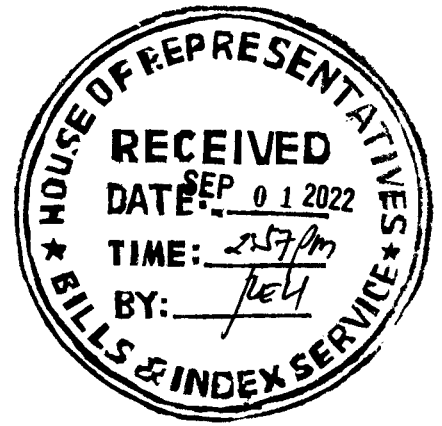


HOUSE OF REPRESENTATIVES  
Quezon City

NINETEENTH CONGRESS  
First Regular Session

HOUSE BILL NO. 4332



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Introduced by HON. LINABELLE RUTH R. VILLARICA  
4<sup>TH</sup> DISTRICT, BULACAN

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#### EXPLANATORY NOTE

The Philippine State has to transition to the new normal due to the COVID-19 pandemic and the Enhanced Community Quarantine (ECQ) that has ravaged its economy and its populace. It must now regain the improved economic performance it has made to uplift the lives of our people. Establishing a broadband internet infrastructure is an effective tool for this purpose, more so in a globalized setting.

However, the broadband technological services in the Philippines has since remained poor.

This proposed bill seeks to address this concern by establishing Information and Communications Technology (ICT) Hubs nationwide. It will put in place a framework to facilitate a viable program that can develop ICT Hubs in identified locations outside Metro Manila within a given period. This can generate more jobs and develop the many untapped potentials of the countryside. This can further expand to more opportunities and sustained growth for the various industries and sectors.

This bill was filed during the 17<sup>th</sup> and 18<sup>th</sup> Congresses but due to time constraints no further action was taken on it. It is re-filed for the consideration of the 19<sup>th</sup> Congress.

Support for the enactment of this measure is earnestly requested.

REP. LINABELLE RUTH R. VILLARICA



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HOUSE OF REPRESENTATIVES  
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HOUSE BILL NO. 4332

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Introduced by HON. LINABELLE RUTH R. VILLARICA  
4<sup>TH</sup> DISTRICT, BULACAN

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AN ACT  
ESTABLISHING INFORMATION AND COMMUNICATIONS TECHNOLOGY HUBS  
NATIONWIDE AND FOR OTHER PURPOSES

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

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

SEC. 2. *Declaration of Policy.* – It is the declared policy of the State to recognize the vital role of information and communication in nation building and encourage investment in the countryside by providing the infrastructure necessary for the growth of information and communications technology (ICT). Toward this end, the State shall provide for the creation and establishment of ICT Hubs across the country.

SEC. 3. *The Information and Communications Technology Hubs.* – There shall be established ICT Hubs all over the country. It shall adopt a national information and Communications Technology (ICT) Plan as prepared by the Department of Information and Communications Technology Office (DICT), in coordination with the National Telecommunications Commission (NTC).

Pursuant to the ICT Plan and the national, provincial, city, or municipal spatial development plans, the DICT shall identify the area where the ICT Hubs shall be established based on geographical area and number of population. The private sector shall be encouraged to establish ICT Hubs in accordance with the standards set by the DICT. The DICT shall address the unviable areas, using the latest and emerging technologies available.

SEC. 4. *Advisory Committee.* – There is hereby created an Advisory Committee to be convened by the DICT that shall solicit inputs for the policy, direction, coordination and supervision of the ICT Hubs. The composition of the Advisory Committee shall be determined by the DICT which shall include equal representation from (a) the government, (b) the service providers, and (c) the end users.

SEC. 5. *Definition of Terms.* – For purposes of this Act these terms are defined as follows:

- (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 speed, high capacity internet and data connection. It is a communications medium that uses wide bandwidth channels for sending and receiving large amounts of data, video or voice, or voice information;
- (c) Committed Information Rate refers to the average bandwidth for a virtual circuit guaranteed by a public telecommunications entity to work under normal conditions. At any given time, the bandwidth cannot fall below this committed figure;
- (d) Information and Communications Technology refers to 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 system, office systems and consumer electronics as well as networked information structure, the components of which include the telephone system, the internet, fax machines and computers;
- (e) Information and Communications Technology Hub refers to a location where services may be provided through the use of ICT with an average minimum internet speed eighty percent (80%) of that offered by the Public Telecommunications Entity (PTE). Such services may include telecommunications services, broadband and convergence services, business processing and data management; and
- (f) 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. 6. *Role of the Department of Information and Communications Technology.* – The DICT shall, in coordination with the NTC, formulate and approve a national ICT Plan, based on a national ICT Roadmap, which shall include among others, the development of a national broadband network, provide for incentives to encourage private sector participation and competition.

SEC. 7. *Role of the National Telecommunications Commission.* – The NTC, through the exercise of its quasi-legislative and quasi-judicial powers, shall be the primary infrastructure regulator to ensure the monitoring and the implementation of this Act. The NTC shall approve the proposed ICT Hub projects and shall ensure the compliance of public telecommunications entities with the required committed information rate and quality of service as prescribed by it. The public telecommunications entity shall regularly submit all necessary data and reports as required by NTC.

SEC. 8. *Incentives.* – Any locator enterprise in the ICT Hub may be granted incentives provided under Executive Order No. 226 (1987), otherwise known as the “Omnibus Investment Code of 1987” or Republic Act No. 8748 or an “Act Amending R.A. No. 7916, otherwise known as the “Special Economic Zone Act of 1995”, and other relevant law; *Provided*, That such locator enterprise in ICT Hubs are qualified under the said laws. *Provided*, further, That no locator enterprise may avail of the incentives mandated in both laws at the same time;

*Provided, finally, That, these incentives shall be granted in addition to the incentives given by the local government unit where such ICT Hubs are located.*

SEC. 9. *Digital Infrastructure Fund.* – A Digital Infrastructure Fund (Fund) in the amount of Fifty Billion Pesos (Php50,000,000,000.00) is hereby appropriated as seed capital and national counterpart from the national government for the establishment of the ICT Hubs; *Provided, That the Fund shall be disbursed pro-rata 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; Provided, finally, that a public-private partnership may be entered into should the Fund provided under this Section be insufficient or the same is in the best interest of attaining the objective and programs of this Act. Subsequent appropriations shall be annually provided for in the General Appropriations Act.*

SEC. 10. *Prohibition against Exclusivity.* – All ICT Hubs established under this Act are hereby declared free zones within which any public communications technology may operate. Any agreement of arrangement designating a public telecommunications entity, or any of its subsidiaries, affiliates or dummy entities as an exclusive public telecommunications entity within an ICT Hub shall be void and unenforceable. The domestic internet exchanges shall be interconnection. The interconnection agreement between the public telecommunication entities shall be submitted for the approval of the NTC. 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. 11. *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 time every five (5) years subject to a certification from the National Economic Development Authority (NEDA) on the computation of money based on the current consumer price index.

SEC. 12. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the DICT, in coordination with the NTC, NEDA, the Department of the Interior and Local Government, the Board of Investments, the Philippine Economic Zone Authority and the Advisory Committee, shall issue the necessary rules and regulations to implement the provisions of this Act.

SEC. 13. *ICT Joint Congressional Oversight Committee.* – An ICT Joint Oversight Committee is hereby created to be composed of the Chairperson 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 Chairperson of the House Committee on Information and Communications Technology and the Senate Committee on Science and Technology shall serve as Chairperson of the ICT Joint Congressional Committee on rotational basis every six (6) months. In every case, the other member of the Committee belonging to the majority in the House or in the Senate shall be the Vice Chairperson. The Secretariat of the Congressional Oversight Committee shall be the existing secretariat personnel of the concerned Committees of the House of Representatives and the Senate.

SEC 14. *Separability Clause.* – If any provisions of this Act shall be declared unconstitutional or invalid, such declaration shall not invalidate other parts thereof which shall remain in full force and effect.

SEC. 15. *Repealing Clause.* – All laws, presidential decreed, executive orders, rules and regulations or parts thereof which are inconsistent with or contrary to the provisions of this Act are hereby amended or modified accordingly.

SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,