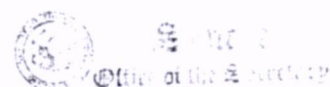


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



19 JAN 30 A9:54

SENATE

REC'D

S. No. 2194

Introduced by **SENATOR LEILA M. DE LIMA**

AN ACT
PROTECTING CONSUMERS AND USERS AGAINST FORCED E-BILLING,
ADDING FOR THIS PURPOSE A NEW PROVISION AND AMENDING
CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE
KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES, AND
PROVIDING PENALTIES FOR VIOLATIONS THEREOF

EXPLANATORY NOTE

1 Article XVI, Section 9 of the 1987 Constitution states that, "[t]he State shall
2 protect consumers from trade malpractices and from substandard hazardous
3 products."

4 Article II of Republic Act No. 7394, otherwise known as the Consumer Act of
5 the Philippines, declares that, "[i]t is the policy of the state to protect the interests of
6 the consumer, promote his general welfare and to establish standards of conduct for
7 business and industry. Towards this end, the State shall implement measures to
8 achieve the following objectives:

9 (b) protection against deceptive, unfair, and unconscionable sales, acts
10 and practices

11 (c) provision of information and education to facilitate sound choice and
12 the proper exercise of rights by the consumer; and

13 (d) provision of adequate rights and means of redress."

14 According to a news report, customers who chose to be billed in the traditional
15 way are required to pay for the release of their paper bill usually at P50 per month for

1 Globe¹ and PLDT Inc.² It was also mentioned that going paperless contributes to a
2 greener environment due to the implication that less paper usage means less cutting
3 of trees. It was also reported that the Energy Regulatory Commission (ERC), which
4 has the mandate to ensure customer choice and penalize abuse of market power in
5 the electric industry³, laid down their e-billing rules stating that the Commission
6 aims “to reduce administrative costs caused by traditional billing and methods.”, and
7 said rules encompass monthly billing statements and other consumer-related bills.⁴

8 Going paperless seems to be the answer to the plight of our society in solving
9 environmental problems. However, the presentation of the e-billing scheme as a
10 leading pro-environment advocacy is misleading. Certain scientific studies show that
11 the paperless campaign contributes to increase in carbon emissions.⁵ At first glance,
12 digital media does give the good impression of it being more sustainable. Using
13 electronic gadgets like phones and laptops can be utilized in multiple uses and
14 therefore making it a renewable resource. However, one must take into consideration
15 that manufacturing of electronic gadgets leaves carbon footprint and further needs
16 energy to function. This becomes a growing concern as discarded electronics
17 continues to become the fastest-growing waste nowadays, especially in developing
18 countries.”⁶

19 In addition, an article from Environmental LEADER, a leading trade
20 publication that publishes energy, environmental and sustainability news, reported
21 that “[i]t is increasingly clear that electronic communication and in particular the
22 energy requirements of the increasing worldwide network of servers which are
23 necessary to store all the information needed for immediate access, has a significant
24 and increasing carbon footprint. Electronic document storage must be recognized as
25 delivering efficiency but not sustainability.” It further stated that computers may

¹ Globe website. “FAQS Globe Postpaid Paperless billing”. Retrieved from <https://www.globe.com.ph/help/postpaid/paperless-billing?jsid=9F1C0E0B33035F2FE9DD3942F03D0400.41507620920634>.

² PLDT Home. “PLDT Paperless billing”. Retrieved from <https://pldthome.com/paperless-billing..>

³ Energy Regulatory Commission. Mandate, Mission and Vision. Retrieved from <http://www.erc.gov.ph/ContentPage/17>.

⁴ Rivera, Danessa. 18 June 2017. Philippine Star. “ERC issues e-billing Rules.”. Retrieved from <https://www.philstar.com/business/2017/06/17/1710957/erc-issues-e-billing-rules>.

⁵ Environmental Leader. 12 August 2010. “Online Billing May Not Be as Sustainable as You Think”. Retrieved from <https://www.environmentalleader.com/2010/08/online-billing-may-not-be-as-sustainable-as-you-think/>.

⁶ The Guardian. “Is digital really greener than paper?”. 24 February 2014. Retrieved from <https://www.theguardian.com/sustainable-business/digital-really-greener-paper-marketing>

1 consume up to 50% of household energy requirements in the next 10 years.⁷ To back
2 this up, according to Greenbiz, “[t]here is a growing recognition that digital media
3 technology uses significant amounts of energy from coal-fired power plants making a
4 significant contribution to global warming.”⁸

5 The Guardian, a British daily newspaper, stated that, “[u]ntil more research
6 has been done on the life-cycle and environmental impact of electronics, pitting
7 paper and e-media against each other is somewhat futile. It doesn’t need to be an
8 ‘either or’ situation. There is a place for both paper and e-media.”⁹

9 On the other hand, surveys revealed that consumers still opt to print their bills
10 at home and in return defeats again the very purpose of initiating payments through
11 e-billing. ¹⁰ With the above-mentioned effects of electronic billing, requiring
12 consumers to move from paper to electronic billing becomes merely a ploy of the
13 service providers to shift the burden of paying the costs of printing and mailing the
14 billing statements to the consumers and is not entirely about the preservation and
15 conservation of the environment as they primarily claim.

16 The consumers thus have the right to be properly informed of the full details
17 of the transaction and for them to be charged a premium cost for this information is
18 a violation of this right which can ultimately lead to fraudulent behavior on the part
19 of the sellers. There is a need to improve existing legislation, especially R.A. No.
20 7394, to strengthen and reinforce its fundamental purposes of shielding the interests
21 of the consumers, promoting their general welfare and establishing ethical standards
22 of conduct for business and industry.


LEILA M. DE LIMA

⁷ *Ibid*

⁸ Carli, Don. “Going Paperless: Not as Green as You May Think. GreenBiz”. 14 April 2010. Retrieved from <https://www.greenbiz.com/blog/2010/04/14/going-paperless-not-green-and-tree-friendly-you-think>

⁹ *Supra Ibid* 6

¹⁰ Reibe, Phil. 31 July 2013. TwoSides website. “Most U.S. Consumers Want the Option to receive Paper Bills and Statements.” Retrieved from <http://www.twosidesna.org/US/Most-US-Consumers-Want-the-Option-to-Receive-Paper-Bills-and-Statements>.

'19 JAN 30 A9 :54

SENATE

S. No. 2194

RECEIVED

Introduced by **SENATOR LEILA M. DE LIMA**

AN ACT
PROTECTING CONSUMERS AND USERS AGAINST FORCED E-BILLING,
ADDING FOR THIS PURPOSE A NEW PROVISION AND AMENDING
CERTAIN PROVISIONS OF REPUBLIC ACT NO. 7394, OTHERWISE
KNOWN AS THE CONSUMER ACT OF THE PHILIPPINES, AND
PROVIDING PENALTIES FOR VIOLATIONS THEREOF

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

1 **Section 1.** – A new Article 51-A is hereby inserted in Republic Act No. 7394,
2 otherwise known as the Consumer Act of the Philippines, to read as follows:

3 “SEC. 51-A. BILLING STATEMENTS AND OTHER TRANSACTION
4 DOCUMENTS MAY BE SENT IN PRINTED OR ELECTRONIC
5 FORM AT THE OPTION OF AND WITHOUT ANY ADDITIONAL
6 COST TO CONSUMERS. THE CONSUMERS’ RIGHT TO SELECT
7 THE MODE IN WHICH THEY RECEIVE THEIR BILLING
8 STATEMENTS AND OTHER TRANSACTION DOCUMENTS MAY
9 NOT BE CONDITIONED ON THE VALUE OF THE PRODUCTS OR
10 SERVICES PROVIDED IN THE TRANSACTION.”

11 **Sec. 2. Repealing Clause.** - All laws, executive orders, presidential decrees,
12 presidential proclamations, letters of implementation, rules and regulations or parts

1 thereof inconsistent with the provisions of this Act are hereby repealed or modified
2 accordingly.

3 **Sec. 3. *Separability Clause.*** - If any provision of this Act is declared invalid or
4 unconstitutional, the provisions not affected thereby shall continue to be in full force
5 and effect.

6 **Sec. 4. *Effectivity.*** - This Act shall take effect upon its approval fifteen (15)
7 days following its publication in the Official Gazette or in two (2) newspapers of
8 general circulation in the Philippines.

Approved,