

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 3437

HOUSE OF REPRESENTATIVES

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Introduced by **REPRESENTATIVE ROSE MARIE 'BABY' J. ARENAS and
REPRESENTATIVE ARNULFO P. FUENTEBELLA**

EXPLANATORY NOTE

The archipelagic nature of the Philippines has always proved to be a challenge to our government. The more than 7,000 islands and the various bodies of water surrounding these islands bogged down many government development projects to the detriment of our people. However, with the advent of information and communications technology, bringing programs and services to even remote barangays has now become doable and feasible.

The deregulation of the telecommunications industry which began in 1987, 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. This allowed the country to participate in the Global Off-shoring and Outsourcing (Global O & O) Industry. Consequently, niche markets emerged in animation, customer contact, back office, software development, medical and legal transcription, game development, and other cyber services. In 2005, the ICT sector niche markets brought US\$2.4B in revenues, which provided 162,250 jobs. In 2009, revenue grew by 200 per cent to US\$7.2B, while increasing local jobs to 442,000.

IT-related industries, BPO/contact centers, and tourism are among the priority investment areas in the Investment Priority Plan. With more investment in these industries, especially in information and technology, we should be able to create more Information and Communications Technology or ICT Hubs in every province. This should allow the country to become more competitive and to leapfrog to the future.

The Philippines has 81 provinces, and if this bill becomes a law, at least 81 nodes can be established to pump prime economic activities and promote development in every province. This bill hopes to minimize the so-called digital divide as well as speed up the setting up of a wireless communications technology.

With an ICT Hub, a province will be able to harness its potential to making it investor-friendly and accessible. It can also electronically promote the province' nerve center to connect to the various agencies of the national government thereby pushing the growth of e-government locally and nationally. The ICT Hub can also link a province to the national government during times of national calamities and disasters. More importantly, with the ICT Hub, the archipelagic feature of the country can be bridges, thereby creating One Philippines.

Former Rep. Felix William B. Fuentebella and I have authored and sponsored said bill in the Sixteenth Congress. It has gone through committee and technical working group deliberations. A public hearing on said bill and an ocular visit of CICT members to ICT hubs in Cebu City were also conducted. Finally, it has been approved on Third Reading at the House of Representatives on September 26, 2014 and has been transmitted to the Senate.

Immediate passage of this bill is requested.



ROSE MARIE 'BABY' J. ARENAS



ARNULFO P. FUENTEBELLA

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Introduced by REPRESENTATIVE ROSE MARIE “BABY” J. ARENAS *and*
REPRESENTATIVE ARNULFO P. FUENTEBELLA

AN ACT
PROVIDING FOR AN ON-LINE NETWORK ESTABLISHMENT POLICY FOR THE
PHILIPPINES

*Be in 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 “On-line
2 Network Establishment Policy for the Philippines” or the “*ONE Philippines Act*”.

3 **SEC. 2. *Declaration of Policy.*** - It is hereby declared the policy of the
4 State:

5 a. To recognize the vital role of information and communications
6 technology in nation-building and encourage investment in the countryside by
7 providing the infrastructure necessary for the growth of information and
8 communications technology; and,

9 b. To promote the adaptation of technology from all sources for
10 national benefit and embolden the widest participation of private groups, local
11 government, and community based organizations in the generation and
12 utilization of available technology.

13 Towards this end, the State shall provide for a comprehensive policy for
14 the creation and establishment of and Information and Communications
15 Technology Center (ICTC) or an Information Communications Technology Hub
16 (ICT Hub), whichever is applicable, in every legislative district of the country
17 with the end in view of enhancing the access of every Filipino to information.

18 **SEC. 3. *Scope.*** - This Act shall provide for a policy framework for the
19 establishment of ICTCs or ICT Hubs in every legislative district of the country.

20 This Act shall:

- a. mandate the development and enforcement of a comprehensive national information and communications technology plan;
- b. mandate the development of the information superhighway;
- c. define the powers and functions of key national government entities in the implementation of this policy; and
- d. provide incentives for all private industry participants.

In support of these mandates, the issuance of the necessary permits of telecommunications and ICT service providers shall be accelerated.

SEC. 4. *Definition of Terms.* -As used in this Act:

4.1 *Bandwidth* refers to the amount of data that can be transmitted over a network connection over a fixed amount of time;

4.2 *Bit or Binary digit* refers to either 1 or 0 in the binary system which is the smallest unit of information handled by a computer;

4.3 *Broadband* refers to 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;

4.4 *Committed information rate* refers to the average bandwidth for a virtual circuit guaranteed by public telecommunications entity to work under normal conditions. At any given time, the bandwidth cannot fall below this committed figure;

4.5 *Information and Communications Technology (ICT)* 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 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;

4.6 *Information and Communications Technology Center (ICTC)* refers to a center or 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;

4.7 *Information and Communications Technology Hub (ICT Hub)* refers to a center or 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;

4.8 *Information Technology (IT)* refers to all matters concerned with the furtherance of computer science and technology, design, development, installation and implementation of information systems and applications;

4.9 *Information superhighway* refers to the digital communication systems and the internet telecommunications network;

4.10 *Megabit per second or Mbps* refers to the measure of the speed of data transfer which amounts to one million bits per second;

4.11 *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.

4.12 *Department of Information and Communications Technology (DICT)* is a national government agency created under Republic Act 10844 dated May 23, 2016.

SEC. 5. *Role of the Department of Information and Communications Technology (DICT).* – The DICT, consistent with the Philippine Development Plan (PDP) and in coordination with the National Telecommunications Commission (NTC), shall formulate and approve a national ICT Plan which shall include, among others, the development of an information superhighway that will accelerate the establishment of ICTCs and/or ICT Hubs, in every legislative district of the country and ICTCs in every barangay. The ICTO shall likewise be the lead agency to oversee the implementation of the National ICT Plan. The updated National ICT Plan shall be submitted annually to the Office of the President of the Republic of the Philippines, the ICT Joint Congressional Oversight Committee established under Sec. 13 herein, and the National Economic Development Authority (NEDA) on or before the fifteenth (15th) of April. The ICTO may call on other government entities to assist in the development of the information superhighway.

SEC. 6. *Role of National Telecommunications 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. It shall take the necessary measures to implement the policies and objectives set forth herein. The NTC shall approve proposed

1 ICTC or ICT Hub projects and shall ensure the compliance of public
2 telecommunications entities with the required committed information rate and
3 the quality of service as prescribed by NTC. The PTE shall regularly submit all
4 necessary data and reports as required by NTC, especially on the development
5 of the information superhighway.

6 **SEC. 7. *Advisory Committee.*** - There is hereby created an Advisory
7 Committee, to be convened by the DICT, that shall solicit inputs for the policy,
8 direction, coordination and supervision of ICT Hubs or ICTCs in every legislative
9 district of the country. The composition of the Advisory Committee shall be
10 determined by DICT which shall include equal representation from (a) the
11 government, (b) the service providers and (c) the end-users.

12 **SEC. 8. *Establishment of ICT Hubs or ICTCs In Each Legislative District.***
13 - Pursuant to the development of a comprehensive information superhighway,
14 National ICT Plan and the national, provincial, city, or municipal spatial
15 development plans, the DICT shall identify the area where the ICT Hubs or
16 ICTCs shall be established, with the end in view of establishing one in every
17 legislative district. The private sector shall be encouraged to establish the ICT
18 Hubs or ICTCs in accordance with the standards set by the DICT. The DICT shall
19 come up with a scheme to address the unviable areas, using the latest and
20 emerging technologies available.

21 **SEC. 9. *Incentives.*** - Any locator enterprise or Public Telecommunications
22 Entity (PTE) in the ICT Hub or the Information and Communications Technology
23 Center (ICTC) may be granted incentives provided under Executive Order No.
24 226, otherwise known as the Omnibus Investment Code of 1987 or Republic Act
25 No. 7916, otherwise known as The Special Economic Zone Authority Act of 1995,
26 as amended by Republic Act No. 8748, or An Act Amending RA 7916, otherwise
27 known as the Special Economic Zone Act of 1995 and other relevant laws:
28 *Provided*, That such locator enterprise or PTE in ICT Hubs or ICTCs are qualified
29 under the said laws: *Provided further*, That no locator enterprise may avail of the
30 incentives mandated in both laws at the same time: *Provided finally*, That these
31 incentives shall be granted in addition to the incentives given by the local
32 government unit where such ICT Hub or ICTC is located.

33 **SEC. 10. *Prohibition Against Exclusivity.*** - All ICT Hubs or ICTCs
34 established under this Act are hereby declared free zones within which any
35 public telecommunications entity may operate. Any agreement or arrangement

1 designating a public telecommunications entity, or any of its subsidiaries,
2 affiliates or dummy entities, as exclusive public telecommunications entity
3 within an ICT Hub or ICTC shall be void and unenforceable. The internet
4 exchanges shall be interconnected. The interconnection agreement between the
5 public telecommunications entities shall be submitted for the approval of the
6 NTC. If the parties fail to reach an agreement within ninety (90) days from start
7 of negotiation, the NTC shall intervene and prescribe the terms and conditions
8 of the interconnection.

9 **SEC. 11. *Penalties.*** - The NTC, in the exercise of its quasi-judicial
10 authority, shall impose a fine of Three hundred thousand pesos (P300,000.00)
11 for any of the following acts: (a) non-disclosure, (b) non-interconnection, or (c)
12 non-compliance with the committed information rate and quality of service.

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

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

21 **SEC. 13. *ICT Joint Congressional Oversight Committee.*** - There is hereby
22 created an ICT Joint Congressional Oversight Committee to be composed of the
23 Chairpersons of the House Committee on Information and Communications
24 Technology and Senate Committee on Science and Technology and two (2)
25 members from each of the Senate and the House of Representatives who shall
26 be designated by the Senate President and the Speaker of the House of
27 Representatives, respectively: *Provided*, That one (1) member from each House
28 shall be nominated by their respective Minority Leader.

29 The Chairpersons of the House Committee on Information and
30 Communications Technology and the Senate Committee on Science and
31 Technology shall serve as Chairperson of the ICT Joint Congressional Committee
32 on a rotational basis every six (6) months. In every case, the other member of
33 the Committee belonging to the majority in the House or in the Senate shall be
34 the Vice Chair. The Secretariat of the Congressional Oversight Committee shall

1 come from the existing secretariat personnel of the concerned Committees of
2 the House of Representatives and the Senate.

3 The ICT Joint Congressional Oversight Committee shall monitor and
4 ensure the effective implementation of this Act, including the approval of the
5 rules and regulations issued pursuant hereto. It shall determine inherent
6 weakness and loopholes in the law, recommend the necessary remedial
7 legislation or administrative measures and perform such other duties and
8 functions as may be necessary to attain the objectives of this Act.

9 **SEC. 14. *Separability Clause.*** - If any part or provision of this Act is held
10 unconstitutional or invalid, other provisions that are not affected shall remain in
11 full force and effect.

12 **SEC. 15. *Repealing Clause.*** - All laws, rules and regulations, other
13 issuances or parts thereof, which are inconsistent with this Act, are hereby
14 repealed or modified accordingly.

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

18 Approved,