

THIRTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

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SENATE

S.B. NO. 966

Introduced by Senator Jinggoy Ejercito Estrada

EXPLANATORY NOTE

Never in contemporary history has the world experienced the upsurge of modern information technology than today. We are swarmed with information, facts and ideas, which continue to increase everyday, by volume and density. Thus, the world has literally and figuratively shrunk and dwindled as events and occurrences are disseminated and dispatched simultaneously or processed and flown from one corner of the earth to another in mere nanoseconds. This phenomenal development serves as a framework for the country's development and growth. Handled positively, it ensures immediacy of action and increased responsiveness to events and assured global competitiveness. On the other hand, it may also be a bane to progress and truthfulness for this modern technology may be manipulated, controlled and maneuvered to suit vested interests.

Although we are one of those countries today gearing towards computerization to cope with the challenges and demands of the so-called "Information Age", it is lamentable to say that we are still way behind other countries with respect to information technology. Our educational institutions, government agencies, corporate firms and ordinary citizens are ill equipped in computer knowledge. Moreover, we are lacking sorely in qualified instructors, most of them, at best are themselves in the process of continuing education. Hence, there is an urgent need for world-class Information Technology (IT) professionals in order to produce globally competitive workforce.

The spread of information technology on the electronic highway has also given rise to the proliferation of pornographic materials in the Internet. The outright denial by persons concerned can be a classic example of the deceit, peril or hazard that the government should seek to prevent. There is a need to regulate this industry to avert moral degradation among our youth.

This proposed measure, therefore, seeks to create a National Council for Information Technology and Development which will pave the way for an extensive use of IT for the county's benefit by upgrading computer literacy and education. The Board of Directors shall manage the Council. It shall be composed of various concerned government agencies and representatives from the private sectors to assure effective cooperative effort towards the realization of its thrusts and objectives. The Council shall likewise regulate local access to commercial online services to prevent minors from being exposed to cyberspace abuses such as pornography and violence.

Considering the importance and relevance of this proposed measure, early passage of this bill is earnestly sought.




JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
CREATING THE NATIONAL COUNCIL FOR INFORMATION TECHNOLOGY AND
DEVELOPMENT (NCITD), DEFINING ITS OBJECTIVES, POWERS AND
FUNCTIONS, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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 "National Council for
Information Technology and Development Act of 2004".

SECTION 2. **Statement of Policy.** - It is hereby declared the policy of the State
to provide a high quality information technology industry on a worldwide basis to cope
with the rising economic global competitiveness, growth and welfare. Towards this end,
there is a need to create National Council for Information Technology and Development
which shall provide and regulate the information superhighway for the country in
preparation for the next millennium.

SECTION 3. **Creation of the National Council for Information Technology
and Development (NCITD).** - To implement the above mentioned policy, there is
hereby created a National Council for Information Technology and Development, herein
referred to as NCITD.

SECTION 4. **Composition of the NCITD.** - The NCITD shall be composed of the
NCITD Board and the NCITD Secretariat.

SECTION 5. **Composition of the NCITO Board.** - The NCITD Board shall be
composed of the following:

1. NCITD Director-General-Chairperson;
2. Technical Education and Skills Development Authority (TESDA) Director -
General - Deputy Chairperson

3. Representative from the Department of Education, Culture and Sports (DECS) - Ex-officio Member;
4. Representative from the Commission on Higher Education (CHED) Ex-officio Member;
5. Representative from the Department of Science and Technology (DOST) - Secretary - Ex- officio Member;
6. Representative from the National Computer Center (NCC) - Member.
7. Representative from the Philippine Computer Society (PCS) - Member;
8. Representative from the National Telecommunication Commission (NTC) - Member; and
9. Three (3) representatives from the academic sector.

In addition, the President of the Philippines shall also appoint the following representatives from the private sectors as additional members to the Board:

1. Three (3) representatives from the business sector;
2. Three (3) representatives from the association of technological institutions;

SECTION 6. Qualifications of Members of the Board. - For one to qualify as a member of the Board, he must have the following qualifications:

1. Must be a natural-born citizen of the Philippines;
2. At least twenty-five (25) years of age at the time of his appointment; and
3. Of good moral character and standing in the community;

SECTION 7. Compensation of the Board. - The members of the Board who are government officials shall not receive additional compensation for the services rendered thereto. Members of the Board who are not government officials shall receive per diems of Five Thousand Pesos (P5,000.00) per meeting of the Board.

SECTION 8. Term of Office of the Representatives from the Private Sector. - The representatives from the private sector shall serve office for a term of three (3) years without reappointment. The President may, however, revise the membership of the NCITD Board whenever he deems it necessary for the effective performance of the Boards functions through an Administrative Order. If any of the members fail to complete his term, any person appointed to fill the vacancy shall serve only for the unexpired portion of the term of the Board member whom he succeeds.

SECTION 9. Meetings of the Board. - The NCITD Board shall meet at least once a month or as frequently its Chairperson may deem as necessary. In the absence of the Chairperson, the Deputy -Chairperson shall preside. In case any member of the

Board representing the government cannot attend the meeting, he or she shall designate a representative.

SECTION 10. *Statement of Goals and Objectives.* - NCITD shall attain the following goals and objectives:

(a) Strengthen information technology and development in the country for international competitiveness;

(b) Transform the Philippines into Asia's knowledge center and help bring the country to the forefront of Asian economies;

(c) Improve speed and accuracy of information exchange and network proliferation;

(d) Provide a conducive environment for an "information superhighway" for the smooth implementation of the International Agreement on Information Technology among members of the World Trade Organization (WTO);

(e) Improve linkages between industry and government in the formulation of any national level plans;

(f) Recognize and encourage the complementary rules of public and private institutions in information technology and development;

(g) Inculcate desirable values among Filipinos especially the youth through regulation of the information technology and development; and

(h) Provide a pool of qualified IT professionals by granting scholarships or free continuing education to deserving computer instructors in the country.

SECTION 11. *Powers and Functions of the Board.* - " The NCITD Board shall have the following powers and functions:

(a) Formulate, upgrade and integrate information technology education and development, plans and programs;

(b) Promulgate policies, rules, regulations and guidelines as may be necessary for the effective implementation of this Act and in accordance with the Ministerial Declaration of the Information Technology Agreement signed by the Members of the World Trade Organization (WTO);

(c) Regulate the communication of obscene or indecent materials especially to minors but with due regard to the observance of due process at all times;

(d) Provide course modules for computer education in all educational institutions in the country;

(e) Establish, develop and support institutions trainors training and/or programs;

(f) Provide directive to educational institutions to integrate computer course as part of the curriculum of all courses from the elementary through post-graduate studies;

(g) Promote and develop human resources of the bureaucracy towards computer literacy;

(h) Provide for the registration of IT providers or information technology centers and require the securing of permit with the Board to operate as such;

(i) Order the closure if Internet providers or information technology centers and other similar establishments engaged in accessing information that violates the provisions of this Act and the rules and regulations promulgated by the Board in pursuant thereto;

(j) Promote public consciousness in information technology and development; and

(k) Promulgate rules and regulations necessary for the implementation of this Act; and

(l) Exercise all the powers necessary to attain the purposes for which it is created.

SECTION 12. NCITD Secretariat. - There is hereby created a National Council for Information Technology and Development (NCITD) Secretariat that shall provide administrative and technical support service to the Board. It shall have the following functions and responsibilities:

(a) To establish and maintain technology and development;

(b) To recommend measures and implement the same upon approval by the NCITD Board for the effective and efficient implementation of the policies, plans and programs for information technology and development;

(c) To submit periodic reports to the Board on the progress and accomplishments of the Council on the implementation of the plans and policies in pursuant to the declared objectives of this Act; and

(d) To perform such other functions and duties as may be assigned by the Board.

SECTION 13. Director-General. - The NCITD Secretariat shall be headed by a Director-General, who shall likewise be the Chairman of the NCITD Board. The Director-General shall be appointed by the President and shall enjoy the benefits, privileges and emoluments equivalent to the rank of Undersecretary.

As Chief Executive Officer of the NCITD Secretariat, the Director-General shall exercise general supervision and control over its technical and administrative personnel.

SECTION 14. Deputy Directors-General. - The Director-General shall be assisted by two (2) Deputy Directors-General to be appointed by the President of the Philippines upon recommendation of the NCITD Board. One of them shall be responsible for Information Technology and Development training and the other one shall be responsible for development of policies and planning.

The Deputy Directors-General shall enjoy the benefits, privileges and emoluments equivalent to the rank of Assistant Secretary.

SECTION 15. Chief of Services for Administration. - There shall be a Chief of Services for Administration who shall be a Career Civil Service official to be appointed by the NCITD Board. He/she shall also assist the Deputy Director-General for policies and planning.

SECTION 16. Compliance with the Salary Standardization Law - The compensation and emoluments of the officials and employees of NCITD shall be in accordance with the Salary Standardization Law and other applicable laws under the National Compensation and Classification Plan.

SECTION 17. Consultants and Technical Assistance, Publication and Research. - In pursuing its objectives, NCITD is hereby authorized to set aside a portion of its appropriation for hiring of services of qualified consultants and private organization for research work and publications in the field of information technology and development. It shall avail the services of other agencies of the government as may be required.

SECTION 18. Scholarship Grants. - NCITD shall adopt a system of allocation and funding of scholarship grants that shall be responsive to information technology education and development needs of the different regions in the country.

SECTION 19. Registration of Information Technology (IT) providers or IT Centers. - All IT providers and IT Centers shall be required to register with, and secure a permit from the NCITD Board to operate as such. The registration and permit issued by the Board shall be a condition precedent for securing a business permit or license from the appropriate office of the NCITD.

SECTION 20. Prohibited Acts. - The following shall be considered prohibited acts:

- a) Causing or allowing to be transmitted by the use of computers or electronic communications any indecent or immoral scenes or anything that is contrary to public morals;
- b) Failure on the part of an educational institution to integrate the computer course as part of its curriculum; and
- c) Failure to register and secure a permit with the NCITD Board for the operation of information technology centers and other similar establishments.

SECTION 21. Penalty. - Any person who commits any of the prohibited acts provided under this Act shall suffer the penalty provision mayor or pay a fine of not less than Fifty Thousand Pesos (P50,000.00), or both, at the discretion of the court. If an IT provider or Center to which a permit is issued to operate as such commits the violation, the penalty shall include the suspension or revocation of its license or permit.

SECTION 22. NCITD Budget. - The amount necessary to finance the initial implementation of this Act shall be charged against the existing appropriations of the Department of Science and Technology (DOST). Thereafter, such funds as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 23. Transitory Provision.

- a) Within two (2) months after the approval of this Act, the President of the Philippines shall, in consultation with the government agencies composing the NCITD Board, appoint the private sector representatives of NCITD.
- b) Within three (3) months after the appointment of the private sector representatives, the President shall, upon the recommendation of the Board, appoint the Director-General.

SECTION 24. Periodic Performance Evaluation and Review - Every three (3) years after the effectivity of this Act, an independent review panel composed of three (3) persons appointed by the President shall review the performance of NCITD and shall make recommendations based on its findings to the President and to both Houses of Congress.

SECTION 25. Implementing Rules and Regulations. - The NCITD Board shall issue, within a period of ninety (90) days after the effectivity of this Act, the rules and regulations for the effective implementation of this Act.

The NCITD Board shall submit to both Houses of Congress copies of the implementing rules and regulations within thirty (30) days after its promulgation.

SECTION 26. Repealing Clause. - All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 27. Separability Clause. - If any provision of this Act is declared unconstitutional, the same shall not affect validity and effectivity of the other provisions hereof.

SECTION 28. Effectivity. - This Act shall take effect after fifteen (15) days after its complete publication in at least two (2) newspapers of general circulation.

Approved,