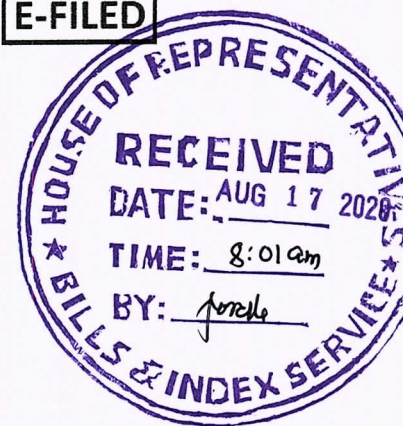


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

EIGHTEENTH CONGRESS

Second Regular Session

House Bill No. **7403**



**INTRODUCED BY
REP. ALFRED VARGAS**

**AN ACT
ESTABLISHING AN INFORMATION AND COMMUNICATIONS
TECHNOLOGY (ICT) HUB IN EVERY PROVINCE OF THE PHILIPPINES
AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Information and communications technology (ICT) pave the way for better social and economic development in the country. The expansion of public services in the digital age has made the government able to reach far-flung areas, and has made knowledge and information more accessible to the majority of Filipinos. Consequently, the ICT sector has generated 1.35 million direct jobs and USD 22.1 billion in revenues in 2017.¹ ICT has not only paved the way, but has become a pillar in the economy.

This bill seeks to establish an information and communications technology (ICT) hub in each of the 81 provinces of the Philippines in hopes of minimizing the digital divide, promoting access to wireless communications technology, and strengthening the ICT literacy of Filipinos leading to national development.

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



ALFRED VARGAS

¹ IT and Business Process Association of the Philippines. (2017). The Philippine IT-BPM sector roadmap 2022 Accelerate PH: Future-ready executive summary. Retrieved from http://boi.gov.ph/wp-content/uploads/2018/03/Executive-Summary-Accelerate-PH-Future-Ready-Roadmap-2022_with-corrections.pdf

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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 “ICT Hub Act”.

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to:

- a.) Recognize the vital role of communication and information in nation-building. Toward this end, the State shall provide for the creation and establishment of information Communications Technology Hub, hereinafter referred to as ICT Hub, in every province of the country;
- b.) Promote and encourage investment in the countryside by providing the infrastructure necessary for the growth of information and communications technology; and
- c.) Ensure the adequate supply of power and electricity in the countryside in support of the development of information and communications technology.

SECTION 3. Definition of Terms. – For the purposes of this Act, the following terms shall apply:

- a.) *Information Communication Technology (ICT)* is the totality of electronic means to collect, process and present information to end-users in support of their activities. It consists among others, 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 machine and computers.

- b.) *ICT Hub* refers to a center or location where services may be provided through the use of ICT. Such services may include telecommunication services, data management, etc.

SECTION 4. *Information Communications Technology Plan.* – The provincial board, consistent with the Medium Term Philippine Development Plan (MTPDP) and in coordination with the Department of Information and Communications Technology (DICT), shall formulate and approve an Information Communications Technology (ICT) Plan for each province in the Philippines, taking into consideration its comparative advantage, funding mix, private sector involvement, incentives to locators, local tax incentives, among others.

SECTION 5. *Location of ICT Hub.* – Pursuant to the provincial development plan, the provincial board shall identify the area where the ICT Hub shall be established: Provided, That the area/s shall not be in the capital or urban center of the province: Provided Further, That the area is owned by the provincial government.

SECTION 6. *Digital Infrastructure Fund.* – A Digital Infrastructure Fund, hereinafter referred to as the Fund, is hereby created and lodged in the DICT. The amount of Ten Billion Pesos (Php 10,000,000,000.00), or as much thereof as may be necessary, is hereby appropriated from the general fund for the purpose of providing seed capital and as the counterpart of the national government in the establishment of the ICT Hub in each province: Provided, That, the Fund shall be disbursed in a pro-rata manner based on the following criteria: Telephone density, degree of digital divide, ICT penetration ratio, presence of new alternative backbone networks, science and technology parks and industrial estates with an ICT focus, among others.

Subsequent appropriations shall be annually provided for in the General Appropriations Act with an annual increment of 25 percent per annum until the amount of Php 50,000,000,000.00 shall have been reached.

SECTION 7. *Tax and Fiscal Incentives.* – Any locator in the ICT Hub shall be entitled to the fiscal and non-fiscal incentives under applicable laws: *Provided*, That they are part of the Global O & O, such but not limited to: animation, customer contact, back office, software development, medical and legal transcription, and other cyber services: *Provided*, further That, ninety (90%) of its labor force shall be recruited locally; *Provided*, Finally, That locators in the top thirty (30) poorest provinces of the country as identified by the National Economic and Development Authority (NEDA), shall be given a pioneer status and shall be entitled to such additional

incentives as may be allowed by law.

ICT Hubs already receiving such incentives shall continue to be entitled to avail of the same.

SECTION 8. *Implementing Rules and Regulations.* – The Department of Information and Communications Technology (CICT), in coordination with the Departments of Science and Technology (DOST) and Interior and Local Government (DILG) and other concerned entities, shall formulate the necessary implementing rules and regulations of this Act.

SECTION 9. *Separability Clause.* – Any portion or provision of this Act that may be declared unconstitutional shall not have the effect of nullifying other provisions hereof, as long as such remaining provisions and still subsist and be given effect in their entirety.

SECTION 10. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 11. *Effectivity.* – This Act shall take effect after fifteen (15) days after its publication either in the Official Gazette or in a newspaper of general circulation.

Approved,