Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
House Bill No. 557

Introduced by **Rep. Roberto C. Cajes**

EXPLANATORY NOTE

It was during the 1980s when advancements in information technology entered the Philippines, focusing on the strategic value of information and the importance of information resource management toward effective governance, successful business, and world competitiveness.

In 90s, the introduction of pagers, cellular phones, multimedia, networking, barcode scanners, computers, and the Internet revolutionized the way people conducted their businesses and their lifestyles as a whole.

Executive Order No. 125-A, as amended, which merged the supervision of transportation and communication facilities and services in one department, the Department of Transportation and Communication (DOTC), now proves to be inadequate.

Transportation and communication functions are two distinct and diverse concerns but are undertaken by one department.

Rapid technological developments in information technology and communication facilities require a separate department to be able to give focused priority to the communication sectors.

This bill seeks to establish a separate department for communication, thereby creating a new government agency called the Department of Information Technology and Communications (DITC).

The creation of DITC will effectively merge the communications aspect of the present DOTC with National Computer Center which is presently under the Office of the President.

With this set-up, functional streamlining will address the new phenomenon of the converging and emerging information technologies.

The DITC could design more cohesive national plans that will be implemented toward the modernization and development of the country's information technology and communication capabilities.

In light of the foregoing, approval of this bill is earnestly requested.

ROBERTO C. CAJES

Republic of the Philippines
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First Regular Session

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AN ACT

CREATING THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

Section 1. Short Title. This Act shall be known as the "Department of Information and Communications Technology Act of 2004."

Sec. 2. Declaration of Policy. It is hereby declared the policy of the State:

(a) To ensure the provision of strategic, reliable and cost-efficient information and communications technology (ICT) infrastructure, systems and resources as instruments for nation-building and global competitiveness;

"Information and Communications Technology" (ICT) is defined as the totality of electronic means to collect, store, process and present information to end-users in support of their activities. It consists of computer systems, office systems and consumer electronics, as well as networked information infrastructure, the components of which include the telephone system, the Internet, fax machines and computers.

(b) To ensure a policy and legal environment that will promote a level playing field, partnerships between the public and the private sectors, strategic alliances with foreign investors, balanced investments between high-growth and economically-depressed areas, and broader private sector participation in ICT development;

(c) To foster and accelerate development of convergent networks of ICT facilities;

(d) To ensure universal access and high-speed connectivity at fair and reasonable cost;

(e) To ensure the provision of information and communication services in areas not adequately served by the private sector;

(f) To foster the widespread use and application of emerging ICT;

(g) To establish a strong and effective regulatory system that will ensure consumer protection and welfare and foster a healthy competitive environment;

(h) To promote the development of ICT expertise in the country's human capital to enable Filipinos to compete in a fast-evolving information and communication age;

(i) To ensure the growth of the ICT industries;

(j) To preserve the rights of individuals to privacy and confidentiality of their personal information;

(k) To encourage the use of ICT in support of efforts for the development and promotion of the country's arts and culture, history, education, public health and safety, and other socio-civic purposes;

(l) To sustain the development of the nationwide postal system as an integral component of the overall development of ICT in the country.

Sec. 3. ***Creation of the Department of Information and Communications Technology.*** There is hereby created the Department of Information and Communications Technology, hereinafter referred to as the Department, which shall carry out the above-declared policy and assume the communications-related powers and functions of the Department of Transportation and Communications (DOTC).

Sec. 4. ***Mandate.*** The Department shall be the primary policy, planning, coordinating, implementing, regulating, and administrative entity of the executive branch of the Government that will promote, develop, and regulate integrated and strategic ICT systems and reliable and cost-efficient communication facilities and services.

Sec. 5. ***Powers and Functions.*** The Department shall perform the following functions:

(a) Formulate and recommend national policies and guidelines that will promote ICT and the wider use of the internet and other cyberspace infrastructures and exchanges of universal application, in consultation with the private business sector, relevant civil society institutions, and other private and public entities, such as educational and training sectors;

(b) Establish and administer comprehensive and integrated programs for ICT at the national, regional, and local levels with due consideration to advances in convergence and other emerging technologies; and for this purpose, may call on

any agency, corporation or organization, whether public or private, whose development programs in ICT are an integral part thereof, to participate and assist in the preparation and implementation of such programs;

(c) Design, implement, and ensure the protection of an integrated government information and communications infrastructure development program that will coordinate all existing government entities, taking into account all their existing plans, programs, proposals, software and hardware inventory, installed systems, and programs;

(d) Develop and implement, in coordination with concerned government agencies, a comprehensive ICT application capability in the national government and determine the personnel qualification and other standards essential to the integrated and effective development and operation of government information and communications infrastructure;

(e) Encourage and establish guidelines for private sector funding of ICT projects for government agencies in order to fast-track said projects which provide reasonable cost-recovery mechanisms for the private sector, including but not limited to Build-Operate-Transfer (BOT) mechanisms;

(f) Assess, review and provide direction to ICT research and development programs of the government in coordination with other institutions concerned;

(g) Establish and prescribe rules and regulations for the establishment, operation and maintenance of ICT facilities in areas not adequately served by the private sector, in consultation with the private business sector, civil society, and other private and public entities, such as educational and training sectors;

(h) Establish and prescribe rules and regulations for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, and money order services;

(i) Administer and enforce all laws, standards, rules, and regulations governing ICT, and in coordination with the Intellectual Property Office (IPO), ensure the protection of ICT-related intellectual property rights;

(j) Harmonize, synchronize and coordinate with appropriate agencies all ICT and e-commerce policies, plans and programs;

(k) Perform such other powers and functions as may be prescribed by laws or as may be necessary, incidental or proper to its mandate or as may be assigned from time to time by the President.

Sec. 6. ***Composition.*** The Department shall be headed by a Secretary. The Department proper shall be composed of the Office of Secretary and the Offices of the Undersecretaries and the Assistant Secretaries.

Sec. 7. ***The Secretary.*** The Secretary shall be appointed by the President, subject to the confirmation by the Commission on Appointments.

The Secretary shall have the following functions:

(a) Provide executive direction and supervision over the entire operations of the Department and its attached agencies;

(b) Establish policies and standards for the effective, efficient, and economical operation of the Department, in accordance with the programs of Government;

(c) Rationalize delivery systems necessary for the effective attainment of the objectives of the Department, including the creation of regional and/or field offices;

(d) Review and approve requests for financial and manpower resources of all operating offices of the Department;

(e) Designate and appoint all officers and employees of the Department, excluding the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional Directors, in accordance with Civil Service laws, rules, and regulations;

(f) Coordinate with local government units (LGUs), other agencies, and public and private interest groups, including NGOs and POs on Department policies and initiatives;

(g) Advise the President on the promulgation of executive and administrative orders and regulatory and legislative proposals on matters pertaining to ICT development;

(h) Formulate such rules and regulations and exercise such other powers as may be necessary to implement the objectives of this Act; and,

(i) Perform such other tasks as may be provided by law or assigned by the President from time to time.

Sec. 8. ***The Undersecretaries.*** The Secretary shall be assisted by three (3) Undersecretaries, who shall be appointed by the President upon the recommendation of the Secretary: *Provided that*, one (1) of the Undersecretaries shall be a career officer coming from the ranks of existing government information and communications agencies and offices or qualified IT and ICT professionals in the private sector.

Sec. 9. ***Assistant Secretaries.*** The Secretary shall be assisted by three (3) Assistant Secretaries who shall be career officers appointed by the President upon the recommendation of the Secretary.

The respective assignments of the Assistant Secretaries shall be determined by the Secretary.

Sec. 10. ***Qualifications.*** No persons shall be appointed Secretary, Undersecretary or Assistant Secretary of the Department unless he is a citizen and resident of the Philippines, of good moral character, and of proven integrity.

Sec. 11. ***Regional Offices.*** The Department shall have a Regional Office in each of the administrative regions in the country. The Regional Offices shall essentially be line in character and shall be responsible for the delivery of all front line services of the Department.

Each Regional Office shall be headed by a Regional Director who shall be assisted by Assistant Regional Director. The Regional Offices shall have, within their respective administrative regions, the following functions:

(a) Implement laws, policies, plans, programs, projects, rules, and regulations of the Department;
(b) Provide efficient and effective service to the people;
(c) Coordinate with regional offices of other departments, offices, and agencies;
(d) Coordinate with LGUs; and
(e) Perform such other functions as may be provided by law or assigned by the Secretary.

Sec. 12. ***Transfer of Agencies and Personnel.***

(a) The following agencies and institutions are hereby absorbed by the Department:

1. the National Computer Center under the Department of Science and Technology and
2. all offices, services, divisions, units, and personnel of the DOTC with functions and responsibilities dealing with communications.

All offices, services, divisions, units and personnel not otherwise covered by this Act for transfer or absorption into the new Department shall continue to perform their transportation-related functions and therefore, shall be retained under the Department of Transportation and Communications which is hereby renamed the Department of Transportation.

The foregoing transfer of powers and functions shall include all applicable funds and appropriations, records, equipment, property, and personnel as may be necessary.

(b) The following agencies are hereby attached to the Department for policy and program coordination, and shall continue to operate and function in accordance with Charters, laws or orders creating them, and with such other functions and responsibilities as it shall be mandated to regulate ICT in accordance with law and insofar as they are not inconsistent with this Act:

1. The National Telecommunications Commission (NTC), and
2. Philippine Postal Corporation.

The Department shall not exercise any power which will tend to influence or effect a review or a modification of the quasi-judicial functions of the NTC.

(c) The law and rules on government reorganization as provided for in Republic Act No. 6656, otherwise known as the Reorganization Law, shall govern the reorganization process as the Department is created.

Sec. 13. ***Implementation of the RPWeb.*** In consonance with the objectives of Administrative Order No. 332 and Republic Act No. 8792, the primary responsibility over

the implementation of the RPWeb or the electronic on-line network of the government which shall serve as initial platform of the government information infrastructure (GII), is hereby transferred to the Department. For this purpose, the Department shall continue the utilization of all funds, monies, interests, reflows, and properties outstanding and accruing from the RPWeb.

Sec. 14. ***Sectoral and Industry Task Forces.*** The Department may create sectoral and industry task forces, technical working groups, advisory bodies or committees for the furtherance of its objectives. Additional private sector representatives, such as from the academe and federation of private industries directly involved in ICT, as well as other National Government Agencies (NGAs) , LGUs, and GOCCs, may be appointed to these working groups. Government IT professionals shall also be tapped to participate in the work of the Department through these working groups.

Sec. 15. ***Structure and Staffing Pattern.*** The Department shall determine its organizational structure and create new divisions or units as it may deem necessary, and shall appoint officers and employees of the Department in accordance with the Civil Service law, rules, and regulations.

Sec. 16. ***Separation from Service.*** Employees separated from the service as a result of this reorganization shall, within ninety (90) days therefrom, receive the retirement benefits to which they may be entitled under existing laws, rules, and regulations.

Sec. 17. ***Appropriation.*** The amount needed for the initial implementation of this Act shall be taken from the current year's appropriations of the DOTC and all government agencies herein absorbed by or attached to the Department. Thereafter, the amount needed for the operations and maintenance of the Department shall be included in the General Appropriations Act.

Sec. 18. ***Repealing Clause.*** All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.

Sec. 19. ***Separability Clause.*** If any provision of this Act shall be declared unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.

Sec. 20. ***Effectivity Clause.*** This Act shall take effect after fifteen (15) days from its publication in at least two (2) papers of general circulation.

Approved.