

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



Senate  
Office of the Secretary

16 JUL 20 P4:33

SENATE  
S.B. No. 701

RECEIVED BY: 

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Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

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**AN ACT  
PROVIDING FOR PENALTIES OR FINES AGAINST ERRING PUBLIC  
TELECOMMUNICATIONS ENTITIES FOR VIOLATION OF THE TERMS OR CONDITIONS  
OF ANY CERTIFICATE, AUTHORITY, ORDER, DECISION, RESOLUTION OR  
REGULATION OF THE NATIONAL TELECOMMUNICATIONS COMMISSION (NTC),  
AMENDING FOR THE PURPOSE SECTIONS 21 AND 23 OF COMMONWEALTH ACT  
NO. 146**

**Explanatory Note**

For years, Filipinos have been suffering from slow and expensive Internet as they struggle to communicate with loved ones living abroad, forge deals with potential business partners and clients around the world, or simply get work done and sent quickly and efficiently.

Our collective frustrations over our country's Internet quality has been justified by studies on Internet speed and cost per country, putting the Philippines as slowest and most expensive in the region.

Being the fastest growing economy in the ASEAN, this is clearly unacceptable and measures to improve our Internet quality while driving down its cost must be prioritized.

One of the many steps we must take is to update current policies to ensure that Internet providers are held accountable for their activities.

Thus, this measure seeks to empower the National Telecommunications Commission (NTC) by increasing the penalties and fines for violations against the authority of the NTC and its released certificates, orders, decisions, resolutions, or regulations. With heavier penalties, NTC can expect greater compliance from Internet providers to standards and regulations that have been set to advance Internet quality in the Philippines.

Now, with the promise and potential of innovations coming from all corners of the world, we must band together to create a framework for the constant

improvement of our Internet services for the benefit of all Filipinos, especially those engaged in commerce.

When it comes to public services, we must do more than just keep up with the development of our neighbors, but exceed them. Let us band together to significantly improve our Internet services in the Philippines.

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

  
Senator Paolo Benigno "Bam" A. Aquino IV

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AMENDING FOR THE PURPOSE SECTIONS 21 AND 23 OF COMMONWEALTH ACT  
NO. 146**

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

1           **SECTION 1.** On Section 21 of Commonwealth Act No. 146, after the second  
2 paragraph, the following paragraphs shall be inserted to read as follows:

3           **"PUBLIC TELECOMMUNICATIONS ENTITIES VIOLATING OR FAILING TO**  
4           **COMPLY WITH THE TERMS AND CONDITIONS OF ANY CERTIFICATE,**  
5           **AUTHORITY, ORDER, DECISION, RESOLUTION OR REGULATION OF THE**  
6           **NATIONAL TELECOMMUNICATIONS COMMISSION (NTC), SHALL BE**  
7           **SUBJECT TO FINES AND PENALTIES OF THREE HUNDRED THOUSAND**  
8           **PESOS (PHP 300,000.00) BUT NOT EXCEEDING FIVE MILLION PESOS**  
9           **(PHP 5,000,000.00) FOR EVERY DAY, PER VIOLATION DURING WHICH**  
10          **SUCH DEFAULT OF VIOLATION CONTINUES; AND THE NTC IS HEREBY**  
11          **AUTHORIZED AND EMPOWERED TO IMPOSE SUCH FINE, AFTER DUE**  
12          **NOTICE AND HEARING."**

13          **"THE FINES OR PENALTIES IMPOSED SHALL BE PAID TO THE**  
14          **GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES THROUGH THE**

1           **NTC. FAILURE TO PAY THE FINES OR PENALTIES IN ANY CASE WITHIN**  
2           **THE TIME SPECIFIED IN THE ORDER OR DECISION OF THE NTC SHALL**  
3           **BE DEEMED GOOD AND SUFFICIENT REASON FOR THE SUSPENSION OF**  
4           **THE CERTIFICATE OF SAID PUBLIC TELECOMMUNICATIONS ENTITY**  
5           **UNTIL PAYMENT THEREOF SHALL HAVE BEEN MADE.”**

6           **“THE NTC SHALL INCREASE THE AMOUNT OF THE FINE EVERY FIVE (5)**  
7           **YEARS SUBJECT TO A CERTIFICATION FROM THE NATIONAL ECONOMIC**

8           **DEVELOPMENT AUTHORITY (NEDA) ON THE COMPUTATION OF COST OF**  
9           **MONEY BASED ON THE CURRENT CONSUMER PRICE INDEX.”**

10           **SEC. 2.** On Section 23 of Commonwealth Act No. 146, a second paragraph  
11 shall be inserted to read as follows:

12           **“PUBLIC TELECOMMUNICATIONS ENTITIES THAT SHALL PERFORM,**  
13           **COMMIT, OR DO ANY ACT OR THING HEREIN FORBIDDEN OR**  
14           **PROHIBITED OR SHALL NEGLECT, FAIL, OR OMIT TO DO OR PERFORM**  
15           **ANY ACT OR THING HEREIN REQUIRED TO BE DONE OR PERFORMED,**  
16           **SHALL BE PUNISHED BY A FINE NOT EXCEEDING THREE HUNDRED**  
17           **MILLION PESOS (PHP 300,000,000.00).”**

18           **SEC. 3. *Repealing Clause.*** - Section 21 and 23 of Commonwealth Act No. 146  
19 and all laws, decrees, orders, rules, and regulations or other issuances or parts  
20 inconsistent with the provisions of this Act are hereby repealed or modified  
21 accordingly.

22           **SEC. 4. *Separability Clause.*** - Should any provision herein be declared  
23 unconstitutional, the same shall not affect the validity of the other provisions of this  
24 Act.

1           **SEC. 5. *Effectivity.*** - This Act shall take effect fifteen (15) days after  
2 publication in the Official Gazette or two (2) newspapers of general circulation in the  
3 Philippines.

4           *Approved,*