

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 5388



Introduced by **MAGDALO Party-List Representative**
HON. GARY C. ALEJANO

EXPLANATORY NOTE

Information and Communications Technology (ICT) is a vital tool in the development of an electronic society. Being connected digitally provides us with easy access and fast links, thus, making the use of ICT highly essential to our economic growth, educational advancement, awareness enhancement, market facilitation, and public participation.

This bill proposes the creation of eighty one (81) nodes nationwide situated in areas that are development corridors in order to pump prime economic activities and promote development in other growth areas of the province. It hopes to minimize the so-called digital divide as well as speed up the setting up of a wireless communications infrastructure.

With ICT Hubs, provinces will be able to harness their potentials in terms of making their provinces investor friendly. It is expected that they will electronically promote the provinces and provide nerve centers to connect the same to the various agencies of the national government thereby pushing the growth of e-Government locally and nationally. More importantly, with these Hubs, the archipelagic feature of the country can be bridged electronically thereby creating "One Philippines."

As declared in Article 11 Section 24 of the Constitution, "The State recognizes the vital role of communication and information in nation-building." Therefore, it is in pursuance of this policy and the consideration of the above premises that the passage of this bill is earnestly requested.


GARY C. ALEJANO

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AN ACT
ESTABLISHING AN ICT HUB IN EVERY PROVINCE 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 “*One Philippines Act of*
2 *2017*”.

3
4 **SEC.2. *Declaration of Policy.*** – It is the declared policy of the State to recognize the
5 vital role of communication and information in nation building. Toward this end, the State shall
6 provide for the creation and establishment of Information and Communications Technology Hub,
7 hereinafter referred to as ICT Hub, in every province.

8
9 **SEC. 3. *Location of ICT Hub.*** - Pursuant to the provincial development plan, the
10 province shall identify the area where the ICT Hub shall be established: *Provided, That, the*
11 area/s shall not be in the capital or urban center of the province: *Provided, further, That, the area*
12 is owned by the provincial government.

13
14 **SEC. 4. *Provincial ICT Plan.*** - The provincial board shall formulate and approve an ICT
15 Plan for the province taking into consideration its comparative advantage, funding mix, private
16 sector involvement, incentives to locators, local tax incentives, among others.

17
18 **SEC. 5. *Digital Infrastructure Fund.*** - A Digital Infrastructure Fund, hereinafter
19 referred to as Fund, in the amount of Fifty Billion Pesos (Php50,000,000,000.00) is hereby
20 appropriated as seed capital and national counterpart from the national government for the
21 establishment of the ICT Hub: *Provided, That the Fund shall be disbursed in a pro-rata manner*
22 based on the following criteria: telephone density, degree of digital divide, ICT penetration ratio,
23 presence of new alternative backbone networks, science and technology parks and industrial
24 estates with an ICT focus, among others.

1 Subsequent appropriations shall be annually provided for in the General Appropriations
2 Act.

3
4 **SEC. 6. *Private Sector Incentive.*** - Any locator to the ICT Hub shall be given a 5-year
5 tax break from national taxes: *Provided*, That these locators are part of the Global O & O
6 Industry (Off-shoring and Outsourcing), such as, but not limited to: Animation, Customer
7 Contact, Back Office, Software Development, Medical & Legal Transcription and other Cyber
8 services: *Provided, further*, That sixty percent (60%) of its labor force shall be recruited locally:
9 *Provided, finally*, That, corporate income shall be declared and taxes shall be paid locally on the
10 sixth (6th) year of its existence.

11
12 **SEC. 7. *Implementing Agency.*** - The Department of Information and Communications
13 Technology shall formulate the necessary implementing rules and regulations of this Act in
14 consultation with the League of Provinces.

15
16 **SEC. 8. *Separability Clause.*** - Any provision or provisions of this Act that may be
17 declared unconstitutional or invalid shall not have the effect of nullifying other portions or
18 provisions hereof as long as such remaining portions or provisions can still subsist and be given
19 effect in their entirety.

20
21 **SEC. 9. *Repealing Clause.*** - All laws, ordinances, rules, regulations, and other issuances
22 or parts thereof, which are inconsistent with this Act are hereby repealed or amended
23 accordingly.

24
25 **SEC. 10. *Effectivity.*** - This Act shall take effect fifteen (15) days from its publication in
26 the Official Gazette or in any two (2) newspapers of general circulation.

Approved,