

PRESIDENTIAL COMMUNICATIONS OFFICE
News and Information Bureau

PRESS BRIEFING OF MS. DAPHNE OSEÑA-PAEZ
WITH DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT)
UNDERSECRETARY JEFFREY IAN C. DY
JUNE 26, 2024 [11:11 A.M. – 11:37 A.M.]

MS. OSEÑA-PAEZ: Magandang umaga, Malacañang Press Corps, and welcome sa ating press briefing ngayong araw, June 26.

At the 18th National Economic and Development Authority or NEDA Board Meeting yesterday, President Ferdinand R. Marcos Jr. approved the flagship Philippine Digital Infrastructure Project or PDIP presented by the Department of Information and Communications Technology. The PDIP is designed to boost broadband connectivity nationwide particularly in remote areas. It's also going to strengthen cybersecurity.

And with us this morning is DICT Undersecretary Jeffrey Ian Dy to tell us about the Philippine Digital Infrastructure Project. Good morning, Undersecretary Dy.

DICT USEC. DY: So the Philippine Digital Infrastructure Project is a World Bank loan worth 288 million US Dollars. It is the largest and actually the first of its kind in the Philippines for a loan for digital infrastructure. It will seek to complete the national fiber backbone which spans from... remember that in April, the president already launched the first phase of this which goes from Baler to Laoag, then to Metro Manila.

This year, we are going to finish phase 2 and three of the national fiber backbone which connects Metro Manila to Southern Luzon. With this loan, we should be able to get submarine cables across Visayas and then connect it to Mindanao; it's a domestic submarine. On top of that, we should be able to also provide 772 free Wi-Fi sites concentrating on Mindanao in Region XI – Regions XI and Region XIII. We would like to note that according to our research, for every 10% increase in internet penetration rate, it constitutes approximately 1.38% increase in our gross domestic product and that is the reason why this project is very important.

The reason why we're targeting regions in Mindanao is because even though the entire country has an internet penetration rate of 73.6%, approximately 86 million Filipinos have access to internet – this disparity is larger in Mindanao where in some regions especially Region XIII, the internet penetration rate is lower than 17%. So, that's really the target of this development fund. It's a development program.

And I would also like to note that the national fiber backbone and the national broadband program has been a national vision for quite some time already and we are proud to say that with this project, we should be able to finish within ... by 2028 this entire span of the national fiber backbone. And with the proper policies in place, we should be able to bring down the cost of the internet and to also increase the speed of the internet, at par with our regional counterparts in the ASEAN for this project.

MS. OSEÑA-PAEZ: That's great. Thank you so much. We're opening the floor to questions from Malacañang Press Corps. Harley Valbuena, DZME.

HARLEY VALBUENA/DZME: Good morning po. Sir, when can we expect the establishment of the 772 free Wi-Fi sites that will concentrate on Mindanao?

DICT USEC. DY: Yes. So, since the NEDA Board, chaired by His Excellency, the President, approved this yesterday, there will be negotiations on the rates, iyong interest rates of the World Bank happening in the next few days. We hope to start procurement by early next year. So, progressive siya but we should be able to complete by 2028 including nga iyong fiber backbone. Even though we'll complete in 2028, the entire project is a 10-year project. So progressively, from 2025 to 2035, the entire free Wi-Fi sites that we will be building will be sustainable 'no.

HARLEY VALBUENA/DZME: Sir, gaano po kabilis iyong speed niya that we are talking about? Maybe in terms of Mbps or what, doon po sa free Wi-Fi sites.

DICT USEC. DY: Yes, thank you for that question. So, right now, our SLA (Service Level Agreement) for this particular project is significantly higher than what we're providing 'no. The minimum is 50 Mbps with space for 200 Mbps.

HARLEY VALBUENA/DZME: And then, sir, last question po. Can you elaborate na lang po on how this project will strengthen the cybersecurity?

DICT USEC. DY: Yes. Part of the component of this particular... there are five components to this particular project, of course, the largest and the most expensive is the connectivity. Component three actually focuses on securing the network, the national fiber backbone for one and also the free Wi-Fi networks.

To give you an example, there is a law 'no, iyong Anti-Child Exploitation Act which by the way reminds all internet service providers that we should be blocking child pornography, child exploitation sites et cetera. So part of this entire package is to be able to create that security 'no. For example, our free Wi-Fi sites shouldn't be used for this. We will also be building a network operation center to monitor if there will be attacks against our sovereign network, especially iyong sinasabi ko nga, the national fiber backbone.

MS. OSEÑA-PAEZ: Okay. Joyce Balancio, ABS-CBN.

JOYCE BALANCIO/ABS-CBN: Sir, when you say free Wi-Fi sites, can you give us details? Anong klaseng sites po ito like public areas po ba ito? Will it include public schools kasi doon din po nangangailangan ng Wi-Fi connection?

DICT USEC. DY: Thank you for that question, Joyce. So, we have a law, the Free Public Internet Access Law which was passed in 2016 if I remember that right. So, for this particular project, we are actually just implementing the law but we will be focusing on public schools, state universities and colleges and rural health units. So iyong 772 are mostly public schools and rural health units.

MS. OSEÑA-PAEZ: Chona Yu, People's Journal.

CHONA YU'PEOPLE'S JOURNAL: Sir, ilang percent po, sir, ng kabuuang lugar sa bansa ang wala pang internet connection?

DICT USEC. DY: So, we are not measuring it in terms of geographic area but according to the 2023 International Telecommunications Union, 86.5 million Filipinos have access. Approximately,

there are 118 million Filipinos. We count as having access iyong may access sa smartphone mobile data. As long as may access ka sa mobile data even though your area has no fixed broadband, for example, you still have access to the internet.

Now, in terms of—so here, we don't have the exact data but what we know for a fact is that there are certain areas like what I was mentioning, Region XIII, na mababa talaga iyong internet penetration rate, and that's why we're concentrating here kasi they are also not commercially viable. Globe, PLDT, Smart wouldn't bring their services there because the population will not be able to support payment of a commercial internet, that's why they say developmental project.

Hopefully, when we are there and once we get the cable networks ready, then we can tie up with the local government units and make this available also for fiber to move along with the local providers, and this will increase internet penetration at home. Hindi lang doon sa free Wi-Fi sites, halimbawa, public schools, this can also help in making sure that this particular facility is available even at homes.

MS. OSEÑA-PAEZ: Ivan Mayrina, GMA 7.

IVAN MAYRINA/GMA 7: Usec., good morning. In terms of number of users, how many are expected to benefit from this project?

DICT USEC. DY: Seven hundred seventy-two [unclear]. According to our estimates, the users would be around five million to six million pero medyo ano iyan ha, that is on the low end because we didn't attribute—remember this is a 10-year project and we didn't make a projection on increase in population per year, but that is the current scope of this particular project.

IVAN MAYRINA/GMA 7: Speaking of projections, you said that for every 10 percent increase in internet coverage, it constitutes a 1.38 percent increase in GDP.

DICT USEC. DY: That's correct.

IVAN MAYRINA/GMA 7: By the time that this project is fully implemented, what is your projection on the actual economic impact of this?

DICT USEC. DY: The actual economic impact ... so, the project is 288 million US dollars. According to our estimates, the economic IRR or the economic Internal Rate of Return is approximately between 26% - 36%, which means that we will be able to pay the loan 25 to 36 percent. So, we will be able to pay the loan – this is the conservative estimate – we'll be able to pay the loan and still get in terms of economic growth locally – kasi local projects siya – we'll still be able to ...like 4.7 billion pesos on top of the requirements to repay the loan.

IVAN MAYRINA/GMA 7: Sir, at the risk of asking you to state the obvious, how does this stimulate economic activity? Paki-elaborate nga ho papaano natin nakuha iyong 1.38 percent increase in GDP kapag mataas ang internet connectivity?

DICT USEC. DY: Thanks for that, Ivan. So, as we all know, internet connectivity is a requirement nowadays for a lot of movement of goods. For example here in Metro Manila, we are all enjoying Grab; we're all enjoying Lazada. But in so many areas in the country, they don't even have access to e-commerce. And remember that e-commerce is two ways – one is e-commerce for the suppliers; and, of course, e-commerce for the consumers.

So, in terms of consumer growth or the growth of consumption which is part of our GDP being measured, kapag mayroong internet, siyempre tataas din iyong consumption kasi magkakaroon ng e-commerce. But more importantly local players, local drivers – we're talking about local farmers, we're talking about your local sari-sari store – will now have access also to e-commerce and internet services.

So, by putting proper infrastructure, they'll have access similar to Grab here in Metro Manila. But, you know, mayroon din silang digital supply chain, mayroon din silang way of receiving orders even though it's not local to their area. So, it's like expanding their market. It's the same logic as building roads – we're trying to connect markets by building roads so that trucks can go there. Dito naman, we're building digital infrastructure so that communication flows including e-commerce.

IVAN MAYRINA/GMA 7: Thank you.

MS. OSEÑA-PAEZ: Maricel Halili, TV 5.

MARICEL HALILI/TV 5: Hi, sir. Magandang umaga po. Sir, can you give us more details on how are you going to secure the sites doon sa mga free Wi-Fi areas especially now na mukhang iyong mga scammers are not just using text messages but they are also looking into using Viber or Messenger?

DICT USEC. DY: Now, that's a very tricky question, Maricel. So, we are securing the network so that we will be able to check if our own sovereign network – kasi this is a sovereign fiber backbone eh – is being used to attack certain companies or country. So, it's a very technical discussion but we'll be putting in devices, we'll be putting in sensors to ensure that this network is not being used for illegal activities. It's a mitigation of risk. I'm not saying it will totally disappear, but we have to put proper controls in place to mitigate that particular risk.

Ngayon, now with regard to Viber and the use of ... I understand what you're saying about scams, let us understand that it's a very complex problem. We now have the SIM Card Registration Law, but you will notice that technology has changed 'no. They are now using, for example, IMSI (International Mobile Subscribers Identifier) Catchers and fake FBS or fake radio units to be able to intercept radio transmissions and then re-broadcast – for short, non-SIM based na iyong scam. And then they are also using Viber; they are also using ODT boxes, etc., iyong mga Messenger. Unfortunately, we also need a law to be able to regulate that.

So, that's a different thing altogether. I hope, I explained it ...that's different, we need to also have the proper laws in place to be able to also regulate chat, mga ganiyan, lalo na kung ginagamit—for example, alam ninyo ba lahat nang na-hack sa Pilipinas, dina-dump ang data through Telegram? But we don't have a regulation to be able to ask Telegram to give us the identity of who is this person dumping data. I'm talking about data of all of us personally identifiable information. Wala tayong regulation na ganon. But don't worry, we've already conducted ...we're talking to congress about this. There are various bills pending in congress about it.

MS. OSEÑA-PAEZ: Okay. Eden Santos, Net 25.

EDEN SANTOS/NET 25: May kaugnayan din po doon sa question ni Maricel. So, kung wala po tayong ... binabanggit ninyo na wala tayong kasiguruhan para ma-secure iyong mga users doon sa mga site na magkakaroon po ng free Wi-Fi, are we expecting na mas dadami iyong bilang ng mga kababayan natin na posibleng ma-scam using this free Wi-Fi internet po?

DICT USEC. DY: Okay. Thanks for that. No, I would like to believe and based on our implementation, the Free Wi-Fi program of the Republic of the Philippines and of DICT is actually secured and we're trying to make it more secure with this particular Philippine Digital Infrastructure Project 'no.

So, I don't want to ... kasi ang problema natin kapag sinabi ko naman ang lahat ng security measures namin, baka bukas sabihin ng mga hackers, "Oh, ito pala, ha." But, we actually have this in place. For example, if you use our free Wi-Fi sites, I'm telling you right now, you can't use it for child pornography, etc. In fact, we're going to the extra mile in order to make sure that you're not misusing it. We also block phone, example lang.

So, mayroon naman tayong measures doon sa Free Wi-Fi project natin especially because these are being used by students in the far-flung areas. So, it's generally safe. I was just verbalizing that this is a very complex problem. Our attackers are also employing newer technologies as they come out. So, while we believe it is secured now, of course, we need to transition to more secure technologies in the future.

EDEN SANTOS/NET 25: Opo, kasi nga hindi po ba ang problema ngayon ay iyong tumataas na bilang ng mga kabataang nagiging biktima po ng child sexual abuse using iyong mga internet, hindi po ba?

DICT USEC. DY: Correct, so we are doing something about that. For example, we have sensors that actually scans the dark web, surface web so that we know in advance if some data was hacked and being sold in the public or there is child pornography emanating from the country. We report this to the NBI and the PNP.

BALTAZAR/RADYO PILIPINAS: Usec., good morning. Aside from child pornography, ano pa po iyong mga sites na naka-block doon sa Free Wi-Fi, Sec.?

DICT USEC. DY: Sa ngayon, scams sites at saka iyong tinatawag nating command and control. Iyong command and control, ito iyong identified sites where if you were hacked, doon nagpapadala ng data. That's it, because the reality is, you know, we don't block sites in general except if it is really dangerous to the public, or there is a law that says you have to block it.

BALTAZAR/RADYO PILIPINAS: Kasi medyo lilihis lang ako doon sa Free Wi-Fi, Usec. Sir, do we have a figure kung ilan iyong percentage na pumapasok sa government through online transactions, since very consistent din naman si Pangulo na gumamit na ng online transaction sa mga government offices?

DICT USEC. DY: Sorry, I don't have that information but I can get back to you on that. I don't have it with me right now.

ATIENZA/BUSINESS WORLD: Hello, sir. Sir, can you elaborate on the Network Operation Center? Are there existing state NOC in the country right now? And also, what kind of national security threats will this network address?

DICT USEC. DY: Thank you for that question, Kyle. So, we have a Network Operations Center right now. We also have a National Security Operation Center and the DICT's National Computer Emergency Response Team, which responds to all these hacking incidents in the government. We have 30 agencies connected to it that is why we were able to defend. Approximately, we have

already done 2,900 early detections of attempts to government agencies including LGUs. That is what it does – it has sensors that detects if there is an attempt; and then, if there is an attempt, we mobilize our team to be able to mitigate it.

ATIENZA/BUSINESS WORLD: Can you elaborate on those 30 attempts?

DICT USEC. DY: No, 30 agencies are connected; 2,900 attempts.

ATIENZA/BUSINESS WORLD: Okay. Sir, can you give an example of the attempts?

DICT USEC. DY: Well, I think one of the most, one of the well reported in media is the attempt on our mail exchange services back in ... was it late January or early February, where we attributed this particular attack to advance persistent threat group number 41, which is known to be a Chinese APT. So, we detected that.

There was also an attempt on the Department of Agriculture and DENR, and then we were able to detect that. So, hindi na lumalabas sa media kasi nga nami-mitigate natin.

There was also an attempt on ... multiple attempts sa Philippine Coast Guard, for example, so yeah. I'm sorry I don't have the entire and some of these also are—you have to understand, I cannot also divulge details about the existing investigations. But right now, the statistic stands at approximately 2,900 early detected. When I say early detected, hindi sila nakapasok.

ATIENZA/BUSINESS WORLD: Sir, last question po. How would you assess the readiness of the Philippines in terms of countering such threats? Do you expect any other measures for us to boost our defense against these attacks, cyber-attacks?

DICT USEC. DY: Although, lumilihis tayo sa PDIP, but I guess that's okay, right. What I would say is that we are significantly better now. We are significantly better now; our detection mechanisms are there; our protective systems are there. And you will notice that we are now sharing information also with our allies. Ibig sabihin, hindi na ito one-way communication with our allies. We are also sharing with them how we found out certain tactics, techniques and procedures being employed by hackers of international origin.

Are we at par with our regional counterparts? To give you an example, Singapore is only like six million people, but they are detecting approximately 18,000 attacks per year. We are only detecting around 3,000 per year, but we are 118 million Filipinos. So, I think we need to improve this by, for example, having a cybersecurity law that will mandate even the private sector to report to us if there is a cybersecurity incident so that we can, we have to address this together. So, we have to address our visibility of the entire cybersecurity [inaudible].

BALANCIO/DZMM: Sir, DICT has always said that we are always short of personnel, of experts whenever there are reported cases of cybersecurity issues. So, paano natin babantayan, sir, iyong more than 700 new sites that it's going to be free from hacking, it's not going to be used for scamming and other illegal activities? Will DICT increase personnel? Will you hire more experts moving forward?

DICT USEC. DY: That's a good question. But let me again separate the two issues, ha. The 772 Free Wi-Fi sites are controlled environments that are directly connected to the DICT servers and systems which means, it is easier to monitor them because there are automated ways to monitor

these. It's easier. That [having] said, DICT has the mandate for cybersecurity for everyone, even those like you who are not connected to us, your systems at home is not connected to DICT – PLDT systems, for example, and Globe Telecommunications are not connected to us – we are not monitoring it.

So, for that reason, we still need additional professionals, not only in government but also in the private sector to be able to sustain our drive to improve cybersecurity. For example, in other countries there is approximately one certified professional for every 200 people. But in our case, it's one for every 2,000 or 3,000. We only have like 200 CISSPs (Certified Information Systems Security Professionals), just to give you an example, and most of them are also finding work abroad. So that is what we are trying to resolve, get them here. And how do we do that? By building an ecosystem of cybersecurity.

We are the number one BPO destination in the world. So, maybe—hindi pala maybe, this is what we are trying to do: Create a sub-sector like the BPO Security Operation Center, some companies are already here, so that we can get in more private sector investment and they help us train the professionals needed.

MS. OSEÑA-PAEZ: Thank you so much, Undersecretary Dy, for explaining the PDIP and its relevance and for putting child protection at the heart of it all because that is the priority of the President. He has mentioned it many times, the fighting online sexual abuse and exploitation of children and, of course, internet connectivity, cybersecurity is a very important part of the Marcos administration's vision for economic development that is sustainable and inclusive. Thank you, Undersecretary Dy.

DICT USEC. DY: Thank you, Daphne.

MS. OSEÑA-PAEZ: And thank you, Malacañang Press Corps. This concludes our Press Briefing this morning.