

HOUSE OF REPRESENTATIVES

H. No. 3437

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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 utilization  
12 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:

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

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

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

10 4.1 *Bandwidth* refers to the amount of data that can be transmitted over a  
11 network connection over a fixed amount of time;

12 4.2 *Bit or Binary digit* refers to either 1 or 0 in the binary system which is  
13 the smallest unit of information handled by a computer;

14 4.3 *Broadband* refers to high-speed, high capacity internet and data  
15 connection. It is a communications medium that uses wide -  
16 bandwidth channels for sending and receiving large amounts of data,  
17 video or voice information;

18 4.4 *Committed information rate* refers to the average bandwidth for a  
19 virtual circuit guaranteed by public telecommunications entity to work  
20 under normal conditions. At any given time, the bandwidth cannot fall  
21 below this committed figure;

22 4.5 *Information and Communications Technology (ICT)* refers to the  
23 totality of electronic means to collect, process, and present information  
24 to end-users in support of their activities. It consists, among others, of  
25 computer systems, office systems and consumer electronics, as well as  
26 networked information structure, the components of which include the  
27 telephone system, the internet, fax machines, and computers;

28 4.6 *Information and Communications Technology Center (ICTC)* refers to a  
29 center or location where services may be provided through the use of  
30 ICT with a minimum speed of 4 Megabits per second (Mbps). Such  
31 services may include telecommunications services, broadband and  
32 convergence services, business processing and data management;

33 4.7 *Information and Communications Technology Hub (ICT Hub)* refers to  
34 a center or location where services may be provided through the use of  
35 ICT with a minimum speed of 100 Megabits per second (Mbps). Such

1. services may include telecommunications services, broadband and  
2 convergence services, business processing and data management;

3 4.8 *Information Technology (IT)* refers to all matters concerned with the  
4 furtherance of computer science and technology, design, development,  
5 installation and implementation of information systems and  
6 applications;

7 4.9 *Information superhighway* refers to the digital communication  
8 systems and the internet telecommunications network;

9 4.10 *Megabit per second or Mbps* refers to the measure of the speed of  
10 data transfer which amounts to one million bits per second;

11 4.11 *Public Telecommunications Entity (PTE)* refers to any person, natural  
12 or juridical, government or private, engaged in the provision of  
13 telecommunications services to the public for compensation.

14 4.12 *Department of Information and Communications Technology (DICT)* is  
15 a national government agency created under Republic Act 10844 dated  
16 May 23, 2016.

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

31 **SEC. 6. *Role of National Telecommunications Commission (NTC).*** – The  
32 NTC, through the exercise of its quasi-legislative and quasi-judicial powers, shall  
33 be the primary infrastructure regulator to ensure the monitoring of the  
34 implementation of this Act. It shall take the necessary measures to implement  
35 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,