

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Diliman, Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 1471

Introduced by
HON. MAURICIO G. DOMOGAN

AN ACT AUTHORIZING THE DISPOSAL AND/OR COMMERCIAL DEVELOPMENT OF CERTAIN MILITARY CAMPS AND RESERVATIONS, CREATING FOR THE PURPOSE THE MILITARY REAL ESTATE DEVELOPMENT AUTHORITY, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Six years since the approval by Congress of the Armed Forces of the Philippines (AFP) Modernization Program (hereafter referred to as the "Program") through Joint Resolution No. 28, the implementation of Republic Act No. 7898, otherwise known as the " AFP Modernization Act," lags behind its self-imposed schedule and leaves much to be desired. While the gallant men and women of the AFP are exerting every effort to implement the Program, their heroic efforts are doomed to fail if the necessary funding is not forthcoming. Six years since the approval of the Program, only about Sixteen Billion Pesos has actually been allocated for its implementation, Five Billion Pesos of which is not even funded. This amount falls dramatically short of the Fifty Billion Pesos ceiling that the law provides for the first five years of Program implementation.

Creativity on the part of the AFP and Department of National Defense leaderships to try to bridge this funding gap can only do so much. Congress, and indeed, the entire government must provide equally creative solutions if the objective behind the Program- namely, to modernize the AFP to a level where it can effectively perform its constitutional duty as protector of the State and the people-is to be achieved within the timeframe that Congress approved. It is in this context of trying to provide such creative solutions that this bill is being proposed.

There are undeniably other equally important social needs that compete with national defense and security for funding from the national coffers. The solution that this proposed measure seeks to provide would not make the Program compete with other social needs for a share from revenues generated by the government. It would instead result in the more judicious utilization of military

camps and reservations (hereafter referred to as "military real estate") and at the same time help ensure funding for the Program.

This proposed measure authorizes the President of the Philippines to identify military real estate or parts thereof that could be disposed of and/or commercially developed to raise funds for the Program. It would be noted that Congress has already included the proceeds of the disposal of such real estate among the sources of the Trust Fund when it passed the AFP Modernization Act. In identifying which real estate to include in the list of disposable military real estate, the President would be guided by the criteria for disposability that this bill contains.

To undertake the disposal and manage the development of military real estate, this bill proposes the creation of a Military Real Estate Development Authority (hereafter referred to as "Development Authority"). The Development Authority will be a corporation whose capital stock may be wholly subscribed by the Philippine government, which subscription will be paid up basically by the transfer of the disposable military real estate to said corporation. The Secretary of National Defense will chair its Board of Directors in recognition of the Secretary's role as administrator of the Trust Fund. The President of the Development Authority shall be Vice Chair of the Board. The seven Members of the Board shall come from the private sector, including the academe. The President of the Philippines will appoint the Development Authority President and the members from the private sector for a term of six years. The Development Authority will not be subsidized by the national government but will be entitled to use seven and a half percent (7.5%) of the proceeds of every transaction involving military real estate for its operating budget.

As a transitory provision and to ensure the immediate disposal and/or commercial development of military real estate, the bill allows the Development Authority to enter into asset management contracts (AMCs) with either government agencies or the private sector. The authority to enter into AMCs, however, would only be for the first five years of the Development Authority's existence. It is expected that during such time, it Will build' up its core competency in the field of asset management and development. If after this period the Board of Directors determines that the Development Authority still does not have sufficient capacity to undertake the management and/or development of its assets, an extension of another five years is allowed. But the bill contains an absolute prohibition against entering into AMCs ten years after the Development Authority's establishment. This prohibition is obviously designed to provide the Development Authority an incentive to build up its expertise.

The proposed measure provides that the disposal of apiece of military real estate will be done in accordance with pertinent rules and regulations to get its best possible value. As a contingency measure, the bill allows the Development Authority an option if the prevailing real estate market indicates that the best possible value for a piece of real estate will not be obtained through outright sale. Thus, the Development Authority is allowed to instead convert said real estate into commercial uses or enter into commercial arrangements over said real estate such as, but not limited to; leases, joint ventures and any of the build-operate-transfer (BOT) schemes. Cognizant of the urgent funding needs of the Program, the bill enjoins that the disposal and/or commercial development of military real estate should be undertaken with appropriate haste.

The big shortfall in funding for the Program imbues this bill with a clanging note of urgency. To demonstrate once again the commitment of Congress to the modernization of the AFP, the immediate passage of this bill is earnestly and respectfully sought.

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

ARTICLE I

TITLE, POLICY AND GENERAL PROVISIONS

SECTION 1. *Title.* - This Act shall be known and cited as the "Military Real Estate Development Act."

SEC. 2. *Declaration of Policies.* - It is the policy of the State to modernize the Armed Forces of the Philippines (AFP) to a level where it could effectively perform its constitutional duty as protector of the State and of the people. It is also the policy of the State to ensure the judicious, economical and efficient utilization of its resources to meet the growing demands of national development. Towards these ends, the State shall authorize and promote the disposal and/or commercial development of idle and underutilized military camps and reservations, including the immovable properties found therein, hereinafter collectively referred to as "military real estate," to raise revenues to fund the implementation of the AFP Modernization Program under Republic Act Numbered Seventy-Eight Hundred and Ninety-Eight (R.A. No. 7898), otherwise known as the AFP Modernization Act.

SEC. 3. *Criteria for Disposability.* - To be declared alienable and disposable and be included in the list of military real estate that shall be submitted to the President of the Philippines for approval in accordance with Section 22 of this Act, a (piece of military real estate or a part thereof must meet the following criteria:

(a) It is currently idle or underutilized and its disposal or commercial development would maximize its utilization;

(b) The revenues projected to be generated by its disposal or , commercial development are considerably greater than the costs of relocating and/or replicating the military facilities and installations that currently occupy it, if there are any;

(c) Its disposal or commercial development would not adversely affect its strategic importance to national defense; and

(d) When necessary, an alternative location is available for the purpose it currently serves.

SEC. 4. *Authority of the President to Amend List of Disposable Military Real Estate.* -The President of the Republic of the Philippines may, when national interest so requires and upon the recommendation of the Secretary of National Defense, amend the list of alienable and disposable military real estate covered by this Act: *Provided, however,* That in case the amendment pertains to the inclusion of additional military real estate to the list, such real estate must meet the criteria in the immediately preceding Section and its ownership shall be transferred by the President of the Philippines to the Development Authority created under Section 6 hereunder .

SEC. 5. *Manner of Disposal.* -The sale or disposal of military real estate or a part thereof identified in accordance with Section 3 of this Act shall be done in accordance with existing laws, rules and regulations governing sales of government properties to get their best possible value. Such disposal shall be undertaken with the haste appropriate with the funding needs of the AFP Modernization Program and in accordance with the schedule approved by the President. In the exercise of sound business judgment and taking into consideration prevailing real estate market conditions, the Development Authority created pursuant to Section 6 hereof may opt to instead convert apiece of military real estate or a part thereof into commercial uses or enter into commercial arrangements such as, but not limited to, leases, joint ventures and build-operate-transfer (BOT) and similar schemes under Republic Act Numbered Sixty-Nine Hundred and Fifty-Seven (R.A. No. 6957), as amended, for the purpose of maximizing the commercial value of said real estate.

ARTICLE II

CREATION, POWERS AND RESPONSIBILITIES OF THE MILITARY REAL ESTATE DEVELOPMENT AUTHORITY

SEC. 6. *The Military Real Estate Development Authority.* -There is hereby created a body corporate to be known as the Military Real Estate Development Authority, hereinafter referred to as the "Development Authority," which shall have the attribute of perpetual succession and shall be vested with the powers of a corporation.

It shall be organized within thirty (30) days after approval of this Act. It shall have a term of fifty (50) years from its organization: *Provided,* That Congress may dissolve the Development Authority whenever in its judgment the primary purpose for its creation has been accomplished. It shall establish its principal office in Metropolitan Manila unless otherwise provided by the Development Authority and may put up such branches as may be necessary.

SEC. 7. *Purposes of the Development Authority.* -The Development Authority shall have the following purposes:

(a) To raise revenues for the AFP Modernization Program by owning, holding, managing, developing and/or disposing of the military real estate identified in accordance with Section 3 of this .Act and transferred to it by the President of, the Philippines;

(b) To adopt, prepare and implement a comprehensive development and/or disposal plan that shall include detailed relocation and/or replication plans for affected facilities and installations, if any, for each of the real estate identified under Section 3 of this Act and those that may be subsequently added by the President of the Philippines pursuant to Section 4 hereof;

(c) To encourage the active participation of the private sector in the development and/or disposal of military real estate; and

(d) To serve as the holding company of the subsidiary company or companies that may be created pursuant to Section 13 of this Act.

SEC. 8. *Powers of the Development Authority.* -To achieve its purposes under this Act, the Development Authority is hereby vested with the following powers:

(a) To succeed in its corporate name, to sue and be sued in such corporate name and to adopt, alter and use a corporate seal which shall be judicially noticed;

(b) To adopt, amend and repeal its bylaws; (c) To enter into, make, perform and carry out contracts of every class, kind and description which are necessary or incidental to the realization of its purposes with any person, firm or corporation, private or public, local or foreign, and with foreign government entities;

(d) To contract for loans, indebtedness and credit, and issue commercial papers and bonds, in any local or convertible foreign currency from international financial institutions, foreign government entities, and local or foreign private commercial banks or similar institutions under terms and conditions prescribed by law, rules and regulations;

(e) To execute any deed of guarantee, mortgage, pledge, trust or assignment of any of its properties for the purpose of financing the programs and projects deemed vital for the early attainment of its goals and objectives, subject to the provisions of existing laws, rules and regulations;

(f) To construct, own, lease, operate and maintain public utilities as well as infrastructure facilities;

(g) To reclaim or undertake reclamation projects as it may deem necessary in areas adjacent to the Development Authority's real estate identified pursuant to Section 3 of this Act either by itself or in collaboration with the Public Estates Authority (PEA) established under Presidential Decree No. 1084, as amended;

(h) To acquire, own, hold, administer, and lease real and personal properties, including agricultural lands, property rights and interests and encumber, lease, mortgage, sell, alienate or otherwise dispose of the same at fair market value it may deem appropriate;

(i) To accept donations, grants, bequests and assistance of all kinds from local and foreign governments and private sectors;

(j) To invest its funds and other assets in such areas it may deem wise;

(k) To maintain a provident fund which consists of contributions made by both the Development Authority and its officials and employees or their heirs under such terms and conditions as it may prescribe;

(l) To exercise the right of eminent domain;

(m)To promulgate all necessary rules and regulations; and (n) to perform such other powers as may be necessary and proper to carry out the purposes of this Act.

SEC. 9. *Capitalization.* - The Development Authority shall have an authorized capital of One Hundred Billion Pesos (P 100,000,000,000.00) which may be fully subscribed by the Republic of the Philippines and shall be paid up by the transfer to the Development Authority of real estate valued in such amount, as provided for in Section 23 of this Act.

The amount of One Hundred Million Pesos (P 100,000,000.00) is hereby appropriated out of any funds in the National Treasury not otherwise appropriated, as initial operating capital of the Development Authority , which shall be covered by preferred shares of the Development Authority retire able within two (2) years. In the event that no such unappropriated funds exist in the National Treasury, the initial operating capital of the Development Authority shall be taken from the share of the AFP in the proceeds of transactions of the Bases Conversion Development Authority covering Metro Manila military camps and reservations pursuant to Republic Act Numbered Seventy- Two Hundred Twenty-Seven (R.A. No. 7227), as amended.

SEC. 10. *Board of Directors.* - The powers and functions of the Development Authority shall be vested in and exercised by the Board of Directors to be composed of nine (9) members, as follows:

(a) The Secretary of National Defense who shall be the *ex officio* Chair of the Board without compensation;

(b) The President of the Development Authority who shall serve as Vice Chair of the Board and who shall be appointed by the President of the Philippines for a term of six (6) years; and

(c) Seven (7) members from the private sector, three (3) of whom shall be nominated by the Armed Forces of the Philippines through the Department of National Defense, to be appointed by the President of the Philippines for a term of six (6) years: *Provided,* That the remaining four (4) shall come from different sectors, including the academe: *Provided, further,* That of those first appointed, the three (3) nominees of the AFP shall serve for a period of six (6) years, the first two from the different sectors for four (4) years and the next two for two (2)

years. In case of vacancy in the Board, the appointee shall serve only the unexpired portion of the predecessor's term.

No person shall be appointed unless he or she is a natural-born Filipino citizen, of good moral character, of recognized competence in relevant fields including, but not limited to, economics, management, law or engineering, and shall be at least thirty-five (35) years of age. Unless the context indicates otherwise, the use of the term "Member" or "Members" in this Act shall be construed as including the Chair and Vice Chair of the Board.

All procedural matters in the conduct of board meetings shall be prescribed in its internal rules.

Members of the Board shall receive a *per diem* of not more than Five Thousand Pesos (P5,000) for every board meeting: *Provided, however,* That the *per diem* collected per month does not exceed the equivalent of four (4) board meetings regardless of the actual number of meetings attended: *Provided, further,* That the amount of *per diem* for every board meeting may be increased by the President but such amount shall not be increased within two (2) years from the passage of this Act or from its last increase. Members of the Board shall be reimbursed by the Development Authority for actual expenses, including traveling and subsistence expenses, incurred by them in the performance of their duties.

In addition to the prohibitions contained in Republic Act No. Sixty-Seven Hundred and Thirteen (R.A. 6713), Members of the Board shall be disqualified from holding any office~ position or employment in any corporation or entity engaged in the same line of business as the Development Authority , unless such office, position or employment is required by Section 13 of this Act or otherwise connected with their membership in the Board. Moreover, no Member of the Board shall have financial or pecuniary interest, directly or indirectly, in any business contract or transaction entered into by the Development Authority or in any privilege granted by it. Neither shall a Member have any interest, financial or otherwise, in any undertaking or business with an inherent conflict of interest with the Development Authority. Any Member of the Board with an existing personal or pecuniary interest in' any matter in the agenda of the Board shall disclose such interest to the Board and shall retire from the meeting when the matter is taken up. The decision taken on the matter shall be made public. The minutes shall reflect the disclosure made and the retirement of the Member concerned from the meeting.

SEC. 11. *Functions of the Board.* -The Board of Directors shall be the policy-making body of the Development Authority and shall perform the following functions:

(a) Carry out the purposes of the Development Authority as embodied in this Act;

(b) Adopt an annual budget for and authorize such expenditures by the Development Authority as are in the interest of the effective administration and operations of the Development Authority in accordance with applicable rules and regulations;

(c) Establish a human resource management system in accordance with Section 19 of this Act, reorganize the personnel of the Development Authority , and issue such rules and regulations as it may deem necessary or convenient for these purposes; and

(d) On the recommendation of the President, appoint, fix the remuneration and other emoluments, and remove personnel of the Development Authority , subject to pertinent civil service rules: *Provided,* That the Board shall have exclusive and final authority to promote, transfer, assign, or reassign personnel of the Development Authority and these personnel actions are deemed made in the interest of the service and not disciplinary: *Provided, further,* That the Board may delegate such authority to the President under such guidelines as it may determine.

SEC. 12. *Operating Budget and Business Development Fund.* -The Development Authority shall be entitled to retain and utilize seven and one-half percent (7.5%) of the gross proceeds of every transaction involving military real estate as its operating budget. The Development Authority may utilize the amount equivalent to not more than twelve and one-half percent (12.5%) of the net proceeds of all transactions involving military real estate for business development purposes: *Provided, however,* That any unutilized portion of said amount shall be deposited with the AFP Modernization Act Trust Fund (MATF) created under R.A. No. 7898.

SEC. 13. *Subsidiaries.* -The Development Authority shall have the power to form, establish, organize and maintain a subsidiary corporation or corporations: *Provided, however,* That such power shall be exercised only in the pursuit of its mandate of raising revenues for the AFP Modernization

Program: *Provided, further,* That fifty percent (50%) of the net income of a subsidiary shall accrue to and be deposited with the AFP .MATF within thirty (30) days from the end of said subsidiary's fiscal year Such subsidiary or subsidiaries shall be formed in accordance with the Philippine Corporation Law and existing rules ~and regulations promulgated by the Securities and Exchange Commission, unless otherwise provided in this Act. In all cases, the Development Authority shall own initially at least fifty-one percent (51%) of the capital stock of a subsidiary .The Development. Authority shall also initially have the power to vote for the majority of the Board of Directors of a subsidiary, of which at least one (1) director shall be the representative of the Chair of the Development Authority and a second director shall be the President of the Conversion Authority or his or her designated representative.

The subsidiary or subsidiaries to be formed by the Development Authority under this provision shall be exempt from the coverage of Civil Service Laws, rules and regulations.

SEC. 14. *Supervision.* -The Development Authority shall be attached to the Office of the President for purposes of policy direction and coordination.

ARTICLE III

PROCEEDS OF DISPOSAL AND/OR DEVELOPMENT

SEC. 15. *Utilization of Proceeds.* -The proceeds of the disposal and/or commercial development of military real estate, determined pursuant to the succeeding Section, shall become part of the AFP MATF: *Provided,* That said proceeds may be used to pay obligations incurred under the AFP Modernization Program and whose amortization or repayment extends beyond the fifteen (15)-year modernization period: *Provided, further,* That said proceeds may be used for other defense modernization and military development projects once the AFP Modernization Program under R.A. No. 7898 shall have been finished.

SEC. 16. *Determination and Deposit of Proceeds.* -For purposes of defining the amount to be deposited with the AFP MATF, or the National Treasury once the obligations under the AFP Modernization Program are fully settled, the proceeds of every transaction involving military real estate shall be calculated by deducting all expenses related to the transaction; the relocation and/or replication costs, if any; and the operating budget of the Development Authority computed in accordance with Section 12 of this Act. After deducting the percentage share of the Development Authority for business development purposes pursuant to Section 12 hereof, the proceeds shall be

deposited with the AFP MA TF or with the National Treasury, as the case may be, not later than thirty (30) days from the time the amount of the proceeds is determined as herein provided but in no case shall such deposit be made later than sixty (60) days from the time the funds were received by the Development Authority.

SEC. 17. *Funding for Relocation/Replication.* -Funding for the relocation and/or replication of facilities and installations, if there are any, occupying military real estate disposed of or developed in accordance with this Act .shall come from the proceeds of the disposal or commercial development, as the case may be. Representatives of the Development Authority and the AFP shall jointly determine the costs of and the amount to be earmarked for relocation and/or replication prior to the disposal or development of apiece of military real estate or a part thereof.

ARTICLE IV

MANAGEMENT AND PERSONNEL

SEC. 18. *Duties and Responsibilities of the President of the Development Authority.* -The President of the Development Authority shall have the following duties and responsibilities:

(a) To act as Chief Executive Officer of the Development Authority;

(b) To execute, administer and implement the policies and measures approved by the Board;

(c) To direct and supervise the operations and administration of the Development Authority: *Provided,* That the President may delegate certain administrative responsibilities to other officers of the Development Authority , subject to the rules and regulations to be issued by the Board;

(d) To represent the Development Authority in all dealings with offices, agencies, and instrumentalities of the Government and with all persons and entities, public or private, domestic or foreign;

(e) To direct and supervise the preparation of the agenda for the meeting of the Board, and to submit for the consideration of the Board such policies and measures as he or she believes necessary to carry out the purposes of this Act; and

(f) To exercise such other powers and functions the bylaws may provide and the Board may vest in him or her.

The President shall be assisted by a Vice-President or such number of Vice- Presidents and other officials as may be deemed necessary by the Board of Directors. During the absence or temporary incapacity of the President, or in case of vacancy or permanent incapacity and pending the appointment of a new President of the Development Authority, the Vice-President or the most senior Vice-President, as the case may be, shall act as President and discharge the duties and responsibilities thereof.

SEC. 19. *Human Resources.* -The Development Authority shall establish a human resource management system which shall govern the selection, hiring, appointment, transfer, promotion, or dismissal of all personnel. Such system shall aim to attract and retain professionally competent, well-trained, honest, and courteous. And efficient personnel and to establish, professionalism and excellence at all levels', of the Development Authority in accordance with sound principles of management.

All positions in the Development Authority shall be governed by a compensation and position classification system and qualification standards approved by the Board based on a comprehensive job analysis and audit of actual duties and responsibilities. The compensation plan shall be comparable with the prevailing compensation plan in government financial institutions and shall be subject to periodic review by the Board no more than once every two (2) years without prejudice to yearly merit reviews or increases based on productivity and efficiency. The Development Authority shall, therefore, be exempt from laws, rules and regulations on compensation, position classification and qualification standards. The Development Authority shall, however, endeavor to make its system conform as closely as possible to the principles under the Compensation and Position Classification Act of 1989 (Republic Act Numbered Sixty-Seven Hundred and Fifty-Eight, as amended).

SEC. 20. *Ex Officio Legal Counsel.* -Without prejudice to the hiring of an outside counsel, the Government Corporate Counsel shall be the *ex officio* legal counsel of the Development Authority and the subsidiaries wherein the Development Authority owns the majority of the shares of stock. For this purpose, the Government Corporate Counsel may designate a full time representative in the Development Authority.

SEC. 21. *Auditor.* -The Commission on Audit shall appoint a representative who shall be the full time auditor of the Development Authority .At its discretion; the Development Authority may also hire an external auditor.

ARTICLE V

TRANSITORY AND SUNSET PROVISIONS

SEC. 22. *Submission of List of Disposable Military Real Estate.* -Within sixty (60) days from the passage of this Act, the Secretary of National Defense shall, upon the recommendation of the Chief of Staff of the Armed Forces of the Philippines, submit to the President of the Philippines for approval the list of alienable and disposable military real estate to be covered by this Act in accordance with Section 3 hereof. Such list shall clearly indicate the boundaries and technical description of each piece of military real estate~ the legal basis for the government's ownership~ its existing condition and use, if any~ and the proposed schedule of disposal. The list may indicate the military real estate or parts thereof that are prioritized for disposal in view of the immediate finding needs of the AFP Modernization Program.

SEC. 23. *Transfer of Properties.* -Pursuant to paragraph (a), Section 7 of this Act, the President of the Philippines shall transfer forthwith to the Development Authority ownership over the alienable and disposable military real estate upon approval of the submitted list as required in the immediately preceding Section.

SEC. 24. *Authority to Enter Into Asset Management Contracts.*

(a) During the first five (5) years of its establishment, the Development Authority may enter into Asset Management Contracts (AMCs) or similar arrangements for the management of all or a part or some parts of military real estate covered by this Act. After said period and the provisions of Section 8 of this Act to the contrary notwithstanding, no AMCs or similar arrangements shall be entered into or renewed unless the Board of Directors has determined that the Authority still does not possess sufficient capability to manage said military real estate. In no case shall AMCs or similar arrangements be entered into after, or be effective beyond, ten (10) years after the establishment of the Authority.

(b) In case the AMC or similar arrangement is to be entered into with the private sector, the contract shall be awarded in accordance with laws, rules and regulations governing the award of similar contracts in the interest of transparency, economy, efficiency and equity: *Provided,* That to be entitled to the award of the contract, the private contractor

must demonstrate its capability to manage or develop real estate by showing that it has successfully run a similar business for at least five (5) years.

SEC. 25. *Sunset Provision*. -At the end of its corporate existence, the Development Authority shall liquidate its assets and the remainder, if any, shall be used in accordance with the provisions of Section 15 of this Act.

ARTICLE VI

MISCELLANEOUS AND FINAL PROVISIONS

SEC. 26. *Injunction and Restraining Order*. -The disposal and/or commercial development of the military real estate covered by this Act are urgent and necessary and shall not be restrained or enjoined except by an order issued by the Supreme Court of the Philippines.

SEC. 27. *Reportorial Requirements*. -The Board of Directors of the Development Authority shall submit an annual report of operations to the President of the Republic of the Philippines, the President of the Senate and the Speaker of the House of Representatives within the first quarter of the immediately succeeding year .Such report shall include an account of the revenues it generated as well as the remittances made to the AFP MATF or the National Treasury, as the case may be.

SEC. 28. *Separability Clause*. -If for any reason, any section or provision of this Act is declared invalid or unconstitutional, the other sections or provisions hereof, unaffected thereby, shall continue to be in full force and effect.

SEC. 29. *Repealing Clause*. -All laws, executive issuances or parts thereof inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 30. *Effectivity Clause*. -This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in at least two (2) newspapers of general circulation.

Approved.