AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND

THE GOVERNMENT OF THE UNITED STATES OF AMERICA ON ENHANCED DEFENSE COOPERATION

PREAMBLE

The Government of the Republic of the Philippines ("the Philippines"), and the Government of the United States of America (the "United States"), hereinafter referred to jointly as "the Parties" and individually as a "Party";

Reaffirming their faith in the purposes and principles of the Charter of the United Nations and their desire to strengthen international and regional security;

Recalling and in furtherance of the Mutual Defense Treaty between the Republic of the Philippines and the United States of America (the "MDT"), signed at Washington on August 30, 1951, and the Agreement between the Government of the Republic of the Philippines and the Government of the United States of America Regarding the Treatment of United States Armed Forces Visiting the Philippines (the "VFA"), signed in Manila on the tenth day of February 1998;

Recalling further Article I of the MDT, which states, "The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.";

Affirming that the Parties share an understanding for the United States not to establish a permanent military presence or base in the territory of the Philippines;

Recalling the Agreement for the Establishment of a Mutual Defense Board ("MDB"), concluded by exchange of notes at Manila on May 15, 1958, and the Agreement to Establish a Security Engagement Board ("SEB"), concluded by exchange of notes at Manila on April 11 and 12, 2006;

Recalling further the Mutual Logistics Support Agreement between the Department of National Defense of the Republic of the Philippines and the Department of Defense of the United States of America (the "MLSA"), with Annexes, signed at Quezon City on November 8, 2007, as extended;

Recalling the Parties' respective international obligations, including those provided under the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction and the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction;

Recognizing that all United States access to and use of facilities and areas will be at the invitation of the Philippines and with full respect for the Philippine Constitution and Philippine laws;

Desiring to enhance cooperative capacities and efforts in humanitarian assistance and disaster relief;

Have agreed as follows:

Article I PURPOSE AND SCOPE

- 1. This Agreement deepens defense cooperation between the Parties and maintains and develops their individual and collective capacities, in furtherance of Article II of the MDT, which states that "the Parties separately and jointly by self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack," and within the context of the VFA. This includes:
- (a) Supporting the Parties' shared goal of improving interoperability of the Parties' forces, and for the Armed Forces of the Philippines ("AFP"), addressing short-term capabilities gaps, promoting long-term modernization, and helping maintain and develop additional maritime security, maritime domain awareness, and humanitarian assistance and disaster relief capabilities; and
- (b) Authorizing access to Agreed Locations in the territory of the Philippines by United States forces on a rotational basis, as mutually determined by the Parties.

- 2. In furtherance of the MDT, the Parties mutually agree that this Agreement provides the principal provisions and necessary authorizations with respect to Agreed Locations.
- 3. The Parties agree that the United States may undertake the following types of activities in the territory of the Philippines in relation to its access to and use of Agreed Locations: security cooperation exercises; joint and combined training activities; humanitarian assistance and disaster relief activities; and such other activities as may be agreed upon by the Parties.

Article H DEFINITIONS

- 1. "United States personnel" means United States military and civilian personnel temporarily in the territory of the Philippines in connection with activities approved by the Philippines, as those terms are defined in the VFA.
- 2. "United States forces" means the entity comprising United States personnel and all property, equipment, and material of the United States Armed Forces present in the territory of the Philippines.
- 3. "United States contractors" means companies and firms, and their employees, under contract or subcontract to or on behalf of the United States Department of Defense. United States contractors are not included as part of the definition of United States personnel in this Agreement, including within the context of the VFA.
- 4. "Agreed Locations" means facilities and areas that are provided by the Government of the Philippines through the AFP and that United States forces, United States contractors, and others as mutually agreed, shall have the right to access and use pursuant to this Agreement. Such Agreed Locations may be listed in an annex to be appended to this Agreement, and may be further described in implementing arrangements.
- 5. "Designated Authorities" means, respectively, the Philippine Department of National Defense, unless the Philippines otherwise provides written notice to the United States, and the United States Department of Defense, unless the United States otherwise provides written notice to the Philippines.

Article III AGREED LOCATIONS

- 1. With consideration of the views of the Parties, the Philippines hereby authorizes and agrees that United States forces, United States contractors, and vehicles, vessels, and aircraft operated by or for United States forces may conduct the following activities with respect to Agreed Locations: training; transit; support and related activities; refueling of aircraft; bunkering of vessels; temporary maintenance of vehicles, vessels, and aircraft; temporary accommodation of personnel; communications; prepositioning of equipment, supplies, and materiel; deploying forces and materiel; and such other activities as the Parties may agree.
- 2. When requested, the Designated Authority of the Philippines shall assist in facilitating transit or temporary access by United States forces to public land and facilities (including roads, ports, and airfields), including those owned or controlled by local governments, and to other land and facilities (including roads, ports, and airfields).
- 3. Given the mutuality of benefits, the Parties agree that the Philippines shall make Agreed Locations available to United States forces without rental or similar costs. United States forces shall cover their necessary operational expenses with respect to their activities at the Agreed Locations.
- 4. The Philippines hereby grants to the United States, through bilateral security mechanisms, such as the MDB and SEB, operational control of Agreed Locations for construction activities and authority to undertake such activities on, and make alterations and improvements to, Agreed Locations. United States forces shall consult on issues regarding such construction, alterations, and improvements based on the Parties' shared intent that the technical requirements and construction standards of any such projects undertaken by or on behalf of United States forces should be consistent with the requirements and standards of both Parties.
- 5. The Philippine Designated Authority and its authorized representative shall have access to the entire area of the Agreed Locations. Such access shall be provided promptly consistent with operational safety and security requirements in accordance with agreed procedures developed by the Parties.
- 6. United States forces shall be responsible on the basis of proportionate use for construction, development, operation, and maintenance costs at Agreed Locations. Specific funding arrangements may be defined in implementing arrangements.

Article IV EQUIPMENT, SUPPLIES, AND MATERIEL

- 1. The Philippines hereby authorizes United States forces, through bilateral security mechanisms, such as the MDB and SEB, to preposition and store defense equipment, supplies, and materiel ("prepositioned materiel"), including, but not limited to, humanitarian assistance and disaster relief equipment, supplies, and materiel, at Agreed Locations. United States forces shall notify the AFP in advance regarding the quantities and delivery schedules of defense equipment, supplies, and materiel that United States forces intend to preposition in Agreed Locations, as well as who will make such deliveries.
- 2. The Parties share a recognition of the benefits that such prepositioning could have for humanitarian assistance and disaster relief. The Parties also recognize the value of such prepositioning to the enhancement of their individual and collective defense capabilities.
- 3. The prepositioned materiel of United States forces shall be for the exclusive use of United States forces, and full title to all such equipment, supplies, and materiel remains with the United States. United States forces shall have control over the access to and disposition of such prepositioned materiel and shall have the unencumbered right to remove such prepositioned materiel at any time from the territory of the Philippines.
- 4. United States forces and United States contractors shall have unimpeded access to Agreed Locations for all matters relating to the prepositioning and storage of defense equipment, supplies, and materiel, including delivery, management, inspection, use, maintenance, and removal of such equipment, supplies and materiel.
- 5. The Parties share an intent that United States contractors may carry out such matters in accordance with, and to the extent permissible under, United States laws, regulations, and policies.
- 6. The prepositioned materiel shall not include nuclear weapons.

Article V OWNERSHIP

- 1. The Philippines shall retain ownership of and title to Agreed Locations.
- 2. The United States shall return to the Philippines any Agreed Locations, or any portion thereof, including non-relocatable structures and assemblies constructed, modified, or improved by the United States, once no longer required by United States forces for activities under this Agreement. The Parties or the Designated Authorities shall consult regarding the terms of return of any Agreed Locations, including possible compensation for improvements or construction.
- 3. United States forces and United States contractors shall retain title to all equipment, material, supplies, relocatable structures, and other moveable property that have been imported into or acquired within the territory of the Philippines by or on behalf of United States forces.
- 4. All buildings, non-relocatable structures, and assemblies affixed to the land in the Agreed Locations, including ones altered or improved by United States forces, remain the property of the Philippines. Permanent buildings constructed by United States forces become the property of the Philippines, once constructed, but shall be used by United States forces until no longer required by United States forces.
- 5. The Parties may consult regarding the possible transfer or purchase of equipment determined to be excess, as may be allowed by United States laws and regulations.

Article VI SECURITY

- 1. The Parties shall cooperate to take such measures as may be necessary to ensure the protection, safety, and security of United States forces and United States contractors, and the protection and security of official United States information in the territory of the Philippines.
- 2. The Philippines retains primary responsibility for security with respect to Agreed Locations.
- 3. United States forces are authorized to exercise all rights and authorities within Agreed Locations that are necessary for their operational control or defense,

including taking appropriate measures to protect United States forces and United States contractors. The United States should coordinate such measures with appropriate authorities of the Philippines.

4. The Parties shall take all reasonable measures to ensure the protection, safety, and security of United States property from seizure by or conversion to the use of any party other than the United States, without the prior written consent of the United States.

Article VII UTILITIES AND COMMUNICATIONS

- 1. The Philippines hereby grants to United States forces and United States contractors the use of water, electricity, and other public utilities on terms and conditions, including rates or charges, no less favorable than those available to the AFP or the Government of the Philippines in like circumstances, less charges for taxes and similar fees, which will be for the account of the Philippine Government. United States forces' costs shall be equal to their pro rata share of the use of such utilities.
- 2. The Parties recognize that it may be necessary for United States forces to use the radio spectrum. The Philippines authorizes the United States to operate its own telecommunication systems (as telecommunication is defined in the 1992 Constitution and Convention of the International Telecommunication Union ("ITU")). This shall include the right to utilize such means and services as required to ensure the full ability to operate telecommunication systems, and the right to use all necessary radio spectrum allocated for this purpose. Consistent with the 1992 Constitution and Convention of the ITU, United States forces shall not interfere with frequencies in use by local operators. Use of the radio spectrum shall be free of cost to the United States.

Article VIII CONTRACTING PROCEDURES

1. United States forces may contract for any materiel, supplies, equipment, and services (including construction) to be furnished or undertaken in the territory of the Philippines without restriction as to choice of contractor, supplier, or person who provides such materiel, supplies, equipment, or services. Such contracts shall be solicited, awarded, and administered in accordance with the laws and regulations of the United States.

2. United States forces shall strive to use Philippine suppliers of goods, products, and services to the greatest extent practicable in accordance with the laws and regulations of the United States.

Article IX ENVIRONMENT, HUMAN HEALTH, AND SAFETY

- 1. The Parties recognize and acknowledge the importance of protection of the environment and human health and safety in the context of activities covered by this Agreement and agree to implement this Agreement in a manner consistent with the protection of the natural environment and human health and safety and to pursue a preventative rather than reactive approach to environmental protection. To this end, the Parties shall cooperate to ensure problems that may arise are dealt with immediately in order to prevent any lasting damage to the environment or endangerment of human health and safety.
- 2. The United States confirms its intent to respect relevant Philippine environmental, health, and safety laws, regulations, and standards in the execution of its policies. The Philippines confirms its policy to implement environmental, health, and safety laws, regulations, and standards with due regard for the health and safety of United States forces and United States contactors. The Parties shall fully cooperate in the timely exchange between the competent representatives of the Parties of all relevant existing information concerning environmental and health protection at Agreed Locations. The environmental compliance standards applied by United States forces shall reflect, in accordance with its policies, the more protective of United States, Philippine, or applicable international agreement standards. To that end, during the development and periodic review of such environmental practices, the Parties shall cooperate and consult to ensure that Philippine standards are accurately reflected.
 - 3. United States forces shall not intentionally release any hazardous materials or hazardous waste owned by it, and, if a spill occurs, shall expeditiously take action in order to contain and address environmental contamination resulting from the spill.

Article X IMPLEMENTATION

- 1. All obligations under this Agreement are subject to the availability of appropriated funds authorized for these purposes.
- 2. As appropriate, the Parties or the Designated Authorities may enter into implementing arrangements to carry out the provisions of this Agreement, including with respect to activities at Agreed Locations and funding. Implementing arrangements concluded by the Designated Authorities shall enter into force upon the date of their signature.
- 3. Implementing arrangements may address additional details concerning the presence of United States forces at Agreed Locations and the functional relations between United States forces and the AFP with respect to Agreed Locations.
- 4. The Parties or their Designated Authorities intend to consult regularly concerning the implementation of this Agreement.

Article XI RESOLUTION OF DISPUTES

The Parties agree to resolve any dispute arising under this Agreement exclusively through consultation between the Parties. Disputes and other matters subject to consultation under this Agreement shall not be referred to any national or international court, tribunal, or other similar body, or to any third party for settlement, unless otherwise agreed by the Parties.

Article XII ENTRY INTO FORCE, AMENDMENT, DURATION, AND TERMINATION

- 1. This Agreement shall enter into force on the date of the last note exchanged between the Parties, through diplomatic channels, confirming the completion of all necessary internal procedures required for the entry into force thereof.
- 2. This Agreement, including any annex, may be amended by written agreement of the Parties, and such amendments shall enter into force in accordance with paragraph 1 of this Article.

- 3. Any annex appended to this Agreement shall form an integral part of this Agreement.
- 4. This Agreement shall have an initial term often, and thereafter, it shall continue in force automaticallyunless terminated by either Party by giving one year's written notice through diplomatic channels of its intention to terminate this Agreement.

IN WITNESS THEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at <u>Quezon City</u>, in duplicate in English, this <u>28th</u> day of <u>April</u>, 2014.

FOR THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES:

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA: