

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

H. B. No. 498

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

This bill seeks to reorganize the Department of Transportation and Communication by creating a separate Department of Information and Communications to address the distinct needs of the communications and transportation sector.

Section 24, Article 11 of the 1987 Philippine Constitution declares that "*the State recognizes the vital role of communications and information in nation-building*". To implement this State policy, a Department of Transportation and Communications was created under the Administrative Code of 1987 to maintain and expand a viable, efficient, safe and dependable transportation and communications systems as effective instruments for national recovery and economic progress. Due to the divergent issues on transportation and communications, a single department should focus on each one to intensify government initiatives and cope up with the demands of globalization.

Under this proposed measure, the Department of Information and Communications 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 service. This will ensure that the communications and information technology sector of the country be given appropriate focus and be included as one of the priorities of the government.

In view of the foregoing, immediate passage of the bill is earnestly sought.


JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

H. B. No. 498

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

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

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 "*Department of Information and Communications Technology Act of 2010.*"

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

- a. To ensure the provision of a strategic, reliable, cost-efficient and citizen-centric information and communications technology (ICT) infrastructure, systems and resources as instruments of nation-building and global competitiveness;
- b. To foster a policy environment that will promote a broader market-led development of the ICT and ICT-enabled services sectors, a level playing field, partnership between the public and the private sectors, strategic alliance with foreign investors and balanced investments between high-growth and economically-depressed areas;
- c. To foster and accelerate the convergence of ICT facilities;
- d. To ensure universal access and high-speed connectivity at fair and reasonable costs;
- e. To ensure the availability and accessibility of information and communications services in areas not adequately served by the private sector;
- f. To promote the widespread use and development of emerging ICT;
- g. To promote and assist the development of local ICT content, applications and services;
- h. To establish a strong and effective regulatory system that will ensure consumer protection and welfare and foster a healthy competitive environment;
- i. To promote the development of ICT expertise in the country's human capital to enable Filipinos to compete in a fast-evolving information and communications age;
- j. To ensure the growth of the ICT and ICT-enabled services sectors;
- k. To preserve the rights of individuals to privacy and confidentiality of their personal information;
- l. To encourage the use of ICT for the development and promotion of the country's arts and culture, history, education, public health and safety, and other socio-civic purposes;

- m. To sustain the development of the national postal system as an integral component of the overall development of ICT in the country;
- n. To ensure the security of ICT infrastructures and assets of individuals and businesses stored therein;
- o. To empower, through the use of ICT, the disadvantaged segments of the population, including persons with disabilities, such as the physically, emotionally or mentally challenged.

SEC. 3. *Definition of Terms.* As used in this Act, the following terms are defined as follows:

- a. "Information and Communications Technology" or "ICT" shall mean the totality of electronic means to collect, store, process and present information to end-users in support of their activities and services. It consists of computer systems, office systems and consumer electronics, as well as networked information infrastructure, the components of which include telephone, cable, wireless and satellite systems, the Internet, fax machines and computers;
- b. "Electronic Government" or "E-Government" shall mean the application of ICT in government processes to bring about efficient, responsive, ethical, accountable and transparent government service;
- c. "ICT Sector" shall mean telecommunications operators, ICT equipment manufacturers, ICT solution providers, Internet service providers, ICT training institutions, software developers and ICT-enabled service providers;
- d. "ICT-Enabled Services Sector" shall mean offshoring and outsourcing service providers, including call centers, back office processing, software development, medical or legal transcription, animation, game development, engineering or architectural design, and other services that require the intrinsic use of a networked information infrastructure;
- e. "Chief Information Officer" or "CIO" shall mean the title given to the board level head of ICT in an organization responsible for the development and maintenance of the organization's ICT systems and applications.

SEC. 4. *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. 5. *Mandate.* The Department shall be the primary policy, planning, coordinating, implementing, regulating and administrative entity of the executive branch of the Government that will plan, promote and help develop the country's ICT sector.

SEC. 6. Powers and Functions. The Department shall exercise the following powers and functions:

- a. Formulate, recommend and implement national policies, plans, programs and guidelines for the ICT and ICT-enabled services sectors that will promote wider use and development of ICT and provide increased and convenient access by the citizens to the same;
- b. Initiate, harmonize and coordinate all ICT plans and initiatives of government agencies to ensure overall consistency and harmony with e-government objectives in particular, and national objectives in general;
- c. Represent and negotiate for Philippine interest on matters pertaining to ICT in international bodies;
- d. Develop and maintain national ICT development plans and establish and administer comprehensive and integrated programs for ICT with due consideration to advances on convergence and other emerging technologies; and for this purpose, may invite 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;
- e. Promote knowledge, information and resource sharing, database building and agency networking linkages among various government agencies;
- f. Ensure the development and protection of an integrated government information and communications infrastructure and coordinate all relevant government entities, taking into consideration the inventory of existing manpower, plans, programs, proposals, software and hardware, and the installed systems and programs;
- g. Provide an integrated framework in order to optimize all government ICT resources and networks and the identification and prioritization of all e-government systems and applications as provided for in the Government Information Systems Plan (GISP) and the Medium Term Philippine Development Plan (MTPDP);
- h. Coordinate and support the generation and acquisition of necessary resources as may be appropriate for the development, marketing, growth and competitiveness of the Philippine ICT and ICT-enabled services sectors;
- i. Develop, implement and improve, in coordination with concerned government agencies and industry associations, the government's ICT capabilities and determine the personnel qualifications and other standards essential to the effective development and operation of government information and communications infrastructure;
- j. Encourage and establish guidelines for the use of public-private partnerships in the implementation of ICT projects for government agencies in order to fast-track said projects and provide reasonable return-on-investment for the private sector, including but not limited to Build-Operate-Transfer (BOT) mechanisms;
- k. Assess, review and support ICT research and development programs of the government in coordination with the Department of Science and Technology and other institutions concerned;

- l. Establish and prescribe rules and regulations for the establishment, operation and maintenance of ICT infrastructure in unserved and underserved areas, in consultation with the private sector, local government units (LGUs) and the academe;
- m. Provide policy-direction and guidance in ICT-related aspects for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, and money remittance and payment services;
- n. Assist and provide technical expertise in the development of guidelines to the Intellectual Property Office (IPO) in the enforcement and administration of laws, standards, rules, and regulations governing ICT ;
- o. In coordination with concerned agencies, the private sector and relevant international bodies, ensure consumer protection and welfare, and protect the rights of consumer and business users to privacy, security and confidentiality;
- p. Harmonize, synchronize and coordinate with appropriate agencies all ICT and e-commerce policies, plans and programs;
- q. Coordinate with the Department of Trade and Industry in the promotion of trade and investment opportunities and protection of investor interests in the ICT and ICT-enabled services sectors;
- r. In coordination with concerned agencies, promote strategic partnership and alliances among and between local and international ICT firms and institutions, research and development, educational and training institutions, and technology providers, developers and manufacturers, to speed up industry growth and enhance global competitiveness;
- s. In coordination with concerned agencies, plan and implement such activities as may be appropriate to enhance the competitiveness of Philippine workers, firms, and small and medium enterprises in the global markets for ICT and ICT-enabled services;
- t. In coordination with concerned agencies, establish and recommend the adoption of qualification standards and enhance the career opportunities of ICT workers in government;
- u. In coordination with the Department of Education, Commission on Higher Education and Technical Education and Skills Development Authority, formulate policies and initiatives to promote ICT and ICT-enabled services education and the development, promotion and application of ICT in education in a manner that is consistent with the national goals and objectives, and responsive to the human resource needs of the ICT and ICT-enabled services sectors;
- v. Facilitate the creation of the Chief Information Officer (CIO) Council, which shall consist of CIOs of national government agencies (NGAs) with at least the rank of Assistant Secretary, with the Secretary serving as the Chairman, to assist the Department in implementing e-government initiatives;
- w. Administer the E-Government Fund as specified in Section 15 and, in coordination with the Department of Budget and Management, establish guidelines for the disbursement and management of the E-Government Fund, including the monitoring and evaluation system of projects funded under the said fund.

SEC. 7. *Composition.* The Department of Information and Communications Technology shall be headed by a Secretary. The Department proper shall be composed of the Office of the Secretary, the offices of the Undersecretaries and the Assistant Secretaries.

SEC. 8. *Secretary of Information and Communications Technology.* The Secretary shall be appointed by the President, subject to 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, in accordance with the programs of Government;
- d. Review and approve request for financial and manpower resources of all operating offices of the Department;
- e. Designate and appoint officers and employees of the Department, excluding the Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional Directors, in accordance with the Civil Service laws, rules and regulations;
- f. Coordinate with LGUs, other agencies and public and private interests groups, including non-government organizations (NGOs) and people's organizations (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. Serve as a member of the Government Procurement Policy Board as established by Republic Act No. 9184;
- i. Serve as the Chairman of the Board of the Philippine Postal Corporation in accordance with Republic Act No. 7354 and the Corporation Law;
- j. Formulate such rules and regulations and exercise such other powers as may be required to implement the objectives of this Act;
- k. Perform such other tasks as may be provided by Law or assigned by the President from time to time.

SEC. 9. *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 ranks of existing government information and communications agencies and offices or qualified ICT professionals in the private sector.

SEC. 10. 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.

SEC. 11. Qualifications. No person 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. 12. Regional Offices. The Department shall be authorized to establish, operate, and maintain Regional Office in each of the administrative regions of the country as the need arises. The regional office shall be headed by a Regional Director, who may be assisted by one (1) 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;
- e. Perform such other functions as may be provided by law or assigned by the Secretary.

SEC. 13. Transfer of Agencies and Personnel.

- a) The following agencies are hereby abolished, and their powers and functions, applicable funds and appropriations, records, equipment, property, and personnel transferred to the Department:
 1. All operating units currently existing in the Commission on Information and Communications Technology (CICT);
 2. National Computer Center (NCC);
 3. Telecommunications Office (TELOF);
 4. All operating units of the Department of Transportation and Communications (DOTC) with functions and responsibilities dealing with communications.

All offices, services, divisions, units and personnel not otherwise covered by this Act for transfer to the Department shall be retained under the DOTC, which is hereby renamed the Department of Transportation.

- 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 the charters, laws or orders creating them, insofar as they are not inconsistent with this Act:
 1. National Telecommunications Commission;
 2. Philippine Postal Corporation.

- c) The laws and rules on government reorganization as provided for in Republic Act No. 6656, otherwise known as the Reorganization Law, shall govern the reorganization process of the Department.

SEC. 14. *Postal Regulatory Authority.* The exclusive power and authority to regulate the postal delivery services industry, as provided for under Presidential Decree No. 240 and Republic Act No. 7354, is hereby transferred to the Department.

SEC. 15. *E-Government Fund.* There shall be an E-Government Fund to be administered by the Department, which is a Special Account in the General Fund, created specifically to fund cross-agency and citizen-centric government ICT projects. The Fund shall be used to support and co-finance projects that enable the government to expand its ability to conduct activities electronically and provide frontline services through the development and implementation of innovative uses of the Internet or other emerging technologies. However, internal IT systems meant to support the agencies' IT operations shall be charged against the agencies' own budgetary allocation.

SEC. 16. *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 online 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 utilization of all funds, monies, interests, and properties outstanding and accruing from the RPWeb.

SEC. 17. *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 academe and federation of private industries directly involved in ICT, as well as other NGAs, LGUs and government owned and controlled corporations (GOCCs), may be appointed to these working groups. Government IT professionals may also be tapped to partake in the work of the Department through these working groups.

SEC. 18. *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. 19. *Magna Carta.* Employees of the Department shall be covered by Republic Act 8439, which provides a magna carta for scientists, engineers, researchers and other science and technology personnel in the government.

SEC. 20. *Separation from Service.* Employees separated from the service as a result of this reorganization shall, within ninety (90) days therefrom, receive the separation and retirement benefits to which they may be entitled under Executive Order No. 366. Provided that such separation pay and retirement benefits shall have priority of payment out of the savings of the department or agency.

SEC. 21. *Appropriation.* The amount needed for the initial implementation of this Act shall be taken from the current fiscal year's appropriation of the CICT through the Office of the President and all agencies herein absorbed by or attached to the Department. Thereafter, the amount needed for the operation and maintenance of the Department shall be included in the General Appropriations Act, provided that for the next fiscal year, the amount shall be One Billion Two Hundred Million Pesos (P1,200,000,000.00),

SEC. 22. *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. 23. *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. 24. *Effectivity Clause.* This Act shall take effect fifteen (15) days from its publication in at least two (2) papers of general circulation.

Approved,