

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

23 MAY -3 A11 :38

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**SENATE**  
**S. No. 2112**

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Introduced by Senator Christopher Lawrence "Bong" T. Go

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**AN ACT**  
**MODERNIZING THE PHILIPPINE COAST GUARD, CREATING FOR THE**  
**PURPOSE THE PHILIPPINE COAST GUARD MODERNIZATION TRUST FUND**  
**AND APPROPRIATING FUNDS THEREFOR**

**EXPLANATORY NOTE**

The Philippines is composed of over 7,100 islands, with a vast and complex maritime territory spanning 18,000 kilometers of coastline. For years, the coastal areas have been integral to the livelihoods of various communities, serving as transportation hubs for trade and commerce. To ensure the protection of the marine environment and resources, as well as the safety of those at sea, Republic Act No. 9993 or the "Philippine Coast Guard Law of 2009" mandates the Philippine Coast Guard to enforce applicable laws within Philippine waters, conduct maritime security operations, and safeguard life and property at sea.

In 2011, Executive Order No. 57 was issued to establish the National Coast Watch System, which aims to improve coordination and communication among government agencies involved in maritime security and protection. These actions reflect the government's commitment to prioritize maritime security, especially in the face of maritime challenges, threats, and other security concerns.

However, despite the Philippine Coast Guard's responsiveness in fulfilling its duties, recent years have seen an increase in maritime accidents and incidents such as ship collisions, groundings, and oil spills. In the five-year period from 2015 to 2019, 4,467 maritime incidents were recorded within Philippine territorial waters, highlighting the need for modernization to enhance its capability to respond to these incidents and accidents effectively.

The Philippine Coast Guard faces several challenges that hinder its improvement and long-term efficiency. The lack of necessary resources such as modern vessels, aircraft, and other equipment, as well as trained personnel, poses a significant hindrance to its ability to carry out its duties effectively. Outdated equipment and inadequate disaster response capabilities further complicate the Coast Guard's role in disaster response efforts, which is critical given the Philippines' vulnerability to natural disasters. Thus, the problems faced by the Philippine Coast Guard are significant and require action to be taken, there is a compelling need for the government to pass this bill modernizing the Coast Guard. Doing so will ensure that the PCG can better protect the country's maritime interests, address outdated equipment, enhance disaster response capabilities, and boost the country's economy.

In view of the foregoing, the approval of this measure is earnestly sought



**SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO**

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*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1       **SECTION 1. Title.** - This Act shall be known as the "*Philippine Coast Guard*  
2 *Modernization Act.*"

3       **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to  
4 develop the Philippine Coastal Guard (PCG), and ensure the continued protection and  
5 defense of our maritime border, economy, and environment. Toward this end, the  
6 Modernization Program under this Act shall develop and enhance the capabilities of the  
7 PCG to effectively perform under the following functional areas:

- 8           a. Maritime Safety;  
9           b. Maritime Search and Rescue;  
10          c. Maritime Security;  
11          d. Maritime Law Enforcement; and  
12          e. Maritime Environment Protection

1           **SEC. 3. *Philippine Coast Guard Modernization Program.*** - Within a period not  
2 exceeding ten (10) years after the effectivity of this Act, the PCG shall implement the  
3 Philippine Coast Guard Modernization Program, hereinafter referred to as the Program.  
4 The PCG shall continue to perform its powers and discharge its functions as provided in  
5 Section 3 of Republic Act No. (RA) 9993, also known as "*Philippine Coast Guard Law of*  
6 *2009.*" Payments for the amortization of outstanding multi-year contract obligations  
7 incurred under Section 7 of this Act may however extend beyond this period.

8           **SEC. 4. *Objectives of the Modernization Program.*** - The PCG Modernization  
9 Program shall be implemented in accordance with the following objectives:

- 10       (a) To minimize, if not totally eliminate accidents at sea;
- 11       (b) To reduce the search efforts and hasten response time during search and rescue  
12       operations;
- 13       (c) To contribute substantially to securing maritime zones or territorial waters from  
14       terrorism, lawlessness, and other threats to national security and territory;
- 15       (d) To effectively contribute to the enforcement of the Philippine criminal and other  
16       special laws within the maritime zone or territorial waters; and
- 17       (e) To minimize, if not eliminate, pollution in the maritime zones or areas and hasten  
18       response time to recover split pollutants.

19           **SEC. 5. *Components of the Modernization Program.*** - The PCG Modernization  
20 Program shall have the following components:

- 21       (a) Organization Development. The restructuring and streamlining of the PCG units  
22       and offices to avoid the overlapping of functions, simplify procedures and  
23       improve response time.
- 24       (b) Human Resources. The professionalization of its human resource with  
25       educated, motivated, and highly skilled personnel in their respective fields of  
26       specialization.
- 27       (c) Doctrine of Development. The rationalization system, standards, and  
28       procedures in the administration of the PCG include the generation, evaluation,  
29       consolidation, and formalization of doctrines; the conduct of the periodic review

1 and validation of doctrines through field application, testing, and exercises; and  
2 the dissemination of approved doctrines at all levels of command.

3 (d) Infrastructure Development. The basic and support system required to ensure  
4 that services are rendered efficiently includes the acquisition and upgrade of  
5 basic and support facilities for administrative and operational services, and the  
6 acquisition and upgrade of basic facilities such as aircraft command, control,  
7 and communication platform which are range and endurance-capable to  
8 continuously monitor edge of the exclusive economic zone (EEZ) with night  
9 navigation capability, including remote-controlled drones.

10 (e) Equipment and Facilities Acquisition and Modernization. The acquisition and  
11 upgrade of contemporary, modern, and state-of-the-art equipment and system  
12 to enhance the capabilities of the PCG in the performance of its mandate which  
13 includes the following:

14 (1) Upgrade the vessel to a mission-specific level with a high degree of  
15 flexibility to perform other functional area operations. The vessel must be  
16 well-maintained for full operational status at least three hundred (300)  
17 days a year and must be interfaced with the latest cutting-edge  
18 technology for ease of operation.

19 (2) Remotely operated submersibles for deep-sea search, retrieval, and  
20 monitoring operations.

21 (3) Weapons that are marine-environment resistant and designed primarily to  
22 disable hostile personnel and equipment.

23 (4) K-9 units which are capable of detecting bombs, drugs, toxic substances,  
24 and search and rescue (SAR) operations, among others;

25 (5) Uninterruptible PCG internal communications seamlessly interoperable  
26 with other agencies as well as communications with commercial vessels  
27 operating within the Philippine maritime zones or territorial waters;

28 (6) Training equipment capable of simulating foreseeable emergencies or  
29 hostile situations;

- 1 (7) Aids to navigation that are consistent with International Association of
- 2 Lighthouse Authorities standards;
- 3 (8) Accurate and real-time monitoring and detection systems; and
- 4 (9) Laboratories with technologically current equipment.

5 **SEC. 6. *Submission of the Modernization Program.*** - Within ninety (90) days  
6 from the effectivity of this Act, the PCG Commandant shall, in accordance with the  
7 Secretaries of The DOTr and Department of Budget and Management (DBM), submit  
8 the PCG Modernization Program to Congress. The Program shall indicate the following:

- 9 (a) The size and shape of the PCG in terms of personnel, equipment, and facilities  
10 during the various phases of the Program.
- 11 (b) The modernization project under each phase including the major weapon and  
12 non-weapon equipment and technology acquisition, infrastructure  
13 construction or improvement to be made, and the particular objectives and  
14 components under Section 4 and 5 respectively, of this Act to which such  
15 intended acquisition, constructions or improvements belongs; and
- 16 (c) The priorities, schedules as well as the estimated average cost for each  
17 modernization component project or upgrading to be undertaken. In the event  
18 Congress approves the PCG Modernization Program, the joint resolution shall be  
19 the basis for subsequent executive and legislative actions to implement the  
20 program until its completion and full realization.

21 **SEC. 7. *Multi-year Contracts.*** - The Secretary of the DOTr may, pursuant to the  
22 program, projects, and appropriations approved by Congress and subject to the  
23 approval by the President, enter into multi-year contracts and other agreements or  
24 arrangements in accordance with the provisions of existing laws and regulations  
25 including those of the Commission on Audit and under such terms and conditions most  
26 favorable to the government.

27 The Congress shall, upon certification by the President, make the corresponding  
28 appropriation for the ensuing fiscal year in payment for multi-year contracts: Provided,  
29 that Congress shall appropriate only such funds as may be necessary to pay any unpaid

1 amount when the appropriated funds mentioned in Section 13 of this Act are not  
2 sufficient or available to meet the payment, in full or in part.

3 The Secretary of the DOTr shall submit copies of these multi-year contracts and  
4 other agreements or arrangements to Congress.

5 **SEC. 8. *Self-reliance Program.*** - In implementing the Program, the PCG shall, as  
6 far as practicable, give preference to Filipino contractors and suppliers and secondly to  
7 foreign contractors or suppliers, willing and able to locate a substantial portion of, if not  
8 the entire, production process of the terms involve within the Philippines.

9 In order to generate local employment opportunities, and enhance technology  
10 transfer to the Philippines, the Secretary of the DOTr shall, as far as feasible,  
11 incorporate in each contract or agreement special foreign exchange reduction schemes  
12 such as countertrade, in country manufacture, co-production, or other innovative  
13 arrangements or combination thereof.

14 The PCG shall likewise ensure that in negotiating all applicable contracts or  
15 agreements, provisions are incorporated respecting the transfer to the PCG of the  
16 principal technology involved as well as the training of the PCG personnel to operate  
17 and maintain such equipment and technology.

18 **SEC. 9. *Philippine Coast Guard Modernization Trust Fund.*** - There is hereby  
19 created a trust fund, to be known as the Philippine Coast Guard Modernization Trust  
20 Fund to be administered by the Secretary of the DOTr in accordance with existing rules  
21 and regulations. The trust fund shall be used exclusively for the PCG Modernization  
22 Program excluding salaries and allowances. The trust fund shall be funded out of the  
23 following:

- 24 (a) Appropriation for the Philippine Coast Guard Modernization Program  
25 (b) The proceeds from the sale, lease, or joint development of coast guard  
26 properties and lighthouse reservations, as may be authorized by the Congress,  
27 including such immovable and other facilities as may be found therein, not

1 covered by the Bases Conversion Development Authority, as provided for in  
2 Republic Act No. (RA) 7227, otherwise known as the Bases Conversion and  
3 Development Act of 1992;

4 (c) Shares of the PCG from the proceeds of the sale of the coast guard properties  
5 provided for under the Bases Conversion and Development Act of 1992;

6 (d) The proceeds from the disposal of excess or uneconomically repairable  
7 equipment and other movable properties in the PCG arsenal;

8 (e) Funds from budgetary surplus, if any, as may be authorized by Congress subject  
9 to the provisions of Section 13 of this Act;

10 (f) Dues, fines, and penalties collected by the PCG in the exercise of its functions;  
11 and

12 (g) All interest income of the trust fund.

13 **SEC. 10. *Equipment Acquisition Per Function Area.*** - In order to further  
14 specialize PCG capabilities, equipment acquisition shall be initiated within the respective  
15 functional areas as mentioned in Section 2 of this Act but integrated into the Program  
16 to allow inter-operability and ensure a greater degree of reliability.

17 **SEC. 11. *Contract Negotiation.*** - The procurement process shall be governed in  
18 accordance with Republic Act No. (RA) 9184, otherwise known as the "Government  
19 Procurement Reform Act", and its revised implementing rules and regulations. The  
20 procurement process shall be exercised by the PCG General Headquarters unless  
21 delegated to the next lower-level management by the PCG Commandant.

22 **SEC. 12. *Progress Report.*** - The Secretary of the DOTr shall submit to the  
23 President and Congress, an annual report on the status of the Philippine Coast Guard  
24 Modernization Act Trust Fund, as provided for in Section 9 of this Act, not later than the  
25 end of the first quarter of the succeeding year.

26 The Commandant of the PCG shall also submit to the President and Congress,  
27 and the Secretary of the DOTr, an annual status report containing the process of the  
28 implementation of the modernization program under this Act including the PCG



1 modernization activities implemented prior to the approval of this Act not later than the  
2 end of the first quarter of the succeeding year.

3 **SEC. 13. Appropriations.** - The amount necessary to implement the provisions of  
4 this Act shall be sourced from the PCG Modernization Trust Fund as provided in Section  
5 9 of this Act. In addition, the annual appropriations for the PCG Modernization Program  
6 shall include the amount necessary to support the funding requirements for all  
7 modernization projects submitted to Congress. The funds to be appropriated to  
8 implement the provisions of this Act shall be included in the General Appropriations Act  
9 under the DOTr.

10 **SEC. 14. Separability Clause-** If any provision of this Act is declared  
11 unconstitutional or invalid, the remainder of this Act or any provisions not affected  
12 thereby shall remain in full force and effect.

13 **SEC. 15. Repealing Clause-** All laws, executive orders, rules, and regulations  
14 inconsistent with or contrary to this Act, are hereby repealed or amended accordingly.

15 **SEC. 16. Effectivity-** This Act shall take effect fifteen (15) days after its publication  
16 in the Official Gazette or a newspaper of general circulation.

Approved,