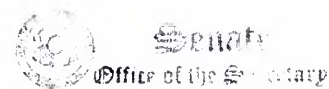
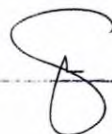


NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'22 JUL 25 P1 :25

SENATE  
S. No. 830

RECEIVED BY 

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Introduced by Senator Loren B. Legarda

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AN ACT  
ESTABLISHING INFORMATION AND COMMUNICATIONS  
TECHNOLOGY HUBS NATIONWIDE

EXPLANATORY NOTE

Information and Communications Technology (ICT) plays an increasingly important role today in our country's social and economic development. The ICT industry creates around one hundred thousand (100,000) jobs in the Philippines annually.<sup>1</sup> By expanding the reach of technologies, ICT has made it easier for people in far-flung areas to access government services. It has made knowledge and information easily accessible to many individuals all over the country.

As we adjust to the new normal, majority of Filipinos have come to depend on technology and digital connections in most aspects of their lives, whether for work, education, healthcare, commercial transactions, or even daily social interactions. ICT has not only paved the way for socio-economic development in the country, but it has also now become an essential tool in the everyday lives of Filipinos.

This bill, therefore, seeks to establish ICT hubs all over the country in order to increase access to technology, strengthen the information and technology literacy of Filipinos, and further drive nation-building in the digital age.

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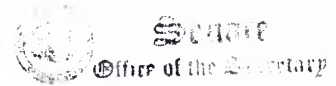
<sup>1</sup> IT and Business Process Association of the Philippines, The Philippine IT-BPM Sector Roadmap 2022 Accelerate PH: Future-Ready Executive Summary (2017).

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



**LOREN LEGARDA**

NINETEENTH CONGRESS OF THE )  
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**AN ACT  
ESTABLISHING INFORMATION AND COMMUNICATIONS  
TECHNOLOGY HUBS NATIONWIDE**

*Be it enacted by the Senate and House of Representatives of the Republic 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.* - The State recognizes the vital role of information  
4 and communication in the development and promotion of growth in the countryside.  
5 To this end, the State shall encourage the expansion of information and  
6 communications technology (ICT) and infrastructure throughout the country to  
7 facilitate the access of the citizenry to goods and services. Pursuant thereto, the State  
8 shall establish ICT hubs throughout the country in accordance with the National ICT  
9 Roadmap and National ICT Plan.

10 Sec. 3. *Definition of Terms.* - As used in this Act;

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

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

- 1 (c) *Broadband network* refers to a network able to transmit signals with a high  
2 bit rate and a transmission channel being equal to or greater than two  
3 megabits per second (2 Mbps);
- 4 (d) *Committed information rate* refers to the information rate guaranteed by  
5 public telecommunications entity (PTE). The bandwidth cannot fall  
6 below the committed rate of ninety-eight point five percent (98.5%) of  
7 the time;
- 8 (e) *Cyber skills learning hub* or *Digital transformation center* refers to a facility  
9 specifically designed for cyber-education and digital literacy and that  
10 provides knowledge, skills, theoretical and practical experiences, and  
11 access to technologies for all learners to become information and  
12 technology proficient;
- 13 (f) *Data farm* refers to a physical facility that houses servers, network  
14 equipment, personnel like information technology specialists, and  
15 network technicians for business-critical support such as online data  
16 storage, data processing, core computing services, data and application  
17 backup services, and distributing large amounts of data from remote  
18 data facilities. The operation and management thereof shall be subject to  
19 pertinent laws and policies on data security to prevent, detect and  
20 intercept unauthorized access of data, especially on matters of national  
21 security;
- 22 (g) *Digital innovation hub* refers to specialized business incubation and  
23 acceleration facility offering physical workspace, mentoring and  
24 coaching, and devices for technical application testing or experimenting  
25 and training. It is a one-stop-shop, usually but not always affiliated with  
26 educational institutions, that helps companies including start-ups to  
27 become more competitive with regard to their business production  
28 processes, products or services using digital technologies by providing  
29 access to the latest knowledge, expertise and technology to support  
30 them;

- 1 (h) *Information and communications technology (ICT)* refers to the totality of  
2 electronic means to access, create, collect, store, process, receive,  
3 transmit, present, and disseminate information;
- 4 (i) *Information and communications technology hub (ICT hub)* refers to a  
5 location where a PTE may provide ICT services with at least the  
6 minimum internet speed required by the National Telecommunications  
7 Commission (NTC). Such services may include telecommunications  
8 services, broadband and convergence services, business processing, and  
9 data management;
- 10 (j) *Information technology and business processing management hub* refers to a  
11 location that caters to and offers support mechanisms for companies and  
12 enterprises engaged in IT services and business process management  
13 and operations;
- 14 (k) *Public telecommunications entity (PTE)* refers to any person, natural or  
15 juridical, government or privately engaged in providing  
16 telecommunications services to the public for compensation.

17 *Sec. 4. Establishment of Information and Communications Technology Hubs.* – There  
18 shall be established ICT hubs all over the country in accordance with a National ICT  
19 Plan to be prepared by the Department of Information and Communications  
20 Technology (DICT).

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

- 25 (a) Data Farms;
- 26 (b) Information Technology (IT) and Business Processing Management  
27 (BPM) Hub;
- 28 (c) Cyber Skills Learning Hub and Digital Transformation Center (DTC);
- 29 (d) Digital Innovation Hub; and,
- 30 (e) Any other ICT hub that may arise in the future.

31 Pursuant to the ICT Plan and the national, provincial, city, or municipal spatial  
32 development plans, the DICT and the local government units (LGU) shall identify the



1 areas where the ICT hubs shall be established based on geographical area and  
2 population: *Provided*, That ICT hubs shall be developed in geographically equitable  
3 and accessible locations throughout the province: *Provided, further*, That the area or  
4 site of an ICT hub shall be on a property owned by an LGU.

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

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

14 The DICT shall update the National ICT Plan and shall submit the same on or  
15 before the 15<sup>th</sup> of April of every year to the Office of the President of the Republic of  
16 the Philippines, the National Economic and Development Authority (NEDA), and the  
17 ICT Joint Congressional Oversight Committee established under this Act.

18 *Sec. 6. Advisory Committee.* – There is hereby created an Advisory Committee  
19 that shall solicit inputs towards the shaping of policy directions of the National ICT  
20 Plan, including the supervision of ICT hubs and the coordination to be undertaken  
21 with the private sector and other agencies and instrumentalities of the government.  
22 The DICT shall determine the composition of the Advisory Committee and ensure the  
23 equal representation of the (a) government, (b) the service providers, (c) the end users,  
24 and (d) other industry stakeholders.

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

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

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

10          Sec. 9. *Digital Skills Development.* – The DICT, together with the Department of  
11 Education, Commission on Higher Education, and the Technical Education and Skills  
12 Development Authority, shall establish a program on digital skills development for  
13 all learners to enhance their competitiveness, adaptability, and employability in the  
14 emerging digital economy, which shall be integrated into the pertinent programs of  
15 the ICT hubs.

16          Sec. 10. *Digital Network Infrastructure.* – A digital network infrastructure shall  
17 be established to connect the local ICT hubs to the National Broadband Program  
18 through a core backbone network of the DICT, to be funded from the spectrum users’  
19 fees.

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

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

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

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

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

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

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

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

28           Sec. 16. *ICT Joint Congressional Oversight Committee.* – An ICT Joint  
29 Congressional Oversight Committee (ICTJCOC) is hereby created to monitor the  
30 effective implementation of this Act, recommend the necessary remedial legislative or  
31 administrative measures and perform such other duties and functions as may be  
32 necessary to attain the objectives of this Act. It shall be composed of the Chairpersons



1 of the House Committee on Information and Communications Technology and Senate  
2 Committee on Science and Technology and two (2) members from each of the Senate  
3 and the House of Representatives who shall be designated by the Senate President  
4 and the Speaker of the House of Representatives, respectively: *Provided,* That one (1)  
5 member from each House shall be nominated by their respective Minority Leaders.

6 The Chairpersons of the House Committee on Information and  
7 Communications Technology and the Senate Committee on Science and Technology  
8 shall serve as Chairperson and Vice Chairperson or vice versa of the ICTJCOC on a  
9 rotational basis every six (6) months. The Secretariat of the ICTJCOC shall be the  
10 existing secretariat personnel of the concerned Committees of the House of  
11 Representatives and the Senate.

12 Sec. 17. *Separability Clause.* - If any provision of this Act shall be declared  
13 unconstitutional or invalid, the other provisions not affected shall remain in full force  
14 and effect.

15 Sec. 18. *Repealing Clause.* - All laws, decrees, executive orders, rules and  
16 regulations, issuances, or parts thereof inconsistent with the provisions of this Act are  
17 hereby repealed, amended, or modified accordingly.

18 Sec. 19. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its  
19 complete publication either in the Official Gazette or in at least two (2) newspapers of  
20 general circulation.

Approved,