

6 January 2020

SENATOR AQUILINO "KOKO" PIMENTEL III

Chairperson

Senate Committee on Trade, Commerce and Entrepreneurship

Senate of the Philippines

Pasay City, Manila Philippines

Dear Senator Pimentel:

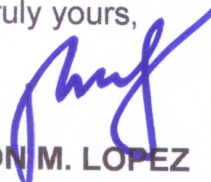
We are pleased to submit the Department's comments and recommendations on **Senate Bill No. 779**, entitled:

"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"

This is without prejudice to the Department's submission of additional comments.

With my best regards.

Very truly yours,



RAMON M. LOPEZ
Secretary

OFFICE OF THE SECRETARY

DTI Position on

Senate Bill No. 779

“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”

The Department supports the proposed measure as it upholds two (2) of the eight (8) Basic Consumer Rights: (1) Right to be Informed; and (2) Right to Choose. While we acknowledge that electronic/paperless billing (e-billing) may present a much more efficient and environment-friendly billing option, the aforementioned consumer rights should not be discounted by companies/service providers. They should continue to provide their clients/subscribers an option for paper-based billing at no additional cost.

In a survey conducted by US-based Consumer Action, a national non-profit organization working to advance consumer literacy and protect consumer rights, 45-74 percent of respondents chose paper-based billing over e-billing especially in transactions related to insurance, utilities, medical, mortgages, credit cards and property taxes.¹

Respondents said that paper-based billing provides a sense of security to a segment of the population, who are not tech-savvy, have difficulty in using a computer or lack access to the internet. Consumers are also confronted with fear of data breach; putting their personal information at risk of being stolen or abused.²

In addition, there is evidence that consumers bear the burden of printing bills (cost of paper and ink) defeating the claimed benefits of e-billing.³

Forcing consumers to shift to e-billing (and in some cases, being charged additional fees) diminishes consumers' entitlements to the abovementioned rights. Service providers may entice their clientele into choosing paperless billing (i.e., through information campaigns and incentive system such as rewards/points/rebates commensurate to the cost of printing bills and delivery, among others.), without removing the option of paper-based billing that is free of charge.

The Department reiterates its support to the proposed measure espousing the consumers' rights to information and choice. While we recognize its benefits, we opine that e-billing should not be forced/imposed upon consumers, with paper-based billing to remain a cost-free option.


Bureau of Trade and Industrial Policy Research
6 January 2020

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¹ <https://www.consumer-action.org/news/articles/paper-or-digital-winter-2018-2019>

² Ibid.

³ Ibid.