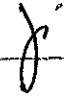


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SENATE
S.B. No. 2698

RECEIVED BY: 

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT PROVIDING FOR AN ONLINE NETWORK ESTABLISHMENT FOR THE PHILIPPINES

EXPLANATORY NOTE

Filipinos have been known to be a social and relational people. Its culture of inclusiveness features close-knit families living in compounds, Friday night *barkada* gimmicks and being the social media capital of the world.

Maintaining a level of closeness with our family and friends are vital to our happiness¹.

Through information communications technology (ICT), we have found ways to make human connections perpetual and instantaneous through the digital world. The Internet allows us to stay eternally connected with loved ones living in other parts of the country and other parts of the world.

Being a nation with over 7,000 islands and with an estimated 10 million Filipinos living abroad, it is imperative that we establish quality access to the Internet, and other means of communication, across the country.

What's more, ICT facilities, such as the Internet, can improve the local economy. According to a study by the Nathan Institute and the Oxford Institute, improving access to ICT can improve GDP by up to 1 percent².

However, according to a report by a United Nations (UN) agency, the Internet remains inaccessible to 7 out of 10 Filipinos and only 18.9% of households have Internet connection³.

There is an urgent need to address the lack of Internet access in the Philippines so Filipinos can sustain their connections alive and strong and businesses can continue to thrive.

The Online Network Establishment (ONE) Philippines Act is a concrete step to build and develop basic ICT infrastructure through the solidarity of both public and private agencies.

This bill calls for the establishment of ICT Hubs in every legislative district and the development of an advanced Internet superhighway.


¹ Public Broadcasting Service (PBS). "This Emotional Life" TV Series Website. Last accessed 3.11.2015. <<http://www.pbs.org/thisemotionallife/topic/connecting/connection-happiness>>

² Matikas Santos. PDI. June 19, 2012. "**Internet can boost economy – networking firm**". Last accessed 3.11.2015. <<http://technology.inquirer.net/12343/internet-can-boost-economy---networking-firm>>

³ Broadband Commission

The approval of this bill will not only lead to stronger personal connections between Filipino families and friends, it will also advance industry and support the country's exceptional economic growth.

In view of the foregoing, the approval of this bill is earnestly sought.


Senator Paolo Benigno "Bam" A. Aquino IV

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT PROVIDING FOR AN ONLINE NETWORK ESTABLISHMENT FOR THE PHILIPPINES

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 "Online Network Establishment
2 Policy for the Philippines" or the "ONE Philippines Act".

3 **SECTION 2. Declaration of Policy.** – It is hereby declared the policy of the State:

4 a. To recognize the vital role of information and communications technology in
5 nation-building and encourage investment in the countryside by providing the infrastructure
6 necessary for the growth of information and communications technology; and

7 b. To promote the adaption of technology from all sources for the benefit and
8 embolden the widest participation of private groups, local government, and community based
9 organizations in the generation and utilization of available technology.

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

15 **SECTION 3. Scope.** – This act shall provide for a policy framework for the establishment
16 of ICTCs or ICT Hubs in every legislative district of the country. This Act shall:

17 a. Mandate the development and enforcement of a comprehensive national information
18 and communications technology plan;

19 b. Mandate the development of the information superhighway;

20 c. Define the powers and functions of key national government entities in the
21 implementation of this policy; and

22 d. Provide incentives for all private industry participants.

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

3 **SECTION 4. *Definition of Terms.* –**

- 4 a. *Bandwidth* refers to the amount of data that can be transmitted over a network
5 connection over a fixed amount of time;
- 6 b. *Bit or Binary digit* refers to either 1 or 0 in the binary system which is the smallest unit
7 of information handled by a computer;
- 8 c. *Broadband* refers to high-speed, high capacity internet and data connection. It is a
9 communications medium that uses wide bandwidth channels for sending and receiving
10 large amounts of data, video, or voice information;
- 11 d. *Committed information rate* refers to the average bandwidth for a virtual circuit
12 guaranteed by a public telecommunications entity to work under normal conditions. At
13 any given time, the bandwidth cannot fall below this committed figure;
- 14 e. *Information and Communications Technology (ICT)* refers to the totality of electronic
15 means to collect, process, and present information to end-users in support of their
16 activities. It consists, among others, of computer systems, office systems and consumer
17 electronics, as well as networked information structure, the components of which
18 include the telephone system, the internet, fax machines, and computers;
- 19 f. *Information and Communications Technology Center (ICTC)* refers to a center or
20 location where services may be provided through the use of ICT with a minimum speed
21 of 4 megabits per second (Mbps). Such services may include telecommunications
22 services, broadband and convergence services, business processing and data
23 management;
- 24 g. *Information and Communications Technology Hub (ICT Hub)* refers to a center or
25 location where services may be provided through the use of ICT with a minimum speed
26 of 100 Megabits per second (Mbps). Such services may include telecommunications
27 services, broadband and convergence services, business processing and data
28 management;
- 29 h. *Information Technology (IT)* refers to all matters concerned with the furtherance of
30 computer science and technology, design, development, installation and
31 implementation of information systems and applications;
- 32 i. *Information superhighway* refers to the digital communication systems and the internet
33 telecommunications network;
- 34 j. *Megabit per second or Mbps* refers to the measure of the speed of data transfer which
35 amounts to one million bits per second;

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

4 **SECTION 5. *Role of the Information and Communications Technology Office (ICTO)* –**

5 The Department of Science and Technology (DOST) Information and Communications
6 Technology Office herein referred to as “ICTO”, consistent with the Philippine Development
7 Plan (PDP) and in coordination with the National Telecommunications Commission (NTC), shall
8 formulate and approve a national ICT Plan, based on a National ICT Roadmap, which shall
9 include, among others, the development of an information superhighway that will accelerate
10 the establishment of ICTCs and/or ICT Hubs, in every legislative district of the country and ICTCs
11 in every barangay. The ICTO shall likewise be the lead agency to oversee the implementation of
12 the National ICT Plan. The updated National ICT Plan shall be submitted annually to the Office
13 of the President of the Republic of the Philippines, the ICT Joint Congressional Oversight
14 Committee established under Sec. 13 herein, and the National Economic Development
15 Authority (NEDA) on or before the fifteenth of (15th) of April. The ICTO may call on other
16 government entities to assist in the development of the information technology.

17 **SECTION 6. *Role of National Telecommunication Commission (NTC)*. –** The NTC,

18 through the exercise of its quasi-legislative and quasi-judicial powers, shall be the primary
19 infrastructure regulator to ensure the monitoring of the implementation of this Act. It shall take
20 the necessary measures to implement the policies and objectives set forth herein. The NTC shall
21 approve proposed ICTC or ICT Hub projects and shall ensure the compliance of public
22 telecommunications entities with the required committed information rate and the quality of
23 service as prescribed by NTC. The PTE shall regularly submit all necessary data and reports as
24 required by NTC, especially on the development of the information superhighway.

25 **SECTION 7. *Advisory Committee*. –** There is hereby created an Advisory Committee, to

26 be convened by the ICTO that shall solicit inputs for the policy, direction, coordination and
27 supervision of ICT Hubs or ICTCs in every legislative district of the country. The composition of
28 the Advisory Committee shall be determined by the ICTO which shall include equal
29 representation from (a) the government, (b) the service providers and (c) the end users.

30 **SECTION 8. *Establishment of ICT Hubs or ICTCs in each Legislative District*. –** Pursuant

31 to the development of a comprehensive information superhighway, National ICT Plan and the
32 national, provincial, city, or municipal spatial development plans, the ICTO shall identify the
33 area where the ICT Hubs or ICTCs shall be established, with the end in view of establishing one
34 in every legislative district. The private sector shall be encouraged to establish the ICT Hubs or
35 ICTCs in accordance with the standards set by the ICTO. The ICTO shall come up with a scheme
36 to address the unviable areas, using the latest and emerging technologies available.

1 **SECTION 9. *Incentives.*** – Any locator enterprise or Public Telecommunications Entity
2 (PTE) in the ICT Hub or the Information and Communications Technology Center (ICTC) may be
3 granted incentives provided under Executive Order No. 226, otherwise known as the Omnibus
4 Investment Code of 1987 or Republic Act No. 7916, otherwise known as The Special Economic
5 Zone Authority Act of 1995, as amended by Republic Act No. 8748, or an Act Amending RA 7916
6 otherwise known as the Special Economic Zone Act of 1995 and other relevant laws; *Provided,*
7 That such locator enterprise or PTE in ICT Hubs or ICTCs are qualified under the said laws:
8 *Provided further,* That no locator enterprise may avail of the incentives mandated in both laws
9 at the same time: *Provided finally,* That these incentives shall be granted in addition to the
10 incentives given by the local government unit where such ICT Hub or ICTC is located.

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

20 **SECTION 11. *Penalties.*** – The NTC, in the exercise of its quasi-judicial authority, shall
21 impose a fine of Three hundred thousand pesos (P300,000.00) for any of the following acts: (a)
22 non-disclosure, (b) non-interconnection, or (c) non-compliance with the committed information
23 rate and quality of service.

24 The NTC shall increase the amount of the fine every five (5) years subject to a
25 certification from the National Economic Development Authority (NEDA) on the computation of
26 cost of money based on the current consumer price index.

27 **SECTION 12. *Implementing Rules and Regulations. (IRR)*** – Within sixty (60) days from
28 the effectivity of this Act, the ICTO, in coordination with the NTC, NEDA, the Department of the
29 Interior and Local Government, the Board of Investments, the Philippine Economic Zone
30 Authority and the Advisory Committee, shall issue the necessary rules and regulations of this
31 Act.

32 **SECTION 13. *ICT Joint Congressional Oversight Committee.*** – There is hereby created an
33 ICT Joint Congressional Oversight Committee to be composed of the Chairpersons of the House
34 Committee on Information and Communications Technology and Senate Committee on Science
35 and Technology and two (2) members from each of the Senate and the House of
36 Representatives who shall be designated by the Senate President and the Speaker of the House

1 of Representatives, respectively: *Provided*, That one (1) member from each House shall be
2 nominated by their respective Minority Leader.

3 The Chairpersons of the House Committee on Information and Communications
4 Technology and the Senate Committee on Science and Technology shall serve as Chairperson of
5 the ICT Joint Congressional Committee on rotational basis every six (6) months. In every case,
6 the other member of the Committee belonging to the majority in the House or in the Senate
7 shall be the vice Chair. The Secretariat of the Congressional Oversight Committee shall come
8 from the existing secretariat personnel of the concerned Committees of the House of
9 Representatives and the Senate.

10 The ICT Joint Congressional Oversight Committee shall monitor and ensure the effective
11 implementation of this Act, including the approval of the rules and regulations issues pursuant
12 hereto. It shall determine inherent weakness and loopholes in the law, recommend the
13 necessary remedial legislation or administrative measures and perform such other duties and
14 functions as may be necessary to attain the objectives of this Act.

15 **SECTION 14. *Separability Clause*** – If any part or provision is held unconstitutional or
16 invalid, other provisions that are not affected shall remain in full force and effect.

17 **SECTION 15. *Repealing Clause***. – All laws, rules and regulations, other issuances or parts
18 thereof, which are inconsistent with this Act, are hereby repealed or modified accordingly.

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

Approved,