

24 AUG -7 P6 :43

**SENATE**  
**S. No. 2775**

RECEIVED BY: 

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Introduced by Senator Loren B. Legarda

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**AN ACT**  
**PROVIDING FOR THE STRENGTHENING AND MODERNIZATION OF THE**  
**PHILIPPINE COAST GUARD AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Philippines, with its 7,641 islands and 36,289 kilometers of shoreline, possesses a vast maritime territory rich in natural resources, placing it in a strategic geopolitical and economic position. However, this strategic position has also led to increasing territorial confrontations in the West Philippine Sea (WPS). Illegal infrastructures have been erected in disputed areas within the country's Exclusive Economic Zone (EEZ), protected marine resources are being exploited, Filipino fishermen are barred from their traditional fishing areas, and supplies and medication are blocked from reaching government military personnel. These aggressive actions, backed by the People's Republic of China's technological and modernized maritime capacity, have resulted in dangerous incidents, damaging Philippine vessels, endangering lives, and depleting maritime resources.

Moreover, the Philippines' maritime areas are vulnerable to disasters. The country experiences an average of 20 tropical cyclones annually and faces risks from oil spills and other maritime accidents. In response to these challenges, a strong, technically capable, and responsive coast guard is essential to ensure swift and effective maritime response.

The proposed PCG Strengthening and Modernization Act aims to significantly enhance the capabilities of the Philippine Coast Guard. This Act outlines a

comprehensive strengthening and modernization plan that includes acquiring advanced maritime equipment, reviewing and updating doctrinal rules, strengthening the organizational capacity of PCG, enhancing personnel training, and improving operational capabilities. This strengthening and modernization will empower the PCG to effectively safeguard the country's maritime interests. Central to the Act's provisions is the reinforcement of law enforcement, security measures, disaster response and environmental protection. By adhering to international maritime conventions and national laws, the PCG will be better equipped to enforce regulations and strengthen port state control. Additionally, enhancing response capabilities in maritime incidents underscores the Act's commitment to ensuring safety and security along Philippine waters.

Furthermore, the Act emphasizes the importance of search and rescue operations, environmental protection, and economic security. By combatting illegal fishing, preserving marine biodiversity, and safeguarding international shipping routes, the PCG Strengthening and Modernization Act aims to bolster economic activities, protect vital marine resources, and ensure the nation's prosperity amidst maritime challenges.

In view of the foregoing, the passage of this measure is earnestly sought.



**LOREN LEGARDA**

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**PHILIPPINE COAST GUARD AND FOR OTHER PURPOSES**

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

1       Section 1. *Short Title* — This Act shall be known as the "PCG Strengthening and  
2 Modernization Act."

3       Sec. 2. *Declaration of Policy* — It is hereby declared the policy of the State to  
4 modernize the Philippine Coast Guard (PCG) to a level where it can effectively and  
5 fully perform its statutory mandates to ensure the maritime safety, maritime  
6 environmental protection, and maritime security of the Republic of the Philippines.  
7 Toward this end, the principal thrusts of the modernization program under this Act  
8 shall be:

9           (a) The development of a more mobile and visible coast guard force that  
10           will establish its vision of a "world-class guardian of the sea" by 2035;

11           (b) The acquisition and upgrading of appropriate technology and  
12           equipment;

13           (c) The doctrinal, organizational, and personnel strengthening of the PCG;  
14           and

15           (d) The strategic improvement and construction of bases, installations, and  
16           other PCG facilities.

1           Sec. 3. *Objectives* — The PCG Strengthening and Modernization program shall  
2 be implemented in accordance with the following objectives:

- 3           (a) To develop its capability to uphold the sovereignty, territorial integrity,  
4           and sovereign rights of the Republic of the Philippines and to maintain  
5           security and safety of the maritime domain from all forms of maritime  
6           incidents and transnational crimes;
- 7           (b) To develop its capability to support other government agencies in the  
8           preservation of the national patrimony, including the country's living and  
9           non-living marine, submarine, mineral, coastal forest, and other natural  
10          resources located within its territory and its exclusive economic zone  
11          (EEZ);
- 12          (c) To enhance its capability to fulfill its mandate to protect the Filipino  
13          people not only from armed threats at sea but from the ill effects of life  
14          threatening and destructive consequences of disasters and calamities,  
15          including typhoons, earthquakes, tsunamis, volcanic eruptions, oil spills,  
16          major accidents in the far-flung or inaccessible areas at sea, and from  
17          all forms of ecological damage;
- 18          (d) To improve capability and capacity in the enforcement of domestic and  
19          foreign policies as well as international accords against smuggling,  
20          piracy, armed robbery, poaching, illegal fishing, smuggling, drug  
21          trafficking, hijacking of seacraft and vessels, trade in human beings and  
22          other serious international crimes, drug-trafficking, and the transport of  
23          toxic and other ecologically-harmful substances taking place in or  
24          through Philippine territory;
- 25          (e) To enhance its capability towards inter-agency coordination in terms of  
26          maritime law enforcement and maritime counter-terrorism; and
- 27          (f) To develop its capability to support national development.

28          Sec. 4. *Development of PCG Capabilities* — The PCG Strengthening and  
29 Modernization program shall be geared towards the development of the following  
30 capabilities:

- 31          (a) Development of floating assets—The enhanced fleet operations shall  
32          enable the PCG to:



- i. Patrol the Philippine maritime jurisdiction, including the EEZ, to enforce all applicable laws;
- ii. Protect and preserve all coastal, near coastal, and riparian living and nonliving marine resources;
- iii. Provide transportation of personnel and material in times of natural disaster and rescue operations; and
- iv. Conduct search and rescue operations during maritime incidents such as fires at sea, collisions, groundings, oil spills, and flash floods, among others.

(b) Development of air assets—The enhanced air operations shall enable the PCG to:

- i. Patrol, detect, and challenge, if necessary, any vessel and aircraft illegally intruding into or passing through the Philippines' EEZ management, up to areas near or around the Philippine territorial limits;
- ii. Conduct maritime air operations in support of PCG missions;
- iii. Provide airlift, search and rescue, rapid deployment and related support in disaster and other civilian relief operations; and
- iv. Support the Philippine naval armed forces.

(c) Development of Maritime Domain Awareness (MDA) capabilities—The PCG shall acquire and upgrade contemporary, modern, and state-of-the-art equipment and systems to enhance its MDA capabilities in the performance of its mandate.

(d) Development of fleet support and infrastructure—The PCG shall acquire, construct, develop, and upgrade its infrastructure and facilities for the following:

- i. Response bases for all operational units of the PCG;
- ii. Coast Guard stations and substations; and
- iii. Training, ship/aircraft repair and maintenance, and logistics for PCG operating units;

(e) Development of national headquarters capabilities—The modernization of the PCG requires the renovation and development of

1 the national headquarters capabilities for command, control,  
2 communications, and information systems networks.

3 *Sec. 5. Components of the PCG Strengthening and Modernization Program –*

4 The PCG Strengthening and Modernization program shall be divided into four tiers in  
5 line with the capabilities and include the following:

6 (a) First Tier—Development of PCG Response Bases and Enhancement of  
7 Maritime Domain Awareness Capabilities

8 i. Response Bases—The PCG Strengthening and Modernization  
9 program shall entail the construction and development of  
10 permanent response bases to house all PCG operational units,  
11 such as Marine Laboratories, Search and Rescue Vessels (SARVs),  
12 Offshore Patrol Vessels (OPV), Maritime Pollution Vessels  
13 (MARPOL vessels), and others to allow the PCG to rapidly respond  
14 to maritime emergency calls in the most efficient and effective  
15 manner.

16 ii. Maritime Domain Awareness (MDA) Capabilities—The PCG  
17 Strengthening and Modernization program shall entail the  
18 acquisition and upgrade of equipment and systems such as Radar  
19 Stations, Lighthouses, Unmanned Aerial Vehicles, Unmanned  
20 Underwater Vehicles, and SARVs to enhance MDA capabilities.

21 (b) Second Tier—Development of Infrastructure and Interdiction  
22 Capabilities

23 i. Interdiction Capabilities—The PCG Strengthening and  
24 Modernization program entails the acquisition of state-of-the-art  
25 vessels and equipment to enhance interdiction and law  
26 enforcement capabilities.

27 ii. Coast Guard Stations and Substations—The PCG Strengthening  
28 and Modernization program entails the improvement and  
29 development of infrastructures and facilities of Coast Guard  
30 stations and substations. Each shoreline municipality shall have  
31 its own substations, be fully equipped, and have constant or  
32 uniform stations. Substations will serve as its smaller unit.

1                   iii.    MARPOL (Maritime Pollution) Vessels—The PCG Strengthening  
2                   and Modernization program shall acquire MARPOL vessels to  
3                   strengthen the marine environment protection mandate of the  
4                   PCG.

5                   iv.    Development and Improvement of Training Facilities—The PCG  
6                   Strengthening and Modernization program shall entail the  
7                   development and improvement of training facilities for study,  
8                   training, professional progress, and exercise.

9                   (c) Third Tier—Acquisition and Development of Patrol Vessels and Air  
10                  Capabilities

11                  i.    Offshore Patrol Vessels—The PCG Strengthening and  
12                  Modernization program shall develop and acquire new OPVs to  
13                  strengthen coastal defense and the management of the country's  
14                  EEZ. The acquisition of OPVs shall enable the PCG to:

- 15                      1) Patrol, detect, intercept, engage, and challenge, if  
16                      necessary, any vessel illegally intruding into or passing  
17                      through the Philippines' EEZ, up to areas near or around  
18                      the Philippine territorial limits;
- 19                      2) Provide transportation of personnel and material in times  
20                      of natural disaster and rescue operations;
- 21                      3) Conduct search and rescue operations during maritime  
22                      incidents; and
- 23                      4) Support the Philippine naval armed forces.

24                  ii.   Aircraft—The PCG Strengthening and Modernization shall acquire  
25                  and develop aircraft to enable the PCG to:

- 26                      1) Strengthen maritime and airspace security in different  
27                      areas and stations;
- 28                      2) Patrol, detect, and challenge, if necessary, any vessel and  
29                      aircraft illegally intruding into or passing through the  
30                      Philippines' EEZ management, up to areas near or around  
31                      the Philippine territorial limits;
- 32                      3) Support its operations as a law enforcement arm and



1 nautical services; and

2 4) Support the Philippine naval armed forces.

3 (d) Fourth Tier—Infrastructure and Facilities Development

4 i. Construction and Development of Shipyards—The PCG  
5 Strengthening and Modernization program shall provide for the  
6 construction and development of shipyards that can contribute  
7 to regional industrial infrastructure and national security  
8 interests.

9 ii. Construction and Development of Hangars—The PCG  
10 Strengthening and Modernization program shall entail the  
11 construction and expansion of hangars that serve as protection  
12 from the weather and direct sunlight, and for maintenance,  
13 repair, production, assembly, and storage of aircraft.

14 *Sec. 6. Organization and Personnel Capability* – In view of the enhancements  
15 in capability, acquisition of new equipment, and establishment of new facilities, the  
16 PCG shall implement organizational and personnel strengthening measures parallel to  
17 the modernization program. These measures shall be carried out in the following  
18 manner:

19 (a) First Tier - Development of Rationalized Systems and Organizational  
20 Strengthening

21 i. Doctrinal Development – The PCG shall generate, evaluate,  
22 consolidate, formalize, and update maritime doctrines necessary  
23 for lawful, effective, and efficient operations.

24 ii. Doctrine Review and Validation – Conduct periodic reviews and  
25 validation of doctrines through field application, testing, and  
26 exercises.

27 iii. Organizational Review and Streamlining – Undertake a  
28 comprehensive review of the organization's structure and  
29 functions, including the streamlining of units and offices. This  
30 process aims to eliminate overlapping functions, simplify  
31 procedures, and improve response times.

32 (b) Second Tier - Professionalization and Training of Human Resources



- i. Enhanced Recruitment – Establish enhanced recruitment processes to attract highly qualified candidates to join the PCG.
- ii. Comprehensive Training Programs – Formulate and implement comprehensive training programs tailored to various specializations within the PCG, ensuring personnel are well-educated, motivated, and highly skilled.

The Department of Budget and Management (DBM) shall provide technical budgetary assistance to the PCG to ensure it attains an optimal organizational size. This support will enable the PCG to effectively operate its modernized equipment, manage new facilities, and assume additional tasks.

*Sec. 7. Period of Implementation* – The strengthening and modernization program under this Act shall be implemented in four (4) tiers, with each tier composed of three (3) years, as used in Section 5 and 6 of this Act, for a total period of twelve (12) years. Provided, however, that payments for the amortization of outstanding multi-year contract obligations incurred under this Act may extend beyond this period.

*Sec. 8. Submission of the PCG Strengthening and Modernization Program –*

- (a) Within ninety (90) days from the effectivity of this Act, the President, upon the recommendation of the Secretaries of the Departments of Transportation, and Budget and Management, shall submit the PCG Strengthening and Modernization program as provided for in this Act to Congress for its consideration and approval in a joint resolution of the House of Representatives and the Senate. The program shall indicate or show inter alia:

- i. Personnel, equipment, and facilities inventory before the commencement and during the various phases of the modernization program;
- ii. The target strengthening and modernization projects under it, including the major weapon and non-weapon equipment and technology acquisitions, any major infrastructure construction or improvement to be made, doctrinal and organizational review, and the particular objective(s) and component(s) under Sections 3 and 4, respectively, of this

1 Act to which such intended acquisition, construction, or  
2 improvements belong;

3 iii. The priorities, schedules as well as the estimated average  
4 cost for each strengthening and modernization project or  
5 upgrading to be undertaken; and

6 iv. The specific and measurable success indicators,  
7 performance metrics, means of verification of the success  
8 of the activities and acquisitions composing the PCG  
9 Strengthening and Modernization program, and the  
10 monitoring and evaluation plan for its implementation.

11 (b) In the event Congress approves the PCG Strengthening and  
12 Modernization program, the joint resolution shall be the basis for  
13 subsequent executive and legislative actions to implement the PCG  
14 Strengthening and Modernization program until its complete and full  
15 realization.

16 Sec. 9. *Appropriations*— The annual appropriations for the PCG Strengthening  
17 and Modernization Program shall include the amounts necessary to support the  
18 funding requirements for all the modernization components approved by Congress  
19 under the preceding sections.

20 The appropriated funds under this Act shall be considered distinct and separate  
21 from the regular appropriations for the Department of Transportation. Such funds shall  
22 be facilitated by the Secretary of the Department of Transportation for its proper  
23 implementation.

24 The amount of One Hundred Billion Pesos (PhP 100,000,000,000.00) for the  
25 first implementation period, or the first three years, shall be appropriated and shall be  
26 renewed every implementation period, as stated in this Act. Provided, that such  
27 amount may be increased thereafter.

28 Sec. 10. *PCG Strengthening and Modernization Act Trust Fund*— There is hereby  
29 created a trust fund, to be known as the PCG Strengthening and Modernization Act  
30 Trust Fund. This trust fund shall be used exclusively for the PCG Strengthening and  
31 Modernization Act and shall be funded through the following:

- 1 (a) Appropriations for the PCG Strengthening and Modernization Program  
2 pursuant to the provisions of this Act;
- 3 (b) Percentage (40%) of the annual proceeds of the Oil Pollution  
4 Management Fund provided for under RA 9483;
- 5 (c) Sale of proceeds from the sale, lease or joint development of assets,  
6 and disposal of excess and/or uneconomically repairable equipment  
7 and other movable assets of the PCG;
- 8 (d) Dues, fines, and penalties collected by the PCG in the exercise of its  
9 functions;
- 10 (e) Grants, donations and endowments from various domestic and foreign  
11 sources;
- 12 (f) Unused or undisbursed funds, other than unused appropriations for  
13 salaries and benefits of the PCG personnel, remaining from all  
14 previous appropriations;
- 15 (g) Savings from austerity measures by the PCG, generated in the  
16 previous fiscal year; and
- 17 (h) All interest income of the Trust Fund.

18 The trust fund shall be administered by the Secretary of Transportation, in  
19 accordance with existing government auditing rules and regulations.

20 *Sec. 11. Multi-year Contracts and Other Contractual Arrangements –*

- 21 (a) The Secretary of Transportation, pursuant to the PCG Strengthening  
22 and Modernization program, projects and appropriations approved by  
23 Congress, may, subject to the approval by the President, provisions of  
24 existing laws and regulations including those of the Commission on  
25 Audit and under such terms and conditions most favorable to the  
26 government, enter into multiyear contracts, lease and lease-purchase  
27 agreements.
- 28 (b) For multi-year contracts, Congress shall, upon certification by the  
29 President, make the corresponding appropriation for the ensuing fiscal  
30 year: Provided, that Congress shall appropriate only such funds as may  
31 be necessary to pay any unpaid amount where such funds mentioned  
32 in Sections 8 and 9 of this are not sufficient or available to meet such



1 payment in full or in part.

- 2 (c) The Secretary of Transportation shall submit to Congress, through the  
3 Congressional Oversight Committee, copies of these multi-year  
4 contracts and other agreements/arrangements to enable Congress to  
5 appropriate funds.

6 Sec. 12. *PCG Procurement System* – The Department of Transportation and the  
7 PCG shall strengthen its systems and procedures for equipment acquisition, taking  
8 into account new requirements under the PCG Strengthening and Modernization  
9 Program. Contract negotiations, and equipment, vessel and facilities acquisition shall  
10 be treated as two sequential but separate steps, each requiring the separate decision  
11 of the Secretary of Transportation. Both the decision-making and contract negotiation  
12 processes for its acquisition shall start at the PCG level and be submitted to the  
13 Secretary of the Department of Transportation.

14 In its systems and procedures for equipment acquisition, the provisions of RA  
15 9184, as amended, and other applicable laws shall apply.

16 Sec. 13. *Guidance for the President* – To meet unforeseen national security  
17 emergencies, the President, upon the recommendation of the Secretary of  
18 Transportation, may modify the program through substitution or revision of a  
19 component project therein: Provided, however, that he/she shall report such action to  
20 Congress within thirty (30) days.

21 Sec. 14. *Annual Reports* – Not later than the end of the first quarter of the  
22 succeeding year:

- 23 (a) The Secretary of Transportation shall submit to the President and  
24 Congress an annual report on the status of the PCG Strengthening and  
25 Modernization Act Trust Fund, as provided for in Section 9 of this Act;  
26 and

- 27 (b) The Commandant of the PCG shall submit to the President and Congress,  
28 through the Secretary of Transportation, an annual report containing the  
29 progress of the implementation of the strengthening and modernization  
30 program under this Act to include the PCG Strengthening and  
31 Modernization Activities implemented prior to the approval of this Act.  
32 This report shall include PCG's actual performance based on the

1 identified specific and measurable success indicators, its means of  
2 verification, and the results of progress monitoring and evaluation.

3 Sec. 15. *Joint Congressional Oversight Committee* – A Joint Congressional  
4 Oversight Committee is hereby created to monitor and oversee the implementation of  
5 the provisions of this Act. The Committee shall be composed of six (6) members each  
6 from the Senate and the House of Representatives who are to be appointed by the  
7 Senate President and the Speaker of the House of Representatives, respectively. The  
8 minority shall have at least two (2) representatives from both Houses. The Joint  
9 Congressional Oversight Committee shall be jointly chaired by the Chairpersons of the  
10 Committees on Transportation of both the Senate and the House of Representatives.  
11 The Committee shall be convened by the Chairpersons within thirty (30) days after  
12 the effectivity of this Act.

13 Sec. 16. *Repealing Clause* – All laws, decrees, orders, rules, and regulations or  
14 parts thereof which are inconsistent with or contrary to the provisions of this Act are  
15 hereby repealed or modified accordingly.

16 Sec. 17. *Separability Clause* – If any provision of this Act is held invalid or  
17 unconstitutional, the other provisions not affected thereby shall remain valid and  
18 subsisting.

19 Sec. 18. *Effectivity* – This Act shall take effect fifteen (15) days after its  
20 publication in the Official Gazette or in two (2) newspapers of general circulation in  
21 the Philippines.

Approved,