

Republic of the Philippines
House of Representatives
Quezon City

FIFTEENTH CONGRESS
First Regular Session

COMMITTEE REPORT NO. 918

Submitted by the Committee on Government Reorganization and Information and Communications Technology and Appropriations on 17 MAY 2011;

Re: House Bill No. 4667

Recommending its approval in substitution of House Bill Nos. 16, 64, 498, 1230, 1508 and 1896;

Sponsors: Reps. Jalosjos, Tiña and Abaya

Mr. Speaker:

The Committees on Government Reorganization, Information and Communications Technology and Appropriations, to which were referred House Bill No. 16, introduced by Representative Roilo Golez entitled :

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

House Bill No. 64 introduced by Representative Luis R. Villafuerte entitled:

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

House Bill No. 498 introduced by Representative Juan Edgardo M. Angara entitled:

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

House Bill No. 1230 introduced by Representative Winston T. Castelo entitled:

“AN ACT

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

House Bill No. 1508 introduced by Representative Marcelino R. Teodoro entitled:

"AN ACT

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

and House Bill No. 1896 introduced by Representative Ben P. Evardone entitled:

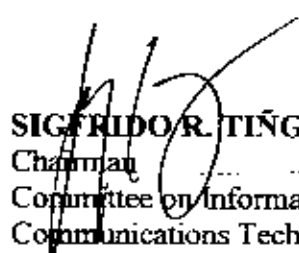
"AN ACT

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

4667

have considered the same and recommend the approval of House Bill No. _____ in substitution thereof with Representatives Roilo Golez, Sigfrido R. Tiñga, Luis R. Villafuerte, Juan Edgardo M. Angara, Marcelino R. Teodoro, Winston T. Castelo, Ben P. Evardone, Cesar G. Jalojos, Joseph Emilio A. Abaya, Roman T. Romulo, Angelo B. Palmones, Mel Senen S. Sarmiento, David L. Kho, Jerry P. Treñas, Tomas V. Apacible, Bernadette Herrera-Dy, Rufus B. Rodriguez, Rene L. Relampagos, Ramon H. Durano IV, Sharon Garin, Arthur R. Defensor, Jr., Ma. Milagros H. Magsaysay, Carlos M. Padilla, Dante Antonio L. Tinio, Teodorico T. Haresco, Jr. and Daryl Grace J. Abayon as authors thereof.

Respectfully submitted:



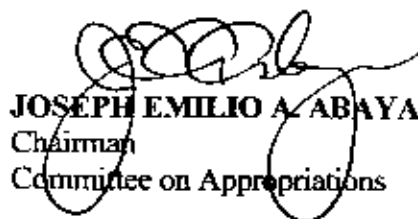
SIGFRIDO R. TIÑGA

Chairman
Committee on Information and
Communications Technology



CESAR G. JALOSJOS

Chairman
Committee on Government Reorganization



JOSEPH EMILIO A. ABAYA

Chairman
Committee on Appropriations

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
Quezon City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular session

House Bill No.

4667

(In Substitution of House Bill Nos. 16, 64, 498, 1230, 1508 and 1896)

Introduced by Representatives Roilo Golez, Sigfrido R. Tinga, Luis R. Villafuerte, Juan Edgardo M. Angara, Marcelino R. Teodoro, Winston T. Castelo, Ben P. Evardone, Cesar G. Jalosjos, Joseph Emilio A. Abaya, Roman T. Romulo, Angelo B. Palmones, Mel Senen S. Sarmiento, David L. Kho, Jerry P. Treñas, Tomas V. Apacible, Bernadette Herrera-Dy, Rufus B. Rodriguez, Rene L. Relampagos, Ramon H. Durano IV, Sharon Garin, Arthur R. Defensor, Jr., Ma. Milagros H. Magsaysay, Carlos M. Padilla, Dante Antonio L. Tinio, Teodorico T. Haresco, Jr. and Daryl Grace J. Abayon

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:

1 **SECTION 1. *Short Title*** - This Act shall be known as the "Department of
2 Information and Communications Technology Act of 2011."

3 **SEC. 2. *Creation of the Department*** - There is hereby created the Department of
4 Information and Communications Technology, hereinafter referred to as the Department.

5 **SEC. 3. *Declaration of Policy***. - It is the policy of the State to promote the utilization
6 of information and communications technology, hereinafter referred to as ICT, as a vital tool
7 for nation-building and economic growth that is government-enabled, private sector-led,
8 citizen-centric and market-based. Towards this end, the government shall prioritize the
9 effective coordination and implementation of its national and local ICT and ICT-enabled
10 services, programs, projects and other related initiatives and reorganize and revitalize all
11 relevant governmental institutions in order to achieve a streamlined and efficient structure
12 that is responsive and attuned to national goals and objectives. It shall likewise be the policy
13 of the State to provide an environment that will support investments in cost-efficient ICT
14 infrastructure, systems and resources, to ensure universal access and high-speed connectivity
15 at fair and reasonable costs; a level playing field for strategic alliances with investors in order

1 to have balanced investments between high-growth and economically depressed areas; ensure
2 consumer protection and welfare as well as preserve the rights of individuals and entities to
3 privacy and confidentiality of information; and promote accountability through transparent
4 governance, and effective delivery of government frontline services.

5 **SEC. 4. Definition of Terms.** - As used in this Act, the following terms are defined
6 as follows:

7 (a) **Broadcast** refers to the sending of information to two or more receiving devices
8 simultaneously – over a data communications network, voice mail, electronic mail
9 system, local TV / radio station or satellite system. Broadcast involves sending a
10 transmission simultaneously to all members of a group. In the context of an
11 intelligent communications network, such devices could be host computers,
12 routers, workstations, voice mail systems, or just about anything else. In the less
13 intelligent world of “broadcast media”, a local TV or radio station might use a
14 terrestrial antenna or a satellite system to transmit information from a single
15 source to any TV set or radio capable of receiving the signal within the area of
16 coverage.

17 (b) **Chief Information Officer (CIO)** refers to a third ranking career executive in
18 charge of the information and communications technology / information
19 technology / management information systems (ICT/IT/MIS) office in a
20 department, bureau, or government – owned or controlled corporation /
21 government financial institution, including legislative, judicial and constitutional
22 offices.

23 (c) **Cybersecurity** refers to securing the cyberspace from known and unknown
24 attacks from d dos, malwares, and Trojans, among others, through the creation of
25 technical defenses.

26 (d) **E-Governance or Electronic Governance** refers to the application of
27 information communications technology to the processes of government
28 functioning to bring about efficient, ethical, accountable, responsive and
29 transparent governance;

30 (e) **Information and Communications Technology (ICT)** refers to the totality of
31 electronic means to collect, store, process and present information to end-users in
32 support of their activities and services. It consists of computer systems, office
33 systems and consumer electronics, as well as networked information

1 infrastructure, the components of which include the telephone system, the
2 Internet, fax machines and computers;

3 (f) **ICT-Enabled Service Providers** refer to offshoring and outsourcing service
4 providers, including contact centers, medical or legal transcription, animation,
5 engineering or architectural design services, software development, business
6 process outsourcing services, and other providers of services that require the
7 intrinsic use of a networked information infrastructure;

8 (g) **ICT Sector or ICT Industry** refers to all telecommunications carriers
9 /operators, ICT equipment and solutions manufacturers and providers, internet
10 service providers, ICT training institutions, software developers and ICT-enabled
11 service providers;

12 (h) **M-Governance or Mobile Governance** refers to the application of mobile
13 technology to the process of government functioning to bring about efficient,
14 ethical, accountable, responsive and transparent governance.

15 **SEC. 5. *Mandate*** -The Department shall be the primary policy, planning,
16 coordinating, implementing, regulating and administrative entity of the executive branch of
17 the Government that will plan, promote, and help develop the country's ICT sector and
18 ensure reliable and cost-efficient communications facilities, other multimedia infrastructure
19 and services.

20 The Department shall likewise be responsible for overseeing the Government's
21 integrated and strategic ICT systems and improving the acquisition, utilization and
22 optimization of Government's ICT in order to improve the productivity, efficiency,
23 effectiveness, and responsiveness of national and local government programs. The
24 Department shall furthermore be responsible for ensuring the application of information
25 communications technology to the various processes and functions of Government.

26 In fulfilling its mandate, the Department shall be guided by the following strategic
27 objectives:

28 a) Ensure the provision of a strategic, reliable, cost-efficient, and citizen-centric ICT
29 infrastructure, systems, and resources as instruments of nation-building and global
30 competitiveness;

31 b) Foster a policy environment that will promote a broader market-led ICT and ICT-
32 enabled services sector, a level playing field, partnership between the public and
33 the private sectors, strategic alliance with foreign investors, and balanced
34 investments between high-growth and economically-depressed areas;

- 1 c) Foster and accelerate the convergence of ICT facilities such as, but not limited to,
2 the development of networks;
3 d) Ensure universal access and high-speed connectivity at fair and reasonable costs;
4 e) Ensure the availability and accessibility of ICT services in areas not adequately
5 served by the private sector;
6 f) Promote and encourage the widespread use, creative development, and access to
7 ICT with priority consideration on the requirements for growth of the Philippine
8 ICT industry;
9 g) Promote and assist the development of local and national content application and
10 services in the area of ICT by sourcing or providing funds and construction
11 assistance for ICT-hubs and/ or technical support to local-based providers in these
12 endeavors and in the marketing of the local products to the global community;
13 h) Establish a strong and effective regulatory and monitoring system that will ensure
14 investor and consumer protection and welfare and foster a healthy competitive
15 environment;
16 i) Promote the development of ICT expertise in the country's human capital to
17 enable Filipinos to compete in a fast-evolving information and communication
18 age;
19 j) Ensure the growth of the ICT and ICT-enabled industries including mobile
20 technologies, application and services;
21 k) Protect the rights of individuals to privacy and confidentiality of their personal
22 information;
23 l) Encourage the use of ICT in support of efforts or endeavors for the development
24 and promotion of the country's agriculture, arts and culture, history, education,
25 public health and safety, and other socio-civic purposes;
26 m) Sustain the development of the nationwide postal system as an integral component
27 of the overall development of ICT in the country;
28 n) Ensure the security of ICT infrastructures and assets of individuals and
29 businesses; and
30 o) Empower, through the use of ICT, the disadvantaged segments of the population,
31 including persons with disabilities (PWD) or who are differently-abled.

32 **SEC. 6. Powers and Functions.** – To carry out its mandate, the Department shall
33 exercise the following powers and functions:

- 1 (a) Formulate, recommend, and/or implement national policies and guidelines in the
2 ICT sector that will promote wider use and development of ICT, and its
3 applications, such as e-commerce, in coordination with Department of Trade and
4 Industry (DTI), among others,;
- 5 (b) Initiate, harmonize and/or coordinate all ICT plans and initiatives of government
6 agencies to ensure overall consistency and harmony with the objective of e-
7 governance objectives, in particular, and national objectives in general;
- 8 (c) Represent and negotiate for Philippine interests on matters pertaining to ICT in
9 international bodies;
- 10 (d) Develop and maintain national ICT development plans and establish and
11 administer comprehensive and integrated programs for ICT with due
12 consideration to advances in convergence and other emerging technologies; and
13 for this purpose, invite any agency, corporation or organization, whether public or
14 private, whose development programs in ICT are integral parts thereof, to
15 participate and assist in the preparation and implementation of various programs
16 among which are an integrated National Government Portal and the National
17 Government Data Center;
- 18 (e) Leverage resources and activities in the various National Government agencies for
19 data base building activity, information and resource sharing and agency
20 networking linkages;
- 21 (f) Design, implement, and ensure the protection of an integrated government
22 information and communications infrastructure development program that will
23 coordinate all relevant government entities, taking into consideration, the
24 inventory of existing and projected manpower, plans, programs, proposals,
25 software and hardware, and the installed systems and programs;
- 26 (g) Provide an integrated framework in order to optimize all government ICT
27 resources and networks and the identification and prioritization of all e-
28 governance systems and applications as provided for in the Government
29 Information Systems Plan and/or the Medium Term Philippine Development Plan
30 (MTPDP);
- 31 (h) Coordinate and support the generation and/or acquisition of all necessary
32 resources and facilities as may be appropriate in and for the development,
33 marketing, growth and competitiveness of the Philippine ICT and ICT-enabled
34 services sector;

- 1 (i) Develop, implement and improve, in coordination with concerned government
2 agencies and industry associations, the government's ICT application capabilities
3 and determine the personnel qualification and other standards essential to the
4 integrated and effective development and operation of government information
5 and communications infrastructure;
- 6 (j) Encourage and establish guidelines for private sector funding of ICT projects for
7 government agencies in order to fast-track said projects which provide reasonable
8 cost-recovery mechanisms for the private sector, including but not limited to
9 Build-Operate-Transfer (BOT) mechanisms;
- 10 (k) Assess, review and provide direction to ICT research and development programs
11 of the government in coordination with the Department of Science And
12 Technology and other institutions concerned;
- 13 (l) Establish and prescribe rules and regulations for the establishment, operation and
14 maintenance of ICT facilities in areas not adequately served by the private sector,
15 in consultation with the private business sector, local government units and the
16 academe;
- 17 (m) Provide policy-direction and guidance on ICT-related aspects for the operation
18 and maintenance of a nationwide postal system that shall include mail processing,
19 logistics services, money remittance and payment services and other banking
20 services in accordance with the rules and regulations of the Bangko Sentral ng
21 Pilipinas;
- 22 (n) Administer and enforce all laws, standards, rules, and regulations governing ICT;
- 23 (o) Ensure the protection of ICT-related intellectual property rights in coordination
24 with the Intellectual Property Office (IPO), the Optical Media Board (OMB), and
25 other concerned agencies;
- 26 (p) Protect the rights of consumer and business users to privacy, security and
27 confidentiality in coordination with concerned agencies;
- 28 (q) Harmonize, synchronize and coordinate with appropriate agencies all ICT and e-
29 commerce policies, plans and programs;
- 30 (r) Coordinate with the Department of Trade and Industry in the promotion of trade
31 and investment opportunities in ICT and ICT-enabled services;
- 32 (s) Promote strategic partnership and alliances among and between local and
33 international ICT firms and institutions, research and development, educational
34 and training institutions, and technology providers, developers and manufacturers,

to speed up industry growth and enhance global competitiveness in coordination with concerned agencies;

(t) Plan and/or implement such activities as may be appropriate and/or necessary to enhance the competitiveness of Philippine workers, firms, and small to medium enterprises in the global ICT market and ICT-enabled services market in coordination with concerned agencies;

(u) Undertake initiatives to promote ICT and ICT-enabled services in education and training and the development, promotion and application of ICT in education in a manner that is consistent with national goals and objectives, and responsive to the human resources needs of the ICT and ICT-enabled services sector in particular in coordination with concerned agencies;

(v) Maximize the use of existing government assets and infrastructure by encouraging private sector investments and partnerships in its operation to achieve total digital inclusion and access to the global information highway;

(w) Formulate guidelines and policies defining the manner of cooperation between Internet Service Providers (ISP), telecommunication companies (Telcos) and law enforcement agencies during official investigations on violations of existing laws relating to information communications technology.

SEC. 7. Composition. - The Department shall be headed by a Secretary to be appointed by the President, subject to the confirmation by the Commission on Appointments. The President shall also appoint not more than four (4) Undersecretaries and four (4) Assistant Secretaries.

Any person appointed as Undersecretary or Assistant Secretary of the Department must be a citizen and resident of the Philippines, of good moral character, of proven integrity, and with experience or expertise in either of the following: electronic governance, cyber services, information technology infrastructure, e-commerce, cyber security, data privacy, or human capital development.

At least one (1) of the Undersecretaries and one (1) of the Assistant Secretaries shall be a member of the Philippine Bar. The Assistant Secretaries referred to herein shall be career officers with appropriate eligibilities as prescribed by the Civil Service Commission.

SEC. 8. Secretary of Information and Communications Technology. - The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary of Information and Communications

1 Technology, hereinafter referred to as the Secretary, who shall have supervision and control
2 over the Department. For such purposes, the Secretary shall: -

- 3 a) Provide executive direction and supervision over the entire operations of the
4 Department and its attached agencies;
- 5 b) Establish policies and standards for the effective, efficient, and economical operation
6 of the Department, in accordance with the programs of Government;
- 7 c) Rationalize delivery systems necessary for the effective attainment of the objectives
8 of the Department, including the creation of such offices as may be necessary to
9 ensure the fulfillment of the Department's mandate, subject to the approval of the
10 Department of Budget and Management (DBM);
- 11 d) Review and approve requests for financial and manpower resources of all operating
12 offices of the Department;
- 13 e) Designate and or appoint all officers and employees of the Department, except the
14 Undersecretaries, Assistant Secretaries and Regional and Assistant Regional
15 Directors, in accordance with Civil Service laws, rules and regulations;
- 16 f) Establish coordinative mechanisms to ensure the successful implementation of the
17 National ICT policies, initiatives and guidelines in coordination with concerned
18 government units, local government units (LGUs), public and private interest groups,
19 including non-government organizations (NGOs) and people's organizations (POs);
- 20 g) Advise the President on the promulgation of executive and administrative orders and
21 regulatory and legislative proposals on matters pertaining to ICT development and
22 promotion;
- 23 h) Serve as a member of the Government Procurement Policy Board as established by
24 Republic Act No. 9184 otherwise known as Government Procurement Reform Act;
- 25 i) Serve as the Chairperson of the Board of the Philippine Postal Corporation in
26 accordance with Republic Act No. 7354 otherwise known as Postal Service Act of
27 1992, and the Corporation Law;
- 28 j) Formulate such rules and regulations and exercise such other powers as may be
29 necessary to implement the objectives and purposes of this Act; and
- 30 k) Perform such other tasks as may be provided by law or assigned by the President from
31 time to time.

32 **SEC. 9. Regional Offices.** - The Department shall be authorized to establish, operate,
33 and maintain a Regional Office in each of the administrative regions of the country as the
34 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. 10. Periodic Performance. – The Secretary is hereby required to formulate and enforce a system of measuring and evaluating periodically and objectively the performance of the Department and to submit the same annually to the President and to appropriate Congressional Committees.

Sec. 11. Council of Chief Information Officers – Every department and agency of the National Government or its equivalent office in any constitutional body, state college or university, and government – owned and controlled corporation, is hereby directed to appoint or designate at least a third ranking official as a Chief Information Officer.

The Council of Chief Information Officers shall be composed of eleven (11) members with fixed terms of office, to be appointed by the Secretary from sectoral representatives of government departments, constitutional bodies, academe, the LGUs and private sector ICT-oriented NGOs. The Secretary shall be the Chairperson of the Council.

The Council shall serve as a coordinating body to assist the Secretary in the establishment of policies, standards, rules and guidelines for the provision and other ICT e-governance initiatives. It shall also assist the Secretary in the monitoring and evaluation of the Government Information System Plan.

The Secretary shall convene the Council en banc or by sector at least once every semester within a calendar year.

SEC. 12. E-government Fund - There shall be an e-government fund to be appropriated annually under the General Appropriations Act (GAA) to be administered by the Department, specifically to fund cross-agency government ICT projects which 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: *Provided*, That the fund shall not be used to cover personal services expenditures: *Provided, further*,

1 That the rules and regulations on the utilization of the fund shall be jointly formulated by the
2 Department and the DBM.

3 The Department may accept donations, contributions and grants from various sources,
4 domestic or foreign: *Provided*, That in case of donations from foreign governments,
5 acceptance thereof shall be subject to the prior clearance or approval of the President of the
6 Philippines upon recommendation of the Secretary of Foreign Affairs. Receipts from
7 donations shall be accounted for in the books of the Department in accordance with the
8 pertinent accounting and auditing rules and regulations.

9 In order to ensure full transparency, accountability and integrity on the use of e-
10 government funds, a set of guidelines for the disbursement and management of the fund,
11 including the monitoring and evaluation system of projects funded under the e-government
12 fund, shall be formulated, developed, and published by the Department, in coordination with
13 the DBM. In the preparation of said guidelines, consultations shall also be made with the
14 respective umbrella organizations of the ICT sector.

15 The implementing agencies which were granted funding under the e-government
16 fund shall maintain primary responsibility over the use and management of the allocated
17 funds. The agencies concerned shall regularly submit performance and monitoring reports on
18 the use of said funds to the Department.

19 In connection with the implementation of the e-government fund, the Department
20 shall provide or arrange the appropriate or relevant ICT education or training program in
21 order to enable the trainees to comprehend the ICT development cycle appropriate to a
22 given project, as well as to ensure that government project managers shall acquire expertise
23 for the timely delivery of systems according to a prescribed content and budget.

24 However, internal IT systems meant to support the agencies' IT operations shall be
25 charged against the agencies' own budgetary allocation.

26 **SEC. 13. *Transfer of agencies and personnel.* –**

27 a) The following agencies are hereby abolished, and their powers and functions,
28 applicable funds and appropriations, records, equipment, property, and personnel
29 transferred to the Department:

- 30 1. All operating units currently existing in the Commission on Information and
31 Communications Technology (CICT);
- 32 2. National Computer Center (NCC);
- 33 3. Telecommunications Office (TELOF);

1 All offices, services, divisions, units and personnel not otherwise covered by this
2 Act for transfer or absorption into the new Department shall continue to perform their
3 transportation-related functions and therefore, shall be retained under the Department
4 on Transportation and Communication (DOTC), which is hereby renamed the
5 Department of Transportation.

6 b) The following agencies are hereby attached to the Department for policy and program
7 coordination, and shall continue to operate and function in accordance with the
8 charters, laws or orders creating them, insofar as they are not inconsistent with this
9 Act;

10 1. National Telecommunications Commission (NTC);

11 2. Philippine Postal Corporation.

12 The Department shall not exercise any power which will have the effect of modifying the
13 exercise by the NTC of its quasi-judicial function.

14 c) The laws and rules on government reorganization as provided for in Republic Act No.
15 6656, otherwise known as the Reorganization Law, shall govern the reorganization
16 process of the Department.

17 **SEC. 14. *Postal Regulatory Authority.*** - The exclusive power and authority to
18 regulate the postal delivery services industry, as provided for under Presidential Decree No.
19 240 and Republic Act No. 7354, is hereby transferred to the Department.

20 **SEC. 15. *Sectoral and Industry Task Forces.*** - The Department may create sectoral
21 and industry task forces, technical working groups, advisory bodies or committees for the
22 furtherance of its objectives. Additional private sector representatives, such as from academe
23 and federation of private industries directly involved in ICT, as well as other NGAs, LGUs
24 and government-owned and controlled corporations (GOCCs), may be appointed to these
25 working groups. Government IT professionals may also be tapped to partake in the work of
26 the Department through these working groups.

27 **SEC. 16. *Structure and Staffing Pattern.*** - The Department shall determine its
28 organizational structure and create new divisions or units as it may deem necessary, subject
29 to the approval of the DBM, and shall appoint officers and employees of the Department in
30 accordance with the Civil Service Law, rules and regulations.

31 **SEC. 17. *Magna Carta.*** - Employees of the Department shall be covered by Republic
32 Act No. 8439, which provides a magna carta for scientists, engineers, researchers and other
33 science and technology personnel in the government.

1 **SEC. 18. *Separation from Service*** –Employees separated from the service as a
2 result of the reorganization shall, within ninety (90) days therefrom, receive the retirement
3 benefits to which they may be entitled under existing laws, rules and regulations.

4 Incumbents whose positions are not included in the new position structure and
5 staffing pattern of the Department, or who are not re-appointed shall be deemed separated
6 from the service, whether permanent, temporary, contractual or casual employees, and shall,
7 within ninety (90) days therefrom, receive the retirement benefits to which they may be
8 entitled to under existing laws, rules and regulations.

9 **SEC. 19. *Appropriations*** – The amount needed for the initial implementation of this
10 Act shall be taken from the current year's appropriations of the Commission on Information
11 and Communications Technology and all government agencies herein absorbed or attached to
12 the Department. Thereafter, the amount needed for the operation and maintenance of the
13 Department and its line agencies shall be included in the annual General Appropriations Act:
14 *Provided*, That the amount to be appropriated for the new Department shall be based on the
15 organizational structure and staffing pattern approved by the DBM.

16 The budget of the Philippine Postal Corporation shall be charged from its internally
17 generated funds.

18 **SEC. 20. *Transitory Provisions*** – Within sixty (60) to ninety (90) days after the
19 approval of this Act, the organizational structure including the creation of new offices,
20 divisions or units as may be deemed necessary for the Department to carry out its powers and
21 functions under this Act, shall be determined by the Secretary through a Committee that shall
22 be established for the purpose.

23 The new organizational structure and staffing pattern of the Department shall be
24 evaluated and approved by the DBM.

25 The authorized positions created under the organizational or reorganization plan shall
26 be filled with regular appointments, as the exigencies of the service will require and
27 depending upon the position involved, by the President or the Secretary of the Department
28 as the case may be, in accordance with the Civil Service rules and regulations.

29 **SEC. 21. *Implementing Rules and Regulations***.– The Department shall promulgate
30 and issue such rules and regulations and other issuances as may be necessary to ensure the
31 effective implementation of this Act within one hundred twenty (120) days from the
32 approval thereof.

1 **SEC. 22. *Repealing Clause*** - All laws, decrees, executive orders, rules and
2 regulations and other issuances or parts thereof which are inconsistent with this Act are
3 hereby repealed, amended or modified accordingly.

4 **SEC. 23. *Separability Clause*** - If any provision of this Act shall be declared
5 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full
6 force and effect.

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

Approved

House of Representatives Committee Affairs Department

FACT SHEET

House Bill Nos. 16, 64, 498, 1230, 1508 and 1896

AN ACT CREATING THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY

*Introduced by: REPRESENTATIVES ROILO S. GOLEZ, LUIS R. VILLAFUERTE,
MARCELINO R. TEODORO, JUAN EDGARDO M. ANGARA, WINSTON T. CASTELO and
BEN P. EVARDONE*

*Committee Referral: COMMITTEE ON GOVERNMENT
REORGANIZATION (Primary)*

Committee Chairperson: Rep. Cesar G. Jalosjos

*Committee Referral: COMMITTEE ON INFORMATION
AND COMMUNICATIONS TECHNOLOGY (Secondary)*

Committee Chairperson: Rep. Sigfrido R. Tinga

Committee Referral: COMMITTEE ON APPROPRIATIONS (Secondary)

Committee Chairperson: Rep. Joseph Emilio A. Abaya

OBJECTIVES:

- To integrate the management of two diverse concerns, transportation and communications, into one department, the Department of Transportation and Communications (DOTC)
- To develop a Philippine information and communications technology according to world class standards, thereby ensuring a better future for all Filipinos.

KEY PROVISIONS:

- Creates the Department of Information and Communications Technology which 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 and ensure reliable cost efficient communications facilities and other multi-media infrastructure and services.
- Provides that the Department shall be headed by a Secretary and four (4) Undersecretaries, all of whom shall be appointed by the President.

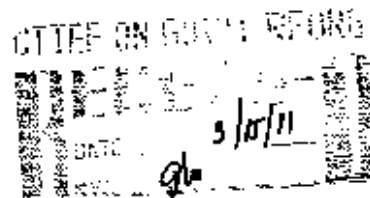
- Creates a coordinating body called the Council of Chief Information Officers that shall be composed of representatives from every government agency.
- Creates a Special Account in the General Fund called the E-government fund that shall be administered by the Department and it maybe augmented by donations, contributions and grants from local or international funding agencies.
- Provides for the abolition of the Commission on Information and Communications Technology (CICT) National Computer Center (NCC) and Telecommunications Office (TELOF) and the transfer of their powers and functions, applicable funds and appropriations, records, equipment, property, and personnel to the Department.
- Attaches the National Telecommunications Commission (NTC) and Philippine Postal Corporation to the Department.

RELATED LAWS:

- Republic Act No. 6656 - An Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization.
- Republic Act No. 8792 - Electronic Commerce Act
- Executive Order No. 366- Directing a Strategic Review of the Operations and Organizations of the Executive Branch and Providing Options and Incentives for Government Employees who may be affected by the Rationalization of the Functions and Agencies of the Executive Branch.
- Executive Order No. 125 A- Amending E.O. No. 125, entitled "Reorganizing the Ministry of Transportation and Communications, defining its powers and functions and for other purposes.
- Executive Order No. 269- Creating the Commission on Information and Communications Technology.
- Administrative Order No. 332- Directing all government agencies and instrumentalities including local government units to undertake the electronic interconnection through the internet to be known as the RPweb.



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



HON. JOSEPH EMILIO A. ABAYA

*Congressman, 1st District, Cavite
Chairman, Committee on Appropriations*

March 8, 2011

HON. CESAR G. JALOSJOS

*Chairman
Committee on Government Reorganization*

Dear Chairman Jalosjos:

Please be informed that the Committee on Appropriations, in its meeting held today, at Conference Rooms 9 & 10, Ramon V. Mitra Building, approved to report out Substitute Bill to House Bill Nos. 16, 64, 498, 1230, 1508 and 1896, entitled **"AN ACT CREATING THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY, DEFINING ITS POWERS AND FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"** with the following amendments:

1. On Section 12, page 9, line 27, between the word "fund" and the preposition "to" insert the phrase **"TO BE APPROPRIATED ANNUALLY UNDER THE GENERAL APPROPRIATIONS ACT (GAA)"** and on line 28, after the word "Department" delete the phrase **"which is a Special Account in the General Fund, created"**

On the same Section and page, line 32, between the word **"technologies"** and the article **"The"**, change the period (.) to colon (:) and add the following:

PROVIDED, THAT THE FUND SHALL NOT BE USED TO COVER PERSONAL SERVICES EXPENDITURES: PROVIDED, FURTHER, THAT THE RULES AND REGULATIONS ON THE UTILIZATION OF THE FUND SHALL BE JOINTLY FORMULATED BY THE DICT AND THE DBM.

On the same Section and page, lines 32 to 33, delete the last sentence which reads: **"The Fund may be augmented by donations, contributions and grants from local or international funding agencies."** and insert a new paragraph to read as follows:

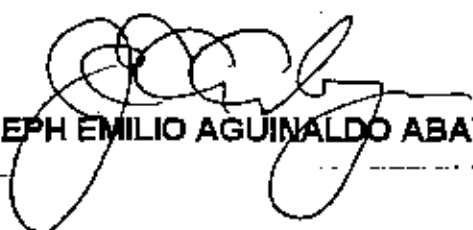
THE DEPARTMENT MAY ACCEPT DONATIONS, CONTRIBUTIONS AND GRANTS FROM VARIOUS SOURCES, DOMESTIC OR FOREIGN: PROVIDED, THAT IN CASE OF DONATIONS FROM FOREIGN

GOVERNMENTS, ACCEPTANCE THEREOF SHALL BE SUBJECT TO THE PRIOR CLEARANCE OR APPROVAL OF THE PRESIDENT OF THE PHILIPPINES UPON RECOMMENDATION OF THE SECRETARY OF FOREIGN AFFAIRS. RECEIPTS FROM DONATIONS SHALL BE ACCOUNTED FOR IN THE BOOKS OF THE DEPARTMENT IN ACCORDANCE WITH THE PERTINENT ACCOUNTING AND AUDITING RULES AND REGULATIONS.

2. On Section 17, page 11, line 23 between the comma (,) and conjunction "and" insert the phrase SUBJECT TO THE APPROVAL OF THE DBM,
3. On Section 20, page 12, line 10 after the word "Act" change the period (.) to colon (:) and insert the phrase PROVIDED, THAT THE AMOUNT TO BE APPROPRIATED FOR THE NEW DEPARTMENT, SHALL BE BASED ON THE ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN APPROVED BY THE DBM.

Thank you.

Very truly yours,



JOSEPH EMILIO AGUINALDO ABAYA

cc: Hon. Roilo Golez
Hon. Sigfrido R. Tinga
Hon. Luis R. Villafuerte
Hon. Juan Edgardo M. Angara
Hon. Marcelino R. Teodoro
Hon. Winston T. Castelo
Hon. Ben P. Evardone

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 16

Introduced by Honorable Roilo Golez

EXPLANATORY NOTE

No less than the 1987 Philippine Constitution, Section 24, Article II thereof, declares that the State recognizes the vital role of communications and information in nation-building. The Department of Transportation and Communications was thus created under the Administrative Code of 1987 to implement this state policy charged with the regulating and adjudicatory and expand a viable, efficient, safe and dependable transportation and communications systems as effective instruments for national recovery and economic progress.

To meet the needs of an increasingly complex transportation and communications sector and to keep up with the rapid pace of technology development particularly in the field of communications technology, the present Department of Transportation and Communications must be divided into two specialized agencies: one to focus on the needs of the transportation sector, both regulatory and adjudicatory, and the other to meet the increasingly complex requirements of the communications technology sector.

With the adoption of this legislative measure, the Department of Information and Communications will be the primary government department tasked to formulate national policies on information and communications technology related projects and programs of the government, and charged with the coordination, planning, and implementation of regulatory and administrative functions of the present DOTC.

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


ROILO GOLEZ

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 16

Introduced by Honorable Roilo Golez

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."

SEC. 2. Creation of the Department - There is hereby created the Department of Information and Communications Technology; hereinafter referred to as the Department.

SEC. 3. Declaration of Policy. - It is the policy of the state to promote the utilization of Information and Communications Technology (ICT) as a vital tool for nation-building and economic growth that is government-enabled, private sector-led, citizen-centric and market-based. Towards this end, government shall prioritize the effective coordination and implementation of its national and local ICT and ICT-enabled services, programs, projects and other related initiatives and reorganize and revitalize all relevant governmental institutions in order to achieve a streamlined and efficient structure that is responsive and attuned to national goals and objectives. It shall likewise be the policy of the State to provide an environment that will support investments in cost-efficient ICT infrastructure, systems and resources, to ensure universal access and high-speed connectivity at fair and reasonable costs; a level playing field for strategic alliances with investors in order to have balanced investments between high-growth and economically depressed areas; ensure consumer protection and welfare as well as preserve the rights of individuals and entities to privacy and confidentiality of information; to promote accountability through transparent governance, and effective delivery of government frontline services.

SEC. 4. Definition of Terms. - As used in this Act, the following terms are defined as follows:

- a) "E-Governance or Electronic Governance" - shall mean the application of information communications technology to the processes of government functioning to bring about efficient, ethical, accountable, responsive and transparent governance;

- ①
- b) "ICT Sector or ICT Industry" - shall mean all telecommunications carriers /operators, ICT equipment and solutions manufacturers and providers, internet service providers, ICT training institutions, software developers and ICT-enabled service providers;
 - c) "ICT-Enabled Service Providers" - shall mean offshoring and outsourcing service providers, including contact centers, medical or legal transcription, animation, engineering or architectural design services, software development, business process outsourcing services, and other providers of services that require the intrinsic use of a networked information infrastructure;
 - d) "Information and Communications Technology" - 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 the telephone system, the Internet, fax machines and computers;
 - e) "M-Governance or Mobile Governance" - shall mean the application of mobile technology to the process of government functioning to bring about efficient, ethical, accountable, responsive and transparent governance.

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 promote, develop and oversee the government's integrated and strategic ICT systems and ensure reliable and cost-efficient communications facilities and services.

The Department shall likewise be responsible for improving the acquisition, utilization and optimization of government's information and communications technologies in order to improve the productivity, efficiency, effectiveness, and responsiveness of national and local government programs. The Department shall furthermore be responsible for ensuring the application of information communications technology to the various processes of government functioning.

In fulfilling its mandate, the Department shall be guided by the following strategic objectives:

- a) Ensure the provision of a strategic, reliable, cost-efficient, and citizen-centric ICT infrastructure, systems, and resources as instruments of nation-building and global competitiveness;
- b) Foster a policy environment for ICT sector that will promote market-led, broader development of the ICT and ICT-enabled services sector; a level playing field, partnerships between the public and the private sectors, strategic alliance with foreign investors and balanced investments between high-growth and economically-depressed areas;
- c) Foster and accelerate convergence of ICT facilities such as, but not limited to, the development of networks;
- d) Ensure universal access and high-speed connectivity at fair and reasonable costs;
- e) Ensure the availability and accessibility of ICT services in areas not adequately served by the private sector;
- f) Promote and encourage the widespread use, creative development, access to, ICT with priority consideration on the requirements for growth of the Philippine ICT industry;
- g) Promote and assist the development of local and national content application and services in the area of ICT by sourcing or providing funds and construction assistance for ICT-hubs and/ or technical support to local-based providers in these endeavors and in the marketing of the local products to the global community;

- h) Establish a strong and effective regulatory and monitoring system that will ensure investor and consumer protection and welfare and foster a healthy competitive environment;
- i) Promote the technical training and scholarships, and the development and use of expertise in ICT and ICT-enabled services in the country's human capital to enable Filipinos to compete in a fast-evolving information and communication age;
- j) Ensure the growth of the ICT and ICT-enabled industries including mobile technologies, application and services;
- k) Preserve the rights of individuals to privacy and confidentiality of their personal information;
- l) Encourage the use of ICT in support of efforts or endeavors for the development and promotion of the country's arts and culture, history, education, public health and safety, and other socio-civic purposes;
- m) Sustain the development of the nationwide postal system as an integral component of the overall development of ICT in the country;
- n) Ensure the security of ICT infrastructures and assets of individuals and businesses; and
- o) Empower, through the use of ICT, the disadvantaged segments of the population, including persons with disabilities (PWD) or who are differently-abled.

SEC. 6. Powers and Functions. -- To carry out its mandate, the Department shall exercise the following powers and functions:

- a) Formulate, recommend, and/or implement national policies and guidelines in the ICT sector that will promote wider use and development of information and communications technologies, and applications, and increased and convenient access by the citizens to the same;
- b) Initiate, harmonize and/or coordinate all ICT plans and initiatives of government departments/agencies to ensure overall consistency and harmony with the objective of electronic governance, in particular, and national objectives and goals in general;
- c) Represent and negotiate for Philippine interests 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 in 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 various programs among which is an integrated National Government Portal;
- e) Leverage resources and activities in the various National Government agencies for data base building activity, information and resource sharing and agency networking linkages;
- f) Design, implement, and ensure the protection of an integrated government information and communications infrastructure development program that will coordinate all relevant government entities, taking into consideration, the inventory of existing and projected 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 and/or the Medium Term Philippine Development Plan (MTPDP);

- h) Coordinate and support the generation and/or acquisition of all necessary resources and facilities as may be appropriate in and for the development, marketing, growth and competitiveness of the Philippine ICT and ICT-enabled services;
- i) Develop, implement and improve, in coordination with concerned government agencies and industry associations, the government's ICT application capabilities and determine the personnel qualification and other standards essential to the integrated and effective development and operation of government information and communications infrastructure;
- j) 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;
- k) Assess, review and provide direction to 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 facilities in areas not adequately served by the private sector, in consultation with the private business sector, local government units and the academe;
- m) Support, assist, and prescribe rules and regulations on ICT-related aspects for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, and money order services;
- n) 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;
- o) In coordination with concerned agencies, 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 in ICT and ICT-enabled services;
- 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/or implement such activities as may be appropriate and/or necessary to enhance the competitiveness of Philippine workers, firms, and small to medium enterprises in the global ICT market and ICT-enabled services market;
- t) In coordination with the Department of Education, Commission On Higher Education (CHED) and Technical Education And Skills Development Authority (TESDA), undertake initiatives to promote ICT and ICT-enabled services in education and training and the development, promotion and application of ICT in education in a manner that is consistent with national goals and objectives, and responsive to the human resources needs of the ICT and ICT-enabled services sector in particular.

SEC. 7. Composition. - The Department shall be headed by a Secretary to be appointed by the president, subject to the confirmation by the Commission on Appointments. The President shall also appoint not more than four (4) Undersecretaries and four (4) Assistant Secretaries.

Any person appointed as Undersecretary or Assistant Secretary of the Department must be a citizen and resident of the Philippines, of good moral character, of proven integrity, and with experience or expertise in either of the following: electronic governance, cyber services, information technology infrastructure, or human capital development.

The Assistant Secretaries referred to herein shall be career officers with appropriate eligibilities as prescribed by the Civil Service Commission.

SEC. 8. Secretary of Information and Communications Technology. - The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary of Information and Communications Technology, hereinafter referred to as the Secretary, who shall have supervision and control over the Department. For such purposes, the Secretary shall:

- 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 or appoint all officers and employees of the Department, except 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 non-government organizations (NGOs) and people's organizations (POs) on Department policies and initiatives;
- g) Advise the President of the Republic of the Philippines on the promulgation of executive and administrative orders and regulatory and legislative proposals on matters pertaining to ICT development and promotion;
- h) Formulate such rules and regulations and exercise such other powers as may be necessary to implement the objectives and purposes of this Act; and
- i) Perform such other tasks as may be provided by law or assigned by the President of the Republic of the Philippines from time to time.

SEC. 9. Council of Chief Information Officers - Every department and agency of the national government or its equivalent office in any constitutional body, state college or university, and government-owned and -controlled corporation, is hereby directed to designate at least the third ranking official as a Chief Information Officer. The said Officers shall collectively form the Council of Chief Information Officers. The Secretary shall be the Chairman of the Council.

The Council shall serve as a coordinating body to assist the Secretary in implementing plans for a unified government-wide portal, set standards for government web sites, and establish rules and guidelines for the provision of information and other ICT e-government initiatives.

In performing its duties, the Council shall also consult regularly with Chief Information Officers of local government units on ICT-related activities through their national association and/or through the leagues of local governments.

The Secretary shall convene the Council en banc or by sector at least once every semester within a calendar year.

SEC. 10. 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 government ICT projects which 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. The Fund may be augmented by donations, contributions and grants from local or international funding agencies.

In order to ensure full transparency, accountability and integrity on the use of e-government funds, a set of guidelines for the disbursement and management of the fund, including the monitoring and evaluation system of projects funded under the e-government fund, shall be formulated, developed, and published by the Department, in coordination with the Department of Budget and Management. In the preparation of said guidelines, consultations shall also be made with the respective umbrella organizations of the information technology and communications sector.

The implementing agencies granted funding under the e-government fund shall maintain primary responsibility over the use and management of the allocated funds. The agency concerned shall regularly submit performance and monitoring reports on the use of said funds to the DICT.

In connection with the implementation of the e-government fund, the Department shall provide or arrange the appropriate or relevant ICT education or training program for government ICT in order to enable the trainees to comprehend the ICT development cycle appropriate to a given project, as well as to ensure that government project managers shall acquire expertise for the timely delivery of systems according to a prescribed content and budget.

SEC. 11. Periodic Performance. - The Secretary is hereby required to formulate and enforce a system of measuring and evaluating periodically and objectively the performance of the Department and to submit the same annually to the President of the Republic of the Philippines and to appropriate Congressional Committees.

SEC. 12. Implementing Rules and Regulations. - The Department shall promulgate and issue such rules and regulations and other issuances within 90 days from the approval of this Act as may be necessary to ensure its effective implementation.

SEC. 13. Transfer of agencies and personnel. -

The following agencies and institutions are hereby absorbed in the Department:

- a) All operating units currently existing in the Commission on Information and Communications Technology (CICT), which directly support communications, including the Telecommunications Policy Planning Office.

b) The National Computer Center under the Department of Science and Technology and

c) All offices, services, divisions, units, and personnel of the DOTC with functions and responsibilities dealing with communication;

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 named 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.

The following agencies are hereby attached to the Department for policy and program coordination and shall continue to operate and function in accordance with their charters, laws or orders creating them, and with such other functions and responsibilities mandated by law and insofar as they are consistent with this Act:

a) National Telecommunications Commission;

b) Philippine Postal Corporation; and

c) Telecommunications Office (TELOF).

The Department shall not exercise any power which will have the effect of modifying the exercise by the NTC of its quasi-judicial function.

SEC. 14. Separation from Service - Employees separated from the service as a result of the reorganization shall, within ninety (90) days therefrom, receive the retirement benefits to which they may be entitled under existing laws, rules and regulations.

Those incumbents whose positions are not included in the new position structure and staffing pattern of the Department, or who are not re-appointed shall be deemed separated from the service, whether permanent, temporary, contractual or casual employees, and shall, within ninety (90) days therefrom, receive the retirement benefits to which they may be entitled under existing laws, rules and regulations.

SEC. 15. Appropriations - The amount needed for the initial implementation of this Act shall be taken from the current year's appropriations of the Commission on Information and Communications Technology and all Government agencies herein absorbed or attached to the Department. Thereafter the amount needed for the operation and maintenance of the Department and its Line Agencies shall be included in the annual General Appropriations Act.

The budget of the Philippine Postal Corporation shall be charged from its internally generated funds.

SEC. 16. Transitory Provisions - Within three (3) months after the approval of this Act, the organizational structure including the creation of new division or units as may be deemed necessary for the Department to carry out its powers and functions under this Act, shall be determined by the Secretary through a Committee that he shall establish for the purpose.

The new organizational structure and staffing pattern of the Department shall be evaluated and approved by the DBM.

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The authorized positions created under the organizational or reorganization plan shall be filled with regular appointments, as the exigencies of the service will require and depending upon the position involved, by the President of the Philippines or the Secretary of the Department as the case may be, in accordance with the Civil Service rules and regulations.

SEC. 17. 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. 18. 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. 19. Effectivity Clause - This Act shall take effect after fifteen (15) days from its publication in at least two (2) papers of general circulation.

Approved

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 64

Introduced by HONORABLE LUIS R. VILLAFUERTE

EXPLANATORY NOTE

This bill reenacts House Bill No. 4300 which has been approved by the 14th Congress of the House of Representatives and has been transmitted to and received by the Senate on 11 August 2008.

The importance of information and communications technology (ICT) is embodied in the following sentences:

The State recognizes the vital role of communication and information in nation building.

Article II, Sec. 24, 1987 Constitution

Technology is the foundation of future economic development.

*President Gloria Macapagal Arroyo's
State of the Nation Address, July 23, 2001*

Modern and up-to-date ICT is vital to the growth of the economy. Given a globalized environment and the emergence of the so-called new economy, the country should be equipped to deal with new demands and challenges to be competitive.

In the United States, the widespread use of ICT in the 90's is believed to have resulted in efficiency gains and have contributed to the improvement in overall productivity. The use of modern ICT has improved the way of doing business which resulted in the sharp reduction of business transaction costs.

Electronically assisted business transactions favor the business sector because the delivery of goods and services entails less paper work with utmost accuracy and speed. Firms that take advantage of the availability of electronic commerce enjoy a competitive edge. These firms would have the capability to expand their market horizon and business contacts both locally and globally.

Modern ways of communication can mobilize rural development. The World Bank noted in its report of a group of subsistence farmers in the country have become pineapple specialists, using telex and fax machines to communicate directly with researchers and market representatives. This is an example where existing communication technologies alone bring convenience in transmitting information.

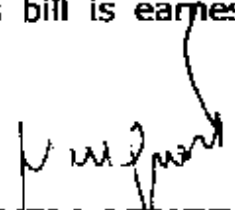
The use and development of ICT in the Philippines grew rapidly over the last decade. The country has huge potential in further developing its ICT capability with its highly skilled and trainable work force. With this competitive advantage over its Asian neighbors, it can encourage foreign investors to do business in the country.

Recognizing the important role of ICT in national development, there is a need to have a concerted effort between the government and the business sector to pursue an ICT development strategy for the country. The business sector will play the lead role in driving ICT development. The government, on the other hand, will provide an efficient and effective business environment, regulatory framework, and the services needed for ICT to develop and thrive.

Therefore, there is a need for a bill that will create a Department of Information and Communications Technology (DICT) which will be responsible in providing the policy and legal environment and the institutional mechanisms that will promote the development of ICT in the country. This Department will also ensure the availability of enabling factors such as infrastructure support, financial resources and qualified / skilled human resources, etc.

The Department will effectively split the Department of Transportation and Communications (DOTC), transferring all powers and functions related to communications to the new Department and the remaining transportation segment shall remain with the DOTC that shall be renamed as the Department of Transportation.

In view of the foregoing, the approval of this bill is earnestly sought.


LUIS R. VILLAFUERTE

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 64

Introduced by HONORABLE LUIS R. VILLAFUERTE

**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 House of Representatives of the
Philippines in Congress assembled:*

1 **SECTION 1. Short Title** - This Act shall be known as the
2 "Department of Information and Communications Technology Act".

3 **Sec. 2. Creation of the Department** - There is hereby created
4 the Department of Information and Communications Technology,
5 hereinafter referred to as the Department.

6 **Sec. 3. Declaration of Policy** - It is the policy of the State to
7 promote the utilization of Information and Communications
8 Technology (ICT) as a vital tool for nation-building and economic
9 growth that is government-enabled, private sector-led, citizen-centric
10 and market-based. Towards this end, government shall prioritize the
11 effective coordination and implementation of its national and local ICT
12 and ICT-enabled services, programs, projects and other related
13 initiatives and reorganize and revitalize all relevant governmental
14 institutions in order to achieve a streamlined and efficient structure

1 that is responsive and attuned to national goals and objectives. It
2 shall likewise be the policy of the State to provide an environment that
3 will support investments in cost-efficient ICT infrastructure, systems
4 and resources, to ensure universal access and high-speed connectivity
5 at fair and reasonable costs; ensure a level playing field for strategic
6 alliances with investors in order to have balanced investments between
7 high-growth and economically depressed areas, ensure consumer
8 protection and welfare as well as preserve the rights of individuals and
9 entities to privacy and confidentiality of information, to promote
10 accountability through transparent governance, and effective delivery
11 of government front line services.

12 **Sec. 4. Definition of Terms.** - As used in this Act, the
13 following terms are defined as follows:

14 (a) "E-Governance or Electronic Governance" shall mean the
15 application of information communications technology to the processes
16 of government functioning to bring about efficient, ethical,
17 accountable, responsive and transparent governance; —

18 (b) "ICT Sector or ICT Industry" shall mean all
19 telecommunications carriers / operators, ICT equipment and solutions
20 manufacturers and providers, internet service providers, ICT training
21 institutions, software developers and ICT-enabled service providers;

22 (c) "ICT-Enabled Service Providers" - shall mean all offshoring
23 and outsourcing service providers, including contact centers, medical
24 or legal transcription, animation, engineering or architectural design

1 services, software development, business process outsourcing services
2 and other providers of services that require the intrinsic use of a
3 networked information infrastructure.

4 (d) "Information and Communications Technology" shall mean
5 the totality of electronic means to collect, store, process and present
6 information to end-users in support of their activities and services. It
7 consists of computer systems, office systems and consumer
8 electronics, as well as networked information infrastructure, the
9 components of which include the telephone system, the Internet, fax
10 machines and computers.

11 (e) "M-Governance or Mobile Governance" shall mean the
12 application of mobile technology to the process of government
13 functioning to bring about efficient, ethical, accountable, responsive
14 and transparent governance.

15 **Sec. 5. Mandate** – The Department shall be the primary policy,
16 planning, coordinating, implementing, regulating and administrative
17 entity of the Executive Branch of the government that will promote,—
18 develop and oversee the government's integrated and strategic ICT
19 systems and ensure reliable and cost-efficient communications facilities
20 and services.

21 The Department shall likewise be responsible for improving the
22 acquisition, utilization and optimization of government's information
23 and communications technologies in order to improve the productivity,
24 efficiency, effectiveness, and responsiveness of national and local

1 government programs. The Department shall furthermore be
2 responsible for ensuring the application of information communications
3 technology to the various processes of government functioning.

4 In fulfilling its mandate, the Department shall be guided by the
5 following strategic objectives:

6 (a) Ensure the provision of a strategic, reliable, cost-efficient,
7 and citizen-centric ICT infrastructure, systems, and resources as
8 instruments of nation-building and global competitiveness;

9 (b) Foster a policy environment for ICT sector that will promote
10 market-led, broader development of the ICT and ICT-enabled services
11 sector, a level playing field, partnerships between the public and the
12 private sectors, strategic alliance with foreign investors and balanced
13 investments between high-growth and economically-depressed areas;

14 (c) Foster and accelerate convergence of ICT facilities such as,
15 but not limited to, the development of networks;

16 (d) Ensure universal access and high-speed connectivity at fair
17 and reasonable costs;

18 (e) Ensure the availability and accessibility of ICT services in
19 areas not adequately served by the private sector;

20 (f) Promote and encourage the widespread use, creative
21 development, and access to ICT with priority consideration on the
22 requirements for growth of the Philippine ICT industry;

23 (g) Promote and assist the development of local and national
24 content application and services in the area of ICT by sourcing or

1 providing funds and construction assistance for ICT-hubs and/or
2 technical support to local providers in these endeavors and in the
3 marketing of the local products to the global community;

4 (h) Establish a strong and effective regulatory monitoring
5 system that will ensure investor and consumer protection and welfare
6 and foster a healthy competitive environment;

7 (i) Promote technical training and scholarships, and the
8 development and use of expertise in ICT and ICT-enabled services for
9 the country's human capital to enable Filipinos to compete in a fast-
10 evolving information and communication age;

11 (i) Ensure the growth of the ICT and ICT-enabled industries,
12 including mobile technologies, application and services;

13 (k) Preserve the rights of individuals to privacy and
14 confidentiality of their personal information;

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

19 (m) Sustain the development of the nationwide postal system as
20 an integral component of the overall development of ICT in the
21 country.

22 (n) Ensure the security of ICT infrastructures and assets of
23 individuals and businesses; and

(o) Empower, through the use of ICT, the disadvantaged segments of the population, including persons with disabilities (PWD) or who are differently-abled.

Sec. 6. Powers and Functions – To carry out its mandate, the Department shall exercise the following powers and functions:

(a) Formulate, recommend and/or implement national policies and guidelines in the ICT sector that will promote wider use and development of information and communications technologies, and applications, and increased and convenient access by the citizens to the same.

(b) Initiate, harmonize and/or coordinate all ICT plans and initiatives of government departments/agencies to ensure overall consistency and harmony with the objective of electronic governance, in particular, and national objectives and goals in general;

(c) Represent and negotiate for Philippine interests 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 in 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 various programs among which is an integrated National Government Portal;

1 (e) Leverage resources and activities in the various national
2 government agencies for data base building activities, information and
3 resource sharing and agency networking linkages;

4 (f) Design, implement, and ensure the protection of an
5 integrated government information and communications infrastructure
6 development program that will coordinate all relevant government
7 entities, taking into consideration, the inventory of existing and
8 projected manpower, plans, programs, proposals, software and
9 hardware, and the installed systems and programs;

10 (g) Provide an integrated framework in order to optimize all
11 government ICT resources and networks and identify and prioritize all
12 e-government systems and applications as provided for in the
13 Government Information Systems Plan and/or the Medium Term
14 Philippine Development Plan (MTPDP);

15 (h) Coordinate and support the generation and/or acquisition of
16 all necessary resources and facilities as may be appropriate in and for
17 the development, marketing, growth and competitiveness of the
18 Philippine ICT and ICT-enabled services;

19 (i) Develop, implement and improve, in coordination with
20 concerned government agencies and industry associations, the
21 government's ICT application capabilities and determine the personnel
22 qualification and other standards essential to the integrated and
23 effective development and operation of government information and
24 communications infrastructure;

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

6 (k) Assess, review and provide direction to ICT research and
7 development programs of the government in coordination with the
8 Department of Science and Technology and other institutions
9 concerned;

10 (l) Establish and prescribe rules and regulations for the
11 establishment, operation and maintenance of ICT facilities in areas not
12 adequately served by the private sector, in consultation with the
13 private business sector, local government units and the academe;

14 (m) Support, assist, and prescribe rules and regulations on ICT-
15 related aspects for the operation and maintenance of a nationwide
16 postal system that shall include mail processing, delivery services, and
17 money order services;

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

22 (o) In coordination with concerned agencies, ensure consumer
23 protection and welfare, and protect the rights of consumers and
24 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 in ICT and ICT-enabled services;

(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/or implement such activities as may be appropriate and/or necessary to enhance the competitiveness of Philippine workers, firms and small to medium enterprises in the global ICT market and ICT-enabled services market;

(t) In coordination with the Department of Education, Commission on Higher Education (CHED) and Technical Education and Skills Development Authority (TESDA), undertake initiatives to promote ICT and ICT-enabled services education and training and the development, promotion and application of ICT in education in a manner that is consistent with national goals and objectives, and responsive to the human resources needs of the ICT and ICT-enabled services sector in particular;

Sec. 7. Composition. - The Department shall be headed by a Secretary to be appointed by the President, subject to the confirmation by the Commission on Appointments. The President shall also appoint not more than four (4) undersecretaries and four (4) assistant secretaries.

Any person appointed as undersecretary or assistant secretary of the Department must be a citizen and resident of the Philippines, of good moral character, and of proven integrity and with experience or expertise in either of the following: electronic governance, cyber services, information technology infrastructure, or human capital development.

The assistant secretaries referred to herein shall be career officers with appropriate eligibilities as prescribed by the Civil Service Commission.

Sec. 8. Secretary of Information and Communications Technology - The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary of Information and Communications Technology, hereinafter referred to as the Secretary, who shall have supervision and control over the Department. For such purposes, the Secretary shall:

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

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

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

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

9 (e) Designate and/or appoint all officers and employees of the
10 Department, except the undersecretaries, assistant secretaries and
11 regional and assistant regional directors, in accordance with civil
12 service laws, rules and regulations;

13 (f) Coordinate with local government units (LGUs), other
14 agencies, and public and private interest groups, including
15 nongovernment organizations (NGOs) and people's organizations (POs)
16 on Department policies and initiatives;

17 (g) Advise the President of the Republic of the Philippines on the
18 promulgation of executive and administrative orders and regulatory
19 and legislative proposals on matters pertaining to ICT development
20 and promotion;

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

1 (i) Perform such other tasks as may be provided by law or
2 assigned by the President of the Republic of the Philippines from time
3 to time.

4 **Sec. 9. Council of Chief Information Officers** - Every
5 department and agency of the national government or its equivalent
6 office in any constitutional body, state college or university, and
7 government-owned and controlled corporation, is hereby directed to
8 designate at least the third ranking official as a Chief Information
9 Officer. The said officers shall collectively form the Council of Chief
10 Information Officers. The Secretary shall be the Chairman of the
11 Council.

12 The Council shall serve as a coordinating body to assist the
13 Secretary in implementing plans for a unified government-wide portal,
14 set standards for government websites, and establish rules and
15 guidelines for the provision of information and other ICT e-government
16 initiatives.

17 In performing its duties, the Council shall also consult regularly
18 with Chief Information Officers of local government units on ICT-
19 related activities through their national association and/or through the
20 leagues of local governments.

21 The Secretary shall convene the Council *en banc* or by sector at
22 least once every semester within a calendar year.

23 **Sec. 10. E-government Fund** - There shall be an e-
24 government fund to be administered by the Department, which is a

1 Special Account in the General Fund, created specifically to fund cross-
2 agency government ICT projects which shall be used to support and
3 co-finance projects that enable the government to expand its ability to
4 conduct activities electronically and provide frontline services through
5 the development and implementation of innovative uses of the internet
6 or other emerging technologies. The Fund may be augmented by
7 donations, contributions and grants from local or international funding
8 agencies.

9 In order to ensure full transparency, accountability and integrity
10 on the use of e-government funds, a set of guidelines for the
11 disbursement and management of the fund, including the monitoring
12 and evaluation system of projects funded under the e-government
13 fund, shall be formulated, developed and published by the
14 Department, in coordination with the Department of Budget and
15 Management (DBM). In the preparation of said guidelines,
16 consultations shall be made with the respective umbrella organizations
17 of the information technology and communications sector. —

18 The implementing agencies granted funding under the e-
19 government fund shall maintain primary responsibility over the use
20 and management of the allocated funds. The agency concerned shall
21 regularly submit performance and monitoring reports on the use of
22 said funds to the Department of Information and Communications
23 Technology (DICT).

1 In connection with the implementation of the e-government
2 fund, the Department shall provide or arrange the appropriate or
3 relevant ICT education or training program for government ICT in
4 order to enable the trainees to comprehend the ICT development cycle
5 appropriate to a given project, as well as to ensure that government
6 project managers shall acquire expertise for the timely delivery of
7 systems according to a prescribed content and budget.

8 **Sec. 11. Periodic Performance** - The Secretary is hereby
9 required to formulate and enforce a system to periodically and
10 objectively measure and evaluate the performance of the Department
11 and to submit the same annually to the President of the Republic of the
12 Philippines and to appropriate Congressional Committees.

13 **Sec. 12. Transfer of Agencies and Personnel.** - The
14 following agencies and institutions are hereby absorbed in the
15 Department:

16 (a) All operating units currently existing in the Commission on
17 Information and Communications Technology (CICT), which directly
18 support communications, including the Telecommunications Policy
19 Planning Office;

20 (b) The National Computer Center under the Department of
21 Science and Technology (DOST); and

22 (c) All offices, services, divisions, units, and personnel of the
23 Department of Transportation and Communications (DOTC) with
24 functions and responsibilities dealing with communications.

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

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

10 The following agencies are hereby attached to the Department
11 for policy and program coordination and shall continue to operate and
12 function in accordance with their charters, laws or orders creating
13 them, and with such other functions and responsibilities mandated by
14 law and insofar as they are consistent with this Act:

- 15 (a) National Telecommunications Commission;
- 16 (b) Philippine Postal Corporation; and
- 17 (c) Telecommunications Office (TELOF).

18 The Department shall not exercise any power which will have the
19 effect of modifying the exercise by the NTC of its quasi-judicial
20 function.

21 **Sec. 13. Separation from Service** - Employees separated
22 from the service as a result of the reorganization shall, within ninety
23 (90) days therefrom, receive the retirement benefits to which they
24 may be entitled under existing laws, rules and regulations.

Approved: _____
Secretary of Transportation

1 Those incumbent employees whose positions are not included in
2 the new position structure and staffing pattern of the Department, or
3 who are not re-appointed shall be deemed separated from the service,
4 whether permanent, temporary, contractual or casual employees, and
5 shall within ninety (90) days therefrom, receive the retirement benefits
6 to which they may be entitled under existing laws, rules and
7 regulations.

8 **Sec.14. Appropriations** - The amount needed for the initial
9 implementation of this Act shall be taken from the current year's
10 appropriations of the Commission on Information and Communications
11 Technology and all government agencies herein absorbed or attached
12 to the Department. Thereafter, the amount needed for the operation
13 and maintenance of the Department and its line agencies shall be
14 included in the annual General Appropriations Act.

15 The budget of the Philippine Postal Corporation shall be charged
16 from its internally generated funds.

17 **Sec. 15. Transitory Provisions** - Within three (3) months
18 after the approval of this Act, the organizational structure including the
19 creation of new division or units as may be deemed necessary for the
20 Department to carry out its powers and functions under this Act, shall
21 be determined by the Secretary through a Committee that he shall
22 establish for the purpose.

23 The new organizational structure and staffing pattern of the
24 Department shall be evaluated and approved by the DBM.

1 The authorized positions created under the organizational or
2 reorganization plan shall be filled with regular appointments, as the
3 exigencies of the service will require and depending upon the position
4 involved, by the President of the Philippines or the Secretary of the
5 Department as the case may be, in accordance with the civil service
6 rules and regulations.

7 **Sec. 16. *Implementing Rules and Regulations.*** - The
8 Department shall promulgate and issue such rules and regulations and
9 other issuances within ninety (90) days from the approval of this Act
10 as may be necessary to ensure its effective implementation.

11 **Sec.. 17. *Separability Clause*** - If any provision of this Act
12 shall be declared unconstitutional or invalid, the other provisions not
13 otherwise affected shall remain in full force and effect.

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

18 **Sec. 21. *Effectivity Clause*** - This Act shall take effect after
19 fifteen (15) days from its publication in at least two (2) papers of
20 general circulation.

Approved,

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 II 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

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.

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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. 8856, 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,

57

Republic of the Philippines
House of Representatives
Quezon City

Fifteenth Congress

First Regular Session

HOUSE BILL NO. 1230

Introduced by Honorable Winston Castelo

EXPLANATORY NOTE

Section 24, Article II (Declaration of Principles and State Policies) of the 1987 Constitution states:

"SEC. 24. The State recognizes the vital role of communication and information in nation-building."

To give recognition to the vital importance of information technology in national development, this bill seeks to reorganize and rationalize certain government functions. This bill proposes to create a new agency which shall be known as the Department of Information Technology and Communications (DITC) that will effectively merge the communications arm of the Department of Transportation and Communications (DOTC) with the information technology division of the Department of Science and Technology (DOST), Commission on Information and Communications Technology (CICIT) and the National Computer Center (NCC) which is presently under the Office of the President. These are offices in charge of communications and information technology planning for the government.

Through this bill, we look forward to the use of information technology and modern communication to spur the growth of the economy, improve the efficiency of

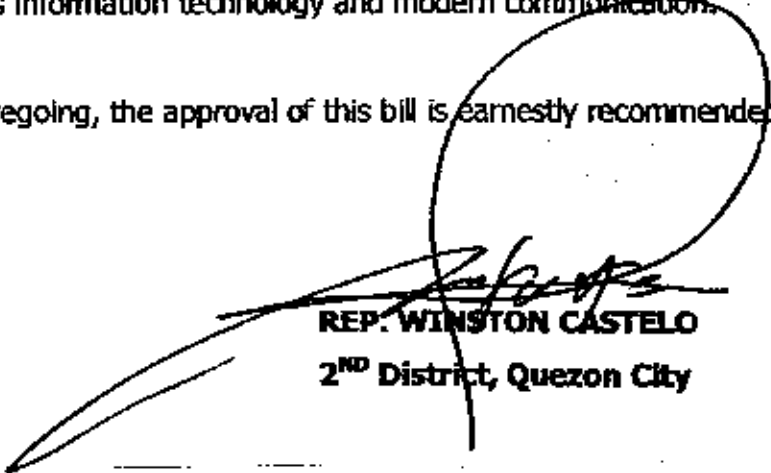
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government and the delivery of public services. In this way, we overcome geographic limitation to achieve the goal of globalization by transcending cultural and territorial barriers.

To attain this objective, there is a need to provide a national and integrated government program that will optimize the utilization of information technology and communications facilities. Moreover, it is of critical importance that the information technology and communications services of the government be integrated. Information technology offers tremendous potential to meet basic human needs and develop human resources.

Countries around the world realize the inherent advantages of dealing in an environment that is uniform and closely knit. The integration of everything from trade and technology is an inevitable consequence of globalization. At the heart of this global momentum is information technology and modern communication.

In view of the foregoing, the approval of this bill is earnestly recommended.



REP. WINSTON CASTELO
2ND District, Quezon City

Republic of the Philippines
House of Representatives
Quezon City

Fifteenth Congress

First Regular Session

HOUSE BILL NO. 1230

Introduced by Honorable Winston Castelo

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

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

SECTION 1. This Act shall be known as the "Department of Information Technology and Communications Act of 2001."

SEC. 2. **Declaration of Policy.** - The State shall provide the policy environment for the full development of Filipino capability and the resurgence of communications structures suitable to the needs and aspirations of the nation and the balanced flow of information into, out of, and across the country, in accordance with a policy that respects the freedom of speech and of the press. For this purpose, the State shall provide a national and integrated government program that will optimize the utilization of information technology and communications facilities towards the attainment of continued economic growth and development.

SEC. 3. **Creation of Department of Information Technology and Communications.** - There is hereby created a Department of Information

Technology and Communications, hereinafter referred to as the DITC, which shall assume the communication functions of the Department of Transportation and Communications and such other functions as may be assigned to it by law.

SEC. 4. Objectives. – The Department of Information Technology and Communications shall have the following objectives:

- (a) Promote the development of dependable and coordinated information technology and communications systems;
- (b) Guide the development of information technology and communication systems in a most practical, expeditious, and orderly fashion of maximum service, safety and cost effectiveness;
- (c) Impose appropriate measures so that technical, economic and other conditions for the continuing economic viability of the information technology and communications entities are not jeopardized;
- (d) Develop an integrated plan for a nationwide information technology and communications service requirements;
- (e) Encourage the development of the information technology and communications industries and to complement and support, as much as possible, the expansion, development, operation and maintenance of the nationwide computer and telecommunications network; and
- (f) Provide for a safe, reliable and efficient postal system for the country.

SEC. 5. Authority and Responsibility. – The authority and responsibility for the exercise of the mandate of the DITC and for the discharge of its powers and functions shall be vested in the Secretary of Information Technology and

Communications, hereinafter referred to as the Secretary, who shall have supervision and control over the DITC and who shall be appointed by the President of the Republic of the Philippines.

SEC. 6. Powers and Functions. – To accomplish its mandate, the DITC shall have the following powers and functions:

- (a) Formulate and recommend national policies and guidelines for the preparation and implementation of integrated and comprehensive information technology and communications system at the national, regional and local levels;
- (b) Establish and administer comprehensive and integrated programs for information technology and communications, and for this purpose, may call on any agency, corporation, or organization, whether public or private, whose development programs include information technology and communications as an integral part thereof, to participate and assist in the preparation and implementation of such programs;
- (c) Assess, review and provide direction to information technology and communications research and development programs of the government in coordination with other institutions concerned;
- (d) Administer and enforce all laws, rules and regulations in the field of information technology and communications;
- (e) Establish, operate and maintain a nationwide postal system that shall include mail processing, delivery services, and money order services and promote the art of philately;

- (f) Establish and prescribe rules and regulations for the establishment, operation and maintenance of such telecommunications facilities in areas not adequately served by the private sector in order to render such domestic and overseas services that are necessary with due consideration for advances in technology;
- (g) Establish and prescribe rules and regulations for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, money order service and promotion of philately;
- (h) Establish and prescribe the corresponding rules and regulations for the enforcement of laws governing information technology, postal services, including the penalties for violations thereof, and for the deputation of appropriate law enforcement agencies in pursuance thereof; and
- (i) Perform such other powers and functions as may be prescribed by law, or as may be necessary, incidental, or proper to its mandate, or as may be assigned from time to time by the President of the Philippines.

SEC. 7. Officers of the DITC.- The Secretary shall be assisted by three (3) Undersecretaries who shall be appointed by the President upon the recommendation of the Secretary.

The Secretary shall also be assisted by six (6) Assistant Secretaries appointed by the President upon the recommendation of the Secretary, each of whom shall be responsible for the following four (4) staff offices composed of eight (8) services and three (3) line offices, and shall report to the respective Undersecretaries assigned by

the Secretary, which Undersecretary shall have control and supervision over said respective services and offices:

(a) Office of the Assistant Secretary for Administrative and Legal Affairs:

1. Administrative Service, and
2. Legal Service

(b) Office of the Assistant Secretary for Finance and Comptrollership:

1. Finance and Management Service, and
2. Comptrollership Service

(c) Office of the Assistant Secretary for Planning and Project Development:

1. Planning Service, and
2. Project Development Service

(d) Management Information Service and Project Management:

1. Management Information Service, and
2. Project Management Service

(e) Office of the Assistant Secretary for Postal Services

(f) Office of the Assistant Secretary for Telecommunications

(g) Office of the Assistant Secretary for Information Technology

Each of the above-named services shall be headed by a service chief—
appointed by the Secretary.

SEC. 8. Structural Organization. – The Office of the Secretary shall have direct line supervision and control over the regional offices. It shall be responsible for developing and implementing policies, plans, programs and projects for the department.

64

The DITC which is comprised of the offices of the Secretary, Undersecretary and Assistant Secretaries shall include the regional offices and the attached agencies of the DITC.

SEC. 9. Regional Offices. – The DITC shall have three (3) Regional Offices in each of the Administrative regions of the country: the Regional Office for Information Technology, the Regional Office for Telecommunications and the Regional Office for Postal Services. Each Regional Office shall be headed by a Regional Director and assisted by an Assistant Regional Director.

The Regional Offices shall essentially be line in character and shall be responsible for the delivery of all front line services of the DITC.

For such purposes, 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 DITC;
- (b) Provide efficient and effective service to the people;
- (c) Coordinate with regional offices of other departments, offices and agencies;
- (d) Coordinate with local government units;
- (e) Perform such other functions as may be provided by law.

SEC. 10. Appointed by Officials and Employees. – All other officers not appointed by the President and all rank and file, contractual or casual employees, shall be appointed by the DITC Secretary.

6

SEC. 11. Nature of the Appointment of Officials and Employees. --

Appointment to the positions with rank lower than that of the assistant secretaries of the DITC shall be made only upon merit and fitness and shall be governed by relevant laws, rules and regulations on the matter.

SEC. 12. Agencies Attached and Placed Under the Control and Supervision of the DITC. -- The DITC shall exercise control and supervision over the following agencies, any provision of the law or their respective charters to the contrary notwithstanding:

- (1) National Computer Center (NCC)
- (2) National Telecommunications Commission (NTC)
- (3) Philippine Postal Corporation (PPC)
- (4) Science and Technology Information Institute (STII)

All actions taken and exercised by the governing boards and executives of the abovenamed agencies which affect and bear on the policies, programs, projects, rules and regulations of the DITC shall require the prior approval of the Secretary.

SEC. 13. Security of Tenure. -- In the implementation of this Act, the Executive Branch of the government shall insure that there shall be no undue separation of personnel. In the event that the laying-off of personnel becomes unavoidable because of the abolitions of their office or positions, impact mitigation measures shall be adopted, such as redeployment of separated employees of one department or agency to other appropriate departments, agencies or entities.

SEC. 14. Separation Benefits. -- Employees who may be separated or removed from the service by reason of this Act, shall be granted a gratuity

equivalent to one hundred fifty percent (150%) of their basic monthly pay for every year of service, based on the highest salary received. For those employees who have been in the government service for at least fifteen (15) years and are at least fifty years old, they may opt to avail of the early retirement benefits equivalent to seventy five percent (75%) of the amount they would have been entitled to receive as full retirement benefits had they remained in the service for the mandated period.

SEC. 15. Rules and Regulations. – Within sixty (60) days from their appointment, the Secretary shall promulgate rules and regulations for the effective implementation of this Act.

SEC. 16. Appropriation. – Such sum as may be necessary for the implementation of this Act shall be taken from the current fiscal year appropriations of the Department of Transportation and Communications (DOTC). Thereafter, the amount needed for the operations and maintenance of the DOTC shall be included in the General Appropriations Act.

SEC. 17. 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. 18. Effectivity. – This Act shall take effect after fifteen (15) days following its publication in two (2) national newspapers of general circulation.

Approved,

67

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No. **1508**

INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

Article II, Section 24 of the 1987 Constitution states that "[T]he State recognizes the vital role of communication and information in nation-building.

Hence, in keeping with the said constitutional provision, this bill proposes the creation of the Department of Information and Communications (DICT), which shall:

1. Promote and oversee the development of ICT systems and ensure the growth of reliable and cost-efficient communications facilities and services;
2. Promote technical trainings and scholarships that will enable Filipinos to compete in a fast-evolving information and communication era;
3. Create a coordinating body called the Council of Chief Information Officers which is composed of representatives from every government agency;
4. Create a special account in the general fund called the *E-government Fund* shall be administered by the proposed DICT and which may be augmented by donations, contributions and grants from local and international funding agencies;
5. Provide for the absorption into the proposed DICT all operating units currently existing in the Commission on Information and Communications Technology (CICT), which directly support communications, the National Computer Center and all offices, services, divisions, units, and personnel of the Department of Transportation and Communications with functions and responsibilities dealing with communication; and
6. Attach the National Telecommunications Commission, Philippine Postal Corporation and the Telecommunications Office (TELOF) to the proposed DICT.

It is the objective of this measure to address an existing problem whereby two diverse concerns, transportation and communications, are presently being handled by just one department – the Department of Transportation and Communications (DOTC). Likewise, to create a single and well-focused agency that will concentrate on Information and Communication Technology (ICT) which is an emerging, fast-evolving, and increasingly complex phenomenon. And eventually, to develop a world-class Philippine ICT, thereby ensuring a better future for all Filipinos.

In view of the foregoing, approval of this measure is immediately sought.


MARCELINO "MARCY" R. TEODORO

Representative, 1st District
City of Marikina

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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No. **1508**

INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

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 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".

SEC. 2. *Creation of the Department.* – There is hereby created the Department of Information and Communications Technology, hereinafter referred to as the Department.

SEC. 3. *Declaration of Policy.* – It is the policy of the State to promote the utilization of Information and Communications Technology (ICT) as a vital tool for nation-building and economic growth that is government-enabled, private sector-led, citizen-centric and market-based. Towards this end, government shall prioritize the effective coordination and implementation of its national and local ICT and ICT-enabled services, programs, projects and other related initiatives and reorganize and revitalize all relevant governmental institutions in order to achieve a streamlined and efficient structure that is responsive and attuned to national goals and objectives. It shall likewise be the policy of the State to provide an environment that will support investments in cost-efficient ICT infrastructure, systems and resources to ensure universal access and high-speed connectivity at fair and reasonable costs; ensure a level playing field for strategic alliances with investors in order to have balanced investments between high-growth and economically depressed areas; ensure consumer protection and welfare as well as preserve the rights of individuals and entities to privacy and confidentiality of information; and to promote accountability through transparent governance, and effective delivery of government frontline services.

SEC. 4. *Definition of Terms.* – As used in this Act, the following terms are defined as follows:

(a) "E-Governance or Electronic Governance" shall mean the application of information and communications technology to the processes of government functioning to bring about efficient, ethical, accountable, responsive and transparent governance.

(b) "ICT Sector or ICT Industry" shall mean all telecommunications carriers/operators, ICT equipment and solutions manufacturers and providers.

internet service providers, ICT training institutions, software developers and ICT-enabled service providers.

(c) "ICT-Enabled Service Providers" shall mean offshoring and outsourcing service providers, including contact centers, medical or legal transcription, animation, engineering or architectural design services, software development, business process outsourcing services, and other providers of services that require the intrinsic use of a networked information infrastructure.

(d) "Information and Communications Technology" 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 the telephone system, the Internet, fax machines and computers.

(e) "M-Governance or Mobile Governance" shall mean the application of mobile technology to the process of government functioning to bring about efficient, ethical, accountable, responsive and transparent governance.

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 promote, develop and oversee the government's integrated and strategic ICT systems and ensure reliable and cost-efficient communications facilities and services.

The Department shall likewise be responsible for improving the acquisition, utilization and optimization of government's information and communications technologies in order to improve the productivity, efficiency, effectiveness, and responsiveness of national and local government programs.

The Department shall furthermore be responsible for ensuring the application of information and communications technology to the various processes of government functioning. In fulfilling its mandate, the Department shall be guided by the following strategic objectives:

- a) Ensure the provision of a strategic, reliable, cost-efficient, and citizen-centric ICT infrastructure, systems, and resources as instruments of nation-building and global competitiveness;
- b) Foster a policy environment for the ICT sector that will promote market-led broader development of the ICT and ICT-enabled services sector; a level playing field, partnerships between the public and the private sectors; strategic alliance with foreign investors and balanced investments between high-growth and economically-depressed areas;
- c) Foster and accelerate convergence of ICT facilities such as, but not limited to, the development of networks;
- d) Ensure universal access and high-speed connectivity at fair and reasonable costs;
- e) Ensure the availability and accessibility of ICT services in areas not adequately served by the private sector;
- f) Promote and encourage the widespread use, creative development, and access to ICT with priority consideration on the requirements for growth of the Philippine ICT industry;
- g) Promote and assist the development of local and national content application and services in the area of ICT by sourcing or providing funds and construction

assistance for ICT-hubs and/or technical support to local-based providers in these endeavors and in the marketing of the local products to the global community;

h) Establish a strong and effective regulatory and monitoring system that will ensure investor and consumer protection and welfare and foster a healthy competitive environment;

i) Promote technical training and scholarships, and the development and use of expertise in ICT and ICT-enabled services for the country's human capital to enable Filipinos to compete in a fastevolving information and communications age;

j) Ensure the growth of the ICT and ICT-enabled industries, including mobile technologies, applications and services;

k) Preserve the rights of individuals to privacy and confidentiality of their personal information;

l) Encourage the use of ICT in support of efforts or endeavors for the development and promotion of the country's arts and culture, history, education, public health and safety, and other socio-civic purposes;

m) Sustain the development of the nationwide postal system as an integral component of the overall development of ICT in the country;

n) Ensure the security of ICT infrastructures and assets of individuals and businesses; and

o) Empower, through the use of ICT, the disadvantaged segments of the population, including persons with disabilities (PWD) or who are differently-abled.

SEC. 6. Powers and Functions. – To carry out its mandate, the Department shall exercise the following powers and functions:

(a) Formulate, recommend and/or implement national policies and guidelines in the ICT sector that will promote wider use and development of information and communications technologies and applications, and increased and convenient access by the citizens to the same;

(b) Initiate, harmonize and/or coordinate all ICT plans and initiatives of government departments/agencies to ensure overall consistency and harmony with the objective of electronic governance, in particular, and national objectives and goals in general;

(c) Represent and negotiate for Philippine interests 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 in 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 various programs among which is an integrated National Government Portal;

(e) Leverage resources and activities in the various national government agencies for data base building activities, information and resource sharing and agency networking linkages;

(f) Design, implement, and ensure the protection of an integrated government information and communications infrastructure development program that will coordinate all relevant government entities, taking into consideration, the inventory of existing and projected 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 identify and prioritize all e-government systems and applications as provided for in the Government Information Systems Plan and/or the Medium Term Philippine Development Plan (MTPDP);

(h) Coordinate and support the generation and/or acquisition of all necessary resources and facilities as may be appropriate in and for the development,

marketing, growth and competitiveness of the Philippine ICT and ICT-enabled services;

(i) Develop, implement and improve, in coordination with concerned government agencies and industry associations, the government's ICT application capabilities and determine the personnel qualification and other standards essential to the integrated and effective development and operation of government information and communications infrastructure;

(j) 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;

(k) Assess, review and provide direction to 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 facilities in areas not adequately served by the private sector, in consultation with the private business sector, local government units and the academe;

(m) Support, assist, and prescribe rules and regulations on ICT-related aspects for the operation and maintenance of a nationwide postal system that shall include mail processing, delivery services, and money order services;

(n) 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;

(o) In coordination with concerned agencies, ensure consumer protection and welfare, and protect the rights of consumers 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 in ICT and ICT-enabled services;

(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/or implement such activities as may be appropriate and/or necessary to enhance the competitiveness of Philippine workers, firms, and small to medium enterprises in the global ICT market and ICT-enabled services market;

(t) In coordination with the Department of Education, Commission on Higher Education (CHED) and Technical Education and Skills Development Authority (TESDA), undertake initiatives to promote ICT and ICT-enabled services in education and training and the development, promotion and application of ICT in education in a manner that is consistent with national goals and objectives, and responsive to the human resources needs of the ICT and ICT-enabled services sector in particular.

SEC. 7. Composition. – The Department shall be headed by a Secretary to be appointed by the President, subject to the confirmation by the Commission on Appointments. The President shall also appoint not more than four (4) undersecretaries and four (4) assistant secretaries.

Any person appointed as undersecretary or assistant secretary of the Department must be a citizen and resident of the Philippines, of good moral character, of proven integrity, and with experience or expertise in either of the following:

electronic governance, cyber services, information technology infrastructure, or human capital development.

The assistant secretaries referred to herein shall be career officers with appropriate eligibilities as prescribed by the Civil Service Commission.

SEC. 8. Secretary of Information and Communications Technology. – The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary of Information and Communications Technology, hereinafter referred to as the Secretary, who shall have supervision and control over the Department.

For such purposes, the Secretary shall:

- (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/or appoint all officers and employees of the Department, except 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 nongovernment organizations (NGOs) and people's organizations (POs) on Department policies and initiatives;
- (g) Advise the President of the Republic of the Philippines on the promulgation of executive and administrative orders and regulatory and legislative proposals on matters pertaining to ICT development and promotion;
- (h) Formulate such rules and regulations and exercise such other powers as may be necessary to implement the objectives and purposes of this Act; and
- (i) Perform such other tasks as may be provided by law or assigned by the President of the Republic of the Philippines from time to time.

SEC. 9. Council of Chief Information Officers. – Every department and agency of the national government or its equivalent office in any constitutional body, state college or university, and government-owned and controlled corporation, is hereby directed to designate at least the third ranking official as a Chief Information Officer. The said officers shall collectively form the Council of Chief Information Officers. The Secretary shall be the Chairman of the Council.

The Council shall serve as a coordinating body to assist the Secretary in implementing plans for a unified government-wide portal, set standards for government websites, and establish rules and guidelines for the provision of information and other ICT e-government initiatives.

In performing its duties, the Council shall also consult regularly with Chief Information Officers of local government units on ICT-related activities through their national association and/or through the leagues of local governments.

The Secretary shall convene the Council *en banc* or by sector at least once every semester within a calendar year.

SEC. 10. 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 government ICT projects which 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.

The Fund may be augmented by donations, contributions and grants from local or international funding agencies.

In order to ensure full transparency, accountability and integrity on the use of e-government funds, a set of guidelines for the disbursement and management of the fund, including the monitoring and evaluation system of projects funded under the e-government fund, shall be formulated, developed and published by the Department, in coordination with the Department of Budget and Management (DBM). In the preparation of said guidelines, consultations shall also be made with the respective umbrella organizations of the information technology and communications sector.

The implementing agencies granted funding under the e-government fund shall maintain primary responsibility over the use and management of the allocated funds. The agency concerned shall regularly submit performance and monitoring reports on the use of said funds to the Department of Information and Communications Technology (DICT).

In connection with the implementation of the e-government fund, the Department shall provide or arrange the appropriate or relevant ICT education or training program for government ICT in order to enable the trainees to comprehend the ICT development cycle appropriate to a given project, as well as to ensure that government project managers shall acquire expertise for the timely delivery of systems according to a prescribed content and budget.

SEC. 11. Periodic Performance. – The Secretary is hereby required to formulate and enforce a system to periodically and objectively measure and evaluate the performance of the Department and to submit the same annually to the President of the Republic of the Philippines and to appropriate Congressional Committees.

SEC. 12. Transfer of Agencies and Personnel. – The following agencies and institutions are hereby absorbed in the Department:

- (a) All operating units currently existing in the Commission on Information and Communications Technology (CICT), which directly support communications, including the Telecommunications Policy Planning Office;
- (b) The National Computer Center under the Department of Science and Technology (DOST); and
- (c) All offices, services, divisions, units, and personnel of the Department of Transportation and Communications (DOTC) with functions and responsibilities dealing with communication.

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.

The following agencies are hereby attached to the Department for policy and program coordination and shall continue to operate and function in accordance with their charters, laws or orders creating them, and with such other functions and responsibilities mandated by law and insofar as they are consistent with this Act:

- (a) National Telecommunications Commission;
- (b) Philippine Postal Corporation; and
- (c) Telecommunications Office (TELOF).

The Department shall not exercise any power which will have the effect of modifying the exercise by the NTC of its quasi-judicial function.

SEC. 13. Separation from Service. – Employees separated from the service as a result of the reorganization shall, within ninety (90) days therefrom, receive the retirement benefits to which they may be entitled under existing laws, rules and regulations.

Those incumbent employees whose positions are not included in the new position structure and staffing pattern of the Department, or who are not re-appointed shall be deemed separated from the service, whether permanent, temporary, contractual or casual employees, and shall, within ninety (90) days therefrom, receive the retirement benefits to which they may be entitled under existing laws, rules and regulations.

SEC. 14. Appropriations. – The amount needed for the initial implementation of this Act shall be taken from the current year's appropriations of the Commission on Information and Communications Technology and all government agencies herein absorbed or attached to the Department. Thereafter, the amount needed for the operation and maintenance of the Department and its line agencies shall be included in the annual General Appropriations Act.

The budget of the Philippine Postal Corporation shall be charged from its internally generated funds.

SEC. 15. Transitory Provisions. – Within three (3) months after the approval of this Act, the organizational structure including the creation of new divisions or units as may be deemed necessary for the Department to carry out its powers and functions under this Act, shall be determined by the Secretary through a Committee that he shall establish for the purpose.

The new organizational structure and staffing pattern of the Department shall be evaluated and approved by the DBM.

The authorized positions created under the organizational or reorganization plan shall be filled with regular appointments, as the exigencies of the service will require and depending upon the position involved, by the President of the Philippines or the Secretary of the Department as the case may be, in accordance with the civil service rules and regulations.

SEC. 16. Implementing Rules and Regulations. – The Department shall promulgate and issue such rules and regulations and other issuances within ninety (90) days from the approval of this Act as may be necessary to ensure its effective implementation.

SEC. 17. 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.

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The immediate passing of this bill will enable both the state and its constituents to take advantage of ICT's power and ensure that the benefits of developing the country's core ICT competencies, from the construction of vital information and communications infrastructure to forging linkages among various sectors that rely on ICT, will accrue to the public-at-large.

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



BEN P. EVARDONE
Representative, Lone District of Eastern Samar



FIFTEENTH CONGRESS
OF THE REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES

House Bill No. **1896**

Introduced by Representative Ben P. Evardone

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 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 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
service 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 telecommunication 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 (DICT)* - There is hereby created the Department of Information and Communications Technology. Hereafter 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 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

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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 underserved 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-enhanced services;

t. In coordination with concerned agencies, establish and recommend the adoption or 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-enhanced 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. 9134;
- 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, which 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 8430, 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



House of Representatives
COMMITTEE ON GOVERNMENT REORGANIZATION
Committee Affairs Department
3rd Flr. Ramon V. Mitra Bldg., Batasan Complex, Constitution Hills, 1126 Quezon City
Tel. Nos. +632 9315756 (direct line) +632 9315001 (local 3179)

March 21, 2011

MEMORANDUM

FOR

The Honorable **SPEAKER**

THRU

The **DEPUTY SECRETARY GENERAL**
Committee Affairs Department

RE

SPOT REPORT ON THE JOINT MEETING OF THE COMMITTEES ON GOVERNMENT REORGANIZATION AND INFORMATION AND COMMUNICATIONS TECHNOLOGY ON MARCH 21, 2011, 2:30 PM AT CONFERENCE ROOMS 14 AND 15, RV MITRA BUILDING, HOUSE OF REPRESENTATIVES, QUEZON CITY

Here are the highlights of the above-mentioned meeting for your Honor's information.

1. The Joint Committees today approved the Committee Report on the substitute bill for House Bill Nos. 16, 64, 498, 1230, 1508, and 1896 that all sought to create the Department of Information and Communications Technology.
2. The substitute bill incorporated the approved amendments sponsored by the Honorable Tomas V. Apacible that the creation of the organizational structure of the Department and the formulation of the Implementing Regulations shall be completed within sixty (60) to ninety (90) days and one hundred twenty (120) days, respectively, after the approval of the Act.
3. The joint Committees also approved the motion of the Honorable Rufus Rodriguez that all Members present shall be named as co-authors of the bill.

Prepared by:

[Signature]
ROGELIO T. EVANGELISTA
Committee Secretary
Committee on Government Reorganization

Noted by:

[Signature]
ATTY. PETRA S. MARCOS
Service Director
Committee Affairs Department

cc:

The Deputy Speaker
The Chairperson, Committee on Rules
The Secretary General
The Executive Director, CAD
The Deputy Executive Director, CAD
The Service Director, CASS
Office of the Secretary General

OFFICE OF THE DEPUTY SPEAKER
RAUL A. DAZA

RECEIVED

HOUSE OF REPRESENTATIVES

DATE: 3/22/11 BY: *[Signature]*

MAR 22 2011
TIME: 5:45

Jane B. Herradura

