

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

8 AUG 14 2008

S E N A T E

RECEIVED BY: _____

COMMITTEE REPORT NO. 93

Prepared jointly by the Committees on Science and Technology, Civil Service and Government Reorganization and Finance on
AUG 14 2008

Re: S. No. 2546

Recommending its approval in substitution of Senate Bill Nos. 320 and 920.

Sponsors: Senators Angara and Legarda

MR. PRESIDENT:

The Committees on Science and Technology, Civil Service and Government Reorganization and Finance, to which were referred S. No. 320, introduced by Senator Jinggoy Estrada, entitled:

**“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”**

And S. No. 920, authored by Senator Legarda, entitled:

**“AN ACT
CREATING THE DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY, DEFINING ITS POWERS AND
FUNCTIONS, APPROPRIATING FUNDS THEREFORE, AND FOR
OTHER PURPOSES”**

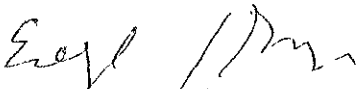
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached Senate Bill No. 2546, prepared by the Committees, entitled:


**“AN ACT
CREATING THE DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY, DEFINING ITS
POWERS AND FUNCTIONS, APPROPRIATING FUNDS
THEREFORE, AND FOR OTHER PURPOSES.”**

be approved in substitution of S Nos. 320 and 920, with Senators Estrada, Legarda and Angara as authors thereof.

Respectfully submitted:

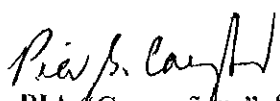
SEN. ANTONIO F. TRILLANES IV
Chairman
Ctte. On Civil Service & Govt.
Reorganization
Member, Ctte. On Finance


SEN. EDGARDO J. ANGARA
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Ctte. On Science & Technology
Vice Chairman, Ctte. On Finance
Member, Ctte. On Civil Service &
Gov't Reorganization


SEN. JUAN PONCE ENRILE *with questions*
Chairman
Committee on Finance
Member, Ctte. On Science & Technology


SEN. PANFILO "PING" LACSON
Acting Chairman, Ctte. On Civil Service
& Gov't. Reorganization
Member, Ctte. On Finance

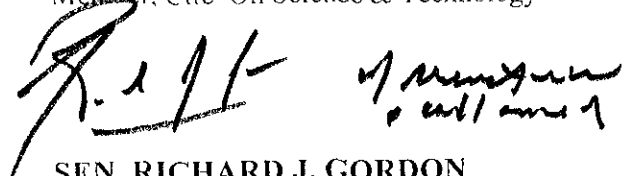
MEMBERS:

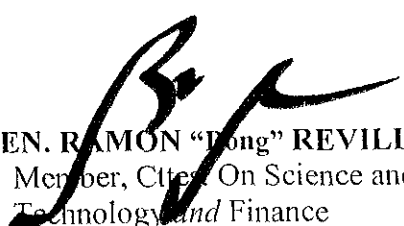

SEN. PIA "Compañera" S. CAYETANO
Vice Chairperson, Ctte. On Science
and Technology
Member, Ctte. On Finance

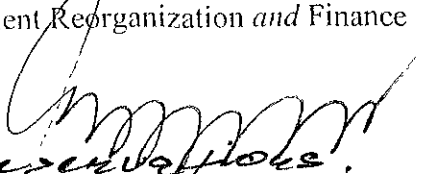
SEN. JOKER P. ARROYO
Vice Chairman, Ctte. On Finance

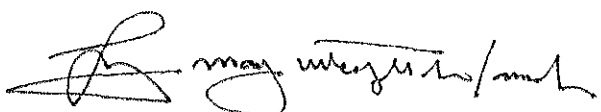
SEN. MIRIAM DEFENSOR-SANTIAGO
Vice Chairperson, Committee on Finance
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SEN. MANUEL "Lito" M. LAPID
Member, Ctte. On Finance

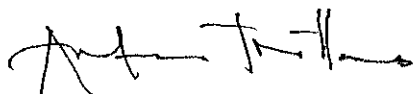

SEN. RICHARD J. GORDON
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SEN. RAMON "Long" REVILLA, JR.
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SEN. FRANCIS "Chiz" ESCUDERO
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Respectfully submitted:



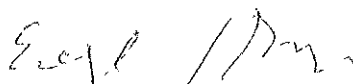
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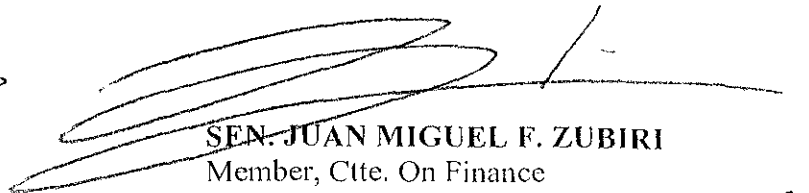
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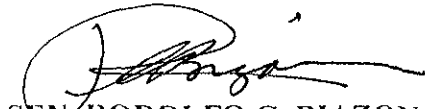
Gov't. Reorganization *and* Finance




SEN. LOREN B. LEGARDA
Member, Cttes. On Science and
Technology *and* Finance



SEN. JUAN MIGUEL F. ZUBIRI
Member, Ctte. On Finance
may interpellate + amend



SEN. RODOLFO G. BIAZON
Member, Ctte. On Finance

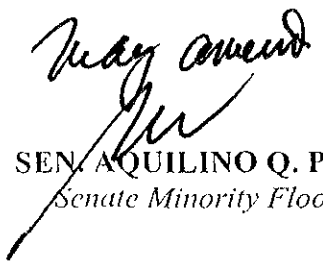


SEN. M.A. MADRIGAL
Member, Cttes. On Science and
Technology *and* Finance

SEN. ALAN PETER S. CAYETANO
Member, Ctte. On Civil Service and
Government Reorganization


SEN. MAR ROXAS
Member, Committee on Finance

Ex-Officio Members:

May amend:

SEN. AQUILINO Q. PIMENTEL, JR.
Senate Minority Floor Leader



SEN. FRANCIS N. PANGILINAN
Senate Majority Floor Leader



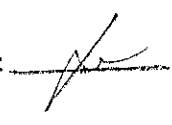
SEN. JINGGOY EJERCITO-ESTRADA
Senate President Pro-Tempore

HON. MANNY VILLAR
Senate President

Republic of the Philippines)
FOURTEENTH CONGRESS)
Second Regular Session)

8 AUG 14 PAST

SENATE
S. No. 2546

RECEIVED BY: 

Prepared jointly by the Committees on Science and Technology, Civil Service and Government Reorganization and Finance, with Senators Estrada, Legarda and Angara, as authors.

**AN ACT
CREATING THE DEPARTMENT OF INFORMATION AND
COMMUNICATIONS TECHNOLOGY, DEFINING ITS POWERS AND
FUNCTIONS, APPROPRIATING FUNDS THEREFORE,
AND FOR OTHER PURPOSES**

Be it 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 "Department of Information
- 2 and Communications Technology Act of 2008."
- 3 **SEC. 2.** *Declaration of Policy.* It is hereby declared the policy of the State:
- 4 a. To ensure the provision of a strategic, reliable, cost-efficient and citizen-centric
- 5 information and communications technology (ICT) infrastructure, systems and
- 6 resources as instruments of nation-building and global competitiveness;
- 7 b. To foster a policy environment that will promote a broader market-led
- 8 development of the ICT and ICT-enabled services sectors, a level playing field,
- 9 partnership between the public and the private sectors, strategic alliance with
- 10 foreign investors and balanced investments between high-growth and
- 11 economically-depressed areas;
- 12 c. To foster and accelerate the convergence of ICT facilities;
- 13 d. To ensure universal access and high-speed connectivity at fair and reasonable
- 14 costs;
- 15 e. To ensure the availability and accessibility of information and communications
- 16 services in areas not adequately served by the private sector;
- 17 f. To promote the widespread use and development of emerging ICT;
- 18 g. To promote and assist the development of local ICT content, applications and
- 19 services;
- 20 h. To establish a strong and effective regulatory system that will ensure consumer
- 21 protection and welfare and foster a healthy competitive environment;
- 22 i. To promote the development of ICT expertise in the country's human capital to
- 23 enable Filipinos to compete in a fast-evolving information and communications
- 24 age;

- 1 j. To ensure the growth of the ICT and ICT-enabled services sectors;
- 2 k. To preserve the rights of individuals to privacy and confidentiality of their
- 3 personal information;
- 4 l. To encourage the use of ICT for the development and promotion of the country's
- 5 arts and culture, history, education, public health and safety, and other socio-
- 6 civic purposes;
- 7 m. To sustain the development of the national postal system as an integral
- 8 component of the overall development of ICT in the country;
- 9 n. To ensure the security of ICT infrastructures and assets of individuals and
- 10 businesses stored therein;
- 11 o. To empower, through the use of ICT, the disadvantaged segments of the
- 12 population, including persons with disabilities, such as the physically,
- 13 emotionally or mentally challenged.

14 **SEC. 3.** *Definition of Terms.* As used in this Act, the following terms are defined as
15 follows:

- 16 a. "Information and Communications Technology" or "ICT" shall mean the
- 17 totality of electronic means to collect, store, process and present information
- 18 to end-users in support of their activities and services. It consists of computer
- 19 systems, office systems and consumer electronics, as well as networked
- 20 information infrastructure, the components of which include telephone, cable,
- 21 wireless and satellite systems, the Internet, fax machines and computers;
- 22 b. "Electronic Government" or "E-Government" shall mean the application of
- 23 ICT in government processes to bring about efficient, responsive, ethical,
- 24 accountable and transparent government service;
- 25 c. "ICT Sector" shall mean telecommunications operators, ICT equipment
- 26 manufacturers, ICT solution providers, Internet service providers, ICT
- 27 training institutions, software developers and ICT-enabled service providers;
- 28 d. "ICT-Enabled Services Sector" shall mean offshoring and outsourcing service
- 29 providers, including call centers, back office processing, software
- 30 development, medical or legal transcription, animation, game development,
- 31 engineering or architectural design, and other services that require the intrinsic
- 32 use of a networked information infrastructure;
- 33 e. "Chief Information Officer" or "CIO" shall mean the title given to the board
- 34 level head of ICT in an organization responsible for the development and
- 35 maintenance of the organization's ICT systems and applications.

36 **SEC. 4.** *Creation of the Department of Information and Communications Technology.*
37 There is hereby created the Department of Information and Communications Technology,
38 hereinafter referred to as the Department, which shall carry out the above-declared policy

1 and assume the communications-related powers and functions of the Department of
2 Transportation and Communications (DOTC).

3 **SEC. 5. *Mandate.*** *The Department shall be the primary policy, planning, coordinating,*
4 *implementing, regulating and administrative entity of the executive branch of the*
5 *Government that will plan, promote and help develop the country's ICT sector.*

6 **SEC. 6. *Powers and Functions.*** *The Department shall exercise the following powers and*
7 *functions:*

- 8 a. Formulate, recommend and implement national policies, plans, programs and
9 guidelines for the ICT and ICT-enabled services sectors that will promote
10 wider use and development of ICT and provide increased and convenient
11 access by the citizens to the same;
- 12 b. Initiate, harmonize and coordinate all ICT plans and initiatives of government
13 agencies to ensure overall consistency and harmony with e-government
14 objectives in particular, and national objectives in general;
- 15 c. Represent and negotiate for Philippine interest on matters pertaining to ICT in
16 international bodies;
- 17 d. Develop and maintain national ICT development plans and establish and
18 administer comprehensive and integrated programs for ICT with due
19 consideration to advances on convergence and other emerging technologies;
20 and for this purpose, may invite any agency, corporation or organization,
21 whether public or private, whose development programs in ICT are an integral
22 part thereof, to participate and assist in the preparation and implementation of
23 such programs;
- 24 e. Promote knowledge, information and resource sharing, database building and
25 agency networking linkages among various government agencies;
- 26 f. Ensure the development and protection of an integrated government
27 information and communications infrastructure and coordinate all relevant
28 government entities, taking into consideration the inventory of existing
29 manpower, plans, programs, proposals, software and hardware, and the
30 installed systems and programs;
- 31 g. Provide an integrated framework in order to optimize all government ICT
32 resources and networks and the identification and prioritization of all e-
33 government systems and applications as provided for in the Government
34 Information Systems Plan (GISP) and the Medium Term Philippine
35 Development Plan (MTPDP);
- 36 h. Coordinate and support the generation and acquisition of necessary resources
37 as may be appropriate for the development, marketing, growth and
38 competitiveness of the Philippine ICT and ICT-enabled services sectors;

- 1 i. Develop, implement and improve, in coordination with concerned government
2 agencies and industry associations, the government's ICT capabilities and
3 determine the personnel qualifications and other standards essential to the
4 effective development and operation of government information and
5 *communications infrastructure*;
- 6 j. Encourage and establish guidelines for the use of public-private partnerships in
7 the implementation of ICT projects for government agencies in order to fast-
8 track said projects and provide reasonable return-on-investment for the private
9 sector, including but not limited to Build-Operate-Transfer (BOT) mechanisms;
- 10 k. Assess, review and support ICT research and development programs of the
11 government in coordination with the Department of Science and Technology
12 and other institutions concerned;
- 13 l. Establish and prescribe rules and regulations for the establishment, operation
14 and maintenance of ICT infrastructure in unserved and underserved areas, in
15 consultation with the private sector, local government units (LGUs) and the
16 academe;
- 17 m. Provide policy-direction and guidance in ICT-related aspects for the operation
18 and maintenance of a nationwide postal system that shall include mail
19 processing, delivery services, and money remittance and payment services;
- 20 n. Assist and provide technical expertise in the development of guidelines to the
21 Intellectual Property Office (IPO) in the enforcement and administration of
22 laws, standards, rules, and regulations governing ICT ;
- 23 o. In coordination with concerned agencies, the private sector and relevant
24 international bodies, ensure consumer protection and welfare, and protect the
25 rights of consumer and business users to privacy, security and confidentiality;
- 26 p. Harmonize, synchronize and coordinate with appropriate agencies all ICT and
27 e-commerce policies, plans and programs;
- 28 q. Coordinate with the Department of Trade and Industry in the promotion of
29 trade and investment opportunities and protection of investor interests in the
30 ICT and ICT-enabled services sectors;
- 31 r. In coordination with concerned agencies, promote strategic partnership and
32 alliances among and between local and international ICT firms and institutions,
33 research and development, educational and training institutions, and technology
34 providers, developers and manufacturers, to speed up industry growth and
35 enhance global competitiveness;
- 36 s. In coordination with concerned agencies, plan and implement such activities as
37 may be appropriate to enhance the competitiveness of Philippine workers,
38 firms, and small and medium enterprises in the global markets for ICT and
39 ICT-enabled services;

- 1 t. In coordination with concerned agencies, establish and recommend the
2 adoption of qualification standards and enhance the career opportunities of ICT
3 workers in government;
- 4 u. In coordination with the Department of Education, Commission on Higher
5 Education and Technical Education and Skills Development Authority,
6 formulate policies and initiatives to promote ICT and ICT-enabled services
7 education and the development, promotion and application of ICT in education
8 in a manner that is consistent with the national goals and objectives, and
9 responsive to the human resource needs of the ICT and ICT-enabled services
10 sectors;
- 11 v. Facilitate the creation of the Chief Information Officer (CIO) Council, which
12 shall consist of CIOs of national government agencies (NGAs) with at least the
13 rank of Assistant Secretary, with the Secretary serving as the Chairman, to
14 assist the Department in implementing e-government initiatives;
- 15 w. Administer the E-Government Fund as specified in Section 15 and, in
16 coordination with the Department of Budget and Management, establish
17 guidelines for the disbursement and management of the E-Government Fund,
18 including the monitoring and evaluation system of projects funded under the
19 said fund.

20 **SEC. 7. *Composition.*** The Department of Information and Communications Technology
21 shall be headed by a Secretary. The Department proper shall be composed of the Office
22 of the Secretary, the offices of the Undersecretaries and the Assistant Secretaries.

23 **SEC. 8. *Secretary of Information and Communications Technology.*** The Secretary shall
24 be appointed by the President, subject to confirmation by the Commission on
25 Appointments.

26 The Secretary shall have the following functions:

- 27 a. Provide executive direction and supervision over the entire operations of the
28 Department and its attached agencies;
- 29 b. Establish policies and standards for the effective, efficient and economical
30 operation of the Department, in accordance with the programs of Government;
- 31 c. Rationalize delivery systems necessary for the effective attainment of the
32 objectives of the Department, in accordance with the programs of Government;
- 33 d. Review and approve request for financial and manpower resources of all
34 operating offices of the Department;
- 35 e. Designate and appoint officers and employees of the Department, excluding the
36 Undersecretaries, Assistant Secretaries, and Regional and Assistant Regional
37 Directors, in accordance with the Civil Service laws, rules and regulations;

- 1 f. Coordinate with LGUs, other agencies and public and private interests groups,
2 including non-government organizations (NGOs) and people's organizations
3 (POs) on Department policies and initiatives;
- 4 g. Advise the President on the promulgation of executive and administrative
5 orders and regulatory and legislative proposals on matters pertaining to ICT
6 development;
- 7 h. Serve as a member of the Government Procurement Policy Board as
8 established by Republic Act No. 9184;
- 9 i. Serve as the Chairman of the Board of the Philippine Postal Corporation in
10 accordance with Republic Act No. 7354 and the Corporation Law;
- 11 j. Formulate such rules and regulations and exercise such other powers as may be
12 required to implement the objectives of this Act;
- 13 k. Perform such other tasks as may be provided by Law or assigned by the
14 President from time to time.

15 **SEC. 9. Undersecretaries.** The Secretary shall be assisted by three (3) Undersecretaries,
16 who shall be appointed by the President upon the recommendation of the Secretary:
17 provided that one (1) of the Undersecretaries shall be a career officer coming from ranks
18 of existing government information and communications agencies and offices or
19 qualified ICT professionals in the private sector.

20 **SEC. 10. Assistant Secretaries.** The Secretary shall be assisted by three (3) Assistant
21 Secretaries who shall be career officers appointed by the President upon the
22 recommendation of the Secretary.

23 **SEC. 11. Qualifications.** No person shall be appointed Secretary, Undersecretary or
24 Assistant Secretary of the Department unless he is a citizen and resident of the
25 Philippines of good moral character, and of proven integrity.

26 **SEC. 12. Regional Offices.** The Department shall be authorized to establish, operate, and
27 maintain Regional Office in each of the administrative regions of the country as the need
28 arises. The regional office shall be headed by a Regional Director, who may be assisted
29 by one (1) Assistant Regional Director. The Regional Offices shall have, within their
30 respective administrative regions, the following functions:

- 31 a. Implement laws, policies, plans, programs, projects, rules and regulations of
32 the Department;
- 33 b. Provide efficient and effective service to the people;
- 34 c. Coordinate with regional offices of other departments, offices, and agencies;
- 35 d. Coordinate with LGUs;
- 36 e. Perform such other functions as may be provided by law or assigned by the
37 Secretary.

38 **SEC. 13. Transfer of Agencies and Personnel.**

1 a. The following agencies are hereby abolished, and their powers and functions,
2 applicable funds and appropriations, records, equipment, property, and
3 personnel transferred to the Department:

- 4 1. All operating units currently existing in the Commission on Information
5 and Communications Technology (CICT);
- 6 2. National Computer Center (NCC);
- 7 3. Telecommunications Office (TELOF);
- 8 4. All operating units of the Department of Transportation and
9 Communications (DOTC) with functions and responsibilities dealing with
10 communications.

11 All offices, services, divisions, units and personnel not otherwise covered by
12 this Act for transfer to the Department shall be retained under the DOTC, which is
13 hereby renamed the Department of Transportation.

14 b. *The following agencies are hereby attached to the Department for policy and*
15 *program coordination, and shall continue to operate and function in*
16 *accordance with the charters, laws or orders creating them, insofar as they are*
17 *not inconsistent with this Act:*

- 18 1. National Telecommunications Commission;
- 19 2. Philippine Postal Corporation.

20 c. The laws and rules on government reorganization as provided for in Republic
21 Act No. 6656, otherwise known as the Reorganization Law, shall govern the
22 reorganization process of the Department.

23 **SEC. 14.** *Postal Regulatory Authority.* The exclusive power and authority to regulate the
24 postal delivery services industry, as provided for under Presidential Decree No. 240 and
25 Republic Act No. 7354, is hereby transferred to the Department.

26 **SEC. 15.** *E-Government Fund.* There shall be an E-Government Fund to be administered
27 by the Department, which is a Special Account in the General Fund, created specifically
28 to fund cross-agency and citizen-centric government ICT projects. The Fund shall be
29 used to support and co-finance projects that enable the government to expand its ability to
30 conduct activities electronically and provide frontline services through the development
31 and implementation of innovative uses of the Internet or other emerging technologies.
32 However, internal IT systems meant to support the agencies' IT operations shall be
33 charged against the agencies' own budgetary allocation.

34 **SEC. 16.** *Implementation of the RPWeb.* In consonance with the objectives of
35 Administrative Order No. 332 and Republic Act No. 8792, the primary responsibility
36 over the implementation of the RPWeb or the electronic online network of the
37 government which shall serve as initial platform of the Government Information
38 Infrastructure (GII), is hereby transferred to the Department. For this purpose, the

1 Department shall continue utilization of all funds, monies, interests, and properties
2 outstanding and accruing from the RPWeb.

3 **SEC. 17. Sectoral and Industry Task Forces.** The Department may create sectoral and
4 industry task forces, technical working groups, advisory bodies or committees for the
5 furtherance of its objectives. Additional private sector representatives, such as from
6 academe and federation of private industries directly involved in ICT, as well as other
7 NGAs, LGUs and government owned and controlled corporations (GOCCs), may be
8 appointed to these working groups. Government IT professionals may also be tapped to
9 partake in the work of the Department through these working groups.

10 **SEC. 18. Structure and Staffing Pattern.** The Department shall determine its
11 organizational structure and create new divisions or units as it may deem necessary, and
12 shall appoint officers and employees of the Department in accordance with the Civil
13 Service Law, rules, and regulations.

14 **SEC. 19. Magna Carta.** Employees of the Department shall be covered by Republic Act
15 8439, which provides a magna carta for scientists, engineers, researchers and other
16 science and technology personnel in the government.

17 **SEC. 20. Separation from Service.** Employees separated from the service as a result of
18 this reorganization shall, within ninety (90) days therefrom, receive the separation and
19 retirement benefits to which they may be entitled under Executive Order No. 366.
20 Provided that such separation pay and retirement benefits shall have priority of payment
21 out of the savings of the department or agency.

22 **SEC. 21. Appropriation.** The amount needed for the initial implementation of this Act
23 shall be taken from the current fiscal year's appropriation of the CICT through the Office
24 of the President and all agencies herein absorbed by or attached to the Department.
25 Thereafter, the amount needed for the operation and maintenance of the Department shall
26 be included in the General Appropriations Act, provided that for the next fiscal year, the
27 amount shall be One Billion Two Hundred Million Pesos (P1,200,000,000.00),

28 **SEC. 22. Repealing Clause.** All laws, decrees, executive orders, rules and regulations and
29 other issuances or parts thereof which are inconsistent with this Act are hereby repealed,
30 amended or modified accordingly.

31 **SEC. 23. Separability Clause.** If any provision of this Act shall be declared
32 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full
33 force and effect.

34 **SEC. 24. Effectivity Clause.** This Act shall take effect fifteen (15) days from its
35 publication in at least two (2) papers of general circulation.

36 *.Approved*