

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
Second Regular Session

House Bill No. **9038**



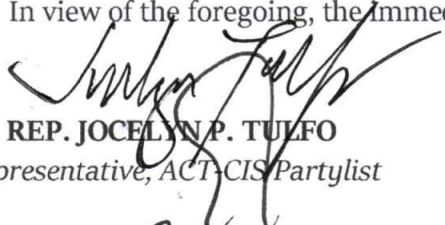
**Introduced by Representatives JOCELYN P. TULFO, ERWIN T. TULFO, EDVIC YAP
and RALPH WENDEL P. TULFO**

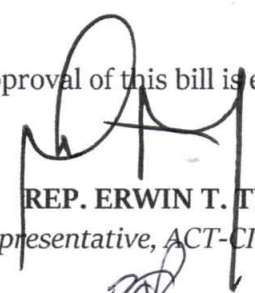
This bill seeks to strengthen and modernize the Philippine Coast Guard (PCG) to realize the State's obligation to protect the country's marine wealth and defend the country's rights and sovereignty in its archipelagic waters, territorial sea, and exclusive economic zone.

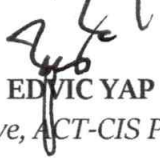
Pursuant to Republic Act No. 9993 or the "Philippine Coast Guard Law of 2009", two (2) of the important functions of the PCG is to (1) assist in the enforcement of laws on fisheries, immigration, tariff and customs, forestry, firearms and explosives, human trafficking, dangerous drugs, and controlled chemicals, transnational crimes and other applicable laws within the maritime jurisdiction of the Philippines; and (2) enforce laws and promulgated and administer rules and regulations for the protection of marine environment and resources from offshore sources, or pollution within the maritime jurisdiction of the Philippines.

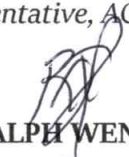
Despite the tireless efforts of the PCG to fulfill its duties, its equipment, ships, and technological capacity still fail in comparison to other countries that pose a threat to our national security and sovereignty. The most recent hostile act of the Chinese Coast Guard against the Philippine Coast Guard in the West Philippine Sea is sufficient proof of the threats we are fighting against and the lacking capacity of the PCG to perform their duties.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


REP. JOCELYN P. TULFO
Representative, ACT-CIS Partylist


REP. ERWIN T. TULFO
Representative, ACT-CIS Partylist


REP. EDVIC YAP
Representative, ACT-CIS Partylist


REP. RALPH WENDEL P. TULFO
Representative, 2nd District of Quezon City

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**Introduced by Representatives JOCELYN P. TULFO, ERWIN T. TULFO, EDVIC YAP
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AN ACT
MODERNIZING THE PHILIPPINE COAST GUARD, AMENDING FOR THIS
PURPOSE REPUBLIC ACT NO. 9993, OTHERWISE KNOWN AS THE
“PHILIPPINE COAST GUARD LAW OF 2009”

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

1

2 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Philippine Coast Guard*
3 *Modernization Act of 2023*”.

4

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

10

- 11 a) Maritime Safety;
12 b) Maritime Search and Rescue;
13 c) Maritime Security;
14 d) Maritime Law Enforcement; and
15 e) Maritime Environment Protection.

1 **Sec. 3. Philippine Coast Guard Modernization Program.** – Within a period not
2 exceeding fifteen (15) 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. 9993, also known as the “Philippine Coast Guard Law of
6 2009”.

7
8 Payments for the amortization of outstanding multi-year contract obligations
9 incurred under Section 7 of this Act may however extend beyond this period.

10
11 **Sec. 4. Objectives.** – The PCG Modernization Program shall be implemented in
12 accordance with the following objectives:

- 13
14 a) Minimize, if not totally eliminate, accidents at sea;
15 b) Optimize search efforts and hasten response time during search and rescue
16 operations;
17 c) Contribute substantially to securing maritime zones and territorial waters from
18 terrorism, lawlessness, and other threats to national security and territory of the
19 country;
20 d) Effectively contribute to the enforcement of the Philippine criminal and other
21 special laws within the maritime zones and territorial waters of the Philippines;
22 and
23 e) Minimize, if not totally eliminate, pollution in the maritime zones or areas and
24 hasten response time in cases of emergencies.

25
26 **Sec. 5. Components of the Modernization Program.** – The PCG Modernization
27 Program shall have the following components:
28

- 1 a) Organization Development – The restructuring and streamlining of the PCG units
2 and offices to avoid the overlapping of functions, streamline procedures, and
3 improve response time.
- 4 b) Human Resources – The professionalization of its human resource with qualified,
5 motivated, and highly skilled personnel in their respective fields of specialization.
- 6 c) Doctrine of Development - The rationalization system, standards, and procedures
7 in the administration of the PCG include the generation, evaluation, consolidation,
8 and formalization of doctrines; the conduct of the periodic review and validation
9 of doctrines through field application, testing, and exercises; and the
10 dissemination of approved doctrines at all levels of command.
- 11 d) Infrastructure Development – The basic and support system required to ensure
12 that services are rendered efficiently includes the acquisition and upgrade of basic
13 and support facilities for administrative and operational services, and the
14 acquisition and upgrade of basic facilities such as aircraft command, control, and
15 communication platform which are range and endurance-capable to continuously
16 monitor the outer limits of the Exclusive Economic Zone (EEZ) with night-vision
17 capability and remote-controlled drones.
- 18 e) Equipment and Facilities Acquisition and Modernization – The acquisition and
19 upgrade of contemporary, modern, and state-of-the-art equipment and system to
20 enhance the capabilities of the PCG in the performance of its mandate which
21 includes the following:
- 22
- 23 1) Upgrade vessels to a mission-specific level with a high degree of flexibility
24 to perform other functional area operations. PCG vessels must be well-
25 maintained for full operational status at least three hundred (300) days a
26 year and must be interfaced with the latest cutting-edge technology for
27 ease of operation;

- 2) Remotely operated submersibles for deep-sea search, retrieval, and monitoring operations;
- 3) Weapons that are marine environment resistant and designed primarily to disable hostile personnel and equipment;
- 4) K-9 units capable of detecting bombs, drugs, and toxic substances and assisting in search and rescue (SAR) operations, among others;
- 5) Uninterruptible PCG internal communications seamlessly interoperable with other agencies as well as communications with commercial vessels operating within the Philippine maritime zones and territorial waters;
- 6) Training equipment capable of simulating foreseeable emergencies or hostile situations;
- 7) Aids to navigation that are consistent with International Association of Lighthouse Authorities standards;
- 8) Accurate and real-time monitoring and detection systems; and
- 9) Laboratories with technologically current equipment.

Sec. 6. Submission of the Modernization Program. – Within ninety (90) days from the effectivity of this Act, the PCG Commandant shall, in coordination with the Secretaries of the Department of Transportation (DOTr) and the Department of Budget and Management (DBM), submit the PCG Modernization Program through the Congressional Oversight Committee created under Section 14 hereof for its consideration and approval through a joint resolution of the House of Representatives and Senate of the Philippines.

The Program shall indicate the following:

- a) The size and shape of the PCG in terms of personnel, equipment, and facilities during the various phase of the Program;

- 1 b) The modernization project under each phase including the major weapon and
2 non-weapon equipment and technology acquisition, infrastructure construction
3 or improvements to be made, and the particular objectives and components
4 under Section 4, respectively of this Act, to which such intended acquisition,
5 constructions or improvements belong; and
6 c) The priorities, schedules as well as the estimated average cost for each
7 modernization component project or upgrading to be undertaken.

8
9 In the event Congress approves the PCG Modernization Program, the joint
10 resolution shall be the basis for subsequent executive and legislative actions to
11 implement the program until its completion and full realization.

12
13 **Sec. 7. Multi-year Contracts.** – The Secretary of the DOTr may, pursuant to the
14 program, projects, and appropriations approved by Congress and subject to the
15 approval by the President, enter into multi-year contracts and other agreements or
16 arrangements in accordance with the provisions of existing laws and regulations
17 including those of the Commission on Audit (COA) and under such terms and
18 conditions most favorable to the government.

19
20 The Congress shall, upon certification by the President, make the corresponding
21 appropriation for the ensuing fiscal year in payment for multi-year contracts:
22 *Provided*, that Congress shall appropriate only such funds as may be necessary to pay
23 any unpaid amount when the appropriated funds mentioned in Section 13 of this Act
24 are not sufficient or available to meet the payment, in full or in part.

25
26 The Secretary of the DOTr, through the Congressional Oversight Committee, shall
27 submit copies of these multi-year contracts and other agreements or arrangements to
28 enable Congress to appropriate funds.

1 **SEC. 8. Self-Reliance Program.** – In implementing the Program, the PCG shall,
2 as far as practicable, give preference to qualified Filipino contractors and suppliers,
3 willing and able to locate a substantial portion on, if not the entire, production process
4 of the terms involved within the Philippines.

5
6 In order to generate local employment opportunities, and enhance technology
7 transfer to the Philippines, the Secretary of the DOTr shall, as far as feasible,
8 incorporate in each contract or agreement, special foreign exchange reduction
9 schemes such as countertrade, in-country manufacture, co-production, or other
10 innovative arrangements or combination thereof.

11
12 The PCG shall likewise ensure that in negotiating all applicable contracts or
13 agreements, provisions are incorporated respecting the transfer to the PCG of the
14 principal technology involved as well as the training of the PCG personnel to operate
15 and maintain such equipment and technology.

16
17 **Sec. 9. Philippine Coast Guard Modernization Trust Fund.** – There is hereby
18 created a trust fund, to be known as the Philippine Coast Guard Modernization Trust
19 Fund, to be administered by the Secretary of the DOTr in accordance with existing
20 rules and regulations. The trust fund shall be used exclusively for the PCG
21 Modernization Program, excluding salaries and allowances. The trust fund shall be
22 funded out of the following:

- 23
24 a) Appropriations for the Philippine Coast Guard Modernization Program;
25
26 b) The proceeds from the sale, lease, or joint development of coast guard properties
27 and lighthouse reservations, as may be authorized by Congress, including such
28 immovable and other facilities as may be found therein, not covered by the Bases

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

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

7
8 d) The proceeds from the disposal of excess or uneconomically repairable equipment
9 and other moveable properties in the PCG arsenal;

10
11 e) Funds from budgetary surplus, if any, as may be authorized by Congress subject
12 to the provisions of Section 13 of this Act;

13
14 f) Dues, fines and penalties collected by the PCG in the exercise of its functions; and

15
16 g) All interest income from the trust fund.
17

18 **Sec. 10. Equipment Acquisition Per Function Area.** – In order to further
19 specialize PCG capabilities, equipment acquisition shall be initiated within the
20 respective functional areas as mentioned in Section 2 of this Act but integrated into
21 the Program to allow inter-operability and ensure a greater degree of reliability.
22

23 **Sec. 11. Contract Negotiation.** – The procurement process shall be governed by
24 the provisions of Republic Act No. 9184 or the “Government Procurement Reform
25 Act”, and its revised implementing rules and regulations. The procurement process
26 shall be exercised by the PCG General Headquarters unless delegated to the next
27 lower-level management by the PCG Commandant.
28

1 **Sec. 12. Progress Report.** – The Secretary of the DOTr shall submit to the
2 President and Congress, through the Congressional Oversight Committee, an annual
3 report on the status of the Philippine Coast Guard Modernization Act Trust Fund, as
4 provided for in Section 9 of this Act, not later than the end of the first quarter of the
5 succeeding year.

6
7 The Commandant of the PCG shall also submit to the President and Congress
8 through the Congressional Oversight Committee and the Secretary of the DOTr, an
9 annual status report containing the process of the implementation of the
10 modernization program under this Act, including the PCG modernization activities
11 implemented prior to the approval of this Act not later than the end of the first quarter
12 or the succeeding year.

13
14 **Sec. 13. Appropriations.** – The annual appropriation for the PCG modernization
15 program shall include the amounts necessary to support the funding requirement for
16 all modernization projects approved by Congress pursuant to this Act.

17
18 The funds to be appropriated by Congress shall be treated as a distinct and separate
19 budget item from the regular appropriation for the PCG and shall be administered by
20 the Secretary of the DOTr. The proposed program shall be based on a ceiling of Fifty
21 Billion Pesos (Php50,000,000,000.00) for the first five (5) years. Thereafter, this
22 amount may be increased commensurate to the increase in the Gross National Product
23 (GNP).

24
25 **Sec. 14. Joint Congressional Oversight Committee.** – A Joint Congressional
26 Oversight Committee is hereby created to monitor and oversee the implementation of
27 the provisions of this Act. The Joint Congressional Oversight Committee shall be
28 composed of six (6) Senators and six (6) District or Partylist Representatives to be

1 appointed by the Senate President and the Speaker of the House of Representatives,
2 respectively. It shall be co-chaired by the Chairperson of the Committee on
3 Transportation of both Houses. The minority parties of both houses shall have at least
4 two (2) representatives in the Joint Congressional Oversight Committee.
5

6 **Sec. 15. *Sunset Review.*** – Five (5) years after the effectivity of this Act, the Joint
7 Congressional Oversight Committee shall conduct a systematic evaluation of the
8 accomplishments and impact of this Act as well as the performance and organizational
9 structures of the PCG.
10

11 **Sec. 16. *Separability Clause.*** – If any provision of this Act is declared invalid or
12 unconstitutional, the remaining provisions not affected thereby shall continue to be in
13 full force and effect.
14

15 **Sec. 17. *Repealing Clause.*** – All laws, decrees, orders or regulations or part thereof
16 inconsistent with this Act are hereby repealed or modified accordingly.
17

18 **Sec. 18. *Effectivity.*** – This Act shall take effect fifteen (15) days following the
19 completion of its publication in the Official Gazette or in a newspaper of general
20 circulation.
21

22 *Approved.*