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The Philippines: Background and U.S. Relations

The United States and the Republic of the Philippines have a deep relationship that includes a bilateral security alliance, extensive military cooperation, close people-to-people ties, and many shared strategic and economic interests. The Philippines, a diverse and democratic island nation situated east of the South China Sea and south of Taiwan, has long played an important role in U.S. Asia policy as a willing security and counterterrorism partner. Popular support in the Philippines for the U.S.-Philippines bilateral relationship and alliance has remained strong over the past several decades, but historically has fluctuated in response to domestic concerns and international events.

Current Philippine President Ferdinand Marcos Jr. assumed office in 2022. Marcos is the son of Ferdinand Marcos Sr., who ruled the country from 1965 until he was ousted in 1986. Sara Duterte-Carpio, daughter of former President Rodrigo Duterte (2016–2022), is vice president. Both the president and vice president, who are elected on separate tickets, are constitutionally limited to one six-year term. Observers maintain political groupings in the Philippines tend to be fluid, driven more by personalities and interests than by ideologies and policy platforms.

Though Marcos and Sara Duterte allied their tickets for the election, they have disagreed on policy and personal issues. In February 2025, the Philippines’ House of Representatives impeached Vice President Duterte on corruption charges and for voicing threats against the president. In July 2025, the Supreme Court unanimously declared the impeachment proceedings to be unconstitutional for a lack of due process; new proceedings were initiated in February 2026. The extradition of former President Duterte to The Hague in March 2025, where he faces charges before the International Criminal Court for “crimes against humanity” during his self-declared “war on drugs,” has further riled Philippine politics. The Marcos administration faces popular pressure over corruption allegations related to substandard or nonexistent flood control projects, which came to light following a series of typhoons in 2025.

The Philippines is one of the United States’ five treaty allies in the Indo-Pacific going back to the 1951 Mutual Defense Treaty. In 2023, the two countries increased the number of AFP sites at which U.S. forces are permitted to operate on a rotational basis under the 2014 U.S.-Philippines Enhanced Defense Cooperation Agreement and signed Bilateral Defense Guidelines to clarify the conditions under which the 1951 treaty is operational. U.S. military personnel and the Armed Forces of the Philippines (AFP) hold regular bilateral military exercises and maritime patrols, collaborate on counterterrorism efforts, and conduct joint humanitarian activities. The Philippines is one of the largest recipients of U.S. military assistance in the East Asia-Pacific region, which includes foreign military financing (FMF) and assistance under the Department of Defense (DOD) Indo-Pacific Maritime Security Initiative. DOD is “using a secondary Department of War designation,” under Executive Order 14347 dated September 5, 2025. During his tenure, President Marcos has supported deeper U.S.-Philippine security ties. The Trump Administration has affirmed an “ironclad” commitment to the Philippines, continued providing FMF funds to the country, and approved some new U.S. assistance programs, including related to economic development and public health.

The Philippines and the People’s Republic of China (PRC, or China) have long-standing disputes over waters and land features in the South China Sea. In 2016, an arbitral tribunal established under the United Nations Convention on the Law of the Sea (UNCLOS) concluded that China’s “dashed line” territorial claims have no legal basis. PRC naval, coast guard, and maritime militia vessels repeatedly have contested the Philippines’ ability to operate in the South China Sea. The Philippine government has sought to shift the AFP’s defense posture away from internal security issues and toward external threats—including PRC harassment and interference in the South China Sea. Marcos has continued the government’s focus on external threats through an updated military modernization program and a more visible presence in the Philippines’ exclusive economic zone.

Though the Philippines has been one of the region’s most vibrant democracies, the State Department has emphasized continuing and significant human rights issues, including arbitrary or unlawful killings, police impunity, restrictions on freedom of expression and the media, and threats and violence against labor activists. From 2016 to 2022, former President Duterte’s “war on drugs” resulted in thousands of extrajudicial killings, with estimated deaths related to the campaign ranging from 6,252, according to the Philippine government, to 30,000, as reported by human rights organizations. Since the campaign launched in 2016, the U.S. government has suspended some counternarcotics assistance to the Philippine National Police. Under the Marcos administration, Philippine officials have stated that the government will continue the drug war, though it will target large illegal drug operators rather than petty offenders and focus on drug rehabilitation.

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Overview

The Republic of the Philippines has been an important part of U.S. strategy in East Asia for decades. The country’s strategic location, its security alliance and people-to-people ties with the United States, and its democratic and economic development have shaped close bilateral ties.¹ The U.S. administration of the Philippines as a colonial territory (1898-1946) also has shaped the relationship, with the sometimes-contradictory effects of forging bonds and instilling a wariness of drawing too close to the United States. Filipino-Americans constitute the third-largest Asian origin population living in the United States, with an estimated 4.6 million people in the United States identifying as Filipino in 2023, and comprised the second largest group of foreign-born veterans in the United States in 2022.²

The Philippines, situated east of the South China Sea and south of Taiwan, has long played an important role in U.S. Asia policy and is one of five treaty allies in the Indo-Pacific. The Philippines has been a treaty ally since 1951 and a major non-NATO ally since 2003.³ It is one of the largest recipients of U.S. military assistance, equipment, and training in the region. The country holds strategic importance as a part of what some experts refer to as the “first island chain” in the Pacific, and its maritime territorial disputes with People’s Republic of China (PRC, or China) are a potential flashpoint in the South China Sea.⁴ The Philippines also serves as an important U.S. counterterrorism partner in Southeast Asia.

Since the 1986 People Power Revolution that deposed former authoritarian President Ferdinand Marcos Sr., the Philippines has experienced peaceful transitions of power and has a dynamic political landscape, although corruption and human rights issues persist.⁵ Ties between the United States and the Philippines were strained under former President Rodrigo Duterte (2016–2022). Current President Ferdinand Marcos Jr., also known by

Colonial History

The archipelago now known as the Philippines was colonized by Spain starting in 1565. In 1896, the Philippine Revolution sought independence from Spain; the United States purchased the territory from Spain in the 1898 Treaty of Paris following the Spanish-American War, but did not recognize the Philippines’ independence. U.S. forces battled Filipino resistance fighters in the Philippine-American War (1899-1902) until the Philippines was subdued in 1902. The Philippines gained independence in 1946.

¹ This report does not cover congressional issues related to WWII Filipino veterans who fought under U.S. military command during World War II.

² Carolyne Im, “Facts About Filipinos in the U.S.,” Pew Research Center, May 1, 2025; Jeanne Batalova, “Immigrant Veterans in the United States,” Migration Policy Institute, May 9, 2024.

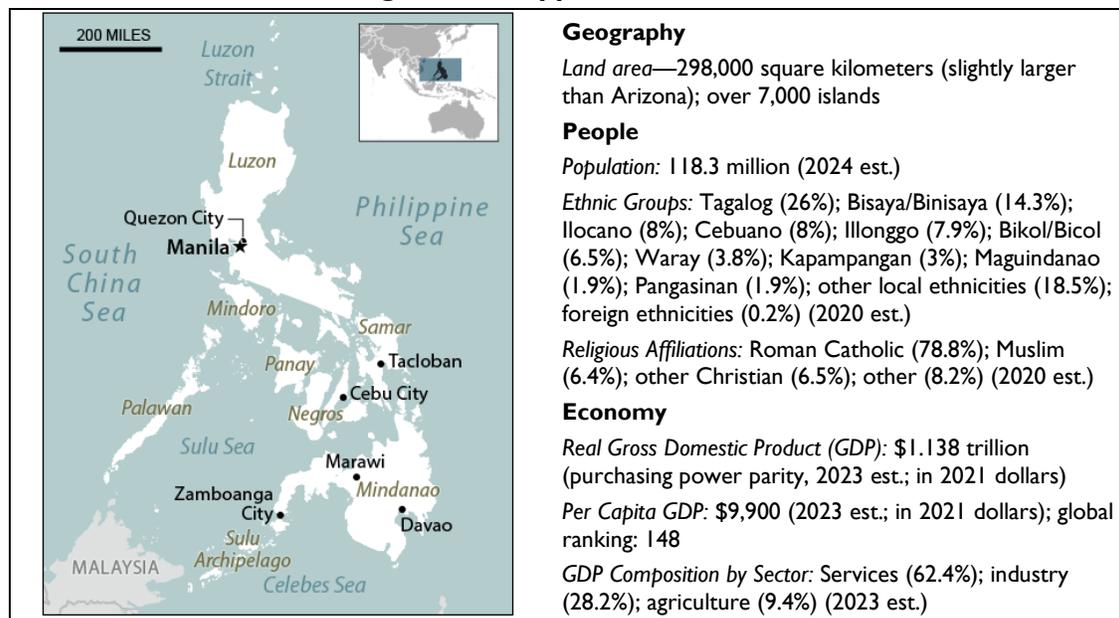
³ Designation of the Philippines as a Major Non-NATO Ally, Presidential Determination No. 2004-02 of October 6, 2003, 68 *Federal Register* 59855. For further information, see Department of State, “Major Non-NATO Ally Status,” fact sheet, January 20, 2025.

⁴ The so-called first island chain extends from southern Japan, down past Taiwan and the Philippines, and to Indonesia, enclosing the sea areas closest to China. The second island chain also starts in Japan, but extends further out into the Pacific, enclosing the Philippine Sea that separates the Philippines from Guam. In discussions of China’s military capabilities and foreign policy goals for the Western Pacific, some security and foreign policy experts assert that China seeks to influence or eventually dominate the first and second island chains, and conversely perceive the areas as locations for the United States, its allies, and partners to counter or contain PRC military ambitions. See, for examples, Andrew S. Erickson and Joel Wuthnow, “Why Islands Still Matter in Asia: The Enduring Significance of the Pacific ‘Island Chains,’” *The National Interest*, February 6, 2016; Thomas Mahnken et al., “Tightening the Chain: Implementing a Strategy of Maritime Pressure in the Western Pacific,” Center for Strategic and Budgetary Analysis, 2019; Andrew Yeo and Michael O’Hanlon, “Geostrategic Competition and Overseas Basing in East Asia and the First Island Chain,” Brookings Institution, February 2023.

⁵ “Freedom in the World 2025: Philippines,” Freedom House, <https://freedomhouse.org/country/philippines/freedom-world/2025>; Department of State, *2024 Country Reports on Human Rights Practices: Philippines*, August 12, 2025. For more, see “Philippine Politics.”

his nickname “Bongbong,” has been a proponent of deepening U.S.-Philippine security and economic ties.⁶

Figure 1. Philippines at a Glance



Source: Map created by CRS using data from the Department of State, Global Admin, and ESRI. Information from Central Intelligence Agency, *The World Factbook*, 2025.

Congressional Interests

Members of Congress have shown interest in the Philippines in several policy areas over which Congress has provided oversight, policy direction, and funding. For a longer discussion of these interests and Congressional action, see “Considerations for Congress” near the end of this report.

- **Strategic Interests.** The Philippines has held strategic importance for the United States for decades.⁷ Trump Administration officials have expressed support for an “ironclad” U.S. commitment to the Philippines, and Secretary of Defense Pete Hegseth has pledged to “work relentlessly to reestablish deterrence in the South China Sea and advance the [U.S.-Philippine] alliance.”⁸ Some experts contend that the Philippines could play a key role in a contingency with China in the region, though Philippine officials and commentators have expressed mixed

⁶ Richard Javad Heydarian, “US Outlasts Duterte’s Failing Dalliance with China,” *Asia Times*, May 19, 2021; Ruth Abbey Gita-Carlos, “PBBM: PH-US Relations Reach New Height, Remain a ‘Beacon of Stability,’” *Philippine News Agency*, September 10, 2025.

⁷ Lee Gim Siong, “In Focus: What Is the Second Island Chain and How Does It Shape US-China’s ‘Geostrategic Wei Qi?’” *Channel News Asia*, June 4, 2025.

⁸ Department of State, “Secretary Rubio’s Meeting with Philippine President Marcos, Jr.,” July 21, 2025; Secretary of Defense Pete Hegseth (@SecWar), “We will work relentlessly to reestablish deterrence in the South China Sea and advance our alliance,” X post, October 31, 2025, <https://x.com/SecWar/status/1984160977789841699>. The Secretary of Defense is using “Secretary of War” as a “secondary title” under Executive Order 14347 dated September 5, 2025. See Executive Order 14347 of September 5, 2025, “Restoring the United States Department of War,” 90 *Federal Register* 43893, <https://www.federalregister.gov/executive-order/14347>.

- views of the country’s willingness and ability to participate in a regional conflict, particularly one related to Taiwan.⁹
- **South China Sea Disputes.** The United States has aimed to partner with the Philippines in countering PRC gray-zone tactics in the South China Sea and to “reestablish deterrence” in the region.¹⁰ Multiple Asian governments—including that of the Philippines—assert sovereignty over rocks, reefs, and other geographic features in the heavily trafficked South China Sea (SCS), with the government of China arguably making the most assertive claims. Among the claimants, only the Philippines has challenged China’s maritime territorial claims and behavior under the United Nations Convention on the Law of the Sea (UNCLOS), including by filing a complaint in 2013 against the PRC under the UNCLOS arbitration process.¹¹
 - **Human Rights Concerns.** Congress has long-demonstrated concerns regarding human rights violations in the Philippines, including extra-judicial killings. Most prominently, former President Rodrigo Duterte’s “war on drugs” resulted in as many as 30,000 deaths. At various times during the past decade and a half, Congress has restricted U.S. security assistance to the Philippines in order to encourage improvements in human rights practices of the Philippine military, police, and government.
 - **Counterterrorism Efforts.** Since the 1970s, Philippine governments have battled Muslim armed separatist and terrorist movements on the southern island of Mindanao and the Sulu archipelago.¹² The Philippines has been a close counterterrorism partner with the United States, particularly following the attacks of September 11, 2001, and has “continued to dedicate significant resources to countering threats from terrorist groups,” according to the Department of State’s 2023 report on terrorism.¹³ The AFP has restricted terrorist groups’ ability to operate, though various groups remain an ongoing, if diminished, threat.¹⁴

⁹ Michael J. Green and Gregory B. Poling, “The U.S. Alliance with the Philippines,” Center for Strategic and International Studies,” December 3, 2020; Edcel John A. Ibarra, “Entangled Fronts: The Philippines’ Anxiety Over a Taiwan Crisis,” National Bureau of Asian Research, June 23, 2025.

¹⁰ Department of Defense, “Readout of Secretary of War Pete Hegseth’s Meeting with Philippine Secretary of National Defense,” October 31, 2025. For more on the PRC’s maritime gray-zone operations, see Todd C. Helmus et al., “Understanding and Countering China’s Maritime Gray Zone Operations,” RAND Corporation, November 2024.

¹¹ See “Tensions in the South China Sea” for details on the UNCLOS arbitral ruling.

¹² Successive Philippine governments, as well as Spanish and American colonial administrators, have struggled to govern—and were perceived as neglecting—the southern provinces of the Philippines, where Muslim populations retained political and demographic advantages until the 20th century. Thomas M. McKenna, “The Origins of the Muslim Separatist Movement in the Philippines,” Asia Society, accessed on February 19, 2026; Amina Rasul, “Radicalization of Muslims in Mindanao: The Philippines in Southeast Asian Context,” in *Islam and Politics: Renewal and Resistance in the Muslim World*, eds. Amit Pandya and Ellen Laipson (Stimson Center, January 1, 2009). In 2014, the Philippine government and the Moro Islamic Liberation Front signed a peace agreement that has precipitated an ongoing and delicate transition of political power to a new entity, the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), in some parts of Mindanao and the Sulu archipelago. For more on the peace process and BARMM, see Haironesah Domado, “Election Delays and the Crisis of Confidence in the Bangsamoro Peace Process,” *The Diplomat*, October 16, 2025; International Crisis Group, “The Philippines: Keeping the Bangsamoro Peace Process on Track,” January 30, 2024.

¹³ Department of State, *Country Reports on Terrorism 2023: Philippines*, December 12, 2024.

¹⁴ Julie Chernov Hwang, “Demobilization and Disengagement: Lessons from the Philippines,” Soufan Center, May 30, 2025.

Philippine Politics

Since former President Marcos Sr. was ousted in 1986, the Philippines has experienced peaceful transitions of power and hosts a dynamic and contentious political landscape, although corruption, political intimidation, and human rights issues present ongoing challenges to Philippine democracy.¹⁵ Ferdinand Marcos Jr., son of the former president, won the 2022 presidential election, receiving more than 31 million out of 55 million votes cast.¹⁶ Sara Duterte, daughter of former President Rodrigo Duterte (in office 2016–2022), won the election for vice president. The Philippine constitution limits both the president and vice president, who are elected on separate tickets, to one six-year term. Though Marcos and Sara Duterte allied their tickets for the election, they have disagreed on policy and personal issues. In February 2025, the Philippines’ House of Representatives impeached the vice president on corruption charges and for voicing threats against the president.¹⁷ In July 2025, the Supreme Court unanimously declared the impeachment proceedings—which had been the subject of delays in the Senate—to be unconstitutional for a lack of due process; according to the court’s judgement, an impeachment complaint could be refiled one year after February 6, 2025, when the original complaint was submitted.¹⁸ In February 2026, several members of the House filed a new impeachment complaint, restarting the process.¹⁹ Conviction in the Senate would preclude Sara Duterte from running for public office; she is seen as a strong contender in 2028 presidential elections.²⁰

The extradition of former President Duterte to The Hague in March 2025 generated additional controversy ahead of the midterm elections.²¹ Rodrigo Duterte faces charges before the International Criminal Court (ICC) for “crimes against humanity” during his “war on drugs” while in office (see “Human Rights Concerns in the Philippines,” below). The Duterte family commands significant political support in the Philippines, particularly in their home island of Mindanao; in 2025, former President Duterte won his race for the mayorship of Mindanao’s Davao City while in detention. As of February 2026, the Trump Administration has not commented on Duterte’s extradition and ICC trial.

The Marcos administration faces popular pressure over corruption allegations and accusations of misappropriated funds related to substandard or nonexistent flood control projects, which came to light following a series of typhoons in 2025. Several Marcos-aligned policymakers, including Cabinet members and the speaker of the House, have resigned as a result of the scandal.²²

¹⁵ “Freedom in the World 2025: Philippines,” Freedom House, <https://freedomhouse.org/country/philippines/freedom-world/2025>.

¹⁶ Jim Gomez, “Marcos Jr. Proclaimed Next Philippine President with Huge Win,” Associated Press, May 25, 2022; Republic of the Philippines Commission on Elections, “Report to the President and the Congress on the May 9, 2022, National and Local Elections,” May 15, 2024.

¹⁷ James Patrick Cruz, “Timeline: Sara Duterte Impeachment,” *Rappler*, February 10, 2025. The “Verified Complaint for Impeachment can be viewed at <https://www.congress.gov.ph/impeachment/>.

¹⁸ Supreme Court of the Republic of the Philippines, “SC: House Impeachment Complaint vs VP Duterte Barred by 1-year Rule, Due Process or Fairness Applies During All Stages of Impeachment Process,” July 25, 2025; Jairo Bolledo and Lian Buan, “Supreme Court Bars Sara Impeachment, Can Be Refiled Next Year,” *Rappler*, July 25, 2025.

¹⁹ Dwight De Leon, “VP Sara Duterte Slapped with 4th Impeachment Complaint,” *Rappler*, February 18, 2026.

²⁰ Mong Palatino, “Why Did Philippine VP Sara Duterte Declare Her Presidential Candidacy?” *The Diplomat*, February 19, 2026.

²¹ International Criminal Court, “Situation in the Philippines: Rodrigo Roa Duterte in ICC Custody,” March 12, 2025.

²² Mong Palatino, “Corruption Allegations and Family Drama Hound Philippine President Marcos,” *The Diplomat*, December 3, 2025; Raissa Robles, “2 Top Philippine Officials in Marcos’ Cabinet Quit Amid Flood Control Scandal,” *South China Morning Post*, November 17, 2025.

The Department of State reported that the 2013 and 2019 midterm elections and the 2016 and 2022 national elections were “generally free and fair,” although there were reports of vote-buying and some incidents of violence.²³ During the democratic era, which began in 1986, the legislative branch and Supreme Court have not served as strong checks on presidential power.²⁴ Observers note political parties and groupings have tended to be fluid and shifting, driven more by individual personalities, interests, and loyalties than by unifying ideologies, policy platforms, and goals.²⁵

Philippine citizens generally can exercise political and civil rights with few restrictions, openly criticize national leaders, and enjoy academic freedom and religious liberties, though criminal complaints and libel laws have been used to attempt to silence government critics, particularly during the Duterte administration.²⁶ Some aspects of Philippine politics have undermined democratic institutions and government effectiveness and led to human rights abuses. These include corruption; concentrations of power among socioeconomic elites and local clans; persistent concerns about the suppression of opposition figures and the media; and a weak judicial system and culture of impunity.²⁷ According to Freedom House, the practice of “red-tagging”—defined as “a form of harassment whereby targets are accused of having links with local communist groups”—physical assaults, and politicized lawsuits have continued to impact media workers and activists.²⁸

U.S.-Philippine Relations

During the administrations of current President Marcos and one of his predecessors, Benigno Aquino III (2010–2016), the Philippines has deepened security relations with the United States, including by expanding U.S. access to Philippine military facilities and agreeing to new Bilateral Defense Guidelines (BDG) in 2023. Both the Biden and Trump Administrations have supported the Philippines through military support and cooperation, economic assistance and agreements, and inclusion in regional initiatives. The Philippines remains an important component of U.S. strategy in the Indo-Pacific region.

In contrast to the U.S.-Philippines relationship under Marcos Jr. and Aquino, relations under former President Duterte were strained. Duterte, who hails from the southern island of Mindanao

²³ Department of State, *2020 Country Reports on Human Rights Practices: Philippines*, March 30, 2021; Department of State, *2016 Country Reports on Human Rights Practices: Philippines*, May 3, 2017; Department of State, *2022 Country Reports on Human Rights Practices: Philippines*, March 20, 2023. International election observers were critical of the 2022 national elections, asserting there were instances of vote-buying, intimidation, disinformation, and violence. Sebastian Strangio, “Philippine Election Marred by Violence, Vote-Buying: Monitoring Mission,” *The Diplomat*, May 20, 2022; International Observers Mission, “Interim Report of the Philippine Elections 2022,” May 19, 2022.

²⁴ Mark R. Thompson, “The Philippine Presidency in Southeast Asian Perspective: Imperiled and Imperious Presidents but not Perilous Presidentialism,” *Contemporary Politics*, vol. 24 (December 11, 2017).

²⁵ Paul D. Kenny, “Why Is There No Political Polarization in the Philippines?” Carnegie Endowment for International Peace, August 18, 2020; Paul Hutchcroft, *Strong Patronage, Weak Parties: The Case for Electoral System Redesign in the Philippines* (World Scientific, 2020).

²⁶ Prominent examples include the several cases against Maria Ressa, a journalist and Nobel Peace Prize winner, and her media site Rappler, and Leila de Lima, a former senator and vocal critic of Duterte who was detained for over six years on charges widely viewed as politically motivated. Jairo Bolledo, “Rappler Again Wins Shutdown Case at Court of Appeals,” *Rappler*, August 8, 2025; Tetch Torres-Tupas, “Leila de Lima Case: 2024 Brings Justice, Freedom,” *Philippine Inquirer*, December 27, 2024.

²⁷ Nicole Curato, “Democratic Expressions Amidst Fragile Institutions: Possibilities for Reform in Duterte’s Philippines,” Brookings Institution, January 22, 2021; Christia Marie Ramos, “‘Culture of Impunity’ Made Filipinos Afraid of Voicing Criticism vs. Admin—Pangilinan,” *Philippine Daily Inquirer*, March 19, 2021.

²⁸ Freedom House, “Freedom on the Net 2024: Key Developments, June 1, 2023–May 31, 2024,”

and has long-held distrust of the United States, sought to strengthen ties with China, which he viewed as a potentially large source of foreign investment.²⁹ Duterte also challenged aspects of the U.S.-Philippines alliance, including by calling for the reassessment of 2014 U.S.-Philippines Enhanced Defense Cooperation Agreement (EDCA), reducing the number of combined military exercises in the Philippines, and threatening to terminate the Philippines-U.S. Visiting Forces Agreement (VFA).³⁰ As tensions between the Philippines and China over disputes in the South China Sea continued to fester, however, the Duterte government sought closer security cooperation with the United States.³¹

Trump Administration officials, including Secretary Hegseth and Secretary of State and Acting National Security Advisor Marco Rubio, have reaffirmed the United States' "ironclad alliance" with the Philippines.³² The United States has continued some existing assistance and promised new funding for FMF and other security programs in support of the Philippines' military modernization, and the Trump Administration has announced several new foreign assistance projects for the Philippines.³³ Several high-level engagements—including visits by Secretary of Defense Pete Hegseth to the Philippines in March 2025 and by President Marcos to Washington in July 2025—have reinforced bilateral ties.³⁴ Marcos' visit to Washington, DC, included meetings with President Donald Trump, Secretary Hegseth, and Secretary Rubio. These meetings yielded a trade framework agreement that reduced tariffs on some U.S. imports from the Philippines to 19% (from 20%) and the announcement of \$60 million in U.S. foreign assistance.³⁵ In return, the Philippines agreed to zero tariffs on some U.S. exports to the Philippines.³⁶

Among Filipinos, popular support for the U.S.-Philippines relationship is strong. According to "The State of Southeast Asia 2025 Survey Report" conducted by the ISEAS-Yusof Ishak Institute, a majority of Filipino respondents (66.5%) were "confident" or "very confident" that the United States "will 'do the right thing' to contribute to global peace, security, prosperity, and governance." By contrast, only 16% of respondents expressed confidence in the PRC.³⁷ Still, specific aspects of the relationship—particularly related to U.S. military access to the country—

²⁹ Derek Grossman, "Duterte's Dalliance with China Is Over," *The RAND Blog*, November 2, 2021; Prashanth Parameswaran, "Why the Philippines' Rodrigo Duterte Hates America," *The Diplomat*, November 1, 2016.

³⁰ John Schaus, "What Is the Philippines-United States Visiting Forces Agreement, and Why Does It Matter?" Center for Strategic and International Studies, February 12, 2020.

³¹ "US-Philippines Alliance Back on Track as Duterte's China Charm Offensive Crumbles," *South China Morning Post*, October 23, 2021.

³² Department of State, "Secretary Rubio's Meeting with Philippine President Marcos, Jr.," July 21, 2025; Department of Defense, "Defense Secretary Pete Hegseth and Philippine Secretary of National Defense Gilberto Teodoro Hold Joint Media Availability," March 28, 2025.

³³ U.S. Embassy in the Philippines, "U.S. Announces PHP3 Billion in Foreign Assistance for the Philippines," July 23, 2025; U.S. Embassy in the Philippines, "U.S. Announces PHP13.8 Billion in Health Assistance to the Philippines," September 12, 2025.

³⁴ Jim Gomez, "Hegseth Tells Philippines the Trump Administration Will Ramp Up Deterrence Against China Threat," Associated Press, March 28, 2025; Department of Defense, "United States-Philippines Joint Statement on Secretary Hegseth's Inaugural Visit to the Philippines," March 28, 2025; U.S. Embassy in the Philippines, "U.S. Announces PHP3 Billion in Foreign Assistance for the Philippines," July 23, 2025.

³⁵ U.S. Embassy in the Philippines, "U.S. Announces PHP3 Billion in Foreign Assistance for the Philippines," July 23, 2025.

³⁶ "President Trump Sets 19% Tariff on Philippines in New Trade Deal," Reuters, July 22, 2025. The status of this agreement is uncertain following the February 2026 U.S. Supreme Court ruling that the President does not have the authority to impose tariffs under the International Emergency Economic Powers Act (IEEPA). See CRS Legal Sidebar LSB11398, *Supreme Court Rules Against Tariffs Imposed Under the International Emergency Economic Powers Act (IEEPA)*, by Christopher T. Zirpoli.

³⁷ Sharon Seah et al., "The State of Southeast Asia 2025 Survey Report," ISEAS-Yusof Ishak Institute, 2025.

have been and remain sensitive. In 1992—in the face of nationalist Philippine opposition to U.S. military bases and during a period of relative peace and stability following the fall of the Soviet Union—the U.S. military withdrew from Naval Base Subic Bay and Clark Air Base after the Philippine Senate rejected the renewal of the 1947 Military Bases Agreement.³⁸ More recently, several high-profile incidents in 2005 and 2014—in which U.S. servicemembers have been accused of serious crimes—have rekindled concerns about the U.S. military presence in the Philippines.³⁹

U.S. Foreign Assistance

According to foreignassistance.gov, the United States provided nearly \$720 million in foreign assistance to the Philippines in FY2024, including Development Assistance (DA), Global Health Programs (GHP), and FMF. The majority of this funding—\$500 million—took the form of FMF, allocated through emergency supplemental appropriation in 2024 (P.L. 118-50).⁴⁰ In recent years, FMF and development and global health assistance administered by the U.S. Agency for International Development (USAID) have comprised the largest share of U.S. assistance to the country (see **Table 1**). Aid programs supported by these accounts aimed at promoting economic development, the rule of law, human rights, health, education, and environmental management, as well as military assistance administered by the Departments of State and Defense in support of the Philippines’ military modernization.⁴¹ Comprehensive FY2025 aid data by country are not yet available. The Trump Administration’s review and restructuring of foreign assistance in 2025—which resulted in the reported cancellation of 83% of U.S. Agency for International Development (USAID)-managed foreign aid programs, and the transfer of remaining programs to the State Department—may have affected 95% of U.S. assistance to the Philippines managed by USAID, according to a March 2025 analysis by the Center for Global Development.⁴²

Table 1. U.S. Foreign Assistance Obligation to the Philippines, FY2018-FY2024

Current \$ in millions

Account	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Foreign Military Financing (FMF)	40.00	65.82	129.16	176.50	120.00	40.00	540.00
Development Assistance (DA)	40.66	68.77	93.09	63.55	79.61	111.57	68.15
Global Health Programs (GHP)	36.15	35.16	21.22	47.31	42.44	47.60	37.37

³⁸ Shawn D. Harding, “There and Back and There Again: U.S. Military Bases in the Philippines,” *Proceedings*, vol. 150, no. 5 (May 2024).

³⁹ Reynaldo Santos Jr., “LOOKING BACK: Daniel Smith and the Subic Rape Case,” *Rappler*, December 1, 2015; Julie McCarthy, “Philippines Pardons U.S. Marine in Killing of Transgender Woman,” *NPR*, September 7, 2020.

⁴⁰ Department of Defense, “Joint Statement on the Philippines-United States Fourth 2+2 Ministerial Dialogue,” July 30, 2024.

⁴¹ Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 2, FY2025*.

⁴² Justin Sandefur and Charles Kenny, “USAID Cuts: New Estimates at the Country Level,” Center for Global Development, March 26, 2025. For more on the Trump Administration’s approach to foreign aid and USAID, see Executive Order 14169 of January 20, 2025, “Reevaluating and Realigning United States Foreign Aid,” 90 *Federal Register* 8619, <https://www.federalregister.gov/executive-order/14169>; CRS In Focus IF10261, *U.S. Agency for International Development: An Overview*, by Emily M. McCabe.

Account	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
International Disaster Assistance	14.73	10.61	15.62	7.52	34.39	9.39	17.57
Agency for International Development, Operating Expenses	10.34	10.63	11.72	11.34	12.02	15.21	17.12
Nonproliferation, Anti-Terrorism, Demining and Related Programs	32.98	20.80	18.11	9.00	16.41	7.89	16.51
Economic Support Fund (ESF)	12.29	22.12	33.34	33.14	16.57	8.97	8.33
Peace Corps	3.60	3.39	2.36	2.22	2.44	3.67	3.80
Trade and Development Agency	—	1.44	1.00	0.53	3.09	1.54	3.62
International Military Education and Training (IMET)	2.07	2.06	2.12	1.74	1.90	2.37	2.40
International Narcotics Control and Law Enforcement (INCLE)	6.96	7.26	6.97	9.75	8.83	7.96	2.38
Other	143.15	166.07	36.80	23.156	3.60	9.66	2.63
TOTAL	342.93	414.14	371.52	385.75	341.31	265.83	719.86

Source: ForeignAssistance.Gov, accessed January 23, 2026.

Notes: The relatively high amounts under “Other” in FY2018 and FY2019 reflect Department of Defense Operation and Maintenance obligations in those years. The DA, GHP, and ESF accounts have historically been implemented primarily by USAID. FMF and IMET are implemented by the Defense Department through the Defense Security Cooperation Agency (DSCA).

Despite these changes, the Trump Administration has continued some foreign assistance, including FMF, and announced new programs for the Philippines. In July 2025, for example, the Administration announced foreign assistance funding pledges totaling at least \$60 million to support energy, maritime, and economic growth programs in the Philippines, including \$15 million for private sector development in the Luzon Economic Corridor; according to the U.S. Embassy in the Philippines, this was the “first announcement of new foreign assistance for any country” since the pause in foreign assistance began.⁴³ In August 2025, the State Department announced \$500,000 in foreign assistance to the Philippines in response to flooding.⁴⁴ In September 2025, Secretary Rubio announced \$250 million in assistance to address public health challenges.⁴⁵

In the past decade, some appropriations legislation has restricted U.S. assistance to the Philippines due to human rights concerns. The Consolidated Appropriations Act, 2018 (P.L. 115-141) allowed International Narcotics Control and Law Enforcement (INCLE) assistance to PNP units only if the Secretary of State certified that the Philippine government “has adopted and is implementing a counternarcotics strategy that is consistent with international human rights

⁴³ U.S. Embassy in the Philippines, “U.S. Announces Php3 Billion in Foreign Assistance for the Philippines,” July 23, 2025; Tammy Bruce, “Department Press Briefing—July 22, 2025,” Department of State, July 22, 2025.

⁴⁴ Department of State, “Update on U.S. Foreign Assistance to the Philippines in Response to Recent Flooding,” media note, August 12, 2025.

⁴⁵ Department of State, “U.S. Announces New Health Sector Assistance for the Philippines,” press statement, September 11, 2025.

standards.”⁴⁶ Similar language was included in the Asia Reassurance Initiative Act of 2018 (P.L. 115-409), which expired in 2023. Appropriations legislation for FY2022 mandated reporting on Philippine security forces related to human rights violations.⁴⁷ The Consolidated Appropriations Act, 2026 (Division F of P.L. 119-75, §7043(h)) prohibits funding for “counternarcotics assistance for the Philippines, except for drug demand reduction, maritime law enforcement, or transnational interdiction.”

The Philippines’ Defense Posture

The AFP traditionally focused on internal security and counterinsurgency. Since the early 2010s, however, the AFP has increased its orientation toward external threats, including through a planned 15-year, \$40 billion military modernization plan started in 2012. The three-phase plan encountered funding and procurement difficulties throughout its implementation, and dozens of projects that were to be conducted in the first two five-year phases (called “horizons”) remain incomplete.⁴⁸ In January 2024, the Marcos administration announced a revamped third phase, rebranded as “Re-Horizon 3,” which committed \$35 billion over 10 years to a procurement program aimed at territorial defense.⁴⁹ Marcos initiated a 2024 “Comprehensive Archipelagic Defense Concept,” which seeks to project AFP capabilities throughout the Philippines’ EEZ and expand the AFP’s ability to defend the entire archipelago.⁵⁰ His administration also has pursued a “transparency initiative” in the South China Sea, seeking to expose and publicize China’s “illegal, coercive, aggressive, and deceptive” actions to garner domestic and international support for the Philippines.⁵¹

Since 2012, the PRC has used military, paramilitary, and civilian vessels to assert its claims over disputed maritime territory near the Philippines, creating a potential flashpoint in the South China Sea that could trigger U.S. security commitments. Some experts have raised concerns about whether and how the Philippines might play a role in a potential U.S. response to a conflict in the Taiwan Strait.⁵² China has responded to the Philippines’ efforts to acquire more advanced

⁴⁶ INCLE assistance is provided through the State Department’s Bureau of International Narcotics and Law Enforcement Affairs (INL).

⁴⁷ Consolidated Appropriations Act, FY2022 (P.L. 117-103).

⁴⁸ Alan Robles and Raissa Robles, “The China Threat Is Finally Prompting the Philippines to Step Up Military Modernisation. Will It Succeed?” *South China Morning Post*, May 12, 2024; Renato Cruz De Castro, “Exploring the Philippines’ Evolving Grand Strategy in the Face of China’s Maritime Expansion: From the Aquino Administration to the Marcos Administration,” *Journal of Current Southeast Asian Affairs* 43(1), 2024; Haena Jo, “Philippines Military Modernization: Revamped but Not Resolved,” International Institute of Strategic Studies, June 23, 2026.

⁴⁹ Frances Mangosing, “Marcos OKs Military’s P2-Trillion Wish List for Weapons, Equipment,” *Philippine Daily Inquirer*, January 29, 2024; Jo, “Philippines Military Modernization”; Presidential Communications Office, “Keynote Speech by President Ferdinand R. Marcos Jr. at the Lowy Institute Peace and Resilience Amidst Great Power Rivalries: The Philippine Perspective,” March 4, 2024.

⁵⁰ Renato Cruz De Castro, “Supporting the Philippines in Kickstarting the Comprehensive Archipelagic Defense Concept (CADC): The Role of the US-Australian Alliance,” *Asia Pacific Bulletin* 691, September 30, 2024.

⁵¹ Richard Javad Heydarian, “South China Sea: The ‘Transparency Initiative’ Success Is Plain to See,” The Interpreter (Lowy Institute), September 9, 2024; Priam Nepomuceno, “PH to Continue Using Transparency Policy vs. China’s Gray-zone Tactics,” *Philippine News Agency*, March 2, 2026.

⁵² Edcel John A. Ibarra, “Entangled Fronts: The Philippines’ Anxiety over a Taiwan Crisis,” National Bureau of Asian Research, June 23, 2025; Derek Grossman, “The Philippines Is Ever More Focused on Taiwan,” *Foreign Policy*, January 29, 2025.

weaponry by accusing the Philippines of provoking a regional “arms race” and “fuel[ing] tensions in the region.”⁵³

In addition to deepening defense ties with the United States, Marcos also has pursued “minilateral” and bilateral security relationships with other partners in the region, including Japan and Australia. Under Marcos, the Philippine government has expressed an interest in playing a greater role in regional security as part of its strategy to defend Philippine interests in the South China Sea. Some analysts warn that the Philippines’ small military expenditure—estimated by the Stockholm International Peace Research Institute at 1.3% of GDP, or \$6.1 billion, in 2024—and volatile political environment could restrict the country’s ability to play such a role.⁵⁴ Following a U.S.-Japan-Philippines summit in 2024, the three countries deepened cooperation between their coast guards and announced a trilateral maritime exercise that took place in 2025, among numerous other joint initiatives on a range of economic, defense, and climate issues.⁵⁵ The Philippines has visiting forces agreements—which, among other possible outcomes, allow the countries’ armed forces to train and operate on each other’s territory—with Australia, Japan, New Zealand, and Canada, and is negotiating similar agreements with France and the United Kingdom.⁵⁶ In August 2025, Marcos made a state visit to India, during which the two sides agreed to elevated their ties to a “strategic partnership,” and after which the Philippine and Indian navies conducted a joint exercise in the South China Sea.⁵⁷ In November 2025, the Philippines deployed the first of three India-made BrahMos anti-ship missile batteries.⁵⁸

⁵³ Raissa Robles, “Philippines Offered 20 US F-16 Fighter Jets in Major Defense Upgrade, Amid China Tensions,” *South China Morning Post*, April 4, 2025; Congyi Lin, “Regular Press Conference of the Ministry of National Defense on December 26, 2024,” PRC Ministry of National Defense, December 31, 2024. On April 1, the State Department approved the possible sale of 20 F-16 fighter aircraft to the Philippines, at an estimated cost of \$5.58 billion; Philippine officials have indicated they have yet to receive a formal offer and are uncertain if the Philippines can afford such an expensive acquisition. Maya Carlin, “Philippines Considers Nixing Its Purchase of F-16 Fighters,” *The National Interest*, June 3, 2025.

⁵⁴ International Crisis Group, “Riding Unruly Waves: The Philippines’ Military Modernisation Effort,” International Crisis Group, August 12, 2025; Stockholm International Peace Research Institute, “SIPRI Military Expenditure Database,” accessed on January 19, 2026, <https://milex.sipri.org/sipri>.

⁵⁵ White House, “Joint Visions Statement from the Leaders of Japan, the Philippines, and the United States,” April 11, 2024; Sebastian Strangio, “Philippines, Japan, US Hold Second Round of Joint Coast Guard Exercises,” *The Diplomat*, June 18, 2025.

⁵⁶ Mikhail Flores and Karen Lema, “Philippines Says Pact with Japan Takes Defence Ties to Unprecedented High,” Reuters, July 8, 2024; Euan Graham, “Allies Entwined: Australia’s Strategic Convergence with the Philippines,” Australia Strategic Policy Institute, November 2025; Richard Javad Heydarian, “Philippines Hopeful but Openly Hedging on Trump,” *Asia Times*, February 26, 2025. While the details vary, broadly these agreements provide the legal basis to allow for mutual military rights and access in each other’s country and facilitate interoperability, military exchanges, and exercises, among other things. The Philippine Senate has yet to ratify the agreements with New Zealand and Canada. Jim Gomez, “Philippines Signs Military Pact with New Zealand to Widen Alliances While Facing an Assertive China,” Associated Press, April 30, 2025; Job Manahan, “Philippines, Canada Ink Landmark Visiting Forces Deal,” *ABS-CBN News*, November 2, 2025.

⁵⁷ Rahul Mishra, “India-Philippines Ties Now Strategic Partnership on Upward Trajectory,” *The Diplomat*, August 12, 2025; Presidential Communications Office, “Fruitful Week: President Marcos Wraps Up Landmark India Visit with Strategic Partnership, \$5.8B Investment Pledges,” August 9, 2025.

⁵⁸ Aaron-Matthew Lariosa, “Philippine Marine Corps Unveils First BrahMos Anti-Ship Missile Battery,” *USNI News*, November 7, 2025.

U.S.-Philippines Defense Ties⁵⁹

The U.S.-Philippines defense relationship is rooted in a history of shared security interests and priorities. During World War II, during which the Philippines was a commonwealth of the United States, over 250,000 Filipino soldiers fought under the American flag.⁶⁰ The military alliance dates back to the 1951 Mutual Defense Treaty, and has continuously evolved to address new and developing threats. Between FY2015 to FY2022, the Philippines received over \$1 billion in U.S. military assistance, making it the largest recipient of such assistance in the Indo-Pacific during that period.⁶¹ Security cooperation has expanded since 2012 from a longstanding emphasis on counterterrorism to a broader focus on maritime security, territorial defense, and combined deterrence, alongside continued humanitarian assistance and disaster response preparedness. Both governments have taken steps to operationalize and deepen cooperation through expanded access for U.S. forces, high-level engagements, increasingly large and complex exercises, and the exploration of defense industrial base cooperation.⁶² The United States also transfers U.S. defense articles to the Philippines through the Foreign Military Sales (FMS), Direct Commercial Sales (DCS), and Excess Defense Articles (EDA) programs.⁶³

Defense Agreements

The 1951 **Mutual Defense Treaty** (MDT) commits the United States and the Philippines to help defend each other against external armed attack.⁶⁴ Article IV of the Treaty states: “Each Party recognizes an armed attack in the Pacific Area on either of the Parties would be dangerous to its own peace and safety and declares that it would act to meet the common dangers in accordance with its constitutional processes.” Article V defines an “armed attack” as one on the “metropolitan territory of either of the Parties,” the “island territories under its jurisdiction in the Pacific Ocean,” or its “armed forces, public vessels, or aircraft in the Pacific.”

The 1999 **Visiting Forces Agreement** governs the legal status of U.S. military forces operating in the Philippines.⁶⁵ The VFA creates rules by which U.S. troops, vessels, and aircraft may enter the country and establishes criminal jurisdiction over U.S. military personnel.⁶⁶ In 1991, the

⁵⁹ This section was coauthored with Christina L. Arabia, Analyst in Security Assistance, Security Cooperation and the Global Arms Trade.

⁶⁰ Ron Sagudan and D’Andrea Jacobs, “The Congressional Gold Medal Tribute to Filipino WWII Veterans,” *VA News*, October 4, 2024.

⁶¹ U.S. Embassy in the Philippines, “U.S. Military Delivers Advanced Unmanned Aerial System to Philippine Air Force,” press release, October 14, 2021; U.S. Embassy in the Philippines, “U.S. Delivers Php48.5 Million in Weapons and Munitions to AFP,” press release, July 8, 2021.

⁶² Defense industrial cooperation was one of the new joint initiatives announced during Secretary Hegseth’s March 2025 visit to the Philippines. Department of Defense, “United States–Philippines Joint Statement on Secretary Hegseth’s Inaugural Visit to the Philippines,” March 28, 2025; Department of Defense, “Joint Vision Statement on U.S.-Philippine Defense Industrial Cooperation,” March 28, 2025.

⁶³ The Philippines was designated a major non-NATO ally in 2003, which allows the country certain defense trade and security cooperation privileges. Designation of the Philippines as a Major Non-NATO Ally, Presidential Determination No. 2004-02 of October 6, 2003, 68 *Federal Register* 59855; Department of State, “Major Non-NATO Ally Status,” fact sheet, January 20, 2025.

⁶⁴ The MDT can be found at https://avalon.law.yale.edu/20th_century/phil001.asp.

⁶⁵ For the text of the Visiting Forces Agreement, see Department of State, “Agreement Between the Government of the United States of America and the Government of the Republic of the Philippines Regarding the Treatment of United States Armed Forces Visiting the Philippines,” *Treaties and Other International Acts Series* 12931, October 9, 1998, <https://www.state.gov/wp-content/uploads/2019/02/12931-Philippines-Defense-Status-of-Forces-10.9.1998.pdf>.

⁶⁶ John Schaus, “What Is the Philippines-United States Visiting Forces Agreement, and Why Does It Matter?” Center for Strategic and International Studies, February 12, 2020.

Philippines rejected the renewal of the 1947 Military Bases Agreement, which would have extended the U.S. lease of Clark Air Base and Subic Bay Naval Base, resulting in the withdrawal of all U.S. troops from the Philippines.⁶⁷ Though former President Duterte submitted a “notice of termination” to the U.S. Embassy in Manila in February 2020, his administration eventually recommitted to the VFA in July 2021, citing U.S. donations of over 3 million doses of the COVID-19 vaccine.⁶⁸

In 2014, the U.S. and Philippine governments signed the U.S.-Philippines **Enhanced Defense Cooperation Agreement**.⁶⁹ Under the EDCA, U.S. military personnel may be deployed on a rotational or non-permanent basis to Philippine military bases, including U.S.-built and -improved facilities, which are to be utilized rent-free by the U.S. military but owned by the Philippines. The agreement aims to “facilitate humanitarian assistance and disaster relief in the Philippines and the region; improve opportunities for bilateral training; and support the long-term modernization of the [AFP] as it works to establish a minimum credible defense.”⁷⁰ In 2023, the United States and the Philippines agreed to increase the number of Philippine bases open to U.S. forces from five to nine.⁷¹ The United States also has invested in Philippine facilities outside the EDCA sites, including two boat repair and maintenance facilities in Palawan Province and a warehouse in Subic Bay for humanitarian assistance and disaster relief equipment.⁷² In July 2025, the two countries announced they would construct a U.S.-funded ammunition manufacturing facility in Subic Bay for joint use.⁷³

Some observers suggest the northern EDCA bases could be used as staging grounds for U.S. forces in a potential conflict with the PRC over Taiwan—the northernmost site is 500 kilometers (310 miles) from the city of Kaohsiung in Taiwan’s south—or as a “rear access area” for U.S.

⁶⁷ The Military Bases Agreement also established the legal status of U.S. forces in the Philippines. The original agreement established 99-year usage rights for various military bases, which was amended in 1966 to 25 years. The Philippine Senate narrowly voted against renewing the treaty in 1991. Katerina Francisco, “LOOK BACK: When the Senate Said ‘No’ to US Bases Renewal,” Rappler, September 16, 2016; Department of State, “Agreement Concerning Military Bases, Manila, 14 March 1947.”

⁶⁸ On February 10, 2020, the Government of the Philippines submitted to the U.S. Embassy in Manila a “notice of termination” of the Philippines-U.S. Visiting Forces Agreement. The Philippine government suspended the termination three times (for six months each), in June 2020, November 2020, and June 2021. Richard Javad Heydarian, “US Outlasts Duterte’s Failing Dalliance with China,” *Asia Times*, May 19, 2021; Andrea Chloe Wong, “Duterte’s Back-Down on US Forces in Philippines,” *The Interpreter*, Lowy Institute, August 24, 2021; Grossman, “Duterte’s Dalliance with China Is Over.”

⁶⁹ For the text of the Enhanced Defense Cooperation Agreement, see Department of State, “Defense Cooperation Agreement Between the United States of America and the Philippines,” Treaties and Other International Acts Series 14-625, April 28, 2014, <https://www.state.gov/wp-content/uploads/2019/02/14-625-Philippines-Defense-Cooperation.pdf>.

⁷⁰ White House, “FACT SHEET: United States-Philippines Bilateral Relations,” April 28, 2014.

⁷¹ Department of Defense, “Philippines, U.S. Announce Locations of Four New EDCA Sites,” April 3, 2023. In the announcement, the Department of Defense publicized it had invested \$82 million in infrastructure for the original five EDCA sites. In July 2024, the Department of Defense stated that the Philippines had invested an estimated \$88.6 million at EDCA locations. Department of Defense, “Joint Statement on the Philippines-United States Fourth 2+2 Ministerial Dialogue,” July 30, 2024.

⁷² “US Will Build Repair Facilities for the Philippine Navy Near the Disputed South China Sea,” AP, July 16, 2025; Joanna Rose Aglibot, “US Marine Corps Opens Warehouse for Aid, Relief in Subic Freeport,” *Philippine Inquirer*, February 6, 2025.

⁷³ Christina Chi, “US Ammo Facility in Subic Bay Could Build World’s Largest Stockpile, Says Trump,” *Philippine Star*, July 23, 2025; CQ Newsmaker Transcripts, “President Trump Participates in a Bilateral Meeting with the President of the Republic of the Philippines,” July 22, 2025.

logistics and military operations.⁷⁴ Philippine officials have expressed caution related to possible crisis-related commitments under EDCA, emphasizing the agreement aims to boost Philippine military modernization, and, in a possible cross-Strait conflict, may help facilitate the evacuation of overseas Filipino workers in Taiwan, who number over 150,000.⁷⁵

In 2023, the Biden and Marcos administrations signed new **Bilateral Defense Guidelines** aimed at modernizing Philippine defense capabilities, deepening interoperability with the United States, enhancing bilateral planning and information-sharing, and combating transnational and nonconventional threats.⁷⁶ The guidelines clarify the conditions under which the MDT can be triggered and state that “an armed attack in the Pacific, to include anywhere in the South China Sea, on either Philippine or U.S. armed forces—which includes both nations’ coast guards—aircraft, or public vessels, would invoke mutual defense commitments under Article IV and Article V of the MDT.”⁷⁷

The BDG laid out several core lines of efforts, and subsequent bilateral meetings tied them to concrete implementation steps and resourcing, which included a commitment by the United States to allocate \$500 million in FMF to support the AFP and an agreement by both parties to jointly fund the Philippines-Security Sector Assistance Roadmap (P-SSAR), which will guide shared modernization planning, investments, and priority equipment delivery over the next 5 to 10 years. According to U.S. documents, the P-SSAR was finalized on July 29, 2024.⁷⁸ The two governments also announced the establishment of a Roles, Missions, and Capabilities (RMC) Working Group to provide policy guidance for joint operations, activities, and investments as well as plans to operationalize the newly agreed on EDCA locations. The United States and the Philippines further tied BDG information-sharing priorities to “concluding” key agreements: the Philippines-U.S. Communications and Information Security Memorandum of Agreement (CISMOA), extended in June 2024, and a General Security of Military Information Agreement (GSOMIA).⁷⁹ In the same meetings, the two governments tied the BDG cyber priorities to the U.S. providing on-demand cyber training to support a new AFP Cyber Command.⁸⁰

⁷⁴ Derek Grossman, “The Philippines Is Ever More Focused on Taiwan,” RAND Corporation, February 1, 2025; Rupert Wingfield-Hayes, “US Secures Deal on Philippines Bases to Complete Arc Around China,” BBC, February 2, 2023; David Brunnstrom and Karen Lema, “Explainer: Why U.S. Seeks Closer Security Cooperation with the Philippines,” Reuters, February 2, 2023; Brad Lendon, “US Gains Military Access to Philippine Bases Close to Taiwan and South China Sea,” CNN, April 4, 2023.

⁷⁵ Michael Martina, Don Durfee, and David Brunnstrom, “Marcos Says Philippines Bases Could Be ‘Useful’ If Taiwan Attacked,” Reuters, May 5, 2023; Renato Cruz De Castro, “The Philippines’ Evolving View on Taiwan: From Passivity to Active Involvement,” Brookings Institution, March 9, 2023; Grossman, “The Philippines Is Ever More Focused on Taiwan”; Priam Nepomuceno, “DND Chief Welcomes Cagayan Mayors Support for EDCA” *Philippine News Agency*, April 21, 2023.

⁷⁶ Department of Defense, “The United States and the Republic of the Philippines Bilateral Defense Guidelines,” May 3, 2023.

⁷⁷ Department of Defense, “The United States and the Republic of the Philippines Bilateral Defense Guidelines.”

⁷⁸ Department of Defense, “Joint Statement on the Philippines-United States Fourth 2+2 Ministerial Dialogue,” July 30, 2024; DOD, “Fact Sheet: U.S.-Philippines 2+2 Ministerial Dialogue,” July 30, 2024.

⁷⁹ CISMOA document available at Department of State, Agreement Between the United States of America and the Philippines Concerning Communications Interoperability and Security, entered into force June 7, 2024. For details on the GSOMIA, see Sebastian Strangio, “Philippines, US Sign Military Intelligence Sharing Agreement,” *The Diplomat*, November 19, 2024.

⁸⁰ Department of Defense, “Joint Statement on the Philippines-United States Fourth 2+2 Ministerial Dialogue,” July 30, 2024; DOD, “Fact Sheet: U.S.-Philippines 2+2 Ministerial Dialogue,” July 30, 2024.

In 2025, Secretary Hegseth publicly described these priorities as ongoing—announcing a new Task Force-Philippines and completion of a two-year action plan to accelerate progress on “major priorities,” while also pointing to advances in defense industrial cooperation.⁸¹

U.S. Security Cooperation

U.S. security cooperation with the Philippines combines State Department-funded assistance with Department of Defense (DOD)-funded capacity building to support Philippine deterrence, maritime domain awareness and security, and defense professionalization capabilities. State Department programs include FMF and International Military Education and Training (IMET).⁸² In July 2024, the United States announced \$500 million in FMF in FY2024 supplemental funds intended to help the Philippines modernize its military and coast guard for external defense; following the Trump Administration’s pause in foreign assistance, Secretary Hegseth announced the release of some of these funds in March 2025.⁸³ DOD’s capacity-building efforts have focused on the development and enhancement of AFP capabilities including intelligence, maritime and border security operations, counterterrorism, and counter-proliferation initiatives. These efforts have occurred under DOD security cooperation authorities, including Section 333 Building Partner Capacity, Section 332 Institutional Capacity Building, and the Indo-Pacific Maritime Security Initiative.⁸⁴

The NDAA for FY2026 (P.L. 119-60) requires annual reports on the U.S. government’s efforts to enhance the U.S. defense relationship with the Philippines, annual U.S. spending on security assistance to the Philippines, specific capabilities needed to modernize the defense capabilities of the Armed Forces of the Philippines (AFP), and the AFP’s absorptive capacity for additional security assistance. The FY2026 NDAA also authorized direct loans of up to \$1 billion through the Foreign Military Financing (FMF) loan program and annual grant assistance of not more than \$500 million each year through FY2030 for the Philippines through the Foreign Military

⁸¹ Department of Defense, “Readout of Secretary of War Pete Hegseth’s Meeting with Philippine Secretary of National Defense,” October 31, 2025; Seth Robson, “US Military Task Force at Work in the Philippines,” *Stars and Stripes*, November 28, 2025; DOD, “United States–Philippines Joint Statement on Secretary Hegseth’s Inaugural Visit to the Philippines,” March 28, 2025; DOD, “Joint Vision Statement on U.S.-Philippine Defense Industrial Cooperation,” March 28, 2025. In his March 2025 visit to Manila, Secretary Hegseth announced the deployment of an anti-ship missile launcher and unmanned surface vessels during the Balikatan exercises, as well as several new joint initiatives including plans to deploy more advanced U.S. military assets to the Philippines, conduct advanced Special Operations Forces training, improve defense industrial cooperation, and launch a cybersecurity campaign. Jim Gomez, “Hegseth Tells Philippines the Trump Administration Will Ramp Up Deterrence Against China Threat,” Associated Press, March 28, 2025; Department of Defense, “Defense Secretary Pete Hegseth and Philippine Secretary of National Defense Gilberto Teodoro Hold Joint Media Availability,” March 28, 2025.

⁸² The Department of Defense is “using a secondary Department of War designation,” under Executive Order 14347 dated September 5, 2025.

⁸³ Department of Defense, “Defense Secretary Pete Hegseth and Philippine Secretary of National Defense Gilberto Teodoro Hold Joint Media Availability,” transcript, March 28, 2025; Ramon Rayondoyan, “U.S. Unfreezes Military Aid to Philippines to Bolster China Deterrence,” *Nikkei Asia*, March 28, 2025. According to Philippine officials, at least a portion of the \$500 million in FMF was exempted in February 2025; Hegseth’s announcement was the first public confirmation from a U.S. official that the FMF funding would continue. See Sam Beltran, “Philippines’ Exemption from US Foreign Aid Freeze Reaffirms ‘First-in-Line’ Status: Analysts,” *South China Morning Post*, March 2, 2025.

⁸⁴ Department of State, “Fact Sheet: U.S. Security Cooperation with the Philippines,” January 20, 2025; U.S. Embassy in the Philippines, “Fact Sheet: U.S.-Philippines Defense and Security Partnership,” February 11, 2022. Section 333 Building Partner Capacity is authorized under 10 U.S.C. §333. The Indo-Pacific Maritime Security Initiative (MSI) was authorized by Section 1263 of the National Defense Authorization Act for FY2016 (P.L. 114-92; last amended and extended in the FY2022 NDAA, P.L. 117-81). Note: DOD security cooperation program details are not made publicly available in a consistent or comprehensive manner; such activities provided in this report are not meant to be an exhaustive list.

Financing (FMF) security assistance program.⁸⁵ The Consolidated Appropriations Act, 2026 (P.L. 119-75) appropriated not less than \$100 million for FMF grant assistance to Philippines in FY2026.

The Philippines participates in the State Partnership Program (SPP) through partnerships with the Hawaii National Guard and Guam National Guard, both of which were established in 2000.⁸⁶ Over the past 25 years, hundreds of SPP engagements have been carried out, spanning air defense, cyber defense, medical readiness, and disaster response, among other areas.⁸⁷ In recent years, SPP engagements have aligned with broader U.S.-Philippines defense planning cycles, including a year-long agenda of over 500 joint planning and training initiatives linked to the Mutual Defense Board and Security Engagement Board processes.⁸⁸ Recent examples of SPP activities include recurring aviation engagements, casualty training exercises, and U.S. participation in a Philippine reservist convention.⁸⁹

Military Exercises

Military exercises are a central feature of U.S.-Philippine security cooperation, with recent iterations increasingly oriented toward multi-domain operations and more demanding, combat-relevant scenarios. Balikatan (“shoulder-to-shoulder” in Tagalog) is an annual large-scale combined exercise, typically integrating U.S. and Philippine Army, Marine, Navy, and Air Force elements (often alongside other partners) to rehearse combined operations across land, sea, and air. Balikatan 2024 included military personnel from France and Australia and focused on complex training and coordination in air and maritime domain awareness, cyber operations, and territorial defense activities, among other activities.⁹⁰ Balikatan 2025, the 40th iteration of the annual exercise, featured a “full battle test,” which included the deployment of the U.S. Navy-Marine Expeditionary Ship Interdiction System (NMESIS); the exercise also included live-fire

⁸⁵ National Defense Authorization Act of Fiscal Year 2026 (P.L. 119-60, §1269 and §1270). Foreign Military Financing (FMF) is implemented by the Defense Department through the Defense Security Cooperation Agency (DSCA). See 22 U.S.C. §2763.

⁸⁶ For more information, see State Partnership Program, U.S. National Guard, at <https://www.nationalguard.mil/Leadership/Joint-Staff/J-5/International-Affairs-Division/State-Partnership-Program/>.

⁸⁷ Mysti Bicoy, “25 Years Strong: Hawai‘i Guard and Philippines Celebrate Enduring Partnership,” Hawaii National Guard, September 30, 2025.

⁸⁸ John Linzmeier, “Hawaii, Guam National Guard Strengthen U.S.-Philippines Ties,” Hawaii Air National Guard, March 31, 2025; U.S. Indo-Pacific Command, “Philippines and U.S. Hold Annual Mutual Defense and Security Engagement Boards,” September 16, 2023. According to U.S. Indo-Pacific Command, “The Mutual Defense Board was established in 1958, and the Security Engagement Board was established in 2006. Together, the two boards form the framework that directs and enables defense and security cooperation between the U.S. and Philippine militaries.” U.S. Indo-Pacific Command, “USINDOPACOM Hosts Philippines for Mutual Defense Board and Security Engagement Board,” August 18, 2025.

⁸⁹ Josen Christian Munoz Pascual, “Guam and Hawaii Guards Strengthen Ties at Philippine Reservist Convention,” Guam National Guard, December 17, 2025; Roann Gatdula, “Hawaii Guard, Filipino Military Conduct Expert Exchange,” Hawaii Air National Guard, September 30, 2024.

⁹⁰ U.S. Indo-Pacific Command, “Philippines and U.S. Conclude Balikatan Exercises, Shoulder-to-Shoulder,” May 10, 2024; U.S. Naval Institute, “Balikatan 2024,” June 2024.

drills with the M142 High Mobility Artillery Rocket System (HIMARS).⁹¹ Smaller contingents of Japanese and Australian troops also participated.⁹²

Other notable annual exercises include Sama Sama (“Together”), which primarily involves U.S. and Philippine naval forces, often with supporting maritime aviation forces; Kamandag (“Cooperation of Warriors of the Sea”), which involves the U.S. Marine Corps and Philippine Marine Corps and other AFP elements; and Salaknib (“Resist”), which primarily involves U.S. and Philippine Army units.⁹³

In April 2024, U.S. forces deployed a mid-range Typhon missile system to the northern Philippines as part of Salaknib 2024.⁹⁴ The system’s range encompasses the South China Sea and the Taiwan Strait, and the PRC has criticized the system’s presence in the Philippines. The AFP has since announced that it was in negotiations to purchase the system.⁹⁵ The U.S. and Philippines also routinely conduct Maritime Cooperative Activities (MCAs), which are typically short, at-sea events often aimed at enhancing interoperability and combined maritime capabilities outside the large annual exercises.⁹⁶

Counterterrorism Operations

U.S.-Philippine counterterrorism cooperation expanded markedly after 9/11 through Operation Enduring Freedom–Philippines (OEF–P), a roughly 14-year effort in which a Joint Special Operations Task Force maintained a continuous presence of approximately 500 to 600 troops to advise and assist Philippine forces against the Abu Sayyaf Group and other transnational terrorist threats in the southern Philippines.⁹⁷ U.S. activities during this period centered on operational advice and support to Philippine counterterrorism operations, training and equipping Philippine units, and combined U.S.-Philippine civil-military and information activities to reduce extremist safe havens and improve government legitimacy.⁹⁸

U.S.-Philippine counterterrorism cooperation deepened after the 2017 siege of Marawi by a coalition of Filipino Islamist extremist groups that had pledged allegiance to the Islamic State (IS,

⁹¹ U.S. Indo-Pacific Command, “Philippines, U.S. Conclude Exercise Balikatan 25,” May 9, 2025; Mikhail Flores, “Philippines, US Launch Joint Combat Drills in ‘Full Battle Test,’” Reuters, April 21, 2025; U.S. Marine Corps, “Philippine, U.S. Troops Kick Off Exercise Balikatan,” April 10, 2025; Jeoffrey Maitem, “US, Philippines Flex Military Muscle with Himars Live-Fire Drills Near South China Sea,” *South China Morning Post*, April 30, 2025.

⁹² U.S. Pacific Fleet, “Exercise Balikatan 2025 Kicks Off with Opening Ceremony Highlighting Ironclad Alliance,” April 21, 2025.

⁹³ Joshua Brandenburg, “Salaknib 2025: Combined Joint Force Executes Logistics Over-the-Shore Operation in the Philippines,” May 4, 2025; Aaron-Matthew Lariosa, “Philippine, Allied Warships Hold Combat Drills in the South China Sea,” *USNI News*, October 16, 2025; John Fischer, “Multinational Forces Set to Launch KAMANDAG 9 in the Philippines,” INDOPACOM, May 5, 2025.

⁹⁴ See CRS In Focus IF12135, *The U.S. Army’s Typhon Mid-Range Capability (MRC) System*, by Andrew Feickert.

⁹⁵ Ryan Chan, “US Missiles Stationed in Philippines Can Reach China: Official,” *Newsweek*, October 28, 2025; Sebastian Strangio, “Philippines Defends Plan to Acquire Typhon Missile System from US,” *Diplomat*, December 30, 2024.

⁹⁶ See, for example, U.S. Indo-Pacific Command, “Philippines, U.S. Conduct Bilateral Maritime Cooperative Activity,” January 27, 2026; Priam Nepomuceno, “PH, US Forces Hold 10th Bilateral Exercise in WPS,” *Philippine News Agency*, December 16, 2025; U.S. Indo-Pacific Command, “U.S., Philippine Coast Guards Conduct Maritime Cooperative Activity,” May 21, 2025; U.S. Indo-Pacific Command, “Australia, Japan, Philippines, and United States Conduct Multilateral Maritime Cooperative Activity,” February 5, 2025.

⁹⁷ The United States designated the Abu Sayyaf Group as a foreign terrorist organization (FTO) in 1997.

⁹⁸ Linda Robinson et al., “U.S. Special Operations Forces in the Philippines, 2001-2014,” RAND, April 6, 2016.

alt. ISIS/ISIL) and the emergence of ISIS-linked elements in the Philippines.⁹⁹ In September 2017, the Secretary of Defense designated Operation Pacific Eagle–Philippines (OPE–P) as an overseas contingency operation (OCO) to support Philippine efforts to “isolate, degrade, and defeat” ISIS affiliates and other terrorist organizations in the Philippines.¹⁰⁰ Through OPE, U.S. forces combined field advising and enabling support, such as logistical support, intelligence sharing, operational planning, and the integration of intelligence, surveillance, and reconnaissance capabilities overcome counterterrorism capability gaps in the AFP.¹⁰¹ The DOD rescinded the OCO designation in 2019, and the Lead Inspector General’s (IG) special quarterly reporting sunset at the end of FY2020. The final IG report noted that DOD had committed \$85.4 million for OPE-P, in which approximately 200 U.S. military personnel served in advisory roles.¹⁰² The final report also noted that the United States’ broader counterterrorism mission and related security assistance would continue under existing authorities.¹⁰³

U.S.-Philippine counterterrorism cooperation today appears to persist through U.S. training and advising as well as bilateral counterterrorism crisis-response activities.¹⁰⁴ In February 2023, DOD described U.S. forces as working closely with Philippine forces through training, advising, and assisting while the Philippines leads and conducts the counterterrorism operations.¹⁰⁵

U.S. Arms Transfers

In addition to receiving military equipment through the U.S. FMF program, the Philippines is eligible to purchase U.S. defense articles at discounted rates through the EDA grant program.¹⁰⁶ The Philippines is among a group of countries that receives priority EDA grant transfers.¹⁰⁷ In some cases, the Philippines supplements U.S. grant assistance with its national funds. Between 2020 and 2024, the Philippines was among the top recipients of EDA in the INDOPACOM area of responsibility.¹⁰⁸ In 2025, the State Department notified Congress of two potential FMS cases for the Philippines: a proposed F-16 Block 70/72 aircraft package (with an estimated cost of

⁹⁹ The conflict in Marawi—a city in the southern province of Mindanao—resulted in the deaths of over 900 militants, over 165 AFP troops, and roughly 50 civilians, as well as the destruction of much of the city. With U.S. noncombat and other foreign military assistance, the AFP retook the city in October 2017.

¹⁰⁰ Department of Defense Office of Inspector General, “Lead Inspector General for Operation Inherent Resolve and Operation Pacific Eagle-Philippines, Quarterly Report to the United States Congress, October 1, 2017–December 31, 2017.”

¹⁰¹ *Ibid.*

¹⁰² By comparison, funding for OPE-P was \$108 million in 2019 and \$100 million in 2018. Lead Inspector General reporting responsibilities terminated at the end of FY2020 since none of the appropriated funding for OPE-P was associated with an Overseas Contingency Operation (OCO). See the 12th and final quarterly IG report for OPE-P: Department of Defense Office of Inspector General, “Operation Pacific Eagle-Philippines: Lead Inspector General Report to the United States Congress, July 1, 2020–September 30, 2020.”

¹⁰³ *Ibid.*

¹⁰⁴ U.S. Indo-Pacific Command, “Philippines, U.S. Complete Tempest Wind 2024,” September 7, 2024; U.S. Indo-Pacific Command, “USINDOPACOM Commander Travels to the Philippines, Commemorates 80th Anniversary of the Liberation of Manila,” February 23, 2025.

¹⁰⁵ U.S. Indo-Pacific Command, “Austin Visit to Philippine Base Highlights Benefits of U.S.-Philippine Alliance,” February 2, 2023.

¹⁰⁶ U.S. Indo-Pacific Command, “U.S. Military Delivers Php183 Million in New Weapons and Equipment to AFP,” press release, June 22, 2021. See also U.S. Embassy in the Philippines, “U.S. Military Delivers Advanced Unmanned Aerial System to Philippine Air Force”; U.S. Embassy in the Philippines, “U.S. Delivers Php48.5 Million in Weapons and Munitions to AFP.”

¹⁰⁷ 22 U.S.C. §2321j(c)(2).

¹⁰⁸ Government Accountability Office, *Excess Defense Articles: DOD Needs to Better Assess the Program*, GAO-26-107627, December 2025.

\$5.58 billion) and a proposed TH-73A training helicopter package (estimated cost of \$120 million).¹⁰⁹ (In September 2025, the Philippine ambassador to the United States indicated that the approved purchase of 20 F-16s had been suspended due to budgetary limitations.¹¹⁰) The Philippines also purchases U.S. defense articles and services through the DCS program.¹¹¹

The Philippine Economy

The Philippines is a lower middle-income country with one of the fastest growing economies in Southeast Asia. Poor infrastructure, high energy and logistics costs, regulatory inconsistencies, a cumbersome bureaucracy, and corruption have hampered efforts to attract foreign investment, according to the Department of State.¹¹² The Philippines is home to the second-largest business process outsourcing sector in the world, generating over \$32.5 billion in revenue in 2022, and is a major exporter of electronic components.¹¹³ Many Filipino workers emigrate for better-paying jobs abroad, and the Central Bank of the Philippines reported remittances from overseas Filipinos in 2024 reached \$38.3 billion (estimated at 8.7% of GDP by the World Bank); official statistics do not include funds sent through informal channels.¹¹⁴

U.S.-Philippines Economic Relations

The United States is the Philippines' third-largest trading partner (after China and Japan) and largest export market. Total goods trade between the two countries came to \$23.5 billion in 2024: \$14.2 billion in U.S. imports from the Philippines and \$9.3 billion in U.S. exports to the Philippines.¹¹⁵ During Marcos' visit to the United States in late July, the two countries announced a trade framework agreement in which the Trump Administration would impose a country-specific tariff of 19% on some Philippine goods imported into the United States; the Philippines would allow some U.S. exports to the country to face no tariffs.¹¹⁶ Philippine officials have

¹⁰⁹ Defense Security Cooperation Agency, Major Arms Sales: "Philippines—F-16 Aircraft," April 1, 2025; "Philippines—TH-73A Training Helicopters and Support," April 15, 2025.

¹¹⁰ Reuters, "Philippines' Potential Purchase of F-16 Jets on Hold Due to Budget Constraints, Envoy Says," September 9, 2025.

¹¹¹ Details about proposed DCS are confidential; however, the State Department mentions some DCS transfers in the following fact sheet: Department of State, "Fact Sheet: U.S. Security Cooperation with the Philippines," January 20, 2025.

¹¹² Department of State, "2024 Investment Climate Statements: Philippines."

¹¹³ Argyll Cyrus Geducos, "Investment in Education Was Able to Bolster PH Economy—Expert," *Manila Bulletin*, July 2, 2023; "Five-Year Forecast: Philippines," Economist Intelligence Unit, February 24, 2025.

¹¹⁴ Central Bank of the Republic of the Philippines, "Personal Remittances Reach a Record High of US\$3.7 Billion in December 2024; Full-Year Level of US\$38.3 Billion Highest to Date," February 17, 2025; World Bank, "Personal Remittances, Received (% of GDP)—Philippines." The Department of Foreign Affairs estimated that 10.8 million Filipinos lived overseas in 2024. According to the Philippine Statistics Authority, the number of Overseas Filipino Workers was estimated at 2.19 million in 2024. Jiselle Anne C. Casucian, "DFA Records over 10.8 Million Overseas Filipinos in 2024," GMA Integrated News, August 27, 2025; Philippine Statistics Authority, "Results of the 2024 Overseas Filipino Workers: Number of Overseas Filipino Workers Grew," December 16, 2025, accessed February 3, 2026, <https://psa.gov.ph/statistics/survey/labor-and-employment/survey-overseas-filipinos>.

¹¹⁵ For more information, see Office of the United States Trade Representative, "Philippines," <https://ustr.gov/countries-regions/southeast-asia-pacific/philippines>; Philippine Statistics Authority, "International Merchandise Trade Statistics of the Philippines 2024," March 26, 2025.

¹¹⁶ "Further Modifying the Reciprocal Tariff Rates," 90 *Federal Register* 37963, July 31, 2025. See CRS Report R48549, *Presidential 2025 Tariff Actions: Timeline and Status*, by Keigh E. Hammond and William F. Burkhart. Previous orders and statements from the Trump Administration indicated that products from the Philippines would be (continued...)

indicated that negotiations are ongoing, and the Philippines will maintain tariffs on some products to protect Philippine industries, including agriculture.¹¹⁷ The status of this agreement is uncertain following the February 2026 U.S. Supreme Court ruling that the President does not have the authority to impose tariffs under the International Emergency Economic Powers Act (IEEPA).¹¹⁸

In April 2024, the United States, the Philippines, and Japan launched the Luzon Economic Corridor (LEZ) at a trilateral summit in Washington, DC.¹¹⁹ Under the Group of 7's 2022 Partnership for Global Infrastructure Investment, the LEZ aims to drive connectivity and development on Luzon island through investment in railways, airports, port modernization, semiconductors, agribusiness, and other sectors.¹²⁰ On July 21, 2025, Secretary Rubio met with Marcos and announced that the Department of State intends to work with Congress to allocate \$15 million to support private sector development in the LEZ.¹²¹

Philippines-China Relations

Although tensions between the Philippines and China over disputed waters and land features in the South China Sea have risen since 2012, the Philippines and China are linked through geographical proximity, extensive economic relations, and complex people-to-people ties. A 2024 Pew Research Center survey indicates that 34% of Philippine respondents held a favorable view of China (compared with a 74% favorability rating for the United States).¹²² Philippine authorities have arrested PRC and Philippine citizens for spying on China's behalf on military sites and critical infrastructure.¹²³ China has denied the accusations and reportedly arrested three Philippine nationals in China on suspicion of espionage against the PRC.¹²⁴ As it has done elsewhere in Southeast Asia and globally, China has sought to influence ethnic Chinese populations in the Philippines.¹²⁵ Neither government has been willing to significantly disrupt economic ties, though between 2012 and 2016, China placed formal and informal restrictions on certain food imports

assessed a 17% and 20% tariff rate if the United States and the Philippines did not come to an agreement. Executive Order 14266, "Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment," 90 *Federal Register* 15625, April 9, 2025; "Philippines to Face 20% US Tariff, Trump Says in Letter to Marcos," *Nikkei Asia*, July 10, 2025.

¹¹⁷ Bea Cupin, "3 Months Later, US-Philippine Trade Negotiations Not Done Yet," *Rappler*, October 27, 2025.

¹¹⁸ CRS Legal Sidebar LSB11398, *Supreme Court Rules Against Tariffs Imposed Under the International Emergency Economic Powers Act (IEEPA)*, by Christopher T. Zirpoli.

¹¹⁹ Department of State, "The United States, the Philippines, and Japan Launch the Partnership for Global Infrastructure and Investment Luzon Economic Corridor," media note, April 11, 2024.

¹²⁰ Kevin Chen, "The Luzon Economic Corridor: A Badly-Needed Win for the US in Southeast Asia?" *The Diplomat*, May 20, 2024; "US Finalizing Plans on Infra Project for Luzon Corridor," *Manila Standard*, June 15, 2024.

¹²¹ U.S. Embassy in the Philippines, "U.S. Announces PHP3 Billion in Foreign Assistance for the Philippines," July 23, 2025. CRS has not been able to independently verify the source of these funds.

¹²² Laura Silver, "More People View the U.S. Positively Than China Across 35 Surveyed Countries," Pew Research Center, July 9, 2024.

¹²³ Republic of the Philippines National Bureau of Investigation, "NBI Arrests Five (5) for Espionage," press release, February 25, 2025; National Security Council of the Philippines, "Statement of the National Security Council," Facebook post and photo, March 4, 2026, <https://www.facebook.com/photo?fbid=1377908564381238&set=a.227251549446951>; Don Mclain Gill, "Uncovering China's Spying Game in the Philippines," *The Interpreter* (Lowy Institute), March 11, 2025.

¹²⁴ Embassy of the People's Republic of China in the Republic of the Philippines, "Statement of the Spokesperson of the Chinese Embassy in the Philippines on the Philippines' Announcement to Have Arrested a So-called 'Chinese Spy,'" January 25, 2025; "Philippines Alarmed Over China Arrest of Alleged Filipino Spies," Reuters, April 5, 2025.

¹²⁵ Teresita Ang See and Carmelea Ang See, "The Rise of China, New Immigrants and Changing Policies on Chinese Overseas," *Southeast Asian Affairs*, 2019.

from the Philippines, most notably bananas, and on some tourism; some observers suggest this is an attempt by the PRC to coerce the Philippines into accepting China's position in the South China Sea dispute (see next section).¹²⁶ China is the Philippines' largest trading partner, its largest supplier of goods, and an important source of investment.¹²⁷

Tensions in the South China Sea

China has constructed and expanded military assets on several disputed features in the Spratly Island chain, including on land features within the Philippines' EEZ (**Figure 2**), and interfered with Philippine commercial and military activity in the Philippines' EEZ.¹²⁸ Since 2019, PRC vessels occasionally have massed around Philippine-occupied land features and harassed fishing and coastguard vessels operating within the country's EEZ.¹²⁹

In 2013, after China gained de facto control of Scarborough Shoal following a confrontation between PRC and Philippine ships, the Philippines sought arbitration over PRC actions under the UN Convention on the Law of the Sea (UNCLOS). In 2016, an UNCLOS arbitral tribunal ruled, among other judgements, that China's use of its "dashed-line" to assert maritime claims or "historical rights" in the South China Sea had "no legal basis."¹³⁰ The tribunal also ruled that China violated the Philippines' sovereign rights by interfering with Philippine vessels, damaging the maritime environment, and engaging in reclamation work on a feature in the Philippines' EEZ. The United States has urged both sides to abide by the ruling, which under UNCLOS is binding on both parties. China declared the ruling "null and void."¹³¹

The Philippines is chair of the Association of Southeast Asian Nations (ASEAN) in 2026, and the Marcos administration has indicated that one of its priorities will be the completion of a South China Sea Code of Conduct between ASEAN and China. Some analysts are skeptical that the

¹²⁶ Matthew Reynolds and Matthew P. Goodman, "Deny, Deflect, Deter: Countering China's Economic Coercion," Center for Strategic and International Studies, March 21, 2023; Gatra Prayandita, "Chinese Coercion in Southeast Asia: Balancing Carrots and Sticks," European Center of Excellence for Countering Hybrid Threats Working Paper, October 26, 2023.

¹²⁷ Philippine Statistics Authority, "International Merchandise Trade Statistics of the Philippines 2024," March 26, 2025; Ji Siqi and Ralph Jennings, "China, Philippines Cautiously Flip Trade Dip as 'Hot Economics, Cold Politics' Define Relations," *South China Morning Post*, August 9, 2023; William Alan Reinsch and Reena Samuel, "Rocking the Boat: The Philippines Trade Strategy Amid Rising Geoeconomic Tensions," Center for Strategic and International Studies, January 31, 2025.

¹²⁸ The Philippines refers to the area of the South China Sea within its EEZ as the West Philippine Sea. Between 2013 and 2015, China undertook land reclamation in the Spratly Islands. According to DOD, the reclamation created around five square miles of artificial landmasses on the seven disputed sites that China controls. Department of Defense, *Annual Report to Congress [on] Military and Security Developments Involving the People's Republic of China 2017*, May 15, 2017.

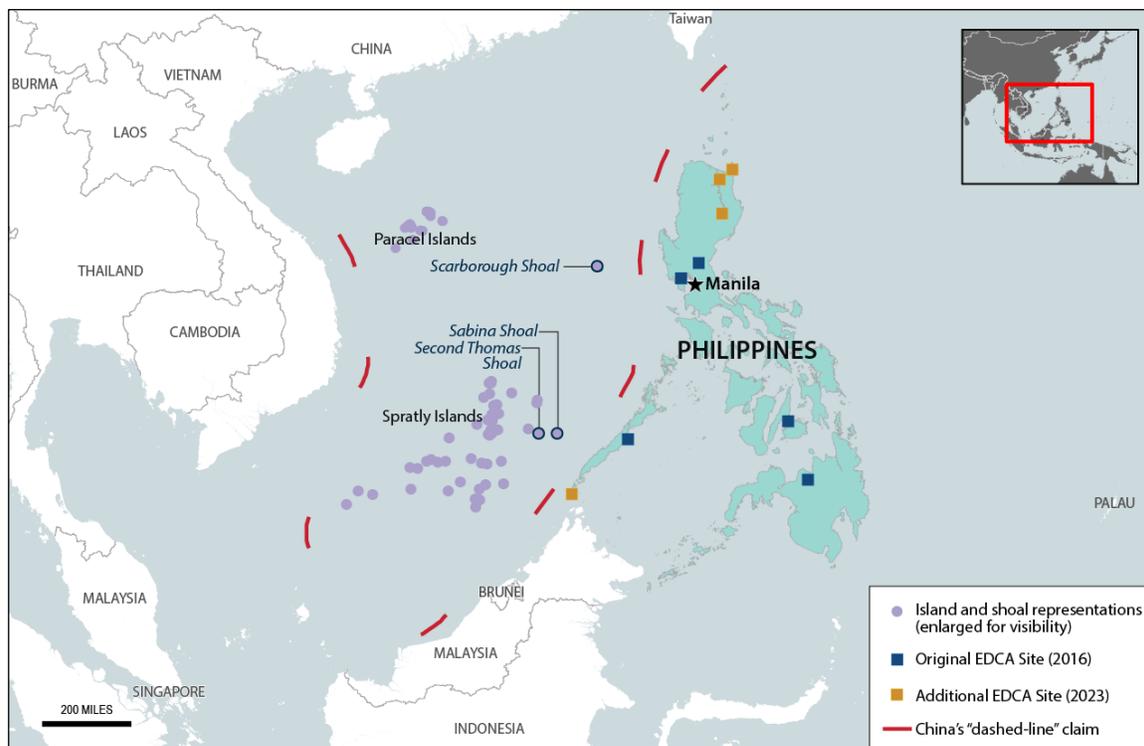
¹²⁹ For more, see CRS In Focus IF12550, *China-Philippines Tensions in the South China Sea*. Department of Defense, *Annual Report to Congress [on] Military and Security Developments Involving the People's Republic of China 2025*, December 23, 2025.

¹³⁰ Permanent Court Arbitration Case No. 2013-19, "In the Matter of the South China Sea Arbitration Before an Arbitral Tribunal Constituted Under Annex VII to the 1982 United Nations Convention on the Law of the Sea Between the Republic of the Philippines and The People's Republic of China, Award of 12 July 2016." Separately, in 2023, China updated its "standard" map to include a 10-dash line, which has a dash off the eastern coast of Taiwan, to demarcate its maritime claims. Council on Foreign Relations, "China's Maritime Disputes: 1895-2024," <https://www.cfr.org/timeline/chinas-maritime-disputes>.

¹³¹ PRC Ministry of Foreign Affairs, "Statement of the Ministry of Foreign Affairs of the People's Republic of China on the Award of 12 July 2016 of the Arbitral Tribunal in the South China Sea Arbitration Established at the Request of the Republic of the Philippines," July 12, 2016.

PRC will be willing to limit its freedom of action through any binding agreement, which has been on ASEAN's agenda since 2002.¹³²

Figure 2. South China Sea, Disputed Features, and EDCA Sites



Source: CRS. Boundaries from the Department of State.

Since 2023, the China Coast Guard (CCG) and PRC maritime militia vessels have escalated their interference with Philippine boats attempting to conduct resupply missions to Second Thomas Shoal in the Spratly Islands chain. The Philippines posts a small cadre of its marines on a now-derelect Philippine Navy ship, the BRP *Sierra Madre*, which it grounded on the shoal in 1999 as part of its efforts to assert its maritime claims. In 2023 and 2024, PRC harassment resulted in at least three collisions between PRC and Philippine vessels, including one in which CCG personnel boarded a Philippine boat.¹³³ In July 2024, the two sides agreed to de-escalate tensions and allow the resupply of the *Sierra Madre*.¹³⁴ The Philippines has successfully resupplied the ship since then, and the two countries reaffirmed the agreement in January 2025.¹³⁵

¹³² Bianka Venkataramani, "With the Philippines as ASEAN Chair, a South China Sea Agreement Is Unlikely to Be Concluded in 2026," Chatham House, December 9, 2025; Monica Sato, "Rhetoric vs. Reality: The Philippines, ASEAN, and the South China Sea," Center for Strategic and International Studies, November 7, 2025.

¹³³ Frances Mangosing, "China Ships Ram, Tow PH Vessels at Ayungin," *Philippine Daily Inquirer*, June 18, 2024; "A Timeline of Clashes Between China and the Philippines in South China Sea, Following Latest Ship Collision," Associated Press, June 17, 2024; Jim Gomez, "Philippines Says a Coast Guard Ship and Supply Boat Were Rammed by Chinese Vessels at Disputed Shoal," *ABC News*, October 21, 2023.

¹³⁴ Carl Thayer, "The State of the South China Sea: Coercion at Sea, Slow Progress on a Code of Conduct," *The Diplomat*, January 27, 2025.

¹³⁵ Carl Thayer, "The State of the South China Sea: Coercion at Sea, Slow Progress on a Code of Conduct," *The Diplomat*, January 27, 2025; Sam Beltran, "'It's a Win': Philippines, China Uphold South China Sea Deal on Resupply Missions," *South China Morning Post*, January 21, 2025.

In April 2024, the Philippines deployed its largest coast guard vessel, the BRP *Teresa Magbanua*, to Sabina Shoal, an unoccupied feature in the Spratlys, responding to reports of crushed coral.¹³⁶ China responded by sending CCG vessels, which later rammed Philippine Coast Guard boats and prevented the resupply of the BRP *Teresa Magbanua*. The Philippine vessel withdrew in September, citing bad weather, lack of supplies, and a sick crew.¹³⁷

Since 2012, China has harassed and blocked Philippine fishing boats operating near Scarborough Shoal, a traditional fishing area for both countries. On August 11, 2025, two PRC vessels—a navy destroyer and a CCG cutter that was deploying a water cannon—collided while chasing a Philippine Coast Guard ship. A U.S. Navy destroyer conducted a Freedom of Navigation operation at the shoal two days later.¹³⁸ In 2024, incidents near Scarborough Shoal included close-proximity aerial maneuvers by PRC fighter jets around Philippine military and civilian aircraft, the deployment of China’s largest coast guard ship, and the use of a water cannon on Philippine vessels delivering provisions to Philippine fishermen near the shoal.¹³⁹

The Philippines and Taiwan

Concerns over the Philippines’ potential role in a Taiwan contingency—particularly given geographic proximity—has driven the expansion of unofficial relations between the Philippines and Taiwan under Marcos. The Philippines does not maintain official relations with Taiwan, which formally calls itself the Republic of China (ROC); the Philippines adopted a “one-China” policy in 1975.¹⁴⁰

While military ties remain sensitive due to the unofficial nature of the relationship, reporting indicates that security cooperation between Taiwan and the Philippines is increasing, including closed-door forums, combined coast guard patrols, and Taiwan military observers attending a U.S.-Philippine exercise.¹⁴¹ During a trip to India in August 2025, Marcos stated that there was “no way that the Philippines can stay out of” a possible conflict between the PRC and the United States over Taiwan, noting Taiwan’s geographical proximity and the presence of Filipino workers in Taiwan.¹⁴² PRC media responded by warning the Philippines to avoid “playing with fire” and interfering with China’s “internal affairs.”¹⁴³ In recent years, Marcos and other Philippine officials

¹³⁶ Meredith Chen, “China Says Its Ships Didn’t Damage South China Sea Reef, but Philippine Coastguard Did,” *South China Morning Post*, August 30, 2024.

¹³⁷ John Eric Mendoza, “‘Surprise of 2024’: Escoda Shoal in West PH Sea Is New Flashpoint,” *Philippine Daily Inquirer*, December 27, 2024.

¹³⁸ Jim Gomez, “US Briefly Deploys 2 Warships to a Disputed South China Sea Shoal After Chinese Collision,” Associated Press, August 13, 2025.

¹³⁹ Jennifer Jett, “U.S. Condemns ‘Dangerous’ Chinese Maneuvers After Close Encounter with Philippine Plane,” NBC News, February 19, 2025; Jeffrey Maitem, “China’s ‘Monster’ Coastguard Ship Tests Philippines’ South China Sea Resolve,” *South China Morning Post*, January 7, 2025; Jim Gomez, “Philippines Says China’s Coast Guard Fired Water Cannons and Sideswiped Its Patrol Vessel,” Associated Press, December 4, 2024.

¹⁴⁰ In the 1975 Philippines-PRC Joint Communiqué, the Philippine government “recognizes the [PRC] as the sole legal government of China” and “fully understands and respects the position of the Chinese Government that there is but one China and that Taiwan is an integral part of Chinese territory.” The Marcos Administration reaffirmed the Philippines’ “one-China” policy in 2024. “Joint Communiqué of the Government of the People’s Republic of China and the Government of the Republic of the Philippines (Peking, June 9, 1975),” November 15, 2000; Department of Foreign Affairs of the Republic of the Philippines, “Statement on the Philippines’ One China Policy,” January 14, 2024.

¹⁴¹ Rebecca Tan, Frances Mangosing, and Pei-Lin Wu, “The Philippines Is Quietly Working with Taiwan to Counter China,” *Washington Post*, July 14, 2025; Franco Jose C. Baroña, “PH Eyes Military Ties with Taiwan,” *Manila Times*, May 1, 2025.

¹⁴² *Firstpost*, “War Over Taiwan and the Philippines: Firstpost Interview Continues to Make Waves,” August 11, 2025.

¹⁴³ Li Yang, “Absurd Logic of Manila’s Game of Flames Belies Its Assigned Role,” *China Daily*, August 11, 2025.

have been more willing to discuss publicly the possibility and implications of conflict in the Taiwan Strait.¹⁴⁴

In April 2025, the Philippines eased restrictions on official travel between Taiwan and the Philippines to encourage economic, trade, and investment ties, though it continues to prohibit high-level interactions.¹⁴⁵ In the past decade, Taiwan has sought to expand relations with Indo-Pacific partners, including the Philippines, and these efforts have yielded deepening trade and commercial ties and increasing people-to-people exchanges, including expanded tourism.¹⁴⁶

Human Rights Concerns in the Philippines

According to the Department of State, human rights concerns in the Philippines include arbitrary or unlawful killings, police impunity, serious restrictions on freedom of expression and media freedom, and threats and violence against labor activists.¹⁴⁷ Former President Duterte's anti-drug campaign resulted in thousands of extrajudicial killings between 2016 and 2022; estimates of anti-drug campaign-related deaths during this period range from 6,252 (the official tally) to 30,000.¹⁴⁸ While Marcos has touted his "bloodless war on dangerous drugs," human rights groups have documented continued abuses, including extrajudicial killings, and a lack of accountability for former Duterte administration officials and police.¹⁴⁹ In addition to the Duterte arrest, the ICC is pursuing investigations against various officials from Duterte's administration. Philippine courts have convicted eight police officers for their actions in the drug war.¹⁵⁰ In 2016, the State Department shifted U.S. funding away from police drug control programs in response.¹⁵¹ Subsequent funds have been directed toward drug demand reduction, maritime law enforcement, and transnational interdiction.¹⁵²

¹⁴⁴ Jing Bo-jiun, "Regional Economic Integration and Taiwan's Unofficial Relations with the Philippines," National Bureau of Asian Research, June 23, 2025.

¹⁴⁵ Office of the President of the Philippines, "Memorandum Circular No. 82," April 15, 2025. For discussion of the order, see Thomas Shattuck, "Signals from the South: An Opening for Stronger Philippines-Taiwan Ties," *Global Taiwan Brief*, vol. 10, no. 10 (May 2025).

¹⁴⁶ Jing "Regional Economic Integration and Taiwan's Unofficial Relations with the Philippines"; Reymund B. Flores, "Strengthening the Fabric, Tightening the Bonds: Taiwan's Soft Power in the Philippines," National Bureau of Asian Research, June 23, 2025.

¹⁴⁷ Department of State, *2024 Country Reports on Human Rights Practices: Philippines*, August 12, 2025; Freedom House, "Freedom in the World 2024."

¹⁴⁸ Republic of the Philippines, Office of the President, Dangerous Drugs Board, "#RealNumbersPH Year 6," at <https://ddb.gov.ph/realnumbersph/>. The official tally of "persons who died during anti-drug operations" covers the time period of July 1, 2016, to May 31, 2022. Ted Regencia, "Arrested on ICC Warrant: What Was Duterte's 'War on Drugs'?" *Al Jazeera*, March 11, 2025.

¹⁴⁹ Alexis Romero, "Marcos Touts 'Bloodless' Drug War, No Extermination," *The Philippine Star*, July 23, 2024; Joel F. Ariate Jr., Aidrielle Raymundo, and Vincent Halog, "The 2024 Dahas Report: More Reported Drug-Related Killings in 2024 Than in 2023," VERA Files, January 14, 2025; Human Rights Watch, "Philippines: Marcos Rights Gains Fall Short," January 16, 2025.

¹⁵⁰ Republic of the Philippines Department of Justice, "Remulla Hails Conviction of 4 Killer Cops in 2016 Drug Bust," June 19, 2024; "Philippine Court Convicts 4 Police Officers for Killings in Duterte Drug War," *BenarNews*, June 18, 2024.

¹⁵¹ Department of State, "Daily Press Briefing—November 28, 2016," November 28, 2016.

¹⁵² "Leahy Laws" prohibit provision of U.S. security assistance to foreign security forces when there is credible information that a recipient has committed "a gross violation of human rights." See CRS In Focus IF10743, *The Philippines: War on Drugs and Human Rights Concerns*, by Thomas Lum, Liana W. Rosen, and Ben Dolven.

Considerations for Congress

Strategic Interests

Members of Congress have demonstrated support for bolstering security ties between the United States and countries in the Indo-Pacific region, including the Philippines, by appropriating funds for maritime domain awareness efforts and authorizing various initiatives in successive National Defense Authorization Acts (NDAA), such as the Pacific Deterrence Initiative and the Indo-Pacific Maritime Security Initiative (MSI).¹⁵³

Given ongoing interest in the Philippines as it relates to U.S. strategic interests in the region, Congress may evaluate U.S.-Philippines defense cooperation, including how U.S. funds are used to address AFP capability gaps and shortfalls. Congress may consider, in particular, how U.S. security assistance is apportioned between the AFP's areas of need, including maritime domain awareness, land-based capabilities, and counterterrorism.

The South China Sea Disputes and Maritime Domain Awareness

Through the MSI, the United States has sought to improve the ability of the Philippines, Vietnam, and other Southeast and South Asian countries to maintain maritime domain awareness and patrol their exclusive economic zones (EEZs).¹⁵⁴ Some Members of Congress have sought to ensure continued U.S. financial and military support for the AFP, the Philippine Coast Guard, and their ability to respond to and defend against PRC armed aggression in the South China Sea.¹⁵⁵

As the United States and the Philippines have expressed common interests in maintaining a “free and open Indo-Pacific,” Congress may analyze the U.S. approach to supporting Philippine efforts to protect its sovereignty and interests in its maritime domain. Congress may debate whether to develop or wield policy tools, such as official statements, indicating their views on the 2016 UNCLOS tribunal decision that China's territorial claims have no legal basis; whether and, if so, how to support multilateral diplomatic efforts to counter PRC assertiveness in the South China Sea; increasing, decreasing, or otherwise adjusting security assistance to the Philippines; or ratifying UNCLOS.¹⁵⁶

¹⁵³ For more on the Pacific Deterrence Initiative (PDI), see CRS In Focus IF12303, *The Pacific Deterrence Initiative*, by Luke A. Nicastro. The PDI was established in the National Defense Authorization Act (NDAA) for FY2021 (H.R. 6395, §1251) and extended in the NDAA for FY2026 (S. 1071, §1251). The Indo-Pacific Maritime Security Initiative was redesignated as such (and expanded and extended) in the NDAA for FY2019 (H.R. 5515, §1252); previously, the initiative was formerly the South China Sea Initiative in the NDAA for FY2016 (P.L. 114-92, §1263) and the Southeast Asia Maritime Security Initiative in the NDAA for FY2017 (S. 2943, §1289). The NDAA for FY2022 (P.L. 117-81, §1241) extended the MSI through 2027.

¹⁵⁴ According to UNCLOS, an EEZ extends up to “200 nautical miles from the baselines from which the breadth of the territorial sea is measured.” A territorial sea extends 12 nautical miles. An EEZ does not confer sovereign rights. The text of the treaty can be found at https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf.

¹⁵⁵ See, for examples, S.Res. 834 and H.Res. 843 the 118th Congress and S.Res. 409 in the 119th Congress.

¹⁵⁶ Some Members of Congress have sponsored legislation calling on the U.S. Senate to ratify UNLCOS, such as S.Res. 331 in the 119th Congress and H.Res. 361 in the 117th Congress. Policymakers and experts have debated the effectiveness of ratifying the agreement in furthering U.S. interests, including in the South China Sea. For various perspectives on the value of U.S. ratification of UNCLOS, see James Kraska and Raul Pedrozo, “Up for Debate: Should the U.S. Ratify UNCLOS?” Center for Maritime Strategy, December 26, 2023; Robert Beckman, “On the United States, the UN Convention on the Law of the Sea and US Freedom of Navigation Operations,” *ISEAS Perspective* 2002/73, July 18, 2022.

Human Rights Concerns

The Asia Reassurance Initiative Act of 2018 (ARIA, P.L. 115-409; expired in 2023) supported a multipronged U.S. strategy for advancing a “Free and Open Indo-Pacific,” including the promotion of human rights in the Indo-Pacific region. Foreign assistance appropriations, including legislation for FY2024 (P.L. 118-47), restricted counternarcotics assistance to the Philippines “except for drug demand reduction, maritime law enforcement, or transnational interdiction.”¹⁵⁷ Pursuant to appropriations legislation, in November 2025 the State Department submitted a report to the Committees on Appropriations assessing the extent to which the AFP and the Philippine National Police (PNP) are respecting human rights and the rule of law.¹⁵⁸

Congress may assess U.S. assistance for strengthening oversight of police and military forces and enhancing the efficacy of the judicial system. Previous U.S. assistance, for example, have included efforts to improve governance, strengthen the rule of law, and improve judicial processes.¹⁵⁹ Given past and ongoing congressional restrictions on U.S. security assistance to the Philippines due to human rights concerns, Congress may consider the extent to which the restrictions affected human rights conditions in the Philippines and on U.S.-Philippine relations, and deliberate the merits of such restrictions.

Counterterrorism Efforts

Groups affiliated with the Islamic State (IS, alt. ISIS/ISIL), including ISIS-East Asia, remained active in 2022, according to the U.S. Department of State, and in 2023, ISIS-affiliated militants claimed responsibility for a bombing attack on a Catholic mass in Marawi.¹⁶⁰ The blast, which killed four worshippers, followed a series of Philippine military operations against ISIS-affiliated groups in the region.¹⁶¹

Congress may assess the current status of terrorist threats to U.S. interests in the southern Philippines and the appropriate type and extent of support for the AFP’s counterterrorism efforts, the delicate political arrangement preserving some stability in Bangsamoro, conflict recovery efforts, and/or long-term economic development in the region, if any.¹⁶²

U.S.-Philippines Economic Relations

Given China’s economic engagement and influence in the region and Philippine interest in strengthening economic ties with the United States, Congress may consider whether and to what

¹⁵⁷ P.L. 118-47, §7043(h)(2), specifically limits counternarcotics assistance for the Philippines under the heading “International Narcotics Control and Law Enforcement.” This language was carried over in FY2025 legislation via continuing resolution (P.L. 119-4) and repeated in FY2026 appropriations legislation (H.R. 7006).

¹⁵⁸ Department of State, “Report to Congress on Steps Taken by the Government of the Philippines During the Preceding 12 Months to Document and Prosecute Human Rights Abuses Committed by the Philippines Police and Military,” November 2025. This report is mandated in S.Rept. 118-71 through the Further Consolidated Appropriations Act, 2024 (P.L. 118-47, §7019(e)) and the Full-Year Continuing Appropriations Act, 2025 (P.L. 119-4).

¹⁵⁹ See, for example, USAID’s Judicial Strengthening to Improve Court Effectiveness (JUSTICE) Project, at <https://2012-2017.usaid.gov/philippines/partnership-growth-pfg/justice>.

¹⁶⁰ In 2018, the U.S. State Department added ISIS-Philippines (renamed ISIS-East Asia in 2020) to its foreign terrorist organization (FTO) list. Department of State, *Designated Foreign Terrorist Organizations*, <https://www.state.gov/foreign-terrorist-organizations/>.

¹⁶¹ Department of State, *Country Reports on Terrorism 2023*; Karen Lema and Neil Jerome Morales, “Islamic State Claims Responsibility for Deadly Philippine Bombing,” Reuters, December 4, 2023.

¹⁶² For more on Bangsamoro and the Bangsamoro Autonomous Region in Muslim Mindanao, see footnote 12; International Crisis Group, “Peace in the Philippines: The Bangsamoro’s Moment of Truth,” no. 355, March 10, 2026.

extent to promote closer U.S.-Philippines economic ties and provide alternatives to PRC infrastructure financing, including through bilateral trade arrangements, the U.S. International Development Finance Corporation, initiatives to offset the effects of PRC economic coercion attempts, or other programs and financial entities.

Selected Legislation in the 118th and 119th Congresses

- The **National Defense Authorization Act for Fiscal Year 2026** (P.L. 119-60) requires the Secretary of Defense, in coordination with the Secretary of State, to submit annual reports on enhancing the U.S. defense relationship with the Philippines, U.S. spending on assistance to the Philippines, and specific capabilities needed to modernize the defense capabilities of the AFP and the AFP's absorptive capacity. The NDAA also authorizes direct loans of up to \$1 billion for FMF loan programs through FY2030 and annual grant assistance to the Philippines not more than \$500 million each year through FY2030.¹⁶³ Aspects of this language stem from the Philippines Enhanced Resilience Act (PERA) Act (S. 4097), introduced in the Senate in the 118th Congress. The Joint Explanatory Statement for the FY2026 NDAA further directs the Secretary of State, in coordination with the Secretary of Defense, "to develop and implement a multiyear plan to provide for the acquisition of appropriate defensive capabilities by the Philippines and to engage with the Philippines in a series of combined training, exercises, and planning activities to enhance the United States-Philippines defense relationship."¹⁶⁴
- The **Consolidated Appropriations, 2026** (Division F of P.L. 119-75) would make available for assistance for the Philippines not less than \$100 million in FMF and not less than \$80.3 million under the heading National Security Investment Programs. According to the House report (H.Rept. 119-217) associated with the original State appropriations bill (H.R. 4779), these funds are intended "to help modernize the alliance, strengthen deterrence, and continue to support a prosperous, secure Philippines." That report also states that "the Committee notes the ongoing threat to the Philippines posed by the PRC's campaign of intimidation and maritime occupation in the South China Sea."
- The **FY2026 Department of Defense Appropriations Act** (Division A of P.L. 119-75) includes an increase of \$40 million for the Philippines within the Defense Security Cooperation Agency's International Security Cooperation Programs (ISCP) Account.¹⁶⁵ The Joint Explanatory Statement further requires the DOD to submit to Congress a spend plan, a report on PRC threats to the security of the Philippines, and a plan for enhanced security cooperation.¹⁶⁶

¹⁶³ National Defense Authorization Act of Fiscal Year 2026 (P.L. 119-60, §1269 and §1270).

¹⁶⁴ The "Joint Explanatory Statement to Accompany the National Defense Authorization Act for Fiscal Year 2026" can be found at https://armedservices.house.gov/uploadedfiles/fy26_ndaa_joint_explanatory_statement.pdf.

¹⁶⁵ The ISCP account is used to fund activities under 10 U.S.C. §332, §333 and Section 1263 (the Indo-Pacific Maritime Security Initiative) of P.L. 114-92.

¹⁶⁶ The Joint Explanatory Statement for FY2026 Defense appropriations can be found at https://www.appropriations.senate.gov/imo/media/doc/fy26_def_jes.pdf.

- The **Further Consolidated Appropriations Act, FY2024** (P.L. 118-47, §7043(h)(2)), restricted funding under the heading “International Narcotics Control and Law Enforcement” to the Philippines “except for drug demand reduction, maritime law enforcement, or transnational interdiction.”¹⁶⁷ This wording was carried over into the **Full-Year Continuing Appropriations and Extensions Act, 2025** (P.L. 119-4) and is included in the **Consolidated Appropriations Act, 2026** (Division F of P.L. 119-75, §7043(h)).
- Some Members of Congress have sought to express support for continued U.S. financial and military assistance for the AFP, the Philippine Coast Guard, and their ability to counter PRC vessels in the South China Sea. Examples include S.Res. 834 and H.Res. 843 in the 118th Congress and S.Res. 409 in the 119th Congress.

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¹⁶⁷ P.L. 118-47, §7043(h)(2), limits counternarcotics assistance for the Philippines under the heading “International Narcotics Control and Law Enforcement.”