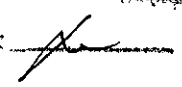


FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

8 FEB 26 1995

SENATE

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S.B. No. 2093

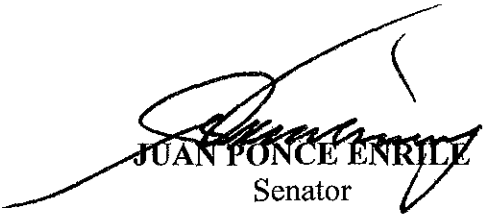
Introduced by: **Senator Juan Ponce Enrile**

EXPLANATORY NOTE

Republic Act No 7898 was enacted in 1995 with the grand purpose of modernizing our Armed Forces. Sadly, the envisioned modernization never really gained ground due to several concerns such as lack of funding, circuitous procurement system, devaluation of the Philippine Peso vis-à-vis the American Dollar, the 1997 Asian economic slump, among other factors.

In order to address some of the concerns which were experienced in the implementation of the Armed Forces of the Philippines (AFP) Modernization Act, the proposed Bill advances the following amendments thereto, to wit: 1) fixing the annual appropriation for the AFP Modernization Act in an amount not less than three-tenths of one per centum (0.3%) of the last officially-reported gross national product; 2) as part of the Self-Reliant Defense Posture (SRDP) Program, establishing a continuous research and development program designed to utilize new technology and upgrade existing AFP inventory of equipment and weapon systems; 3) expanding the sources of funding for the AFP Modernization Act Trust Fund to include the proceeds from the lease and/or joint venture agreements and such other dispositions pertaining to former military camps; 4) adopting a simplified Defense Acquisition System which shall be separate and distinct from the procurement system applicable to other departments of government; 5) creating the office of the Undersecretary in the Department of National Defense for Resource Management and Capability Development which will be tasked with contract negotiation, acquisition and procurement of the equipment and non-equipment requirements of the AFP; 6) exempting the AFP Modernization projects, undertaking, activities and programs from all fees, taxes, duties and assessments imposed and/or required by government and non-government agencies; and, 7) making the modernization of the AFP a continuing effort and not merely for fifteen (15) year period, as originally prescribed by law.

While the above amendments will not totally eliminate all obstacles to the modernization of the AFP, it will no doubt be a good start. For these reasons, the immediate passage of the bill is most earnestly sought before this August Chamber.


JUAN PONCE ENRILE
Senator

OFFICE OF THE SECRETARY

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE

RECEIVED BY: 

S.B. No. 2093

Introduced by: **Senator Juan Ponce Enrile**

AN ACT
AMENDING REPUBLIC ACT NO. 7898 OTHERWISE KNOWN AS THE "AFP
MODERNIZATION ACT"

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

1 **SEC. 1.** Section 3 of Republic Act No 7898 is hereby amended to read as follows:

2
3 "Sec. 3. Objectives of the AFP Modernization Act – The AFP modernization
4 [program] ACT shall be implemented in accordance with the following objectives:

5
6 (a) To develop its capability to uphold the sovereignty and territorial integrity of the
7 Republic and to secure the national territory from all forms of intrusion and
8 encroachment;

9
10 (b) TO DEVELOP ITS CAPABILITY TO DETECT, PREVENT, NEUTRALIZE AND
11 REPEL INTERNAL THREATS AGAINST THE FILIPINO PEOPLE, THE
12 GOVERNMENT AND ITS INSTITUTIONS;

13
14 [(b)] (c) To develop its capability to assist civilian agencies in the preservation of the
15 national patrimony, including the country's living and nonliving marine, submarine,
16 mineral, forest and other natural resources located within its territory and its
17 Exclusive Economic Zone (EEZ);

18
19
20
21

1 [(c)](d) To enhance its capability to fulfill its mandate to protect the Filipino people not
2 only from armed threats but from the ill effects of life-threatening and destructive
3 consequences of natural and man-made disasters and calamities, including typhoons,
4 earthquakes, volcanic eruptions, major accidents in far- flung or inaccessible terrain
5 or at sea and all forms of ecological damage;

6
7 [(d)] (e) To improve its capability to assist other agencies in the enforcement of domestic
8 and foreign policies as well as international covenants against TERRORISM, piracy,
9 white slavery, smuggling, drug trafficking, hijacking of aircraft and sea craft and the
10 transport of toxic and other ecologically-harmful substances taking place in or
11 through Philippine territory;

12
13 [(e)] (f) To enhance its capability to assist the Philippine National Police in law
14 enforcement and in internal security operations;

15
16 [(f)] (g) To enhance its capability to fulfill the country's international commitments;
17 and

18
19 [(g)] (h) To develop its capability to support national development.

20
21 **SEC. 2.** Section 4 of the same Act is hereby amended to read as follows:

22
23 "Sec. 4 [*Components of the AFP Modernization Program*] PROGRAMS UNDER
24 THE AFP MODERNIZATION ACT – [*The modernization program shall consist of the*
25 *following components*] THE AFP MODERNIZATION ACT SHALL CONSIST OF THE
26 FOLLOWING PROGRAMS:

27
28 (a) Force restructuring and organizational development – The AFP modernization
29 [program] ACT shall develop the AFP into a compact, efficient, responsive and
30 modern force with the capability to engage in conventional and/or unconventional
31 warfare, disaster relief and rescue operations, and contribute to economic
32 development and other nontraditional military roles.

33
34 This component of the modernization [program] ACT shall likewise provide for the
35 identification, organization, training and development of reserve force and affiliated
36 reserve units in the AFP especially in the Navy and Air Force [.]

37

1 (b) Capability, materi(a)El [,] and technology development – The AFP modernization
2 [program] ACT entails the development and employment of certain capabilities that
3 can address the assessed threats[:] Provided, That the acquisition of air force, navy
4 and army equipment and materiel of such types and quantities shall be made in
5 accordance with the need to develop AFP capabilities pursuant to its modernization
6 objectives[:] Provided, further, That the acquisition of new equipment and weapons
7 systems shall be synchronized with the phase-out of uneconomical and obsolete
8 major equipment and weapons systems in the AFP inventory. Provided, even further,
9 That, WITH THE EXCEPTION OF LOCALLY-MANUFACTURED MAJOR
10 EQUIPMENT AND WEAPONS SYSTEM WHICH ARE OF PROVEN QUALITY
11 AND RELIABILITY, no major equipment and weapons system shall be purchased if
12 the same are not being used by the armed forces in the country of origin or used by
13 the armed forces of at least two countries[:] Provided, furthermore, That only offers
14 from suppliers who are themselves the manufacturers shall be entertained[:] Provided,
15 finally, [t]That no supply contract shall be entered into unless such contract provides
16 for, in clear and unambiguous terms, [an] after –sales services and the availability of
17 spare parts.

18
19 (c) Bases/support system development – The AFP modernization [program] Act shall
20 entail the development of permanent bases for land, air [,] and naval forces to
21 conform with national defense strategies and the government’s socioeconomic thrust;
22 provide a systematic relocation of AFP units to enhance their capability in the
23 performance of their mission; provide adequate support systems and housing facilities
24 to AFP units and personnel; provide training grounds for maneuver and territorial
25 forces as well as the reserve components, and develop bases and camps along
26 standard criteria for space allocations, zoning and efficient correlation of land areas
27 and structure.

28
29 (d) Human resource and development – The human resource development component of
30 the AFP modernization [program] ACT shall have the following objectives:

31
32 (1) To strengthen the patriotic spirit and nationalist consciousness of the military
33 [,] and respect for people’s rights in the performance of [their] ITS duty;

34
35 (2) To develop and transform the AFP into a [primarily external security-oriented
36 force;] MULTI-MISSION FORCE CAPABLE OF EFFECTIVELY
37 UNDERTAKING INTERNAL AND EXTERNAL SECURITY-ORIENTED
38 OPERATIONS;

1
2 (3) To develop a compact, effective, efficient and responsive citizen-based force;

3
4 (4) To implement programs that will enable the AFP to perform its role in
5 environment/resource protection and multi-national peace[-]keeping
6 operations;

7
8 (5) To convert the AFP into a service/people-oriented and professionally united
9 force; and

10
11 (6) To improve the quality of life of soldier and their families and reorient values
12 of all personnel in the AFP TOWARDS THE ENHANCEMENT OF THE
13 SERVICE.

14
15 (e) Doctrines development – The transition of the AFP [from an internal security-oriented
16 force to an external security-oriented force] TO A MULTI-MISSION CAPABLE
17 FORCE requires the review, evaluation and validation of its present set of doctrines for
18 the purpose of formalizing such doctrines. Towards this end, the Department of National
19 Defense and the [g]General [h]Headquarters, AFP shall be responsible for the generation,
20 evaluation, consolidation and formalization of doctrines; the conduct of periodic review
21 and validation of doctrines through field application, testing and exercises; and the
22 dissemination of approved doctrines at all levels of command.

23
24 The Secretary of National Defense shall formulate guidelines to
25 implement this section in accordance with the objectives of the modernization
26 [program] ACT enumerated in the preceding section.”

27
28 **SEC. 3.** Section 5 of the same Act is hereby amended to read as follows:

29
30 “Sec. 5 Development of AFP Capabilities – The AFP modernization [program]
31 ACT shall be geared towards the development of the following defense capabilities:

32
33 (a) Development of naval defense capability – Given the archipelago nature of
34 the Philippines, the Philippine Navy (PN) shall develop its capabilities for
35 [naval defense, amphibious warfare, sealift and transport, and surface warfare;
36 naval gunfire support, detection and maritime surveillance, search and rescue,
37 disaster response as well as capabilities for anti-air, anti-submarine and mine
38 warfare] AIR, SURFACE AND SUB-SURFACE WARFARE. THESE

1 SHALL INCLUDE, BUT NOT LIMITED TO, SEALIFT AND
2 TRANSPORT NAVAL AIR RECONNAISSANCE, RESCUE AND RELIEF,
3 ANTI-AIR WARFARE, AMPHIBIOUS WARFARE, MINE WARFARE,
4 ANTI-SUBMARINE WARFARE, SUBMARINE WARFARE, SPECIAL
5 OPERATIONS, FLEET SUPPORT, NAVAL CONSTRUCTION,
6 COMMAND AND CONTROL, AND NAVAL INTELLIGENCE. The
7 enhanced navy defense capabilities shall enable the AFP to:

8
9 (1) Develop its capabilities for naval defense;

10
11 (2) Conduct amphibious operations for both military and civilian relief
12 operations;

13
14 (3) Defend the Philippine territorial seas, all its internal waters, as well as its
15 200-mile exclusive economic zone (EEZ), from all forms of illegal
16 intrusion or passage;

17
18 (4) Protect all submarine-based lines of domestic and international
19 communications;

20
21 (5) Identify all vessels and monitor all kinds of surface and submarine passage
22 through Philippine territorial waters;

23
24 (6) Protect and preserve, [through] IN SUPPORT OF the Philippine Coast
25 Guard (PCG), all coastal, near-coastal and riparian living and nonliving
26 marine resources;

27
28 (7) Provide transportation of personnel and materiel in times of natural
29 disaster and rescue operations; and

30
31 (8) Provide, and if practicable, manufacture, through Filipino skills and
32 technology, its own requirements for seacraft and infrastructure supply
33 and maintenance.

34
35 (b) Development of air defense capability - The Philippine Air Force (PAF),
36 being the country's first line of external defense, shall develop its air defense
37 capability by acquiring multi-role aircraft, air munitions, avionics, point and
38 area defense missile system, maritime patrol and reconnaissance, and early

1 warning and control system, as well as capabilities for strategic battlefield
2 airlift and limited ground attack in support of surface forces. The enhanced air
3 defense capability shall enable the AFP to:

4
5 (1) Detect, identify, intercept and engage, if necessary, any aircraft illegally
6 intruding into or passing through Philippine airspace, up to areas near or
7 around Philippine territorial limits,

8
9 (2) Provide air support to Philippine ground and naval armed forces;

10
11 (3) Provide airlift, search and rescue and rapid [development]
12 DEPLOYMENT and related support in combat as well as disaster and
13 other civilian relief operations; and

14
15 (4) Provide, and if practicable, manufacture, through Filipino skills and
16 technology, its own requirements for aircraft and infrastructure supply and
17 maintenance.

18
19 (c) Development of ground defense capability -The fragmented nature of
20 Philippine land territory required the Philippine Army (PA) to develop its
21 capabilities for ground defense and internal security as well as its capability
22 for assistance to national development, search and rescue operations, relief
23 and rehabilitation, natural resources and environmental protection. The
24 en[a]hanced army defense capabilities shall enable the AFP to:

25
26 x.x.x

27
28 **SEC. 4.** Sections 6 & 7 of the same Act are hereby repealed.

29
30 **SEC. 5.** Section 8 of the same Act is hereby amended to read as follows:

31
32 “(Sec 8) SEC. 6. Appropriations for the AFP Modernization [Program] ACT -
33 THE AFP MODERNIZATION ACT SHALL HAVE AN ANNUAL APPROPRIATION
34 IN AN AMOUNT NOT LESS THAN THREE-TENTHS OF ONE PERCENTUM
35 (0.3%) OF THE LAST OFFICIALLY-REPORTED GROSS NATIONAL PRODUCT.”
36

1 [The annual appropriations for the AFP modernization program shall include the
2 amounts necessary to support the funding requirements for all modernization projects
3 approved by Congress under the preceding section]
4

5 The funds to be appropriated by Congress under this Act shall be treated as a
6 distinct and separate budget item from the regular appropriation for the Department of
7 National Defense (DND) and the AFP and shall be administered by the Secretary of
8 National Defense.
9

10 [The proposed program shall be based on a ceiling for the first five (5) years of
11 Fifty billion pesos (P50,000,000,000.00) Provided, that thereafter this amount may be
12 increased commensurate to the increase in the Gross National Product (GNP)]
13

14 **SEC. 6.** Section 9 of the same Act is hereby amended to read as follows:
15

16 ‘[Sec 9.] SEC 7. Multi-year Contracts and other Contractual Arrangements –
17

18 [(a)]The Secretary of National Defense, pursuant to [the] THIS ACT [AFP
19 modernization program, projects and appropriations approved by Congress],
20 may, subject to the approval by the President, provisions of existing laws and
21 regulations including those of the Commission on Audit and under such terms
22 and conditions most favorable to the government, enter into multi-year
23 contracts, lease and lease-purchase agreements.
24

25 [(b)]For multi-year contracts, Congress shall upon certification by the President,
26 make the corresponding appropriation for the ensuing fiscal year. Provided,
27 that Congress shall appropriate only such funds as may be necessary to pay
28 any unpaid amount where such funds mentioned in Section 11 of this Act are
29 not sufficient or available to meet such payments in full or in part.
30

31 (c) The Secretary of National Defense shall submit to Congress, through the
32 chairmen of the Senate Committees on national Defense and Security and
33 Finance and the chairmen of the House Committees on National Defense and
34 Security and Appropriations, copies of these multi-year contracts and other
35 agreements/arrangements to enable Congress to appropriate funds.]”
36

37 **SEC. 7.** Section 10 of the same Act is hereby amended to read as follows:
38

1 “[Sec 10] SEC 8. Sell-Reliant Defense Posture Program –

2
3 (a) In implementing the modernization [program] ACT, the AFP shall, as far as
4 practicable, give preference to Filipino contractors and suppliers or foreign
5 contractors or suppliers WHO/WHICH ARE willing and able to [locate]
6 ESTABLISH a substantial portion of [, if not the entire] THE production
7 process of the item(s) involved, IF NOT THE WHOLE OF IT, within the
8 Philippines.

9
10 (b) In order to reduce foreign exchange outflow, generate local employment
11 opportunities and enhance technology transfer to the Philippines, the Secretary
12 of National Defense shall, as far as feasible, incorporate in each contract [/
13 OR agreement special foreign exchange reduction schemes such as counter-
14 trade, in-country manufacture, co-production [,] or other innovative
15 arrangements or combinations thereof.

16
17 (c) The AFP shall likewise ensure that, in negotiating all applicable contracts or
18 agreements, provisions are incorporated WITH RESPECT TO [respecting] the
19 transfer to the AFP of the principal technology involved as well as the training
20 of AFP personnel to operate and maintain in such equipment or technology.

21
22 (D) A CONTINUOUS RESEARCH AND DEVELOPMENT PROGRAM
23 SHALL BE ADOPTED FOR PURPOSES OF UTILIZING NEW
24 TECHNOLOGY OR OTHERWISE UPGRADING EXISTING AFP
25 INVENTORY OF EQUIPMENT AND WEAPON SYSTEMS. THE
26 NECESSARY FUNDING FOR THIS PROGRAM SHALL BE SOURCED
27 FROM THE APPROPRIATION PROVIDED FOR UNDER THIS ACT.

28
29 **SEC. 8.** Section 11 of the same Act is hereby amended to read as follows:

30
31 “[Sec 11] SEC 9. AFP Modernization Act Trust Fund —There is hereby
32 created a trust fund, to be known as the AFP Modernization Act Trust Fund. Said
33 trust fund SHALL BE DEPOSITED IN AN AUTHORIZED GOVERNMENT
34 DEPOSITORY BANK UNDER THE NAME OF THE AFP MODERNIZATION
35 ACT TRUST FUND AND [,which] shall be used exclusively for the AFP [M]
36 modernization [program] ACT, but not to include salaries and allowances [,].
37 THE TRUST FUND shall be funded out of the following:

38

- 1 (a) Appropriations for the AFP modernization [program] ACT PROVIDED,
2 THAT UNDISBURSED AMOUNTS AT THE END OF ANY YEAR
3 SHALL BE CARRIED OVER TO THE SUCCEEDING YEAR;
4
- 5 (b) The proceeds from the sale, lease or joint development of military
6 reservations, as may be authorized by Congress, including such immovable
7 and other facilities as may be found therein not OTHERWISE covered by the
8 Bases Conversion Development Authority, as provided for in Republic Act
9 No.7227;
10
- 11 (c) Shares of the AFP from the proceeds of the sales of military camps provided
12 for under Republic Act No. 7227 AS WELL AS THE PROCEEDS FROM
13 THE LEASE AND/OR JOINT-VENTURE AGREEMENTS AND SUCH
14 OTHER DISPOSITIONS PERTAINING TO THE SAME CAMPS;
15
- 16 (d) Proceeds from the sale of the products of the G[g]overnment A[a]rsenal
17 AND/OR, IN CASE OF JOINT VENTURE, ALL INCOMES EARNED
18 FROM THE EQUITY SHARE OF THE GOVERNMENT ARSENAL,
19 FROM THE JOINT VENTURE;
20
- 21 (e) The proceeds from the disposal of excess and/or uneconomically repairable
22 equipment and other movable assets of the AFP and the government arsenal;
23
- 24 (f) Funds from budgetary surplus, if any, as may be authorized by Congress,
25 subject to the provisions of [Section 8] SECTION 6 of this Act; [and]
26
- 27 (g) All interest income of the trust fund.
28
- 29 (H) AND OTHER SOURCES AS MAY BE IDENTIFIED AND AS APPROVED
30 BY THE PRESIDENT.
31

32 The trust fund shall be administered by the Secretary of National Defense in accordance
33 with existing government auditing rules and regulations. THE DEPARTMENT OF NATIONAL
34 DEFENSE SHALL CONDUCT PERIODIC STUDIES ON HOW TO MAXIMIZE THE
35 UTILIZATION OF THE TRUST FUND AND HOW ADDITIONAL REVENUES CAN BE
36 GENERATED TO FUND THE AFP MODERNIZATION.
37
38

1 **SEC. 9.** Section 12 of the same Act is hereby amended to read as follows:

2
3 “[Sec 12.] SEC 10. Modernization of the Government Arsenal —The
4 modernization of the government arsenal, for the development of production capabilities
5 to enhance self—sufficiency in defense requirements, shall be part of the AFP
6 modernization [program] ACT. The government arsenal shall be effectively utilized in
7 the production of basic weapons, ammunition and other munitions for the use of the AFP
8 and the Philippine National Police (PNP), and for the sale and export of products in
9 excess of AFP/PNP requirements. The government arsenal may use such production
10 facilities as it may own or be provided with under this Act or as it may arrange, under
11 joint venture, co-production or similar arrangements, with local and foreign entities.
12 PROVIDED FURTHER THAT IN CASE OF JOINT VENTURE:

13
14 (A) THE AFP, PNP AND OTHER GOVERNMENT AGENCIES ARE HEREBY
15 MANDATED TO SOURCE THEIR AMMUNITION AND OTHER
16 MUNITIONS REQUIREMENTS FROM THE JOINT VENTURE (JV)
17 COMPANY TO SERVE AS THE JV’S DOMESTIC MARKET BASE;

18
19 (B) THE PROCUREMENT FROM THE JV OF THE AMMUNITION AND
20 OTHER MUNITIONS INTENDED FOR THE AFP, PNP AND OTHER
21 GOVERNMENT AGENCIES SHALL BE PROGRAMMED AND PAID
22 THROUGH THE GOVERNMENT ARSENAL; AND

23
24 (C) THE GOVERNMENT ARSENAL SHALL REMAIN AS A BUREAU
25 UNDER THE DND TO SERVE AS THE ADMINISTRATOR OF THE
26 DEFENSE INDUSTRIAL ESTATE WITHIN ITS PRESENT
27 JURISDICTION AND SUCH OTHER AREAS AS MAY HEREAFTER BE
28 DESIGNATED TO PERFORM ITS MANDATE UNDER RA 1884 AND EO
29 292.

30
31 PROVIDED FINALLY THAT THE PRESENT SITE OF THE GOVERNMENT
32 ARSENAL, AS DEFINED BY PRESIDENTIAL PROCLAMATION NUMBER 361-A
33 DATED 7 MARCH 1968, IS HEREBY DECLARED A DEFENSE INDUSTRIAL ECONOMIC
34 ZONE WITH INVESTMENTS THEREAT ENTITLED TO SUCH TAX PRIVILEGES AND
35 OTHER APPROPRIATE INCENTIVES THAT ARE ALLOWED UNDER RA 7042, AS
36 AMENDED, AND OTHER EXISTING LAWS.

37

38

1 **SEC. 10.** Section 14 of the same Act is hereby amended to read as follows:

2
3 “[SEC. 14] SEC 11. [AFP Procurement] ACQUISITION Systems FOR THE AFP
4 MODERNIZATION ACT - [The DND-AFP shall strengthen its systems and] THE DND
5 SHALL HAVE A DEFENSE ACQUISITION SYSTEM WHICH SHALL BE
6 SEPARATE AND DISTINCT FROM THAT OF AND THOSE APPLICABLE TO
7 OTHER DEPARTMENTS. THIS SYSTEM SHALL SIMPLIFY THE procedures for
8 equipment AND NON-EQUIPMENT acquisition, taking into account new requirements
9 under the AFP modernization [program] ACT’.

10
11 PROJECT IDENTIFICATION AND REQUIREMENTS DETERMINATION
12 SHALL BE CONDUCTED AT THE LEVEL OF THE AFP.

13
14 ON THE OTHER HAND CONTRACT NEGOTIATIONS, ACQUISITION AND
15 PROCUREMENT SHALL BE DONE AT THE LEVEL OF THE DND. AN OFFICE OF
16 THE UNDERSECRETARY OF THE DND FOR RESOURCE MANAGEMENT AND
17 CAPABILITY DEVELOPMENT IS HEREBY CREATED FOR THE PURPOSE.

18
19 [Contract negotiation and equipment acquisition shall be treated as two sequential
20 but separate steps each requiring the separate decision of the Secretary of National
21 Defense. The decision making process for equipment acquisition shall start at the
22 appropriate service command and submitted to the AFP Weapons Systems Board, while
23 contract negotiations shall start at general headquarters AFP level. In its system and
24 procedures for equipment acquisition, the provisions of Presidential Decree No. 1594, as
25 amended and other applicable laws shall apply.]

26
27 **SEC. 11.** There will be a Section 12 which will be inserted in the same Act which will
28 read as follows:

29
30 “SEC. 12. AFP MODERNIZATION ACT EXEMPTION FROM FEES, TAXES,
31 DUTIES AND ASSESSMENTS - ALL PROJECTS, UNDERTAKINGS, ACTIVITIES
32 AND PROGRAMS UNDER THE AFP MODERNIZATION ACT SHALL BE
33 EXEMPT FROM ANY AND ALL FEES, TAXES, DUTIES AND ASSESSMENTS
34 IMPOSED AND/OR REQUIRED BY GOVERNMENTAL AND NON-
35 GOVERNMENTAL AGENCIES, BODIES AND/OR ENTITIES.”

36
37
38

1 **SEC. 12.** Section 15 of the same Act is hereby amended to read as follows:

2
3 [Sec 15] Sec 13. [Guidance for the President] IMPLEMENTATION OF THE
4 AFP MODERNIZATION PROGRAMS - THE DEPARTMENT OF NATIONAL
5 DEFENSE, IN CONSULTATION WITH THE AFP, SHALL, WITHIN NINETY (90)
6 DAYS FROM THE APPROVAL OF THIS ACT, SUBMIT TO THE PRESIDENT OF
7 THE REPUBLIC OF THE PHILIPPINES AS COMMANDER-IN-CHIEF, FOR HIS
8 APPROVAL, THE PRE-DETERMINED PROJECTS, ACTIVITIES, UNDERTAKINGS
9 AND SCHEDULE OF THE AFP MODERNIZATION PROGRAMS WHICH SHALL
10 INCLUDE:

11
12 (A) THE SIZE AND SHAPE OF THE AFP IN TERMS OF PERSONNEL
13 EQUIPMENT AND FACILITIES.

14
15 (B) THE MAJOR WEAPON AND NON-WEAPON EQUIPMENT AND
16 TECHNOLOGY ACQUISITION SOUGHT BY THE SERVICES AND UNITS
17 OF THE AFP AND MAJOR INFRASTRUCTURE, CONSTRUCTION OR
18 IMPROVEMENT INTENDED TO BE MADE; AND

19
20 (C) THE PRIORITIES AND ESTIMATED COSTS THEREOF:

21
22 THE AFP MODERNIZATION PROGRAMS SHALL BE IN FULL
23 FORCE AND EFFECT FOR A PERIOD OF FIVE (5) YEARS FROM THE
24 DATE OF APPROVAL THEREOF. THEREAFTER, A PERIODIC
25 REVIEW MAY BE CONDUCTED BY THE DEPARTMENT OF
26 NATIONAL DEFENSE, TOGETHER WITH THE AFP, AND
27 NECESSARY REVISIONS THEREOF MAY BE MADE, SUBJECT TO
28 THE APPROVAL OF THE PRESIDENT OF THE PHILIPPINES.

29
30 HOWEVER, [T]to meet unforeseen national security emergencies, the
31 President, upon the recommendation of the Secretary of National Defense,
32 may modify the PROGRAMS FROM TIME TO TIME.[program through
33 substitution or revision of a component project therein. Provided, however,
34 that he shall report such action to Congress within thirty (30) days.

35
36
37
38
39
40

1 **SEC. 13.** Section 16 of the same Act is hereby amended to read as follows:

2
3 ‘[SEC 16] SEC 14. Annual Reports – x x

4
5 (A) THE SECRETARY OF NATIONAL DEFENSE SHALL SUBMIT TO THE
6 PRESIDENT AND CONGRESS ANNUAL REPORTS ON:

7
8 (1) THE PROGRESS OF THE IMPLEMENTATION OF THE AFP
9 MODERNIZATION ACT TO INCLUDE THE PROGRAMS THUS
10 FAR COMPLETED AND ON- GOING; AND

11
12 (2) THE STATUS OF THE AFP MODERNIZATION ACT TRUST
13 FUND AS PROVIDED UNDER SECTION 9 HEREOF.

14
15 [(a)The Secretary of National Defense shall submit to the President
16 and Congress an annual report on the status of the AFP
17 Modernization Act Trust Fund, as provided for in Section 11 of
18 this Act.

19
20 (b) The Chief of Staff, AFP shall submit to the President and
21 Congress, through the Secretary of National Defense, an annual
22 report containing the progress of the implementation of the AFP
23 modernization program under this Act to include the AFP
24 Modernization activities implemented prior to the approval of this
25 Act.]

26
27 **SEC. 14.** There will be a Section 15 which will be inserted in the same Act which will
28 read as follows:

29
30 ‘SEC. 15. IMPLEMENTING GUIDELINES, RULES AND REGULATIONS -
31 WITHIN NINETY (90) DAYS FROM THE APPROVAL OF THIS ACT, THE DND, IN
32 CONSULTATION WITH THE AFP AND OTHER CONCERNED DEPARTMENTS,
33 SHALL PREPARE AND FILE THE NECESSARY IMPLEMENTING GUIDELINES,
34 RULES AND REGULATIONS IN ORDER TO CARRY OUT THE PROVISIONS OF
35 THIS ACT.’

36
37 **SEC.15.** Sections 17, 18 and 19 of the same Act are hereby amended to read as follows:

38
39 ‘[Sec 17] SEC. 16. Separability Clause. —If any provision of this Act shall be
40 held unconstitutional or invalid, the other provisions not otherwise affected shall remain
41 in full force and effect.

1
2 “[Sec 18] SEC. 17. Repealing Clause. —All laws, executive orders, rules and
3 regulations inconsistent with or contrary to this Act, are hereby deemed accordingly
4 repealed or amended.
5

6 “[Sec 19] SEC. 18. Effectivity Clause. —This Act shall take effect after fifteen
7 (15) days from its publication in at least two (2) newspapers of national circulation.”
8

9 *Approved,*
i0