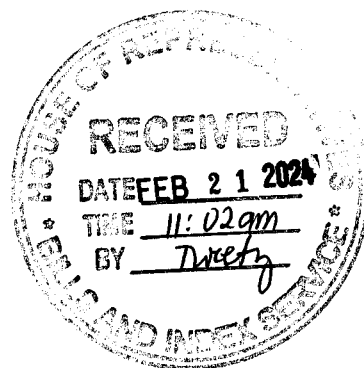




Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**NINETEENTH CONGRESS**  
Second Regular Session

HOUSE BILL NO. **9970**



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**Introduced by Representative Crispin Diego “Ping” D. Remulla**

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**AN ACT ESTABLISHING INFORMATION AND COMMUNICATIONS  
TECHNOLOGY HUBS NATIONWIDE**

**EXPLANATORY NOTE**

According to the Philippine Information Agency, ICT has made a profound impact on the Philippines in recent years. It has been the catalyst in improving different sectors such as education, healthcare, and government services. In addition, it boosted economic growth and created job opportunities. In the year 2022, the ICT sector contributed to 7.5% of the country's gross domestic product (GDP).

This measure aims to establish ICT hubs all over the country to increase Filipinos' access to technology and strengthen their information and technology literacy.

The establishment of ICT hubs in the Philippines will create a more inclusive digital economy and will accelerate the digital transformation in the Philippine economy, increase job opportunities, and foster a competitive ICR sector.

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

A handwritten signature in black ink, consisting of a large, stylized capital 'R' followed by a cursive 'll' and a small dot at the end.

**CRISPIN DIEGO "PING" D. REMULLA**



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**AN ACT ESTABLISHING INFORMATION AND COMMUNICATIONS  
TECHNOLOGY HUBS NATIONWIDE**

*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 “ICT Hubs Act.”

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

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

9           (a) Bandwidth refers to the amount of data that can be transmitted over a network  
10 connection over a period of time;

11           (b) Broadband refers to a high-capacity transmission technique using a wide range of  
12 frequencies which enables a large number of messages to be communicated simultaneously. In

the context of internet access, it refers to the 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 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 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 a PTE may provide ICT services 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 privately engaged in providing 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 of Information and Communications Technology (DICT).

The ICT Plan shall assess the needs of every province in the country and identify the appropriate types and the number of ICT hubs to be developed therein. Every province 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);

- 1 (d) Digital Innovation Hub; and,
- 2 (e) Any other ICT hub that may arise in the future.

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

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

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

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

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

1 composition of the Advisory Committee and ensure the equal representation of the (a)  
2 government, (b) the service providers, (c) the end users, and (d) other industry stakeholders.

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

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

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

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

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

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

5           **SEC. 11. Local Government Responsibility.** – The issuance of licenses and permits  
6   for ICT-related activities and infrastructure construction projects shall not be delayed and  
7   hampered and shall further be prioritized, subject to the provisions of Republic Act No. 11032,  
8   otherwise known as the “Ease of Doing Business and Efficient Government Service Delivery  
9   Act of 2018”.

10          The Department of the Interior and Local Government (DILG) shall include ICT  
11   competitiveness and ICT integration as a criterion of governance under the Seal of Good Local  
12   Governance program.

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

20          **SEC. 13. Prohibition Against Exclusivity.** – All ICT hubs established under this Act  
21   are hereby declared free zones within which any PTE may operate. Any agreement or  
22   arrangement designating a PTE or any of its subsidiaries or affiliates as an exclusive PTE  
23   within an ICT hub shall be void and unenforceable. The domestic internet exchanges shall be  
24   interconnected. The interconnection agreement between the PTEs shall be submitted to the  
25   NTC for approval. If the parties fail to reach an agreement within ninety (90) days from the

1 start of the negotiation, the NTC shall intervene and prescribe the terms and conditions of the  
2 interconnection.

3 **SEC. 14. Penalties.** – In the exercise of its quasi-judicial power, the NTC shall impose  
4 a fine of Five Hundred Thousand Pesos (Php 500,000.00) for (a) non-disclosure, (b) non-  
5 interconnection, or (c) non-compliance with the committed information rate and quality of  
6 service.

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

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

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

24 The Chairpersons of the House Committee on Information and Communications  
25 Technology and the Senate Committee on Science and Technology shall serve as Chairperson

1 and Vice Chairperson or vice versa of the ICTJCOC on a rotational basis every six (6) months.

2 The Secretariat of the ICTJCOC shall be the existing secretariat personnel of the concerned

3 Committees of the House of Representatives and the Senate.

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

7       **SEC. 18. Repealing Clause.** – All laws, decrees, executive orders, rules and  
8 regulations, issuances, or parts thereof inconsistent with the provisions of this Act are hereby  
9 repealed, amended, or modified accordingly.

10       **SEC. 19. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its  
11 complete publication either in the Official Gazette or in at least two (2) newspapers of general  
12 circulation.

Approved,