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## Philippines to Procure (8) Specialized Helicopters from Canada



The Philippine authorities have deliberately tried to create a new defence doctrine that will help the country overcome the internal and external threats and re-establish government sovereignty. Therefore, a new Philippine Defense Reform Program was established with the goal of creating an army capable of responding to current and emerging threats that will usher in a secure, stable

and peaceful environment conducive to the economic growth and national development. Under this notion the Philippines has signed a \$105 million contract with Canada for (8) specialized helicopters manufactured by Bell Helicopter Textron. The contract was negotiated under a MoU between the Canadian Commercial Corporation and the Philippines' MoD.

The contract was signed by the country's Armed Forces and Chief of Staff General Emmanuel T. Bautista and the Canadian Ambassador, Neil Reeder in a ceremony held on March 28<sup>th</sup> 2014, in Camp Aguinaldo, Quezon City. Bell Helicopter is expected to deliver the helicopters during the next two years. Bell's products are popular with the Filipino DND, which currently operates a fleet of UH-1H "Huey" helicopters.

The Philippines signed another contract with South Korea for the purchase of F/SA/LIFT (FA-50) for the Philippine Air Force, the first government-to-government contract between the two countries.



The Philippine Government faces threats from several groups. The primary security threats are land-based - separatism, communist insurgent and terrorist groups. The locus of the problem is the southern Philippines, home to the terrorist organization named Abu Sayyaf Group (ASG) and the separatist group of the Moro Islamic Liberation Front (MILF). The ASG has been based on the islands of Basilan and Jolo since its foundation in the early 1990s, and it is very familiar with the surrounding maritime area. It was from these islands that the ASG launched raids against tourist resorts in Malaysia and Palawan Island in 2000 and 2001, receiving large ransoms in return. The ASG was also responsible for one of the world's deadliest acts of maritime terrorism, the sinking of the MV Superferry 14 in February 2004 in Manila Bay which 116 people were killed and 300 injured.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Philippines and USA Reaffirm commitment to strengthen individual and collective defence capabilities



The Philippines is one of the oldest Asian partners and closest strategic major non-NATO allies of the United States. This was reaffirmed at the end of March during the seventh round of negotiations for an agreement on enhanced defense cooperation. Both the Philippines and the United States renewed their commitment to strengthen individual and collective defense capabilities while reaffirming respect for Philippine sovereignty. The head of the Philippine Negotiating Panel, Mr. Pio Lorenzo Batino stated that: “with the changing regional security environment along with the changes in the internal environment, there was a need to find a new model for our security arrangement”. Meanwhile, the Ambassador Eric John, Chair of the United States Negotiating Panel stated that the US part looks forward to further talks and reaching an agreement that will strengthen both countries individual and collective defence capabilities, respecting Philippine sovereignty.

The US-Philippine defence relations have been reinforced in 2012 when the two countries conducted joint military exercises. Additionally, since 2012 a U.S. military contingent of 600 US army personnel, including Navy Seals and Seabees are stationed "indefinitely" in the Southern Philippines, in a declared non-combatant role to assist the Armed Forces of the Asian country.

In 2013, during the sixth round of the US-Philippine talks, the Foreign Secretary Albert del Rosario clarified that, due to the constitutional constraints, the establishment of a US military facility could only be allowed if it would be under the control of the Philippine military.

Kyriazis Vasileios,  
Epicos Newsletter Head Editor

## Epicos “Industrial Cooperation and Offset Projects”



Epicos “Industrial Cooperation and Offset Projects” provides a unique set of online tools enabling the structure, identification and implementation of comprehensive Offsets programs, through a searchable database. By introducing different offset projects and ideas proposed by local A&D industry it ensures the optimum cost for Prime Contractors and reassures that the priorities of local industry are fully met...

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### Acquisition of advanced high speed, aerial target technology



A company with significant experience in air-to-air targets design, development and manufacturing is willing to expand its activities in the field of advanced high speed aerial targets technology, including target systems, ground control hardware and associated software for missile training. The acquisition of these technologies could be achieved through a Technology Transfer offset program.

[For Further Information Contact our ICO Department](#)

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### Installation of special protection equipment against virulent diseases in ambulances used for several homeland security applications



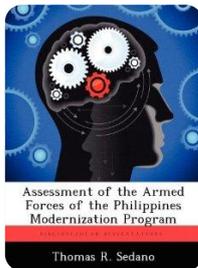
A leading company in the design, manufacture and distribution of medical emergency products for Civil and Military use, proposes a project which is aimed at the installation of virulent protection equipment in special purpose ambulances. The proposed equipment will ensure the safe transfer of the patient(s) and the assisting personnel to the hospital, eliminating the possibility of transfer of the virulent disease to any other person.

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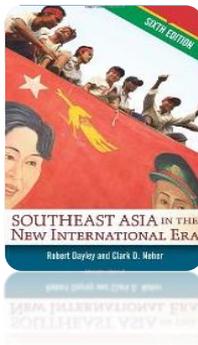


### Assessment of the Armed Forces of the Philippines Modernization Program, Thomas R. Sedano



Republic Act (RA) 7898 signed in 1995 provided the legal basis for the implementation of the AFP Modernization Program. It approved the fifteen-year program in the amount of 331 billion pesos. This study aimed to determine the current state of the AFP Modernization Program by assessing the implementation of the Capability, Materiel, and Technology Development (CMTD) of the program from 2000 to 2006. Using the descriptive-evaluative research method, several factors were identified to have influenced in the implementation of the program, namely: funding, lengthy acquisition process, changes in acquisition policies, shifting of priorities and programs, and assignment of key personnel. The successful implementation of the AFP Modernization Program will need the commitment of the AFP, the Philippine Congress, and the government leadership.

### Southeast Asia in the New International Era, Robert A. Dayley, Clark D. Neher



Southeast Asia in the New International Era highlights the dramatic political events sweeping a dynamic region populated by more than 500 million people. Where economic boom and crisis dominated events in the late twentieth century, economic recovery and policy dilemmas define much of the region today. Amidst domestic developments, ASEAN's global profile continues to rise as the region's governments address a growing array of transnational concerns. This newly revised edition examines these developments and many others affecting the region and international political economy.



### Japan lifts own blanket arms export ban

Japan on Tuesday lifted a self-imposed ban on weapons exports, introducing new rules covering the arms trade in a move supporters say will boost Tokyo's global role, but which unnerved China.

The cabinet of Prime Minister Shinzo Abe approved a new plan that replaces the 1967 blanket ban, Chief Cabinet Secretary Yoshihide Suga told reporters.

Under the policy, arms sales are banned to conflict-plagued countries or nations that could undermine international peace and security, the sales must contribute to international peace and boost officially pacifist Japan's security.

"Under the new principles, we have made the procedure for transfer of defence equipment more transparent. That will contribute to peace and international cooperation from the standpoint of proactive pacifism," Suga said.

"And we will participate in joint development and production of defence equipment," he said.

Japan's post-World War II constitution, imposed by the US-led occupiers, banned the country from waging war.

That pacifism was embraced by the population at large and two decades later a weapons export ban was introduced.

Supporters hope the relaxation in the policy will boost home-grown arms manufacturers at a time of simmering regional tensions including a territorial row with China and fears over an unpredictable North Korea.

The new rules could allow Tokyo to supply weaponry to nations that sit along important sea lanes to help them fight piracy -- an important strategic consideration for resource-poor Japan.

Japanese arms could potentially be shipped to Indonesia as well as nations around the South China Sea -- through which fossil fuels pass -- such as the Philippines, which has a territorial dispute with Beijing.

Japan already supplies equipment to the Philippines' coastguard, an organisation that is increasingly on the front line in the row with Beijing.

Any move to bolster that support with more outright weapon supplies could irk China, which regularly accuses Abe of trying to re-militarise his country.

On Tuesday, Chinese foreign ministry spokesman Hong Lei said Beijing was paying close attention to the relaxation of Tokyo's arms ban.

"The policy changes of Japan in military and security areas concern the security environment and strategic stability of the whole region," he said at a regular press briefing in Beijing.

"Due to historical reasons, Japan's security policies are always closely followed by regional countries and the international community."

China and Japan are at loggerheads over the ownership of a string of islands in the East China Sea, while Beijing is also in dispute with several nations over territory in the South China Sea, which it claims almost in its entirety.

The Tokyo-Beijing diplomatic relationship has long been marred by Japan's expansionist romp across Asia in the first half of the 20th century.

**Source:** 2014 AFP, Agence France-Presse (AFP)

### **US weighs options to reassure E. Europe allies over Ukraine**

The US military may send a warship to the Black Sea and take other steps to reassure anxious allies in Eastern Europe after Russia's intervention in Ukraine, a defense official said Tuesday.

"Some of the proposals that are being considered would be potentially putting another US warship in the Black Sea," a senior defense official told reporters travelling with Pentagon chief Chuck Hagel.

An American destroyer was deployed to the Black Sea earlier in the crisis over Ukraine but departed last month.

Commanders also were looking at expanding a scheduled exercise this summer involving troops from the US Army's 1st Cavalry division, said the official, who spoke on condition of anonymity.

A team of army officers might travel to Europe "soon" to start planning for a more large-scale exercise, the official said.

Hagel told reporters aboard his plane that while diplomacy remained Washington's focus to defuse the crisis, the United States and its NATO partners were looking at more measures designed to reassure alliance members on Russia's border.

In the aftermath of Russia's incursion in Crimea, governments have asked NATO's supreme commander, General Philip Breedlove, to present a list of possible options aimed at demonstrating the alliance's commitment to Eastern European members, including joint exercises, training and other steps, officials said.

"We've asked him (Breedlove) to look at the full range of measures," Hagel said.

But the Pentagon chief would not be drawn on whether the United States would consider permanently basing troops in Eastern Europe.

"We continue to look at different possibilities and options," he said.

Hagel said Washington and other NATO states had already taken steps "to reinforce those countries in Eastern Europe," by sending fighter jets for air patrols in Baltic countries and aviation training in Poland.

Although the United States and European governments may consider imposing additional economic sanctions against Russia over its actions in Ukraine, Hagel said "we want to de-escalate this."

But he said the crisis has unified NATO members and prompted a reaffirmation of their commitment to collective security, he said.

There has been a "coalescing of the NATO partners around the security commitments we have to each other and to Europe."

Hagel spoke en route to Hawaii for a meeting of ASEAN defense ministers, the first leg of a trip that will take him to Japan, China and Mongolia.

**Source:** 2014 AFP, Agence France-Presse (AFP)

## Ukraine agrees to host NATO war games

Ukraine's parliament on Tuesday approved a series of joint military exercises with NATO countries that would put US troops in direct proximity to Russian forces in the annexed Crimea peninsula.

"This is a good opportunity to develop our armed forces," acting defence minister Mykhailo Koval told Verkhovna Rada lawmakers ahead of the 235-0 vote.

The decision came as NATO foreign ministers gathered in Brussels for a two-day meeting dominated by concern over the recent buildup of Russian forces near Crimea that US officials estimate had at one point reached about 40,000 troops.

NATO has sought to reinforce its eastern frontier after Russia's takeover of Ukraine's Black Sea peninsula and amid concerns about Kremlin's emboldened foreign policy.

Russia on Monday reported pulling back a battalion of about 500 to 700 soldiers from the border region in a move that German Foreign Minister Frank-Walter Steinmeier called "a small sign that the situation is becoming less tense".

Ukraine is not a NATO member and its new Western-backed leaders have vowed not to push for closer relations with the Brussels-based military alliance -- a bloc that has been viewed with deep mistrust by Moscow since the Cold War.

But the ex-Soviet nation did form a "distinctive partnership" with the Alliance in 1997 and has been staging joint exercises with its state members ever since.

The exercises approved on Tuesday would see Ukraine conduct two sets of military exercises with the United States this summer -- Rapid Trident and Sea Breeze -- that have prompted disquiet in Russia in previous years.

Ukraine is planning two additional manoeuvres with NATO member Poland as well as joint ground operations with Moldova and Romania.

The Sea Breeze exercises have particularly irritated Moscow because they had on occasion been staged in Crimea -- the home of Russia's Black Sea Fleet.

Those manoeuvres have in more recent years been moved to the Black Sea port of Odessa where Ukraine also has a naval base.

An explanatory note accompanying the Tuesday bill says that the naval section of Sea Breeze would this time be conducted over a 25-day span between July and October out of two Odessa ports and "along the waters of the Black Sea".

**Source:** 2014 AFP, Agence France-Presse (AFP)

### Taiwan's Evergreen, GE announce aviation joint venture

Taiwan's Evergreen Aviation Technologies (EGAT) and General Electric's aviation subsidiary announced a joint venture Monday to specialise in engine maintenance for commercial airliners, including Boeing's 787 Dreamliner.

The new company, GE Evergreen Engine Services, will become operational from 2015 in Taiwan and will become the first company in Asia to make repairs to GE's GENx engines, featured in the Dreamliner and the Boeing 747-8.

"EGAT and GE are now teaming up again to establish GE Evergreen Engine Services to expand the service to the new generation of GENx engines," K.W. Chang, chairman of Evergreen Group's EVA Air, told reporters.

Founded in 1998, EGAT is 80 percent controlled by Taiwan's Evergreen group with the rest held by GE Aviation.

GE Aviation will begin providing training for GENx later this year, with limited work expected to be performed on the engines beginning in 2015, and with full capabilities by 2019.

GE Aviation currently has three GENx engines maintenance facilities: in Britain, Germany and Brazil.

**Source:** 2014 AFP, Agence France-Presse (AFP)

### Boeing, Air Canada Finalize Order for 61 737 MAXs

Boeing and Air Canada have finalized an order for 61 737 MAX airplanes to lead the airline's single-aisle fleet renewal plan. The order, valued at \$6.5 billion at list prices, consists of 33 737 MAX 8s and 28 737 MAX 9s, as well as 18 options and 30 rights to purchase additional 737 MAXs.

"Our narrowbody fleet renewal program with the 737 MAX is expected to yield significant cost savings and is a key element of our ongoing cost transformation program," said Calin Rovinescu, President and CEO of Air Canada. "Projected fuel and maintenance cost improvements of more than 20 percent per seat will generate an estimated CASM reduction of approximately 10 percent compared to our existing narrowbody fleet. In addition, the 737 MAX offers improvements to the environment, making this the best choice for Air Canada."

The 737 MAX improves fuel efficiency and reduces carbon emissions by 14 percent, while reducing the operational noise footprint by 40 percent, compared to today's aircraft.

"We're honored Air Canada selected Boeing for their single-aisle fleet renewal," said Brad McMullen, vice president of North America Sales, Boeing Commercial Airplanes. "The 737 MAX will deliver big fuel savings to the airline while providing Air Canada's customers with best in class passenger amenities."

The 737 MAX incorporates the latest technology LEAP-1B engines from CFM International with other advancements including Advanced Technology winglets, large flight deck displays and the Boeing Sky Interior to deliver the highest efficiency, reliability and passenger comfort in the single-aisle market.

The 737 MAX has accumulated more than 1,900 orders to date from 37 customers worldwide.

Development of the 737 MAX is on schedule with firm configuration of the airplane completed in July 2013. First flight is scheduled in 2016 with deliveries to customers beginning in third quarter of 2017.

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**Source:** Epicos, Boeing