



**Republic of the Philippines  
House of Representatives  
Quezon City, Metro Manila**

**Nineteenth Congress  
First Regular Session**

**HOUSE BILL NO. 7249**



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**Introduced by Representative Rudys Caesar G. Fariñas I**

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### **EXPLANATORY NOTE**

This bill establishes Information and Communications Technology (ICT) hubs all over the country under a National ICT Plan to be prepared by the Department of Information and Communications Technology (DICT). The ICT Plan shall assess the needs of every province in the country and identify the appropriate types and the number of ICT hubs.

Further, under this measure, the DICT shall formulate the National ICT Plan based on the National ICT Roadmap, which shall include the development of a national broadband network, providing incentives to encourage private sector participation and promoting competition. Furthermore, the Cybercrime Investigation and Coordinating Center of the DICT shall formulate, oversee and validate the ICT cyber plan of the ICT hubs.

Overall, one of the salient provisions of this bill is to establish a digital network infrastructure to connect the local ICT hubs to the National Broadband Program through a core backbone network of the DICT, funded from the spectrum users' fees.

Hence, this representation seeks the passage of this measure.

  
**RUDYS CAESAR G. FARIÑAS I**



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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 session 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  
5 the countryside. To this end, the State shall encourage the expansion of  
6 information and communications technology (ICT) and infrastructure  
7 throughout the country to facilitate the access of the citizenry to goods and  
8 services. Pursuant thereto, the State shall establish ICT hubs throughout the  
9 country in accordance with the National ICT 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  
12             a network connection over a period of time;
- 13       b)     *Broadband* refers to a high capacity transmission technique using a  
14             wide range of frequencies which enables a large number of messages  
15             to be communicated simultaneously. In the context of internet access,

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

1 least the minimum internet speed required by the National  
2 Telecommunications Commission (NTC). Such services may include  
3 telecommunications services, broadband and convergence services,  
4 business processing and data management;

5 j) *Information technology and business processing management*  
6 *hub* refers to a location that caters to and offers support mechanisms  
7 for companies and enterprises engaged in IT services and business  
8 process management and operations;

9 k) *Public telecommunications entity (PTE)* refers to any person, natural or  
10 juridical, government or private engaged in the provision of  
11 telecommunications services to the public for compensation.

12 **SEC. 4 Establishment of Information and Communications Technology**

13 **Hubs.** — There shall be established ICT hubs all over the country in accordance  
14 with a National ICT Plan to be prepared by the Department Information and  
15 Communications Technology (DICT).

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

- 20 a) Data Farms;  
21 b) Information Technology (IT) and Business Processing Management  
22 (BPM) Hub;  
23 c) Cyber Skills Learning Hub and Digital Transformation Center (DTC);  
24 d) Digital Innovation Hub; and  
25 e) any other ICT hub that may arise in the future.

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

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

1           **SEC. 5. Role of the Department of Information and Communications**  
2 **Technology (DICT).** —The DICT shall formulate a National ICT Plan, based on  
3 the National ICT Roadmap, which shall include the development of a national  
4 broadband network, provision of incentives to encourage private sector  
5 participation and promotion of competition. The Cybercrime Investigation and  
6 Coordinating Center of the DICT shall formulate, oversee and validate the ICT  
7 cyber plan of the ICT hubs.

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

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

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

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

34           The eligibility of the ICT hubs for the incentives provided herein should be  
35 within the boundaries of a performance-based, time-bound, and transparent

1 system of incentives tailor-fit for highly desirable ICT investments and shall be  
2 subject to compliance monitoring by the Fiscal Incentives and Review Board and  
3 the LGU where such ICT hubs are located.

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

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

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

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

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

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

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

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

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

17           **SEC. 15. Implementing Rules and Regulations.** — Within sixty (60) days  
18 from the effectivity of this Act, the DICT as the lead agency, together with NEDA,  
19 DILG, the League of Provinces and the Leagues of LGUs, the Board of  
20 Investments, the Philippine Economic Zone Authority, and the Advisory  
21 Committee, shall issue the necessary rules and regulations for the effective  
22 implementation of this Act.

23           **SEC. 16. ICT Joint Congressional Oversight Committee.** — An ICT Joint  
24 Congressional Oversight Committee (ICTJCOC) is hereby created to monitor the  
25 effective implementation of this Act, recommend the necessary remedial  
26 legislative or administrative measures and perform such other duties and  
27 functions as may be necessary to attain the objectives of this Act. It shall be  
28 composed of the Chairpersons of the House Committee on Information and  
29 Communications Technology and Senate Committee on Science and Technology  
30 and two (2) members from each of the Senate and the House of Representatives  
31 who shall be designated by the Senate President and the Speaker of the House  
32 of Representatives, respectively: *Provided*, That one (1) member from each House  
33 shall be nominated by their respective Minority Leaders.

34           The Chairpersons of the House Committee on Information and  
35 Communications Technology and the Senate Committee on Science and

1 Technology shall serve as Chairperson and Vice Chairperson or *vice versa* of the  
2 ICTJCOC on a rotational basis every six (6) months. The Secretariat of the  
3 ICTJCOC shall be the existing secretariat personnel of the concerned  
4 Committees of the House of Representatives and the Senate.

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

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

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

Approved.