

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

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 4115



Introduced by HON. HENRY R. VILLARICA
4TH DISTRICT, BULACAN

EXPLANATORY NOTE

The Philippines gained some headway in economic performance in recent years. The government must now sustain the high economic growth and achieve inclusive growth for the people. Broadband internet access is an effective tool in these tasks in a globalized setting.

Although statistically the Philippines access to fixed broadband technology is second to Singapore and has contributed to the improvement of its economy, broadband services have remained poor. It has the second slowest average download speed in Asia at 3.64 Mega bit per second (Mbps), next to Afghanistan at 2.5 Mbps.

The approval of bill will address this concern by establishing the Information and Communications Technology Center in all legislative districts.

This bill was filed during the 17th Congress and was approved on 3rd Reading by the House of Representatives Plenary. Due to time constraints, however, no further action was taken by the Senate on it. This bill is filed for the consideration of this Congress.

Support for the enactment of this measure is earnestly requested.

REP. HENRY R. VILLARICA

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AN ACT
ESTABLISHING AN ONLINE NETWORK FOR THE PHILIPPINES

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

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

SEC. 2. *Declaration of Policy.* – It shall be the policy of the State to establish the needed infrastructure for an efficient information and communications technology system to jumpstart the economy and promote nation-building.

SEC. 3. *The Information and Communications Technology Center.* – There shall be established in all legislative districts an Information and Communications Technology Center ICTC or ICT Hub. It shall adopt the National Information and Communications Technology (ICT) Plan as prepared by the Information and Communications Technology Office (ICTO) of the Department of Science and Technology (DOST), in coordination with the National Telecommunications Commission (NTC).

Pursuant to the National ICT Plan and the national, provincial, city, or municipal spatial development plans, the Information and Communications Technology Office (ICTO) shall identify the area where the ICTCs or ICT Hubs shall be established, with the end in view of establishing one in every legislative district. The private sector shall be encouraged to establish the ICTCs or ICT Hubs in accordance with the standards set by the ICTO. The ICTO 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 ICTO that shall solicit inputs for the policy, direction, coordination and supervision of ICTCs or ICT Hubs in every legislative district. The composition of the Advisory Committee shall be determined by the ICTO 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* is the amount of data that can be transmitted over a network connection over a period of time;
- (b.) *Bit or Binary Digit* is either 1 or 0 in the binary system which is the smallest unit of information handled by a computer;
- (c.) *Broadband* is 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 information;
- (d.) *Committed Information Rate* is 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;
- (e.) *Information and Communications 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 structure, the components of which include the telephone system, the internet, fax machines and computers;
- (f.) *Information and Communications Technology Center (ICTC)* is the location where services may be provided through the use of ICT with a minimum speed of 4 Megabits per second (Mbps). Such services may include telecommunications services, broadband and convergence services, business processing and data management;
- (g.) *Information and Communications Technology Hub (ICT Hub)* is a location where services may be provided through the use of ICT with a minimum speed of 100 Megabits per second (Mbps). Such services may include telecommunications services, broadband and convergence services, business processing and data management;
- (h.) *Information Technology (IT)* are matters concerned with the furtherance of computer science and technology, design, development, installation and implementation of information systems and applications;
- (i.) *Information Superhighway* is the digital communication systems and the internet telecommunications network;

- (j.) *Megabit per second (Mbps)* is the measure of the speed of data transfer which amounts to one million bits per second;
- (k.) *Public Telecommunications Entity (PTE)* is any person, natural or juridical, government or private engaged in the provision of telecommunications services to the public for compensation.

SEC. 6. *The Information and Communications Technology Office (ICTO) – Department of Science and Technology (DOST) and the National Telecommunications Commission (NTC).* – The Information and Communications Technology Office (ICTO) of the Department of Science and Technology, shall, in coordination with the National Telecommunications Commission (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.

The ICTO is mandated to 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 ICT Joint Congressional Oversight Committee established under Section 13 of this Act and the National Economic Development Authority (NEDA). The ICTO may call on other government entities to assist in the development of the information technology.

SEC. 7. *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 of the implementation of this Act. The NTC shall approve proposed ICTC or ICT Hub projects and shall ensure the compliance of public telecommunications entities with the required committed information rate and the quality of service as prescribed by it. The Public Telecommunications Entity shall regularly submit all necessary data and reports as required by NTC, especially on the development of a national broadband network.

SEC. 8. *Incentives.* – Any locator enterprise or Public Telecommunications Entity (PTE) in the ICTCs or ICT Hub or the Information and Communications Technology Center (ICTC) may be granted incentives provided under Executive Order No. 226, otherwise known as the “Omnibus Investment Code of 1987” or Republic Act No. 89748 or an “Act Amending R.A. No. 7916 otherwise known as the Special Economic Zone Act of 1995” and other relevant laws; *Provided*, That such locator enterprise or PTE in ICTCs or 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 ICTCs or ICT Hubs are located.

SEC. 9. *Prohibition Against Exclusivity.* – All ICTCs or ICT Hubs established under this Act are hereby declared free zones within which any public communications technology may operate. Any agreement or arrangement designating a public telecommunications entity, or any of its subsidiaries, affiliates or dummy entities as an exclusive public telecommunications entity within an ICTCs or ICT Hub shall be void and unenforceable. The domestic internet exchanges shall be interconnected. 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. 10. *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 National Economic Development Authority (NEDA) on the computation of cost of money based on the current consumer price index.

SEC.11. *Implementing Rules and Regulations (IRR).* – Within sixty (60) days from the effectivity of this Act, the ICTO, in coordination with the NTC, NEDA, the Department of 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. 12. *ICT Joint Congressional Oversight Committee.* – The ICT Joint Oversight Committee is hereby created to 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 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. 13. *Separability Clause.* – If, for any reason any provision of this Act is declared unconstitutional or invalid, such parts or portions not affected thereby shall remain in full force and effect.

SEC. 14. *Repealing Clause.* – All laws, executive orders, presidential decrees, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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

Approved,