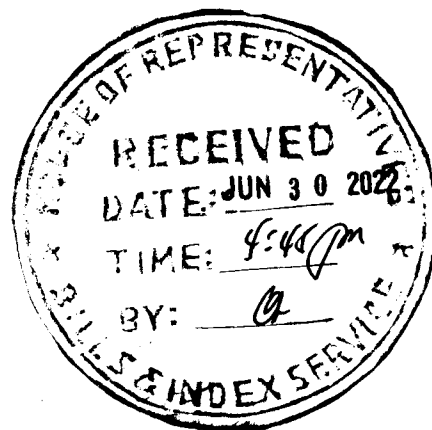


Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

House Bill No. **377**



Introduced by Representative MARIA RACHEL J. ARENAS

AN ACT
ESTABLISHING AN ICT HUB NATIONWIDE
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

As a neophyte legislator in 2007 in the 14th Congress, I filed a bill on creating information and communication technology (ICT) hubs around the country, the first one to have done so. These ICT Hubs may be based on political or geographical subdivisions, such as provinces or legislative districts, with the purpose of connecting these communities with each other and with the national government, specially, the ones farthest from the capital.

Sadly, 15 years later, this Bill has yet to become a law. In the preceding 18th Congress, this Bill finally passed the Third Reading in the House of Representatives and duly submitted to the Senate, but action on the bill was not completed. As I return to the House of Representatives, in the 19th Congress, it is my utmost desire to see this Bill certified as urgent, and soon become law. In this regard, I will be adopting the Substitute Bill, referred to as "Online Philippine Network Act," approved in the said Third Reading, which is a product of the collaboration of many legislators and incisive committee deliberations. This Bill, however, does not restrict the hubs to either provinces or legislative districts, and will leave it up to the appropriate Committee to decide on this.

The archipelagic nature of the Philippines has been a challenge to peace and progress. Roads and bridges alone cannot interconnect these islands with each other, or with the capital centers. The more urgent, potent, and vital connection needed, along with building roads and bridges, is building the information and communications technology highway, around the country. While there has been a steady progress on physically interconnecting our more than 7,000 islands, this progress has not been fast enough, and the pressing need to keep up with other countries in building new highways for information and communication, have

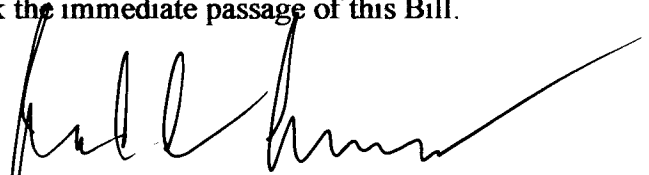
resulted in the marginalization and isolation of some, if not many, areas in the country, who find themselves lagging behind.

The deregulation of the telecommunications industry in the Philippines in the 1990s, brought tremendous changes to the way we relate with each other and with the world. This enabled universal access to information and communications technology thereby allowing the development of cyber services. IT-related industries, BPO/contact centers and tourism are among the priority investment areas in the Investment Priority Plan. The ICT is a major driver of the global economy, an enabler of more efficient government operation, service delivery, and productivity, not to mention, a glue that holds humanity together.

The Philippines has about 1,634 cities and municipalities combined, 243 legislative districts, and 81 provinces. If this Bill becomes a law, at least 81 or 243 or 1634 nodes can be established to pump prime social and economic activities and promote unprecedented development in the country. This Bill hopes to minimize the so-called digital divide, as well as speed up building wireless communications infrastructure.

With an ICT Hub, a province or legislative district or every city/municipality, we will be able to harness its potential to making these areas accessible and attractive to tourists and investors. It can also electronically promote the province nerve center to connect the same to the various agencies of the national government thereby pushing the growth of e-Government, locally and nationally. The ICT Hubs can also link an area or province to the national government during times of natural calamities and disasters. At no other time in our history, than in the last 2 years of the Covid-19 pandemic, have we realized how vital digital tools are and how online interactions have become the new normal for schools, churches, offices, governments, and international assemblies.

In light of this urgency, I humbly seek the immediate passage of this Bill.



MARIA RACHEL J. ARENAS

Representative

3rd District of the Province of Pangasinan

Republic of the Philippines
HOUSE OF REPRESENTATIVES

NINETEENTH CONGRESS
First Regular Session

House Bill No. **377**

Introduced by Representative MARIA RACHEL J. ARENAS

AN ACT
ESTABLISHING INFORMATION AND COMMUNICATIONS TECHNOLOGY
HUBS NATIONWIDE

Be it enacted by the House of Representatives of the Philippines in session assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “One Philippines Act”.

SEC. 2. *Declaration of Policy* – The State recognizes the vital role of information and communication in the development and in promoting growth in the countryside. To this end, the State shall encourage the expansion of information and communications technology (ICT) and infrastructure throughout the country to facilitate the access of the citizenry to goods and services. Pursuant thereto, the State shall establish ICT hubs throughout the country in accordance with the National ICT Roadmap and National ICT Plan.

SEC. 3 *Definition of Terms.* – As used in this Act:

- a) *Bandwidth* refers to the amount of data that can be transmitted over a network connection over a period of time;
- b) *Broadband* refers to a high capacity transmission technique using a wide range of frequencies which enables a large number of messages to be

communicated simultaneously. In the context of internet access, it refers to access that is continuing and unhindered, and faster than the traditional dial-up mode;

- c) *Broadband network* refers to a network able to transmit signals with a high bit rate and a transmission channel being equal to or greater than two megabits per second (2 mbps);
- d) *Committed information rate* refers to the information rate guaranteed by a public telecommunications entity (PTE). The bandwidth cannot fall below the committed rate of ninety-eight point five percent (98.5%) of the time;
- e) *Cyber skills learning hub or Digital transformation center* refers to a facility specifically designed for cyber-education and digital literacy, and that provides knowledge, skills, theoretical and practical experiences, and access to technologies for all learners to become information and technology proficient;
- f) *Data farm* refers to a physical facility that houses servers, network equipment, personnel like information technology specialists and network technicians for business-critical support such as online data storage, data processing, core computing services, data and application backup services, and distributing large amounts of data from remote data facilities. The operation and management thereof shall be subject to pertinent laws and policies on data security to prevent, detect and intercept unauthorized access of data, especially on matters of national security;
- g) *Digital innovation hub* refers to a specialized business incubation and acceleration facility offering physical workspace, mentoring and coaching, and devices for technical application testing or experimenting, and training. It is a one-stop-shop, usually but not always affiliated with educational institutions, that helps companies including start-ups to become more competitive with regard to their business production processes, products or services using digital technologies by providing

access to the latest knowledge, expertise and technology to support them;

- h) *Information and communications technology (ICT)* refers to the totality of electronic means to access, create, collect, store, process, receive, transmit, present, and disseminate information;
- i) *Information and communications technology hub (ICT hub)* refers to a location where ICT services may be provided by a PTE with at least the minimum internet speed required by the National Telecommunications Commission (NTC). Such services may include telecommunications services, broadband and convergence services, business processing and data management;
- j) *Information technology and business processing management hub* refers to a location that caters to and offers support mechanisms for companies and enterprises engaged in IT services and business process management and operations;
- k) *Public telecommunications entity (PTE)* refers to any person, natural or juridical, government or private engaged in the provision of telecommunications services to the public for compensation.

SEC. 4 Establishment of Information and Communications Technology Hubs. – There shall be established ICT hubs all over the country in accordance with a National ICT Plan to be prepared by the Department Information and Communications Technology (DICT).

The ICT Plan shall assess the needs of every province or legislative district, in the country and identify the appropriate types and the number of ICT hubs to be developed therein. Every province or a selected local government unit (LGU) in the legislative district, shall have at least one (1) of the following classifications of ICT hubs based on the type of activity that it hosts:

- a) Data Farms;
- b) Information Technology (IT) and Business Processing Management (BPM) Hub;

- c) Cyber Skills Learning Hub and Digital Transformation Center (DTC);
- d) Digital Innovation Hub; and
- e) any other ICT hub that may arise in the future.

Pursuant to the ICT Plan and the national, provincial, city, or municipal spatial development plans, the DICT and the local government units (LGU) shall identify the areas where the ICT hubs shall be established based on geographical area and population: *Provided, That* ICT hubs shall be developed in geographically equitable and accessible locations throughout the given area. *Provided, further, That* the area or site of an ICT hub shall be on a property owned by an LGU.

The private sector shall be encouraged to establish ICT hubs in accordance with the standards set forth by the DICT. The DICT shall employ the latest and emerging technologies available to serve commercially unviable areas.

SEC. 5. *Role of the Department of Information and Communications Technology (DICT).* – The DICT shall formulate a National ICT Plan, based on the National ICT Roadmap, which shall include the development of a national broadband network, provision of incentives to encourage private sector participation and promotion of competition. The Cybercrime Investigation and Coordinating Center of the DICT shall formulate, oversee and validate the ICT cyber plan of the ICT hubs.

The DICT shall update the National ICT Plan and shall submit the same on or before the 15th of April of every year to the Office of President of the Republic of the Philippines, the National Economic and Development Authority (NEDA), and the ICT Joint Congressional Oversight Committee established under this Act.

SEC. 6. *Advisory Committee.* – There is hereby created an Advisory Committee that shall solicit inputs towards the shaping of policy directions of the National ICT Plan, including the supervision of ICT hubs and the coordination to be undertaken with the private sector and other agencies and

instrumentalities of the government. The DICT shall determine the composition of the Advisory Committee and ensure the equal representation of the (a) government, (b) the service providers, (c) the end users, and (d) other industry stakeholders.

SEC. 7. *Role of the National Telecommunication Commission (NTC).* – The NTC, through the exercise of its quasi-legislative and quasi-judicial powers, shall be the primary infrastructure regulator to ensure the monitoring and implementation of this Act. The NTC shall approve proposed ICT hub telecommunications projects through an administrative process prescribed for the purpose and shall ensure the compliance of PTEs with the required and committed information rate and quality of service. All PTEs shall regularly submit the necessary data and reports as required by the NTC.

SEC. 8. *Incentives.* – Any registered business enterprise in the ICT hub may be granted incentives provided under Title XIII of the National Internal Revenue Code of 1997, as amended: *Provided That*, these incentives shall be granted in addition to the incentives given by the LGU where such ICT hubs are located.

The eligibility of the ICT hubs for the incentives provided herein should be within the boundaries of a performance-based, time-bound, and transparent system of incentives tailor-fit for highly desirable ICT investments and shall be subject to compliance monitoring by the Fiscal Incentives and Review Board and the LGU where such ICT hubs are located.

SEC. 9. *Digital Skills Development.* – The DICT, together with the Department of Education, Commission on Higher Education, and the Technical Education and Skills Development Authority, shall establish a program on digital skills development for all learners to enhance their competitiveness, adaptability and employability in the emerging digital economy, which shall be integrated into the pertinent programs of the ICT hubs.

SEC. 10. *Digital Network Infrastructure.* - A digital network infrastructure shall be established to connect the local ICT hubs to the National Broadband Program through a core backbone network of the DICT, to be funded from the spectrum users' fees.

The DICT is hereby authorized to classify the said funds for capital outlay, which classification shall be furnished to and duly reflected by the Department of Budget and Management in its records. The release of funds shall be subject to applicable laws and existing budgeting, accounting and auditing rules and regulations.

SEC. 11. *Local Government Responsibility.* - The issuance of licenses and permits for ICT-related activities and infrastructure construction projects shall not be delayed and hampered, and shall further be prioritized, subject to the provisions of Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018. The Department of the Interior and Local Government (DILG) shall include ICT competitiveness and ICT integration as a criterion of governance under the Seal of Good Local Governance program.

SEC. 12. *Private Sector Support and Public-Private Partnership.* - The LGUs may engage the private sector through PPP agreements targeted towards financing, designing, implementing and operating infrastructure facilities and services for the ICT hub to maximize costs and allow for sharing of revenue, subject to the provisions of Republic Act No. 6957, otherwise known as "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes", as amended.

SEC. 13. *Prohibition Against Exclusivity.* - All ICT hubs established under this Act are hereby declared free zones within which any PTE may operate. Any agreement or arrangement designating a PTE, or any of its subsidiaries or affiliates as an exclusive PTE within an ICT hub shall be void

and unenforceable. The domestic internet exchanges shall be interconnected. The interconnection agreement between the PTEs shall be submitted to the NTC for its approval. If the parties fail to reach an agreement within ninety (90) days from the start of negotiation, the NTC shall intervene and prescribe the terms and conditions of the interconnection.

SEC. 14. *Penalties.* — In the exercise of its quasi-judicial power, the NTC shall impose a fine of Five hundred thousand pesos (Php500,000.00) for (a) non-disclosure, (b) non-interconnection, or (c) non-compliance with the committed information rate and quality of service.

The NTC shall increase the amount of fine every five (5) years subject to a certification from the NEDA on the computation of the cost of money based on the current consumer price index.

SEC. 15. *Implementing Rules and Regulations.* — Within sixty (60) days from the effectivity of this Act, the DICT as the lead agency, together with NEDA, DILG, the League of Provinces and the Leagues of LGUs, the Board of Investments, the Philippine Economic Zone Authority, and the Advisory Committee, shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 16. *ICT Joint Congressional Oversight Committee.* — An ICT Joint Congressional Oversight Committee (ICTJCOC) is hereby created to monitor the effective implementation of this Act, recommend the necessary remedial legislative or administrative measures and perform such other duties and functions as may be necessary to attain the objectives of this Act. It shall be composed of the Chairpersons of the House Committee on Information and Communications Technology and Senate Committee on Science and Technology and two (2) members from each of the Senate and the House of Representatives who shall be designated by the Senate President and the Speaker of the House of Representatives, respectively: *Provided, That one (1)*

member from each House shall be nominated by their respective Minority Leaders.

The Chairpersons of the House Committee on Information and Communications Technology and the Senate Committee on Science and Technology shall serve as Chairperson and Vice Chairperson or *vice versa* of the ICTJCOC on a rotational basis every six (6) months. The Secretariat of the ICTJCOC shall be the existing secretariat personnel of the concerned Committees of the House of Representatives and the Senate.

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

SEC. 18. *Repealing Clause.* - All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with or contrary to the provisions of this Act are hereby amended, repealed or modified accordingly.

SEC. 19. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved.