

AFP Modernization and the SRDP

By former Philippine President Fidel V. Ramos



AFP Modernization. Under the original Armed Forces of the Philippines (AFP) Modernization Act (RA 7898) passed by Congress in February 1995, the AFP Modernization acquisitions were managed through the AFP Modernization Act Trust Fund (AFP-MATF) and administered by the Secretary of National Defense. The AFP Modernization Act obliged the government to fund and allocate a separate budget for a 15-year modernization program.

The AFP-MATF came from the sales proceeds of a portion of Fort Bonifacio. There were 20 other beneficiaries of the sale's proceeds. Of the total purchase value of the property that Bonifacio Land Corporation agreed to buy from Bases Conversion Development Authority (BCDA) amounting to Php30.556B, the AFP-MATF's share amounted to Php5.484B or 18%.

In 7 tranches from February 1995 to December 1997, the BCDA remitted to the Bureau of Treasury Php5.484B that was placed in Special Account No. A5514-170 with the corresponding Bureau of Treasury Journal Voucher No. 4607438 specifically earmarked for AFP-MATF.

The then Secretary of National Defense, Fortunato Abat, conveyed to Malacañang his readiness to manage the AFP-MATF by end-April 1998. However, with barely two weeks before the 1998 national elections, the Ramos Administration (*Jun. 1992-Jun. 1998*), decided that the management and disposition of the AFP-MATF would be better left to the judgment of the new President. Such a decision was intended to ensure the effective and continued development of a mission-capable and truly modern AFP.

Unfortunately, during the Estrada Administration (*Jun. 1998-Jan. 2001*), the AFP Modernization was given a lower priority. This was reflected in former Budget Secretary Benjamin Diokno's Memorandum

dum to President Estrada in July 1998 that stated, "The AFP Modernization will be postponed for a better time when the financial crisis is over or when the Program can be continuously pursued." Rafael Alunan III, former Secretary of Interior and Local Government (DILG), noted that early in the Estrada Administration, the use of the trust fund for the AFP Modernization was set aside. In a letter from Diokno to then Secretary of Defense Orly Mercado in July 1998, he stated that the release of the funds for the AFP Modernization "cannot be effected."

In contrast, the Philippine Navy and the Philippine Air Force were reinforced during the Ramos Administration. As the then DILG Rafael Alunan III stated, "even before RA 7898 was passed, the plans to beef up the AFP had already been laid-out due to the loss of the US security cover when the Military Bases Agreement was terminated in 1991."

Philippine Navy. The PN ship purchases between 1993-1998 included 2 Frank Besson-class 4,200-ton amphibious transports; 2 Philippine made 279-ton patrol gunboats; 12 South Korean Sea Killer 74-ton patrol gunboats; 6 South Korean Sea Dolphin 170-ton patrol gunboats; and 24 Halter Marine 56-ton patrol crafts. In 1995, South Korea transferred 5 Chamsuri-Wildcat class fast-attack craft to the Philippine Government, and another vessel was delivered in 1998. There was also a Php3.5B overhaul program between 1996-2000 for 10 large vessels, 4 transport ships, 1 repair ship, 1 multi-mission vessel, and 4 patrol ships. The overhauls included replacing main and auxiliary engines; and adding new fire control, weapons, and anti-ship missile systems.

Philippine Air Force. In the early 1990's, the PAF had a few F-5 A/B fighter jets. Due to financial constraints, the PAF procured from Jordan and South Korea an additional 15 airframes for spare parts replacements for the F-5 jets. PAF also used Italian Augusta S-211 as a trainer with secondary attack capability in a low-intensity conflict. These were re-designated as AS-211 Warriors. With the retirement of the F-5 fighters in 2005,

air defense was assigned to the Warriors. The PAF enhanced the AS-211's combat capability with extra communications and a belly gun pod that were designed, developed, and manufactured by a local company. In 1991, the PAF received 24 OV-10A aircrafts from the USA during the Corazon Aquino administration (Feb. 1986-Jun. 1992), plus 9 more 24 OV-10A aircrafts from the USA and ROK fighter planes from South Korea in 1994 during the Ramos Administration (Jun. 1992-Jun. 1998). In 2003, the PAF received 8 ex-Thai Air Force OV10-C aircrafts during the Arroyo Administration (Jan. 2001-Jun. 2010).

By May 2000, the Department of Budget and Management (DBM) issued a Special Allotment Release Order or SARO to the AFP for

turn to page 30...



QUALITY SERVICE

Philippine Navy Savings & Loan Association, Inc.

(Authorized by the Bangko Sentral ng Pilipinas)

Molave St., Naval Station Jose Francisco, Fort Bonifacio, Taguig City
Telefax: 887-3736 Email: pnslmain@yahoo.com

Vision:

We, the Philippine Navy Savings and Loan Association, Inc., will assist in the development of the economic and social well being of our members for them to become responsible and progressive members of the Navy community.

Corporate Office:

Molave Street, Naval Station Jose Francisco, Fort Bonifacio, Taguig City

Branches:

Manila Branch - Naval Station Jose Francisco, Fort Bonifacio, Taguig City
Cavite Branch - Naval Base Heracleo Alano, Sangley Point
Zamboanga Branch - Naval Station Romulo M Espaldon. (NAVFORWEM)
Cebu Branch - HQ's Second Coast Guard District, Cebu City
Zambales Branch - Naval Station Leovigildo Gantioqui (NETC)
Palawan Branch - Naval Station Apolinario Jalandoon (NAVFORWEST)
Davao Branch - Naval Station Felix Apolinario (NAVFOREM)
Bicol Branch - Naval Station Julhasan A Arasin (NAVFORNSOL)
Quezon City Branch - GHQ, Camp Aguinaldo
La Union Branch - Naval Station Ernesto R Ogbinar (NAVFORNORTH)

Products & Services

Capital Contribution
Savings Deposit Account
Special Savings Desposit Account

Convenience Loan
Multi-Purpose Loan
Back to Back Loan
Retirees Loan
Pensioner's Loan
Pension Advance Scheme
Promo Loans



China's commitment to a denuclearized Korean peninsula, and its willingness to continue coordinating with South Korea on regional and international issues.

Relatedly, China's southern neighbor Vietnam celebrated the 70th anniversary of its declaration of independence from France with its own military parade last 02 September. The parade, a day ahead of the grand event in Beijing, took place in front of the Ho Chi Minh mausoleum in Hanoi.

REUTERS REPORTED THAT SOME 30,000 PEOPLE PARTICIPATED IN THE HANOI PARADE. ALTHOUGH BOTH VIETNAM AND CHINA HAVE CLAIMED OWNERSHIP OF PARTS OF THE SOUTH CHINA SEA IN THEIR LONG-STANDING TERRITORIAL CONFLICT, VIETNAM PRESIDENT TRUONG TAN SANG WENT TO BEIJING TO WITNESS CHINA'S PARADE.

Taiwan's "Alternative Truth"

AS FOR TAIWAN, THE ASSOCIATED PRESS WROTE TWO MONTHS AGO (04 JULY): "TAIWAN MARCHED OUT THOUSANDS OF TROOPS AND DISPLAYED ITS MOST MODERN MILITARY HARDWARE TO SPOTLIGHT AN OLD BUT OFTEN FORGOTTEN CLAIM THAT ITS FORCES, NOT THE CHINESE COMMUNISTS, LED THE CAMPAIGN THAT ROUTED IMPERIAL JAPAN FROM CHINA 70 YEARS AGO.

The ROC (Republic of China) or Taiwan military staged an unusually large two-hour parade of homegrown missiles, attack helicopters and a mountain bike team designed for stealth missions, followed by awards for aged WWII veterans....

"The war of resistance was led by the ROC and Generalissimo

Chiang Kai-shek was the force behind it,' Taiwan President Ma Ying-jeou said during that parade. 'No one is allowed to distort that.'"

TAIWAN'S NATIONALIST PARTY RULED ALL OF CHINA WHEN JAPAN INVADED PARTS OF THE COUNTRY IN 1931, FORMING A CENTRAL STAGE OF THE WWII ASIA-PACIFIC THEATER. TAIWAN OFFICIALS SAY THAT DURING CHINA'S EIGHT-YEAR RESISTANCE AGAINST JAPAN, THE COMMUNIST FORCES WERE MAINLY BUILDING UP THEIR OWN RANKS AND FIGHTING A CIVIL WAR THEY WOULD EVENTUALLY WIN. CHINA AND TAIWAN SPLIT IN 1949.

BEIJING INVITED TAIWAN REPRESENTATIVES TO THE 03 SEPTEMBER PARADE, BUT THE ISLAND GOVERNMENT SAID THAT OFFICIALS WOULD BE BANNED BY LAW AND THAT PRIVATE CITIZENS SHOULD ATTEND WITH CAUTION.

THE PROSPECTS

FROM THESE RECENT DEVELOPMENTS, THERE ARE NO CLEAR PROSPECTS FAVORING EITHER ABSOLUTE WAR OR ABSOLUTE PEACE IN THE FORESEEABLE FUTURE. WHAT APPEARS MORE REALISTIC TODAY IS THE STATUS OF "ARMED PEACE" WHICH IS A WESTERN DEFINITION OF CHINA'S AGGRESSIVENESS BY WAY OF LAND RECLAMATION AND CONSTRUCTION OF MILITARY FACILITIES IN THE SOUTH CHINA SEA/WEST PHILIPPINE SEA. THIS IS ALSO THE "INCOMPLETE TRUTH" ABOUT THE STATUS OF U.S.-CHINA BILATERAL RELATIONS AND THEIR DIPLOMATIC INTERACTIONS.

Abangan: President Xi Jinping's visit to the White House coming up.

AFP Modernization...

from page 22

Php5.484B. This was the same amount the Ramos Administration had turned over to the Estrada Administration, and in coincidental timing with the period March-July 2000 when the AFP undertook offensive operations in an all out war against the MILF in Mindanao.

Self Reliance Defense Posture (SRDP). Beginning in the early 1990s, the endeavor to develop an SRDP-oriented security system was based on practi-

cal considerations, with priority to naval and air assets, being big ticket items and multi-year in manufacturing. The Philippines was able to produce and market SIMBA armored vehicles, fast naval gun patrol boats, and all kinds of small arms and ammunitions. We need to revive and expand the SRDP for greater job generation, technology transfer, foreign direct investments, and GDP.

Sunset Review. This is the systematic evaluation of the accomplishments and impact of the AFP Modernization Act, as well as the performance and organizational structure of its implementing agencies, for

purposes of determining remedial legislation. By December 2012, a second AFP Modernization Act was passed (RA 10349). What the past and current administrations have accomplished or failed to accomplish in regards to modernizing the AFP must be identified and evaluated. The AFP-MATF financial statements must likewise be audited for accuracy of fund flows and management integrity from 1998-2015. For almost two decades, building "credible deterrence" has been hampered by corrupted self-serving politics. Thus, the Sunset Review needs to be conducted now and concluded before the end of the Aquino III Administration (*Jun. 2010-Jun. 2016*), just one year from now. ■