

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 3445



Introduced by **HONORABLE RAMON JOLO B. REVILLA III,**
HONORABLE LANI MERCADO-REVILLA, and
HONORABLE BRYAN B. REVILLA

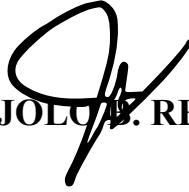
EXPLANATORY NOTE

This measure seeks to establish Information and Technology Communications (ICT) hubs, in accordance with a National ICT Roadmap and IT Plan, in all provinces throughout the country to foster economic growth and development. The said ICT Plan shall assess the needs of every province in the country and identify the appropriate types and number of ICT hubs to be developed therein. It shall also provide incentives to encourage the private sector in the creation of ICT hubs. The rationale behind such measure is to minimize if not eliminate the so-called “digital divide” in provinces and establish a unified link, through the employment of ICT, that will greatly adhere in nation-building.

ICT is an unequivocal tool in the development of a modern society. It impacts various aspects of life such as education, health, finance, communication, governance, and public participation. As such, making each province digitally

connected into a unified system will provide easy access and hasty links that will foster economic growth. Moreover, the establishment of ICT hubs in provinces shall further boost their respective marketing potentials thus attracting both local and foreign investors.

In adherence with Section 24, Section 11 of the fundamental law that the State recognizes the vital role of communication and information in nation-building, it is in pursuance of this policy that the immediate passage of this measure is earnestly sought.



RAMON JOLOB. REVILLA III



LANI MERCADO-REVILLA



BRYAN B. REVILLA

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AN ACT
ESTABLISHING INFORMATION AND COMMUNICATIONS
TECHNOLOGY (ICT) HUBS NATIONWIDE

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

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

3 **SEC. 2. *Declaration of Policy.*** — It is hereby declared the policy of the State
4 to recognize the vital role of communication and information in nation-building. It
5 shall promote and encourage investment in the countryside by providing the
6 infrastructures necessary for the growth of information and communications
7 technology, as well as ensuring the adequate supply of power and electricity in
8 supporting the development thereof.

1 Towards this end, the State shall encourage the expansion of Information and
2 Communications Technology (ICT) throughout the country to facilitate access of
3 goods and services and services in accordance with National ICT Roadmap.

4 **SEC. 3. *Definition of Terms.*** — As used in this Act, the following shall mean:

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

7 (b) ***Broadband*** refers to a high-capacity transmission technique using a wide
8 range of frequencies which enables a large number of messages to be
9 communicated simultaneously. In the context of internet access, it refers to
10 access that is continuing and unhindered, and faster than the traditional
11 dial-up mode;

12 (c) ***Broadband Network*** refers to a network able to transmit signals with a
13 high bit rate and a transmission channel being equal to or greater than two
14 megabits per second (2 mbps);

15 (d) ***Committed Information Rate*** refers to the Information rate guaranteed by
16 a public telecommunications entity (PTE). The bandwidth cannot fall
17 below the committed rate of ninety-eight point five percent (98.5%) of the
18 time;

19 (e) ***Cyber Skills Learning Hub*** or ***Digital Transformation Center*** refers to a
20 facility specifically designed for cyber-education and digital literacy, and
21 that which provides knowledge, skills, theoretical and practical
22 experiences, and access to technologies for all learners to become
23 information and technology proficient;

24 (f) ***Data Farm*** refers to a physical facility that houses servers, network
25 equipment, personnel like Information Technology specialists and network
26 technicians for business-critical support such as online data storage, data

1 processing, core computing services, data and application backup services,
2 and distributing large amounts of data from remote data facilities. The
3 operation and management thereof shall be subject to pertinent laws and
4 policies on data security to prevent, detect and intercept unauthorized
5 access of data, especially on matters of national security;

6 (g) ***Digital Innovation Hub*** refers to a specialized business Incubation and
7 acceleration facility offering physical workspace, mentoring and coaching,
8 and devices for technical application testing or experimenting, and
9 training. It is a one-stop-shop, usually but not always affiliated with
10 educational Institutions, that helps companies including start-ups to
11 become more competitive with regard to their business production
12 processes, products or services using digital technologies by providing
13 access to the latest knowledge, expertise and technology to support them;

14 (h) ***Information and Communications Technology (ICT)*** refers to the totality
15 of electronic means to access, create, collect, store, process, receive,
16 transmit, present, and disseminate information;

17 (i) ***Information and Communications Technology Hub (ICT Hub)*** refers to
18 a location where ICT services may be provided by a PTE with at least the
19 minimum internet speed required by the National Telecommunications
20 Commission (NTC). Such services may include telecommunications
21 services, broadband and convergence services, business processing and
22 data management;

23 (j) ***Information Technology and Business Processing Management Hub***
24 refers to a location that caters to and offers support mechanisms for
25 companies and enterprises engaged in information technology (IT)
26 services and business process management and operations; and

1 (k) **Public Telecommunications Entity (PTE)** refers to any person, natural or
2 juridical, government or private engaged in the provision of
3 telecommunications services to the public for compensation.

4 **SEC. 4. *Establishment of Information and Communications Technology***

5 **Hubs.** — There shall be established ICT hubs all over the country in accordance
6 with a National Information and Communications Technology (ICT) Plan to be
7 prepared by the Department Information and Communications Technology (DICT).

8 The ICT Plan shall assess the needs of every province in the country and
9 identify the appropriate types and the number of ICT hubs to be developed therein.
10 Every province shall have at least one (1) of the following classifications of ICT
11 hubs based on the type of activity that it hosts:

12 (a) Data Farms;

13 (b) Information Technology (IT) and Business Processing Management
14 (BPM) Hub;

15 (c) Cyber Skills Learning Hub and Digital Transformation Center (DTC);

16 d. Digital Innovation Hub; and

17 (d) Any other ICT hub that may arise in the future.

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

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

4 **SEC. 5. *Role of the Department of Information and Communications***
5 ***Technology (DICT).*** — The DICT shall formulate a National ICT Plan, based on the
6 National ICT Roadmap, which shall include the development of a national
7 broadband network, provision of incentives to encourage private sector participation
8 and promotion of competition. The Cybercrime Investigation and Coordinating
9 Center of the DICT shall formulate, oversee and validate the ICT cyber plan of the
10 ICT hubs. The DICT shall update the National ICT Plan and shall submit the same
11 on or before the 15th of April of every year to the Office of President of the Republic
12 of the Philippines, the National Economic and Development Authority (NEDA), and
13 the ICT Joint Congressional Oversight Committee established under this Act.

14 **SEC. 6. *ICT Joint Congressional Oversight Committee.*** — An ICT Joint
15 Congressional Oversight Committee (ICTJCOC) is hereby created to monitor the
16 effective implementation of this Act, recommend the necessary remedial legislative
17 or administrative measures and perform such other duties and functions as may be
18 necessary to attain the objectives of this Act. It shall be composed of the
19 Chairpersons of the House Committee on Information and Communications
20 Technology and Senate Committee on Science and Technology and two (2) members
21 each from the Senate and the House of Representatives who shall be designated by
22 the Senate President and the Speaker of the House of Representatives, respectively:
23 Provided, That one (1) member from each House shall be nominated by their
24 respective Minority Leaders.

25 The Chairpersons of the House Committee on Information and
26 Communications Technology and the Senate Committee on Science and Technology

1 shall serve as Chairperson and Vice Chairperson or vice versa of the ICTJCOC on
2 rotational basis every six (6) months. The Secretariat of the ICTJCOC shall be the
3 existing secretariat personnel of the concerned Committees of the House of
4 Representatives and the Senate.

5 **SEC. 7. *Role of the National Telecommunications Commission (NTC).*** —

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

13 **SEC. 8. *Incentives.*** — Any registered business enterprise in the ICT hub may
14 be granted incentives provided under Title XIII of the National Internal Revenue
15 Code of 1997, as amended: Provided, That these incentives shall be granted in
16 addition to the incentives given by the LCD where such ICT hubs are located. The
17 eligibility of the ICT hubs for the incentives provided herein should be within the
18 boundaries of a performance-based, time-bound, and transparent system of
19 incentives tailor-fit for highly desirable ICT Investments and shall be subject to
20 compliance monitoring by the Fiscal Incentives and Review Board and the LGU
21 where such ICT hubs are located.

22 **SEC. 9. *Advisory Committee.*** — There is hereby created an Advisory
23 Committee that shall solicit inputs towards the shaping of policy directions of the
24 National ICT Plan, including the supervision of ICT hubs and the coordination to be
25 undertaken with the private sector and other agencies and instrumentalities of the
26 government.

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

4 **SEC. 10. *Digital Skills Development.*** — The DICT, together with the
5 Department of Education (DepEd), Commission on Higher Education (CHED), and
6 the Technical Education and Skills Development Authority (TESDA), shall establish
7 a program on digital skills development for all learners to enhance their
8 competitiveness, adaptability and employability in the emerging digital economy,
9 which shall be integrated into the pertinent programs of the ICT hubs.

10 **SEC. 11. *Digital Network Infrastructure.*** — A digital network infrastructure
11 shall be established to connect the local ICT hubs to the National Broadband
12 Program through a core backbone network of the DICT, to be funded from the
13 spectrum users' fees. The DICT is hereby authorized to classify the said funds for
14 capital outlay, which classification shall be furnished to and duly reflected by the
15 Department of Budget and Management in its records. The release of funds shall be
16 subject to applicable laws and existing budgeting, accounting and auditing rules and
17 regulations.

18 **SEC. 12. *Local Government Responsibility.*** — The issuance of licenses and
19 permits for ICT-related activities and infrastructure construction projects shall not
20 be delayed and hampered, and shall further be prioritized, subject to the provisions
21 of Republic Act No. 11032, otherwise known as the Ease of Doing Business and
22 Efficient Government Service Delivery Act of 2018. The Department of the Interior
23 and Local Government (DILG) shall include ICT competitiveness and ICT
24 Integration as a criterion of governance under the Seal of Good Local Governance
25 program.

1 **SEC. 13. *Private Sector Support and Public-Private Partnership.*** — The
2 LGUs may engage the private sector through PPP agreements targeted towards
3 financing, designing, implementing and operating infrastructure facilities and
4 services for the ICT hub to maximize costs and allow for sharing of revenue, subject
5 to the provisions of Republic Act No. 6957.

6 **SEC. 14. *Prohibition Against Exclusivity.*** — All ICT hubs established under
7 this Act are hereby declared free zones within which any PTE may operate. Any
8 agreement or arrangement designating a PTE, or any of its subsidiaries or affiliates
9 as an exclusive PTE within an ICT hub shall be void and unenforceable. The
10 domestic internet exchanges shall be interconnected. The Interconnection agreement
11 between the PTEs shall be submitted to the NTC for its approval. If the parties fail
12 to reach an agreement within ninety (90) days from the start of negotiation, the NTC
13 shall intervene and prescribe the terms and conditions of the interconnection.

14 **SEC. 15. *Penalties.*** — In the exercise of its quasi-judicial power, the NTC
15 shall impose a fine of Five hundred thousand pesos (Php500,000.00) for (a) non-
16 disclosure, (b) non-interconnection, or (c) non-compliance with the committed
17 Information rate and quality of service. The NTC shall increase the amount of fine
18 every five (5) years subject to a certification from the NEDA on the computation
19 based on the current consumer price index.

20 **SEC. 16. *Implementing Rules and Regulations.*** — Within sixty (60) days
21 from the effectivity of this Act, the DICT as the lead agency, together with NEDA,
22 DILG, the League of Provinces and the Leagues of LGUs, the Board of Investments,
23 the Philippine Economic Zone Authority, and the Advisory Committee, shall Issue
24 the necessary rules and regulations for the effective implementation of this Act.

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

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

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

Approved,