

Republic of the Philippines
 LUNGSOD NG DABAW
TANGGAPAN NG SANGGUNIANG PANLUNGSOD
15th City Council
 _____ Regular Session
 Series of 2008
Resolution No. _____

Introduced by: **Hon. PILAR C. BRAGA**
 City Councilor, 1st District

**A RESOLUTION SUPPORTING THE MOVE OF THE GOVERNMENT TO
 REVIEW THE FRANCHISE OF TELECOMMUNICATIONS COMPANIES
 TO DETERMINE WHETHER THEY ARE LEGALLY ALLOWED TO
 CHARGE TEXT MESSAGES OR NOT AS A RESPONSE TO THE CALL
 OF TRANSPORTATION AND COMMUNICATIONS SECRETARY
 LEANDRO MENDOZA TO MAKE SHORT MESSAGING
 SYSTEM (SMS) FREE OR AT LEAST AT REDUCED COST**

Be it enacted by the Sangguniang Panlungsod of Davao City in session assembled:

WHEREAS, with approximately 46.2 million people sending an average of 10 text messages a day translating into 460 million SMS electronic pulses massing around the country, there's no doubt the mobile phone is a mind-boggling industry;

WHEREAS, this means billions of pesos of potential and actual revenues - 46 million subscribers spending a conservative minimum of P300-worth of voice and data services on the mobile platform equals 13.8 billion potential revenues per month going to the mobile phone sector and ancillary businesses, including content providers, game creators, software developers, retailers up to the level of the mini-stalls at the shopping malls to the sari-sari stores in the farthest Barangay;

WHEREAS, Filipinos outrace all other Asian countries not in the number of phones roaming the streets but in the number of messages we send one another and with these existing conditions, telecom companies are raking in a lot of revenue;

WHEREAS, the announcement to make short messaging system or TEXTING should be made free came as a big shock to telecom companies;

WHEREAS, in the words of Transportation Secretary Leandro Mendoza, "telecommunication companies or what we call carriers should

only charge for voice calls because in their franchise, they only pay for voice services; text messaging is not really considered a [basic] service and should be free;”

WHEREAS, Secretary Leandro Mendoza believes that texting should be free even the consumer group TXTPower notes that in some other countries, cellular firms do not charge subscribers for text;

WHEREAS, in line with this, Speaker of the House Nograles said the Lower House will revisit the congressional franchises granted to mobile communications service providers in response to the call of Transportation and Communications Secretary Leandro Mendoza to make Short Messaging System (SMS) free;

WHEREAS, estimates on the use of text messaging by an average household indicates that even the poorest families in the country spend an average of 25 to 60 pesos daily to send text messages, therefore, making texting free can help millions of families in our country from a very difficult economic situation;

WHEREAS, projections that oil prices in the world market will soar further will make life even more difficult and it is the obligation of the government to find every available option to help the public cope with the present economic situation.

WHEREAS, Speaker Nograles said the House can also move to amend the franchise of the country’s telecommunications companies to compel them to stop charging their customers for SMS use;

WHEREAS, the franchise of the country’s telecommunications will have to be checked whether they are legally allowed to charge text messages or not; if their franchise allows them to do so, corrective measures will be done and a resolution will be issued as soon as possible for the National Telecommunications Commission to address this concern;

WHEREAS, right now, the basic instrument of communication for many Filipinos is the cellular phone and the most inexpensive way to communicate is through text messaging;

WHEREAS, telecoms companies have been raking in billions in profit because they no longer pay the 3 percent franchise tax on gross receipts and are no longer subjected to the 12 percent cap in terms of income, based on return of investments (ROI); instead they are required

to pay the 12 percent expanded value added tax which they conveniently pass-on to their consumers;

WHEREAS, the move by the government to make SMS or texting free is a welcome respite from the almost weekly increase of the price of crude oil and basic commodities;

WHEREAS, once all the kinks had been ironed out, the proposal stands a good chance being approved and as for now, the plan of the government needs all the support it can get;

THEREFORE BE IT RESOLVED AS IT IS HEREBY RESOLVED, that this body pass a resolution supporting the move of the government to review the franchise of telecommunications companies to determine whether they are legally allowed to charge text messages or not as a response to the call of transportation and communications Secretary Leandro Mendoza to make short messaging system (SMS) free or at least at reduced cost;

RESOLVED FURTHER, that copies of this resolution be furnished the Office of the Speaker of the House of Representatives Prospero Nograles and the Office of Secretary Leandro Mendoza for their information.

COUNCILOR PILAR C. BRAGA, PhD
Davao City
May 27, 2008