



HOUSE OF REPRESENTATIVES

H. No. 4926

BY REPRESENTATIVES ARENAS, FUENTEBELLA, DUAVIT, VELARDE,
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GARIN (S.), ABU, SUANSING, ALVAREZ (M.), ANTONINO-NADRES,
ZUBIRI, NOEL, ROMUALDO AND DE VENEZIA, PER COMMITTEE REPORT
No. 407

**AN ACT PROVIDING FOR AN ON-LINE NETWORK ESTABLISHMENT
POLICY FOR THE PHILIPPINES**

*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 “On-line
2 Network Establishment Policy for the Philippines” or the “ONE Philippines
3 Act”.

4 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the
5 State:

6 (a) To recognize the vital role of information and communications
7 technology in nation-building and encourage investment in the countryside by
8 providing the infrastructure necessary for the growth of information and
9 communications technology; and

1 (b) To promote the adaptation of technology from all sources for
2 national benefit and embolden the widest participation of private groups, local
3 government, and community-based organizations in the generation and
4 utilization of available technology.

5 Towards this end, the State shall provide for a comprehensive policy for
6 the creation and establishment of an Information and Communications
7 Technology Center (ICTC) or an Information Communications Technology
8 Hub (ICT Hub), whichever is applicable, in every legislative district of the
9 country with the end in view of enhancing the access of every Filipino to
10 information.

11 SEC. 3. *Scope.* – This Act shall provide for a policy framework for the
12 establishment of ICTCs or ICT Hubs in every legislative district of the country.
13 This Act shall:

14 (a) Mandate the development and enforcement of a comprehensive
15 national information and communications technology plan;

16 (b) Mandate the development of the information superhighway;

17 (c) Define the powers and functions of key national government
18 entities in the implementation of this policy; and

19 (d) Provide incentives for all private industry participants.

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

22 SEC. 4. *Definition of Terms.* – As used in this Act:

23 (a) *Bandwidth* refers to the amount of data that can be transmitted over
24 a network connection over a fixed amount of time;

25 (b) *Bit or Binary digit* refers to either 1 or 0 in the binary system which
26 is the smallest unit of information handled by a computer;

1 (c) *Broadband* refers to high-speed, high capacity internet and data
2 connection. It is a communications medium that uses wide – bandwidth
3 channels for sending and receiving large amounts of data, video or voice
4 information;

5 (d) *Committed information rate* refers to the average bandwidth for a
6 virtual circuit guaranteed by public telecommunications entity to work under
7 normal conditions. At any given time, the bandwidth cannot fall below this
8 committed figure;

9 (e) *Information and Communications Technology (ICT)* refers to the
10 totality of electronic means to collect, process, and present information to
11 end-users in support of their activities. It consists, among others, of computer
12 systems, office systems and consumer electronics, as well as networked
13 information structure, the components of which include the telephone system,
14 the internet, fax machines, and computers;

15 (f) *Information and Communications Technology Center (ICTC)* refers
16 to a center or location where services may be provided through the use of ICT
17 with a minimum speed of four (4) Megabits per second (Mbps). Such services
18 may include telecommunications services, broadband and convergence
19 services, business processing and data management;

20 (g) *Information and Communications Technology Hub (ICT Hub)*
21 refers to a center or location where services may be provided through the use
22 of ICT with a minimum speed of one hundred (100) Megabits per second
23 (Mbps). Such services may include telecommunications services, broadband
24 and convergence services, business processing and data management;

25 (h) *Information Technology (IT)* refers to all matters concerned with
26 the furtherance of computer science and technology, design, development,
27 installation and implementation of information systems and applications;

1 (i) *Information superhighway* refers to the digital communications
2 system and the internet telecommunications network;

3 (j) *Megabit per second* or *Mbps* refers to the measure of the speed of
4 data transfer which amounts to one million (1,000,000) bits per second; and

5 (k) *Public Telecommunications Entity (PTE)* refers to any person,
6 natural or juridical, government or private, engaged in the provision of
7 telecommunications services to the public for compensation.

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

22 SEC. 6. *Role of the National Telecommunications Commission (NTC)*.
23 – The NTC, through the exercise of its quasi-legislative and quasi-judicial
24 powers, shall be the primary infrastructure regulator to ensure the monitoring
25 of the implementation of this Act. It shall take the necessary measures to
26 implement the policies and objectives set forth herein. The NTC shall approve
27 proposed ICTC or ICT Hub projects and shall ensure the compliance of PTEs
28 with the required committed information rate and the quality of service as

1 prescribed by the NTC. The PTE shall regularly submit all necessary data and
2 reports as required by the NTC, especially on the development of the
3 information superhighway.

4 SEC. 7. *Advisory Committee.* – There is hereby created an Advisory
5 Committee, to be convened by the ICTO, that shall solicit inputs for the policy,
6 direction, coordination and supervision of ICTCs or ICT Hubs in every
7 legislative district of the country. The composition of the Advisory Committee
8 shall be determined by the ICTO which shall include equal representation
9 from:

- 10 (a) The government;
11 (b) The service providers; and
12 (c) The end-users.

13 SEC. 8. *Establishment of ICTCs or ICT Hubs in Each Legislative*
14 *District.* – Pursuant to the development of a comprehensive information
15 superhighway, National ICT Plan and the national, provincial, city, or
16 municipal spatial development plans, the ICTO shall identify the area where
17 the ICTCs or ICT Hubs shall be established, with the end in view of
18 establishing one in every legislative district. The private sector shall be
19 encouraged to establish the ICTCs or ICT Hubs in accordance with the
20 standards set by the ICTO. The ICTO shall come up with a scheme to address
21 the unviable areas, using the latest and emerging technologies available.

22 SEC. 9. *Incentives.* – Any locator enterprise or PTE in the ICTC or ICT
23 Hub may be granted incentives provided under Executive Order No. 226,
24 otherwise known as the Omnibus Investments Code of 1987 or Republic Act
25 No. 7916, otherwise known as “The Special Economic Zone Act of 1995”, as
26 amended by Republic Act No. 8748, or An Act Amending Republic Act No.
27 7916, otherwise known as “The Special Economic Zone Act of 1995”, and
28 other relevant laws: *Provided,* That such locator enterprise or PTE in ICTCs or

1 ICT Hubs are qualified under the said laws: *Provided, further*, That no locator
2 enterprise may avail of the incentives mandated in both laws at the same time:
3 *Provided, finally*, That these incentives shall be granted in addition to the
4 incentives given by the local government unit where such ICTC or ICT Hub is
5 located.

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

15 SEC. 11. *Penalties*. – The NTC, in the exercise of its quasi-judicial
16 authority, shall impose a fine of three hundred thousand pesos (P300,000.00)
17 for any of the following acts:

18 (a) Nondisclosure;

19 (b) Non-interconnection; or

20 (c) Noncompliance with the committed information rate and quality of
21 service.

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

25 SEC. 12. *Implementing Rules and Regulations (IRR)*. – Within sixty
26 (60) days from the effectivity of this Act, the ICTO, in coordination with the
27 NTC, the NEDA, the Department of the Interior and Local Government, the
28 Board of Investments, the Philippine Economic Zone Authority and the

1 Advisory Committee, shall issue the necessary rules and regulations of this
2 Act.

3 SEC. 13. *ICT Joint Congressional Oversight Committee.* – There is
4 hereby created an ICT Joint Congressional Oversight Committee to be
5 composed of the Chairpersons of the House Committee on Information and
6 Communications Technology and the Senate Committee on Science and
7 Technology and two (2) members from each the Senate and the House of
8 Representatives who shall be designated by the Senate President and the
9 Speaker of the House of Representatives, respectively: *Provided*, That one (1)
10 member from each House shall be nominated by their respective Minority
11 Leader.

12 The Chairpersons of the House Committee on Information and
13 Communications Technology and the Senate Committee on Science and
14 Technology shall serve as Chairperson of the ICT Joint Congressional
15 Oversight Committee on a rotational basis every six (6) months. In every case,
16 the other member of the Committee belonging to the majority in the House or
17 in the Senate shall be the Vice Chair. The Secretariat of the Congressional
18 Oversight Committee shall come from the existing secretariat personnel of the
19 concerned Committees of the House of Representatives and the Senate.

20 The ICT Joint Congressional Oversight Committee shall monitor and
21 ensure the effective implementation of this Act, including the approval of the
22 rules and regulations issued pursuant hereto. It shall determine inherent
23 weakness and loopholes in the law, recommend the necessary remedial
24 legislation or administrative measures and perform such other duties and
25 functions as may be necessary to attain the objectives of this Act.

26 SEC. 14. *Separability Clause.* – If any part or provision of this Act is
27 held unconstitutional or invalid, the other provisions that are not affected shall
28 remain in full force and effect.

1 SEC. 15. *Repealing Clause.* – All laws, rules and regulations, other
2 issuances or parts thereof which are inconsistent with this Act are hereby
3 repealed or modified accordingly.

4 SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days after
5 its complete publication in the *Official Gazette* or in any newspaper of general
6 circulation.

Approved,

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