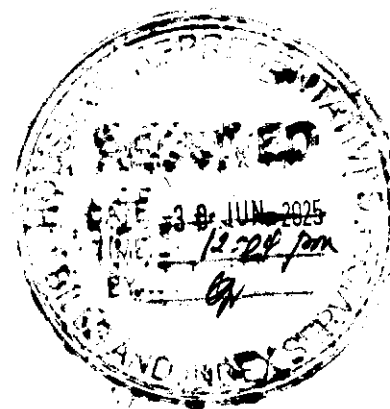


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 34

Introduced by **Representative Jaime R. Fresnedi**

EXPLANATORY NOTE

This bill seeks to improve access to communications, including internet service, for Filipino students by reducing the cost of such services.

Internet access has become an essential tool for learning in the country, especially with the changes brought about by the COVID-19 pandemic. In addition to e-learning, research and collaboration among students are facilitated by access to the internet. Digital skills are not just marketable but have also become essential as companies seek to compete in the new marketplace.

However, internet penetration remains low, and service prices remain high. In a World Bank policy note, the Philippines is estimated to have half of the ASEAN population unconnected to mobile broadband. Currently, the websites of major telecom operators show that a month of call, text, and internet access can cost as low as ₱399 to ₱596 for mobile prepaid promotions and from ₱388 to ₱599 for basic SIM-only postpaid plans. These costs reflect a day or two of the prevailing minimum wage throughout the country. Without direct assistance from the government, Filipinos will lose their competitive edge in the marketplace. The inability of Filipinos to compete will throttle the growth of the economy, sparking a vicious cycle.

This bill seeks to solve one aspect of the problem – the cost of access to telecommunication services to learners. With this first step, it is hoped that the competitive edge of Filipino students will be retained and even enhanced.

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


JAIME R. FRESNEDI
Representative
Lone District, Muntinlupa City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS

First Regular Session

HOUSE BILL NO. 34

Introduced by **Rep. Jaime R. Fresnedi**

AN ACT
MANDATING THE GRANT OF STUDENT DISCOUNT PRIVILEGE FOR
TELECOMMUNICATIONS SERVICES AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* – This Act shall be referred to as the "*Student Load Discount Act*".

SEC. 2. *Declaration of Policy.* – It is the policy of the State to give priority to education, as enshrined in the Constitution, to promote individual, family, and national development. To this end, the State shall assist the student, whenever possible, to overcome barriers to access, financial in particular, in the use of digital tools to enhance the learning experience and enlist the participation of the private sector in achieving this aim.

SEC. 3. *Definition of Terms.* – For the purposes of this Act, the following terms shall be defined as follows:

- (a) *Student* is defined as any Filipino citizen currently enrolled in a duly authorized elementary, secondary, technical-vocational, or higher education institution, with the exception of those enrolled in post-graduate degree courses.
- (b) *Telecommunications Companies* (TELCOs) are defined as companies providing mobile, text, call, and internet services in the Philippines.
- (c) *Student Load Discount* is defined as a 20% discount on prepaid and postpaid mobile text, call, and internet services availed by eligible students.

SEC. 4. *Coverage.* – This Act shall cover both prepaid and postpaid mobile text, call, and data plans.

SEC. 5. *Student Load Discount Privilege.* – A student shall be entitled to a year-round 20% discount on charges for mobile text, call, and internet services, including holidays and school breaks, subject to the following conditions:

- (a) The account is used personally and exclusively by the student;
- (b) Presentation of a valid proof of current enrollment; and
- (c) The discount shall only apply to personal educational use and may not be transferred.

SEC. 6. *Prohibition on Double Discounts.* – Students cannot avail of multiple discounts at the same time. In the case where a student is eligible for a discount promotion from the TELCO, the promotion providing a higher discount shall apply.

SEC. 7. *Limitations on Discounts.* – The following limitations shall apply when availing of the discount:

- (a) A student may only enroll one account to avail of the discount;
- (b) The total value discounted for any particular student cannot exceed more than One Thousand Pesos (₱1,000.00). This amount shall be reviewed every two years by the National Telecommunications Commission, with inputs from relevant government agencies, and may be modified without need for amendment of the law, to consider the purchasing power of the peso;
- (c) A student enrolled in a basic educational institution accredited by the Department of Education (DepEd) may avail of the discount only from Grades 1-12 and may not benefit from the discount for longer than 12 years;
- (d) A student enrolled in a higher educational institution duly accredited by the Commission on High Education (CHED), may not avail of the discount for a total of more than four (4) years or actual length of enrollment, whichever is shorter;
- (e) A student enrolled in a technical-vocational institution duly accredited by the Technical Education and Skills Development Authority (TESDA) may not avail of the discount for longer than six months or actual length of enrollment, whichever is shorter; and
- (f) A student who shifts, transfers, fails, enrolls in another course, or otherwise extends his or her education shall not have the discount privileges extended.

SEC. 8. *Tax Deduction for TELCOs.* – TELCOs may claim tax deductions equivalent to the cost of the discount granted, subject to the rules to be promulgated by the Bureau of Internal Revenue (BIR).

SEC. 9. *Implementation and Monitoring.* – The National Telecommunications Commission (NTC) and the Department of Information and Communications Technology (DICT) shall oversee the implementation of this Act.

SEC. 10. *Penalties.* – The following penalties shall be imposed for violation of this Act:

- (a) TELCOs and their resellers that refuse to grant the discount shall be fined Fifty Thousand Pesos (₱50,000.00) for the first offense, One Hundred Thousand Pesos (₱100,000.00) for the second offense, and Two Hundred Thousand Pesos (₱200,000.00) for the third and subsequent offenses;
- (b) Individuals found using fraudulent documents to avail of the discount shall be permanently disqualified from the privilege and subject to prosecution under appropriate criminal charges.

SEC. 11. *Implementing Rules and Regulations.* – The NTC, DICT, the Department of Education (DepEd), the Commission on Higher Education (CHED), and the Technical Skills Development Authority (TESDA) shall promulgate the rules and regulations for the proper implementation of this Act within ninety (90) days from its effectivity.

SEC. 12. *Separability Clause.* – If any provision of this Act shall be deemed unconstitutional or invalid, the other provisions not affected there shall remain in force and effect.

SEC. 13. *Repealing Clause.* – All Acts, Presidential Decrees, Executive Orders, Administrative Orders, Rules and Regulations and other such issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,