

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1797

HOUSE OF REPRESENTATIVES	
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Introduced by Rep. Winston "Winnie" Castelo

EXPLANATORY NOTE

Eighty-five million Filipinos are mobile phone subscribers.

Three or even less than this number of telecommunication companies lord it over the interconnecting universe in a constant flow of voice calls and text messages.

Profits in the billions of pesos fully reward telecommunication companies to the brim in a business environment alien to any form of governmental interference.

Major players in the thriving telecommunications industry have truly enjoyed their 'holidays,' as if it were that the door to new emerging or even minor players is just ajar.

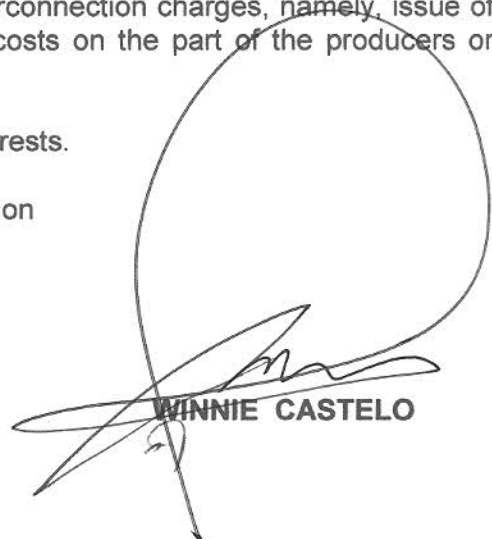
NTC, supposed to flex regulatory muscle perhaps realized only late in the day that such interconnection charges that 85 million subscribers pay for are in fact, one of the highest in the Asia Pacific Region.

Two issues come into play for any plan to reduce interconnection charges, namely, issue of benefits on the part of the consumers and issue of costs on the part of the producers or service providers.

NTC can strike a balance on apparently conflicting interests.

This bill seeks to find that balance, hence this submission

Approval of this urgent measure is highly sought.



WINNIE CASTELO

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HOUSE BILL NO. **1797**

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AN ACT

PRESCRIBING REDUCED RATES OF INTERCONNECTION CHARGES FOR VOICE CALLS AND FOR TEXT MESSAGES AMONG TELECOMMUNICATION OPERATORS/NETWORKS/CARRIERS WITHIN THE NEXT THREE (3) YEARS IN ORDER TO BENEFIT OVER EIGHT-FIVE MILLION MOBILE PHONE SUBSCRIBERS AND FOR OTHER PURPOSES

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

SECTION 1. This Act shall be known as the "Fair Interconnection Charges Act of 2016."

SEC. 2. It is hereby prescribed that the interconnection charges for voice calls be lowered to P1 per minute from P4 within the next three (3) years while that of text messages to P0.15 from the current P1.00 per text following however the three-year glide path scheme beginning January 31, 2017 to give mobile operators time to restructure business plans and models as well as help cushion revenue losses.

The resulting reduction rates prescribe P2.50 interconnection charges for voice calls on the first year, P2.00 on the second year, and P1.50 on the third year while for SMS, charging is P0.25 on the first year, P0.20 on the second year and P0.15 on the third year.

For landline, charging is P2.00 on the first year, P1.50 on the second year and P1.00 on the third year.

SEC. 3. The Commissioner of the National Telecommunications Commission shall issue appropriate rules and regulations as may be necessary to carry out the purpose of this Act.

SEC. 4. All laws, issuances, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 5. This Act shall take effect thirty (30) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,