COMMITTEE REPORT NO. 1092

Submitted by the Committee on Information and Communications Technology on July 25, 2021.

Re: House Bill No. 9851

Recommending its approval in substitution of House Bill No. 8168

Sponsor: Representatives Victor A. Yap and Paul Ruiz Daza

Mr. Speaker:

The Committee on Information and Communications Technology to which was referred House Bill No. 8168 introduced by Representatives Paul Ruiz Daza, Jose "Bong" J. Teves, Jr., and Alfredo A. Garbin, Jr., entitled:

“AN ACT
ESTABLISHING A ZERO SPECTRUM USER FEE (SUF) POLICY AND REGULATION FOR PHILIPPINE TELCOS FOR THE USE OF Wi-Fi FREQUENCIES OR SPECTRUM, AND FOR OTHER PURPOSES”

has considered the same and recommends that the attached House Bill No. 9851, entitled:

“AN ACT
ESTABLISHING A ZERO SPECTRUM USER FEE POLICY FOR PHILIPPINE TELECOMMUNICATIONS ENTITIES USING Wi-Fi FREQUENCY BANDS OR SPECTRUM”


Respectfully submitted:

HON. VICTOR A. YAP
Chairperson
Committee on Information and Communications Technology

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City
AN ACT
ESTABLISHING A ZERO SPECTRUM USER FEE POLICY FOR PHILIPPINE
TELECOMMUNICATIONS ENTITIES USING WI-FI FREQUENCY BANDS OR
SPECTRUM

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 the "Zero Spectrum User Fee for Telcos
Using Wi-Fi Act ".

SEC. 2. Declaration of Policy. - The State recognizes the vital role of telecommunication in
nation building and as such, it shall implement measures to provide communication standards
suitable to the needs and aspirations of the nation..

As a scarce public resource, the State shall manage the use of the radio frequency spectrum
in the interest of the public and in accordance with international agreements and conventions to
which the Philippines is a signatory. Towards this end, the government shall allocate the radio
frequency spectrum to promote the adoption of appropriate technologies and best practices, an
interference-free environment, and the highest service standards and shall assign the radio
frequency spectrum to service providers capable of efficiently and effectively using it to meet
public demand for telecommunications and data transmission services.

SEC. 3. Objectives. - This Act aims to:

a) Establish a policy and regulation that will reduce to zero the spectrum user fee (SUF)
paid by telecommunications entities to the national government, to enable the proliferation of the
Wi-Fi technology usage and infrastructure development, and eventually lower the cost of
delivering telecommunications services to end users;

b) Promote the acceleration of internet use in the country and the expansion of Wi-Fi
technology and infrastructure in unserved and underserved areas so the poor and underprivileged
will have access to reliable, accessible and affordable connectivity;

c) Encourage and empower the small players in the industry to provide affordable internet
services especially in the unserved and underserved areas; and

d) Adopt a license-free, zero SUF policy in accordance with best international practices,
and protect public interest by limiting the use of outdoor Wi-Fi frequency access points or base
stations and links to the government and duly enfranchised public telecommunications entities.

SEC. 4. Definition of Terms. – As used in this Act:

a) Internet refers to the biggest worldwide global computer network providing a wide
variety of information and communication facilities, consisting of interconnected networks
using standardized communication protocols;

b) Internet service provider or ISP refers to an entity with or without a franchise, registered
as a value-added service provider with the National Telecommunications Commission
(NTC) and authorized to build, install, operate and maintain a network in order to offer
internet access services to the public for a fee;

c) Open and unprotected frequency refers to the frequencies at 2.4-2.4835 GHz, 5.150-
5.350 GHz, and 5.470-5.850 GHz. of the radio spectrum. Any frequency outside of these
frequencies is a licensed frequency especially if it included in the frequencies listed in the
Department of Information and Communications Technology (DICT) policies and NTC
Memorandum Circulars and issuances which are part of the National Radio Frequency
Allocation Table (NRFAT);

d) Public telecommunications entity or PTE refers to any person, firm, partnership or
corporation, government or private, engaged in the provision of telecommunications
services to the public for a fee;

e) Radio frequency spectrum refers to the part of the electromagnetic spectrum with
frequencies from 30Hz to 300GHz, used for communications which includes frequencies
for wireless telecommunications technologies such as radio, television, and radar;

f) Spectrum user fee (SUF) refers to the fee imposed by the government regulator in the
use of a particular frequency; and

g) Wi-Fi or Wireless fidelity refers to a type of wireless local access network technology
that is based on the Institute of Electrical and Electronics Engineers’ (IEEE) wireless
communication standard 802.11 family and uses the 2.4 GHz and 5 GHz frequency band.
**SEC. 5. Coverage.** - This Act shall cover Wi-Fi frequencies at 2.4-2.4835 GHz, 5.150-5.350 GHz, and 5.470-5.850 GHz, and any other frequency band that the NTC may deem open and unprotected after due notice and hearing. This Act shall in no way amend or repeal Republic Act No. 10929, otherwise known as “The Free Internet Access in Public Places Act”.

**SEC. 6. Establishing a Zero Spectrum User Fee.** - The State through the DICT and the NTC shall not impose a levy, charge, or collect fees from PTEs and other users for their use of frequencies as specified in this Act. Provided, That PTEs shall not interfere with each other's Wi-Fi airwaves or with any licensed radio stations in the course of their operations, thereby effectively establishing a zero SUF.

**SEC. 7. Implementing Rules and Regulations (IRR).** - Within sixty (60) days from the effectivity of this Act, the DICT as the lead agency, together with the NTC and representatives from the telecommunications sector shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

**SEC. 8. Joint Congressional Oversight Committee (JCOC).** – There is hereby created a Joint Congressional Oversight Committee to monitor the effective implementation of this Act, recommend the necessary remedial or administrative measures and perform such other duties and functions as may be necessary to attain the objectives of this Act.

The oversight committee shall be composed of eight (8) members, with the Chairpersons of the Senate Committee on Public Services and the House of Representatives’ Committee on Information and Communications Technology as Co-Chairpersons. The three (3) members from each House, shall be designated by the Senate President and the Speaker of the House of Representatives, respectively. Provided, That at least one (1) member from each House shall be nominated by their respective Minority Leaders. The secretariat of the JCOC shall be the existing secretariat personnel of the concerned Committees of both Houses of Congress.

**SEC. 9. Suppletory Application.** - The provisions of Republic Act No. 10844 also known as the “Department of Information and Communications Technology Act of 2015” and other laws consistent with this Act shall have suppletory application.

**SEC. 10. Separability Clause.** - If any provision of this Act is declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

**SEC. 11. Repealing Clause.** - All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed, superseded or modified accordingly.

**SEC. 12. Effectivity.** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.
FACT SHEET

House Bill No. 9851
(Substitute Bill to House Bill No. 8168)

Zero Spectrum User Fee for Telcos Using Wi-Fi Act


Committee Referral: COMMITTEE ON INFORMATION and COMMUNICATIONS TECHNOLOGY

Committee Chairperson: REP. VICTOR A. YAP

OBJECTIVES:

- To address unjust and unfair policy and regulation that levies exorbitant Spectrum User Fee (SUF) on telecommunication companies (telcos) for the use of Wi-Fi frequencies or spectrum, thus lowering the cost of delivering telecommunications services.

- To adopt a license-free, zero-SUF policy in accordance with best international practices.

- To help in the acceleration of internet connectivity and the development of Wi-Fi infrastructure in the country.

- Encourage and empower the small players in the industry to provide affordable internet services especially in the unserved and underserved areas.

KEY PROVISIONS:

- Institutionalizes the Zero Spectrum User Fee (SUF) policy for telcos using certain Wi-Fi frequencies or spectrum.
• Mandates to cover 2.4-2.4835 GHz, 5.150-5.350 GHz, and 5.470-5.850 GHz, and any other frequency band that the NTC may deem open and unprotected.

• Mandates the Department of Information and Communications Technology and the National Telecommunications Commission to effectively establish the Zero Spectrum User Fee (SUF) policy and regulation by not imposing a levy, charge, or collect fees to telcos for using wi-fi or wireless data network.

• Mandates that the SUF shall only be levied or collected from telcos for the exclusive use of licensed frequencies as authorized by the government.

RELATED LAWS:

• Republic Act No. 10844 or the Department of Information and Communications Technology Act of 2015

• Republic Act No. 10929 or the Free Internet Access in Public Places Act

• Republic Act No. 3846 or the Radio Control Law of 1931

• Commonwealth Act No. 146 or the Public Service Act of 1938