



HOUSE OF REPRESENTATIVES

H. No. 10098

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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 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
4 information and communication in the development and in promoting growth in the
5 countryside. 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 access that is continuing and unhindered, and faster than the
17 traditional dial-up mode;
- 18 c) *Broadband network* refers to a network able to transmit signals with a high
19 bit rate and a transmission channel being equal to or greater than two
20 megabits per second (2 mbps);
- 21 d) *Committed information rate* refers to the information rate guaranteed by a
22 public telecommunications entity (PTE). The bandwidth cannot fall
23 below the committed rate of ninety-eight point five percent (98.5%) of
24 the time;
- 25 e) *Cyber skills learning hub or Digital transformation center* refers to a facility
26 specifically designed for cyber-education and digital literacy, and that
27 provides knowledge, skills, theoretical and practical experiences, and
28 access to technologies for all learners to become information and
29 technology proficient;

- 1 f) *Data farm* refers to a physical facility that houses servers, network
2 equipment, personnel like information technology specialists and
3 network technicians for business-critical support such as online data
4 storage, data processing, core computing services, data and application
5 backup services, and distributing large amounts of data from remote
6 data facilities. The operation and management thereof shall be subject to
7 pertinent laws and policies on data security to prevent, detect and
8 intercept unauthorized access of data, specially on matters of national
9 security;
- 10 g) *Digital innovation hub* refers to a specialized business incubation and
11 acceleration facility offering physical workspace, mentoring and
12 coaching, and devices for technical application testing or experimenting,
13 and training. It is a one-stop-shop, usually but not always affiliated with
14 educational institutions, that helps companies including start-ups to
15 become more competitive with regard to their business production
16 processes, products or services using digital technologies by providing
17 access to the latest knowledge, expertise and technology to support
18 them;
- 19 h) *Information and communications technology (ICT)* refers to the totality of
20 electronic means to access, create, collect, store, process, receive,
21 transmit, present, and disseminate information;
- 22 i) *Information and communications technology hub (ICT hub)* refers to a
23 location where ICT services may be provided by a PTE with at least the
24 minimum internet speed required by the National Telecommunications
25 Commission (NTC). Such services may include telecommunications
26 services, broadband and convergence services, business processing and
27 data management;
- 28 j) *Information technology and business processing management hub* refers to a
29 location that caters to and offers support mechanisms for companies and
30 enterprises engaged in IT services and business process management
31 and operations;
- 32 k) *Public telecommunications entity (PTE)* refers to any person, natural or
33 juridical, government or private engaged in the provision of
34 telecommunications services to the public for compensation.

1 **SEC. 4. *Establishment of Information and Communications Technology Hubs.***

2 – There shall be established ICT hubs all over the country in accordance with a
3 National ICT Plan to be prepared by the Department Information and
4 Communications Technology (DICT).

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

- 9 a) Data Farms;
- 10 b) Information Technology (IT) and Business Processing Management
11 (BPM) Hub;
- 12 c) Cyber Skills Learning Hub and Digital Transformation Center (DTC);
- 13 d) Digital Innovation Hub; and
- 14 e) Any other ICT hub that may arise in the future.

15 Pursuant to the ICT Plan and the national, provincial, city, or municipal spatial
16 development plans, the DICT and the local government units (LGU) shall identify
17 the areas where the ICT hubs shall be established based on geographical area and
18 population: *Provided*, That ICT hubs shall be developed in geographically equitable
19 and accessible locations throughout the province: *Provided, further*, That the area or
20 site of an ICT hub shall be on a property owned by an LGU.

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

24 **SEC. 5. *Role of the Department of Information and Communications***
25 ***Technology (DICT).*** – The DICT shall formulate a National ICT Plan, based on the
26 National ICT Roadmap, which shall include the development of a national
27 broadband network, provision of incentives to encourage private sector participation
28 and promotion of competition. The Cybercrime Investigation and Coordinating
29 Center of the DICT shall formulate, oversee and validate the ICT cyber plan of the
30 ICT hubs.

31 The DICT shall update the National ICT Plan and shall submit the same on or
32 before the 15th of April of every year to the Office of President of the Republic of the
33 Philippines, the National Economic and Development Authority (NEDA), and the
34 ICT Joint Congressional Oversight Committee established under this Act.

1 **SEC. 6. *Advisory Committee.*** – There is hereby created an Advisory
2 Committee that shall solicit inputs towards the shaping of policy directions of the
3 National ICT Plan, including the supervision of ICT hubs and the coordination to be
4 undertaken with the private sector and other agencies and instrumentalities of the
5 government. The DICT shall determine the composition of the Advisory Committee
6 and ensure the equal representation of the (a) government, (b) the service providers,
7 (c) the end users, and (d) other industry stakeholders.

8 **SEC. 7. *Role of the National Telecommunications Commission (NTC).*** – The
9 NTC, through the exercise of its quasi-legislative and quasi-judicial powers, shall be
10 the primary infrastructure regulator to ensure the monitoring and implementation of
11 this Act. The NTC shall approve proposed ICT hub telecommunications projects
12 through an administrative process prescribed for the purpose and shall ensure the
13 compliance of PTEs with the required and committed information rate and quality of
14 service. All PTEs shall regularly submit the necessary data and reports as required
15 by the NTC.

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

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

25 **SEC. 9. *Digital Skills Development.*** – The DICT, together with the Department
26 of Education, Commission on Higher Education, and the Technical Education and
27 Skills Development Authority, shall establish a program on digital skills
28 development for all learners to enhance their competitiveness, adaptability and
29 employability in the emerging digital economy, which shall be integrated into the
30 pertinent programs of the ICT hubs.

31 **SEC. 10. *Digital Network Infrastructure.*** – A digital network infrastructure
32 shall be established to connect the local ICT hubs to the National Broadband
33 Program through a core backbone network of the DICT, to be funded from the
34 spectrum users' fees.

1 The DICT is hereby authorized to classify the said funds for capital outlay,
2 which classification shall be furnished to and duly reflected by the Department of
3 Budget and Management in its records. The release of funds shall be subject to
4 applicable laws and existing budgeting, accounting and auditing rules and
5 regulations.

6 **SEC. 11. *Local Government Responsibility.*** – The issuance of licenses and
7 permits for ICT-related activities and infrastructure construction projects shall not be
8 delayed and hampered, and shall further be prioritized, subject to the provisions of
9 Republic Act No. 11032, otherwise known as the Ease of Doing Business and
10 Efficient Government Service Delivery Act of 2018.

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

14 **SEC. 12. *Private Sector Support and Public-Private Partnership.*** – The LGUs
15 may engage the private sector through PPP agreements targeted towards financing,
16 designing, implementing and operating infrastructure facilities and services for the
17 ICT hub to maximize costs and allow for sharing of revenue, subject to the
18 provisions of Republic Act No. 6957, otherwise known as “An Act Authorizing the
19 Financing, Construction, Operation and Maintenance of Infrastructure Projects by
20 the Private Sector and for Other Purposes”, as amended.

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

29 **SEC. 14. *Penalties.*** – In the exercise of its quasi-judicial power, the NTC shall
30 impose a fine of Five hundred thousand pesos (Php500,000.00) for (a) non-
31 disclosure, (b) non-interconnection, or (c) non-compliance with the committed
32 information rate and quality of service.

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

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

9 **SEC. 16. *ICT Joint Congressional Oversight Committee.*** – An ICT Joint
10 Congressional Oversight Committee (ICTJCOC) is hereby created to monitor the
11 effective implementation of this Act, recommend the necessary remedial legislative
12 or administrative measures and perform such other duties and functions as may be
13 necessary to attain the objectives of this Act. It shall be composed of the
14 Chairpersons of the House Committee on Information and Communications
15 Technology and Senate Committee on Science and Technology and two (2) members
16 from each of the Senate and the House of Representatives who shall be designated
17 by the Senate President and the Speaker of the House of Representatives,
18 respectively: *Provided, That* one (1) member from each House shall be nominated by
19 their respective Minority Leaders.

20 The Chairpersons of the House Committee on Information and
21 Communications Technology and the Senate Committee on Science and Technology
22 shall serve as Chairperson and Vice Chairperson or *vice versa* of the ICTJCOC on a
23 rotational basis every six (6) months. The Secretariat of the ICTJCOC shall be the
24 existing secretariat personnel of the concerned Committees of the House of
25 Representatives and the Senate.

26 **SEC. 17. *Separability Clause.*** – If any provision of this Act shall be declared
27 unconstitutional or invalid, the other provisions not affected shall remain in full
28 force and effect.

29 **SEC. 18. *Repealing Clause.*** – All laws, presidential decrees, executive orders,
30 rules and regulations or parts thereof which are inconsistent with or contrary to the
31 provisions of this Act are hereby amended, repealed or modified accordingly.

32 **SEC. 19. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
33 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved.