HOUSE OF REPRESENTATIVES
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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 6085

Introduced by Reps. Janette L. Garin and Jose de Venecia, Jr.

EXPLANATORY NOTE

Today's mode of transportation has exceedingly improved. The introduction of the Roll on/Roll off ship or the so called "Ro-Ro" was well received by businessmen and entrepreneurs because it allows them to transport their products to any part of the country in a less costly manner. Similarly, passengers who do not have enough money to cover fares for boats and airplanes find the taking of "Ro-Ro" a good and economical alternative.

While Roll on/Roll Off ship program has drawn a lot of patronage from the going public, yet to some extent taking the "Ro-Ro" could be tiresome. The concept of "Ro-Ro" is basically a passenger/car ferry on short sea routes. Thus, public buses have to go to the nearest port where available ferries will carry it to the next port of destination. This being the case, passengers have to disembark from the ferries and return to the buses several times so that they will be able to continue with the duration of their travel.

The intendment of this Bill is to provide the public with another mass transport system that is cheaper, faster, safer and reliable. It also envisions to enhance agricultural productivity and promote inter-regional trade and commerce.

With the enactment of this Bill, the public will have an opportunity to travel in any part of Luzon, Visayas and Mindanao via a railway system that links the three islands of the Philippines. Furthermore, this Bill will bring about the consolidation of the Philippine National Railways (PNR), the Light Rail Transit Authority (LRTA), the Panay Railways and the North Luzon Railway Corporation (NLRC) including all other rail offices and agencies into one entity which will exercise overall authority and management over the general conduct of the railway system of the country.

Premises considered, the immediate approval of this bill is earnestly sought.

JOSE DE VENECIA, J.R.
4th District, Pangasinan

JANETTE L. GARIN, M.D.
1st District, Iloilo

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HOUSE OF REPRESENTATIVES
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THIRTEENTH CONGRESS
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HOUSE BILL NO. 6085

Introduced by: Representatives JANET L. GARIN AND SPEAKER JOSE C. DE VENECIA, JR.

AN ACT
INSTITUTING THE PHILIPPINE NATIONAL RAILWAY SYSTEM AND FOR OTHER PURPOSES

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

ARTICLE 1
GENERAL PROVISIONS

SECTION 1. Title. – This Act shall be known as the Philippine National Railway Act of 2007.

SECTION. 2. Declaration of Principles and Policies. –

a. The State shall promote the railway industry as an instrument for national progress and prosperity.

b. The State shall establish a National Railway System that is cost effective, reliable, efficient, accessible and sustainable;

c. The State shall promote the participation of the private sector in the building and construction of railway infrastructure;

d. The State shall promote the cooperation between the government and the private sector including the local government units in the development, implementation and operation of railway systems;

e. The State shall promote the safety and security of the general railway riding public and provide for their convenience;

SECTION 3. Purposes. – This Act shall have the following purposes:

1. To enhance agricultural productivity
2. To accelerate the industrialization of the countryside

3. To enhance tourism in the countryside
4. To decongest the metropolis

5. To depollute the metropolitan areas
6. To decentralize development to the rural areas
7. To reduce national dependence on oil imports
8. To reduce the importation of vehicles
9. To reduce the cost of road maintenance
10. To promote inter-regional trade and commerce
11. To facilitate the collection and transportation of garbage
12. To facilitate the movement of people, goods, and services
13. To provide cheaper, faster, safer and reliable mass transport systems
14. To generate job opportunities

ARTICLE II
DEFINITION OF TERMS

SECTION. 1. – Definitions. – As used in this Act:

a) "Railway" means an undertaking that is operated for the purposes of transporting individuals, goods and commodities or any one or more of them by means of rolling stock operated on track, but does not include an urban rail transit system;

b) "Urban Rail Transit System" means any undertaking that is a street railway, tramway, light rail transit railway or similar undertaking the purpose of which is to transport the general public within an urban area;

c) Subway – underground railroad

d) Maglev – means magnetic levitation train that operates at the speed of 500k ms per hour.

e) Depot as used in this act means – an area where the vehicles are parked for maintenance, repair and reconditioning

f) Station as used in this act means – loading and unloading area for rail commuters

g) "Rolling Stock" means any locomotive or railway car that operates on track and any other vehicle that by design or by the way it is equipped is capable of being operated on track;

h) "Track" means railway track and includes any land or right of way on which the railway track is located and any signals and apparatus used in respect of the operation of the railway track;

i) "Structural Facilities" means, in respect of a railway, bridges, tunnels, overpasses, culverts, crossings and similar structures;

j) "Public railway" means a railway that is operated for the purposes of transporting individuals, goods and commodities or any one or more of them for a toll or fee, but does not include, an amusement railway, or an industrial railway;

k) "Amusement Railway" means a railway that is operated wholly within the confines of an amusement, historical or similar park or site, or that is operated wholly or in part outside the confines of an amusement, historical or similar park or site, for the purpose of providing rides to individuals on rolling stock and is not operated for the purposes of transporting goods or commodities for a toll or fee or of being a common carrier;

l) "Industrial Railway" means a railway that transports only goods or commodities that are manufactured, refined or otherwise produced, processed or handled by the person who operates the railway or on whose behalf the railway is operated, and is operated wholly or in part

within the confines of the industrial site on which goods or commodities are manufactured, refined or other wise produced, processed or handled, and is not operated for the purposes of transporting goods and commodities for a toll or a fee or of being a common carrier;

m) "Approval" means an approval granted under this Act and includes an amendment to the approval;

n) "Authority" means the Philippine National Railway Authority;

o) "Secretary" means the minister/head of the Philippine Department of Transportation and Communications;

p) "National Railway Administrator" means a person appointed as Chief Operating Officer of the Philippine National Railway Authority;

q) "Railway Safety Officer" means a person designated as a railway safety officer and includes any person authorized by the Railway Regulatory Board to carry out duties or functions on behalf of or in place of a railway safety officer;

ARTICLE III

STRUCTURE OF THE NATIONAL RAILWAY INDUSTRY

SECTION 1. - The national railway industry is comprised of both the public and private domains. (a) The public domain shall consist of two (2) bodies: the Philippine National Railway Authority and the Railway Regulatory Board. These bodies are responsible for all sovereign tasks relative to the development of the railway industry. (b) The private domain of the national railway industry encompasses ownership and operation of railway systems and its maintenance. Specifically, the role of the private sector in the railway industry includes ownership of railway systems, provision of rolling stocks and the operation of the same under the Build-Operate-Transfer (B-O-T) schemes.

SECTION 2. – Responsibilities in the Public Domain. - The sovereign tasks to be managed in the public domain of the railway industry include the ownership, operation and maintenance of the existing railway infrastructure.

SECTION 3. - Responsibilities in the Private Domain. - Activities in the private domain also include the ownership, operation and maintenance of all kinds of railway systems and services to which this law is applied and the maintenance of the means required for the operation of the services. The right to operate and maintain public railways by the public sector will be tendered by the Philippine National Railway Authority, and concession contracts are awarded to the service provider which is offering the best level of service in accordance with the required]

standards for railway safety and railway operation & maintenance at lowest possible cost. It shall also provide details of the tendering procedures, bid evaluation and technical as well as operational standards.

ARTICLE IV
PHILIPPINE NATIONAL RAILWAY AUTHORITY

SECTION 1. Philippine National Railway Authority. The Philippine National Railway Authority is hereby created with a Board of Directors composed of the Secretary of Transportation and Communications as Chairman, the Director General of the National Economic and Development Authority as Vice Chairman and the Secretaries of the Departments of Public Works and Highways, Finance, Budget and Management, Environment and Natural Resources, Interior and Local Governments and the Chairman of the Metro Manila Development Authority including the President of the Philippine Chambers of Commerce & Industry as members.

The Chairman and the Members of the Board may designate their respective alternates to the Board from among their own officials with the rank of undersecretaries.

SECTION 2. Mandate. The Philippine National Railway Authority is hereby mandated to establish a National Railway System covering the islands of Luzon, Visayas and Mindanao including the metropolitan areas in the Philippines as the Authority may determine.

SECTION 3. Powers, Duties and Functions. – The Philippine National Railway Authority shall have the following powers, duties and functions:

(a) To have continuous succession under its corporate name;

(b) To sue and be sued;

(c) To adopt, alter and use a corporate seal;

(d) To amend, and repeal its By-laws;

(e) To acquire, own, hold, administer and lease such real or personal property as it deems necessary or convenient in governing its business affairs and to lease, mortgage, sell, alienate or otherwise dispose of any such real or personal property held by it except its right-of-way;

(f) To enter into any obligation, assign or accept the assignment of, and rescind any agreement or contract necessary or incidental to the proper functioning of the Authority;

(g) To contract loans, indebtedness and credit accommodations, in any local or convertible foreign currency, from any international financial institution, foreign government entities and local or foreign private commercial banks or similar institutions under such terms and conditions prescribed by law, rules and regulations, and to issue commercial papers and bonds in connection therewith;

(h) To construct, own lease, operate and maintain public utilities, infrastructure facilities and such auxiliary support services needed to develop, operate and maintain a national railway system;

(i) To design, construct, maintain, and operate by itself or by delegation to, or through contractual arrangement such auxiliary infrastructure support facilities as, but not limited to, parking structures above or below the ground, including the means of access;

(j) To prescribe, fix and regulate the route of railway transport;

(k) To receive donations, grants, bequest and assistance of all kinds and to utilize the same;

(l) To exercise the right of eminent domain in the name of the Republic of the Philippines and in the acquisition of real estate by excess condemnation or escheat proceedings, including appurtenant properties. The title thereto shall be registered in the name of the Government and thereupon all such properties shall be entrusted to the Authority as agent of the Government;

(m) To form, establish, organize and maintain subsidiary corporations or joint ventures formed in accordance with the Philippine Corporation Code;

(n) To privatize any part or all of the railway system or any subsystem under the Authority, in accordance with the law;

(o) To promulgate such rules and regulations as may be necessary to carry out the objectives of this Act, and

(p) To perform such other powers as may be necessary to carry out the purpose of this Act.

(q) Formulate and adopt a master plan for a national railway system with ecological and environmental standards;

(r) Promote and encourage the active participation of the private sector, both local and international, and the local government units in the development, implementation and operation of railway system;

(s) Implement or cause the implementation of the national railway plan, policies and programs according to a schedule of priorities consistent with the needs and available resources;

(t) Control and develop, construct, operate and maintain railway facilities including parking stations and terminals for freight, goods and cargoes;

(u) Regulate the schedule, frequency, routing and pricing of railway services; and

(v) Call upon any government agency for such assistance as may be necessary in the discharge of its duties and functions.

SECTION 4. Powers and Functions of the Board. The powers of the Authority shall be vested in and exercised by a Board of Directors, hereinafter referred to as the "Board".

The Board shall have the following powers and functions:

(a) Formulate policies, rules and regulations, plans, projects and programs;

(b) Direct the management, operations and administration of the Authority;

(c) Create offices or positions necessary for the efficient operations of the Authority and fix the remuneration and other emoluments of subordinate officers and personnel of the Authority in accordance with the Revised Compensation and Position Classification System, and to remove or otherwise discipline such officers/employees for cause in accordance with Civil Service Rules and Regulations;

(d) Establish financial and operations targets for management as basis for evaluating and monitoring corporate performance;

(e) Authorize such expenditures as are in the interest of the effective and efficient administration and operations of the Authority; and

(f) Exercise such other powers as may be necessary to accomplish the purposes for which the Authority was organized.

SECTION 5. Management – The general conduct of the operations and management of the Authority shall be vested in the National Railway Administrator who shall serve as the Chief Executive Officer of the Authority and Ex-Officio Member of the Board. He shall be primarily responsible in carrying out the projects and programs of the Authority as well as in the implementation of its policies, rules and regulations including the execution of the decisions of the Board.

The National Railway Administrator must be a natural-born citizen, at least thirty-five (35) years of age on the day of his/her appointment, of good moral character and with recognized executive ability and competence in the field of

transportation, business administration, management, finance or law. He shall be appointed by the President of the Republic of the Philippines and shall serve for a term of seven (7) years and renewable for another term only.

The National Railway Administrator shall be assisted by deputies for Metro Manila, Luzon, Visayas and Mindanao, all of whom shall likewise be appointed by the President of the Republic of the Philippines for a term of seven (7) years renewable for another term only. These officers can only be removed for cause as provided under existing laws.

SECTION 6. Duties and Responsibilities of the National Railway Administrator. – The Administrator of the Authority shall have the following duties and functions:

(a) Appoint, subject to the confirmation of the Board, all the staff and personnel of the Authority;

(b) Execute, administer and implement the policies, programs, plans, guidelines and regulations issued and adopted by the Board;

(c) Direct and supervise the operations and administration of the Authority;

(d) Direct and supervise the operations of all public railways;

(e) Determine, subject to the approval of the Board and the concurrence of the Department of Budget and Management, the staffing pattern and the number of personnel of the Authority;

(f) Direct and supervise the preparation of the agenda for the meeting of the Board, and to submit for the consideration of the Board such measures as he/she believes necessary to carry out the purposes and objectives of this Act;

(g) Represent the Authority in all its transactions with other offices, agencies and instrumentalities of the government and to deal with any persons and entities, public or private, domestic or foreign, on matters related to the mandate of the Authority, and

(h) Exercise such other powers and perform such other duties and functions as the Board may assign or authorize.

SECTION 7. Public Accountability. – To ensure public accountability, the Authority shall be subject to the audit of the Commission on Audit (COA) and shall comply with all the generally accepted accounting and auditing rules and regulations and those, which it may hereafter promulgate pursuant to its constitutional mandate.

SECTION 8. Merit System. – All officials and employees of the Authority shall be selected and appointed based on the comprehensive and progressive merit system to be established by the Authority immediately upon its organization and in accordance with Civil Service law, rules and regulations. The hiring, promotion, transfer and dismissal of all its personnel including temporary workers shall be governed by existing civil service laws, rules and regulations.

ARTICLE V
ABOLITION OF RAIL EXISTING OFFICES AND AGENCIES

SECTION 1. Upon the approval of this Act, the Philippine National Railways (PNR), the Light Rail Transit Authority (LRTA), the Panay Railways and the North Luzon Railway Corporation (NLRC) including all other rail offices and agencies shall be deemed abolished and its projects, assets and liabilities transferred to and assumed by the Philippine National Railway Authority.

SECTION 2. The assets and liabilities of the Edsa Light Rail Transit of the Department of Transportation and Communications in so far as its existing Build-Lease Transfer Contract with the Metro Rail Transit Cooperation (MRTC) are likewise deemed transferred to and assumed by the Authority.

SECTION 3. The plantilla personnel of the existing rail offices and agencies holding either permanent or contractual positions maybe absorbed by the Authority or retire from the service, subject to existing laws and regulations and the guidelines that the Department of Budget and Management may issue for the purpose.

ARTICLE VI
RAILWAY REGULATORY BOARD

SECTION 1. A regulatory Board is hereby created composed of a Chairman and four (4) members who shall be appointed by the President of the Philippines from among the list of ten (10) nominees that the Board of the Philippine National Railway Authority shall submit to the Office of the President. The National Railway Administrator shall sit in Board as ex-officio member.

SECTION 2. Standards. The Regulatory Board shall set the necessary fare, safety and security standards to be observed by all railway operators, public or private, in order to sustain the development and operations of the rail industry, enhance the operations of rail systems and ensure the safety of the rail riding public and protect them from any form of natural calamities and man-made disasters.

SECTION 3. – Rules and Regulations. - The Philippine National Railway Authority may formulate rules and regulations on the following:

(a) Standards and specifications with respect to rolling stock, track and structural facilities and other equipment and apparatus used;

(b) Construction, maintenance, repair and removal of track and structural facilities;

(c) Permanent fencing and temporary fencing of Right-Of-Way and structural facilities and the apportionment of costs with respect to that fencing;

(d) Crossings of track and the use of those crossings;

(e) Installation and use of signage, warning signals, barriers, operating signals and other similar apparatus;

(f) Qualifications of persons operating rolling stock and of persons carrying out functions respecting the operation of track and of other equipment and matters ancillary to the operation of rolling stock;

(g) Materials to be provided;

(h) Criteria to be met in order for an approval to be granted or renewed;

(h.1) requiring an applicant or an operator of a railway to have a safety management system and plan;

(h.2) the terms for which an approval may be granted or renewed;

(i) Amounts of insurance or other security to be provided by or in the case of holders of approvals, persons carrying out construction of the railway and persons operating the rolling stock or track;

(j) Damages caused by or arising out of fires and the liability for those damages stated in Section 5 of Article XII hereof;

(k) Tariffs, rates and the provision of services for the public railways;

(l) Limitations on the liability of operators of public railways in so far as the transportation of goods and commodities in relation to Section 4of Article XIII hereof;

(m) procedures and processes governing the resolution of disputes between shippers of goods or commodities and the operators of public railways with respect to tariffs, rates and the provision of services;

(n) Accidents and other incidents;

(o) Cessation of services;

(p) Information to be provided to the Board, the Authority and railway safety officers and governing the use of that information;

(q) Form and contents of notices of administrative penalties;

(r) Amounts or the manner of determining the amounts, of the administrative penalties that may be imposed by the Board;

(s) Amounts, or the manner of determining the amounts, of the administrative penalties that may be imposed by a railway safety officer;

(t) Periods for giving of notices of administrative penalties;

(u) On any other matter necessary for the administration of the system of administrative penalties;

(v) Measures that are to be taken by an operator of a railway to secure the railway against the threat of terrorist activity including, without limitation, the filing with the Authority of plans to ensure the security of the railway operation.

SECTION 4. – (a) – Railway Safety. – Where Railway installations and Railway Vehicles must be built, they should meet optimal safety requirements in operation. These requirements are met, when the Installations and Vehicles conform to the Safety Code which is prescribed by the Board and approved by the Authority.

(b) Safety measures need to be incorporated in the design of Railways taking into consideration the following aspects:

(a) Movement accidents at station entrances and exits

(b) System integrity has to be planned and proven;

(c) Restoration of limited service has to be trained;

(d) Activities of the passengers while in the premises of the stations particularly while waiting in the platforms must be monitored and precautions prepared;

(e) Safety equipment has to be installed on all relevant places, which have to be coordinated with the Railway Regulator

(f) Fire safety has to be guaranteed and precautions prepared with the local Fire brigades and coordinated with the Philippine National Railway Authority.

SECTION 5. – Railway Security. - (a) Security measures shall be adopted in the operations of the public transport. In the implementation thereof, all security issues shall be addressed taking into account the following;

(i) Personal security of passengers;

(ii) Personal security of staff and personnel of the railways;

(iii) Protection of facilities and vehicles against damages, acts of vandalism and the like;

(b) There shall be an integrated, seamless security network that must consist of mutually coordinated measures such as;

(i) Implementation of a passenger security center responsible for coordinating all security-related measures;

(ii) Initialization of cooperation between police and transport company's security and surveillance duties;

(iii) Presence of personnel tailored to deal with potential threats in certain districts, at certain stations, or on board trains;

(iv) Installation of communication facilities such emergency call push buttons and public address networks;

(v) Security-aware-design of facilities and vehicles, with a special unobstructed visibility and ample lighting;

(vi) Installation of facilities which will supervise the passenger areas and trains, and to provide audible and visual information to passengers both onboard and within station areas.

ARTICLE VII
COMPLIANCE, ACCIDENTS AND ADMINISTRATIVE PENALTIES

SECTION 1. – (a) Purposes of Inspections. -(a.a) A railway safety officer may carry out inspections under Section 3 of Article VI hereof for purposes of:

(i) administering the railway legislation and the approvals;

(ii) fostering compliance with the railway legislation and the approvals;

(iii) fostering compliance with operating rules;

(iv) fostering the safe operation of rolling stock, track and structural facilities;

(v) fostering the maintenance of track and structural facilities so that they are safe;

(vi) fostering, with respect to the operation of railways, the safety of the general public and of persons employed by or acting on behalf of operators of railways.

SECTION 2. - Inspection of Railways. - (a) A railway safety officer may carry out inspections of the following:

(i) any rolling stock;

(ii) anything transported on rolling stock;

(iii) any track;

(iv) any structural facility;

(v) any record, document, object or thing that relates to the operation of a railway.

(b) A railway safety officer, in carrying out an inspection under subsection (a), may do one or more of the following:

(i) enter on or into any track, structural facility, rolling stock, building or any other property associated with or operated by the operator of the railway;

(ii) ride on any rolling stock;

(iii) make inquiries of any person who is employed by or who carries out any duties or functions for or in respect of the operator of the railway;

(iv) perform or cause to be performed tests or examinations of anything that may be inspected under subsection (a).

SECTION 3. - Production of Documents, etc. -(a) A person who is subject to an inspection shall, when requested to do so by a railway safety officer, produce for inspection within a reasonable period of time any record, document, object or thing that relates to the matter being inspected.

(b) A railway safety officer may remove the record, document, object or thing being inspected and make copies or take photographs of it.

(c) Where a railway safety officer removes a record, document, object or thing under subsection (b), the railway safety officer may retain possession of the record, document, object or thing only for the period of time that is reasonably required to make the copies or take photographs of it, and shall, on having made the copies or having taken the photographs, return the record, document, object or thing to the person from whom it was taken.

(d) Notwithstanding subsection (c), when, on inspecting a record, document, object or thing, a railway safety officer is of the opinion that for the purposes of this Part the railway safety officer must retain possession of the record, document, object or thing for a longer period of time than that permitted under subsection (c), the railway safety officer may retain possession of the record, document, object or thing for a longer period of time if the railway safety officer gives a receipt for the record, document, object or thing to the person from whom it was taken.

(e) Where a railway safety officer retains possession of a record, document, object or thing pursuant to subsection (d), the railway safety officer shall, once the record, document, object or thing has served the purposes for which it was retained, forthwith return the record, document, object or thing to the person from whom it was taken.

(f) If a railway safety officer retains possession of a record, document, object or thing under subsection (d), the railway safety officer shall, where requested to do so by the person from whom the record, document, object or thing was taken and if practicable to do so, provide to that person a copy or a photograph of that record, document, object or thing.

SECTION 4. - Directions of Railway Safety Officer. - (a) Where a railway safety officer carries out an inspection, he may do one or more of the following:

(i) order the cessation of any activity carried out in respect of a railway, the operation of any rolling stock, the operation of any track, or the use of any structural facility, where the railway safety officer is of the opinion that that activity, operation or use is a danger to the safety of the public or persons employed by or acting on behalf of the operator of the railway;

(ii) order that any rolling stock or track or any equipment used in respect of the rolling stock or track be removed from service, where the railway safety officer is of the opinion that the operation of the rolling stock, track or equipment is a danger to the safety of the public or persons employed by or acting on behalf of the operator of the railway;

(iii) issue directions restricting the speed or otherwise respecting the speed at which rolling stock or a specific item or type of rolling stock may be operated generally or over a specific portion of track;

(iv) issue directions requiring repairs or maintenance to be carried out on rolling stock, track or structural facilities so that the rolling stock, track or structural facilities conform to the requirements of the railway legislation and any approvals granted to the operator of the railway;

(v) suspend any person engaged in any activity concerning the operation of any rolling stock, track, structural facility or equipment from engaging in that activity where the railway safety officer is of the opinion that the activity is a danger to the safety of the public or persons employed by or acting on behalf of the operator of the railway;

(vi) issue directions requiring any procedure or practice respecting the operation of any rolling stock, track, structural facility or

equipment to be stopped or changed so that the procedure or practice, in the opinion of the railway safety officer, will conform to the requirements of the railway legislation and be carried out in a safe manner.

(b) Any order or direction given under this section may be given to the operator of a railway or any person employed by or acting on behalf of the operator of the railway.

SECTION 5. – Accidents. - (a) The operator of a railway shall keep a record of every accident involving rolling stock and shall forthwith report to the Authority any accident involving any rolling stock that is reportable pursuant to the regulations.

(b) Whether or not an accident is reportable pursuant to the regulations, the Authority and any railway safety officer may, with respect to any accident involving rolling stock,

(i) enter on and proceed across any property for the purpose of gaining access to where the accident occurred,

(ii) enter on any property on which the accident occurred or on which rolling stock or any goods or commodities being transported came to rest, and

(iii) carry out an investigation into the accident and its causes.

(c) In carrying out an investigation under this section, the railway safety officer may exercise any powers and carry out any functions that the Board may exercise and take possession of and remove any rolling

stock, goods or commodities being transported on the rolling stock, any equipment and any track or structural facilities involved in the accident for the purposes of conducting tests, analyses and other assessments and carrying out the investigation.

SECTION 6. – Railway Operator's Powers Regarding the Accident. - (a) For the purposes of dealing with an accident involving rolling stock, the operator of the railway and any person employed by or on behalf of that operator may;

(i) enter on and proceed across any property for the purpose of gaining access to where the accident occurred,

(ii) enter on any property on which the accident occurred or on which rolling stock or any goods or commodities being transported came to rest, and

(iii) carry out the work that is appropriate to deal with the accident and to remove the rolling stock and any goods or commodities.

(b) A person exercising any powers under this section shall do so in a reasonable manner.

SECTION 7. - Administrative Penalties. - (a) Where the Board is of the opinion that an operator of a railway or a person employed by or acting on behalf of an operator of a railway has failed to comply with the railway legislation, an operating rule or an approval, any order made or direction given by the Board, or any order made or direction given by the Authority or a railway safety officer, the Authority may act under subsection (b).

(b) If subsection (a) applies, the Board may, subject to the regulations, by notice in writing given to that operator or person, require that operator or person to pay to the Government an administrative penalty in the amount set out in the notice for the failure to comply, or for each day or part of a day that the failure to comply occurs or continues.

(c) Where a railway safety officer is of the opinion that an operator of a railway or a person employed by or acting on behalf of an operator of a railway has failed to comply with the railway legislation, an operating rule or an approval that governs the operation of rolling

stock, track or a structural facility, or an order made or direction given by a railway safety officer, the latter may act under subsection (d).

(d) If subsection (c) applies, the railway safety officer may, subject to the regulations, by notice in writing given to that operator or person, require that operator or person to pay to the Government an administrative penalty in the amount set out in the notice for the failure to comply or for each day or part of a day that the failure to comply occurs or continues.

(e) Where a person fails to pay an administrative penalty in accordance with a notice under subsection (b) or (d), the Government may recover the amount owing in respect of the penalty by an action in debt.

ARTICLE VIII

REVIEWS AND JUDICIAL RELIEF

Section 1. – Definition of an Affected Person.-(a) In this part, "affected person" means

(i) a person who has applied to the Authority for an approval or license to operate;

(ii) a person who has been granted an approval by the Authority;

(iii) a person to whom an order or a direction has been given or who is subject to an order made or direction given by the Authority or the ;

(iv) a person who owns or has an interest in land where that land or the use of that land is or may be affected by any expropriation that is or may be carried out or any construction that is or may be carried out pursuant to an approval referred to in Section 1, 2, and 3 of Article X hereof;

(v) any person whom the Board, in its discretion, accepts as an affected person.

(b) In this Part, a reference to any action taken by the Authority is a reference to the fact that Railway Authority or has done one or more of the following:

(i) refused to grant an approval;

(ii) granted an approval;

(iii) cancelled or suspended an approval in whole or in part;

(iv) imposed, removed or altered any term, condition or restriction to which an approval is subject;

(v) given an order or direction under the railway legislation;

(vi) imposed an administrative penalty under the railway legislation.

SECTION 2. - Application for Review or Hearing by the Board. - (a) Where an action is taken by the Authority or the affected person in respect of whom the action was taken, may apply to the Board for a review of the action taken by the safety officer or the within 30 days from the date the action was taken.

(b) With respect to any matter under the railway legislation other than an action taken by the safety officer, an affected person may, with the consent of the Board, apply to the Board for a hearing into the matter.

SECTION 3. - Conduct of Review or Hearing by the Board. - (a) On receiving an application under Section 4 (a) of Article VII, for a review of an action taken by the safety officer, the Board shall conduct a review of that action.

(b) On receiving an application under Section 4(b) of the same Article for a hearing in respect of a matter other than an action taken by the safety officer, the Board may conduct a hearing on the matter.

(c) Whether or not an affected person has made an application for a review or a hearing, the Board may conduct a review of an action taken by the safety officer or conduct a hearing into any other matter under the railway legislation where the Board is of the opinion that a review or a hearing should be conducted or the safety officer has requested the Board to conduct a review or a hearing.

SECTION 4. - Decision of the Board. - (a) In conducting a review of an action taken by the safety officer, the Board may make an order confirming the action taken by the safety officer, change the action taken by the safety officer or rescind the action taken by the safety officer.

(b) In making an order under subsection (a), the Board may make any decision or take any action that the safety officer or a railway safety officer may make or take under the railway legislation, make the order subject to any terms, conditions or restrictions, and give any direction that the Board considers appropriate in the circumstances.

(c) Where the Board hears a matter other than an action taken by the safety officer, the Board may make any order and make the order subject to any terms, conditions or restrictions that the Board considers appropriate in the circumstances.

SECTION 5. - Procedure before the Board. - (a) For the purposes of conducting reviews and hearings before the Board, the Chair and the other Members of the Board may;

(i) summon and enforce the attendance of witnesses,

(ii) compel witnesses to give evidence on oath or otherwise,

(iii) compel witnesses to give evidence in person or otherwise, and

(iv) compel witnesses to produce any record, object or thing that relates to the matter being heard;

(b) With respect to reviews and hearings before the Board, the Board may make rules on the following;

(i) Notices to be given in respect of a review or hearing;

(ii) Procedure before the Board;

(iii) Adjournments of matters before the Board;

(iv) Attendance of the witnesses;

(v) Receiving and recording of evidence;

(vi) Procedure in cases when a party to the review or hearing fails to appear at or attend the review or hearing;

(vii) Authority of the Board to consider a matter without conducting a formal or summary hearing and governing the procedure to be used in those circumstances;

(viii) Applicability of the 1997 Revised Rules of Court;

(ix) Issuance and publication of decisions of the Board;

(x) Reconsideration of decisions made by the Board;

(xi) Costs.

(c) Where the safety officer summoned to attend a review or hearing before the Board cannot attend for valid ground or grounds, the safety officer may in writing, designate an employee under the administration of the Secretary and who is in the opinion of the safety officer, knowledgeable with respect to the subject-matter under review. The designated employee shall attend the proceeding on behalf of the safety officer and shall be deemed to have been the person summoned to attend the review or hearing.

SECTION 6. - Board Decision is Final. – Subject to the provisions in Section 2 of Article VII hereof, every decision or order of the Board is final and executory.

SECTION 7. – Appeal from Orders or Decision of the Board. - (a) An appeal lies from the decision of the Board to the Court of Appeal on a question of jurisdiction or on a question of law.

(b) No appeal shall be taken after 30 days from the date the Board has served written notice of its decision on the person subject of the decision.

(c) In the event the decision rendered by the Board is elevated on appeal to the Court of Appeals, the Board shall be duly represented before the Court.

SECTION 8. - Reconsideration of Railway Safety Officer's Order. - (a) In this Section, "order" shall mean an direction given in respect of an investigation or an administrative penalty imposed under Section 5 of Article VI hereof.

(b) Where a Railway Safety Officer issues an order, the person affected by the order may seek reconsideration with the Safety Officer provided an application for reconsideration shall first be filed with the Board;

(c) The safety officer exercises discretion whether or not to conduct a summary hearing in reconsidering an order;

(d) The Authority may confirm, modify, reverse or rescind the order issued by the railway safety officer.

ARTICLE IX

RIGHT-OF-WAY

SECTION 1. Right-Of-Way – It shall be the duty of the Authority to identify and establish within three (3) years after the approval of this Act the alignment of a National Railway System and once it is established and the right-of-way is acquired, the same cannot be the object of sale, lease or otherwise.

SECTION 2. Intrusion into the Right-Of-Way – Any intrusion into the right-of-way by any person shall be punishable by imprisonment ranging from four (4) to six (6) years and the demolition of any structure thereon shall be at the expense of the intruder.

ARTICLE X

CONSTRUCTION OF RAILWAYS

SECTION. 1. – Initial Construction of Public Railway. – A person shall not construct any track or any structural facilities on any land for the purposes of constructing or developing a public railway unless the Authority has granted to the person who is to be the operator of the railway an approval to carry out that construction on that land.

SECTION. 2. – Subsequent Construction of Public Railway. – Where a person wishes to construct any track or structural facilities in respect of a public railway on land that is not already included in an existing approval, that person shall not construct that track or those structural facilities on that land unless the Authority has granted to the operator of the railway an approval to carry out that construction on that land.

SECTION. 3. – Construction of Industrial Railway. – Where a person wishes to construct any track or structural facilities in respect of an industrial railway on land that the industrial railway intends to acquire by means of expropriation, that person shall not construct that track or those structural facilities on that land unless the Authority has granted to the operator of the railway an approval to carry out that construction on that land.

SECTION. 4. – Construction of Track Crossing Track. – A person shall not, at rail level, construct the track of (a) any railway so that the track crosses, intersects, joins or unites with the track of any other railway, or the track of any urban rail transit system or (b) of any urban rail transit system so that the track crosses, intersects, joins or unites with the track of any railway unless the Authority has granted to the operator of the railway or of the urban rail transit system, as the case may be, an approval to carry out that construction.

SECTION 5. – Construction of Highway Crossing Track. – A person shall not, in respect of any railway, construct on, across, over or under a highway unless the Authority has granted to the operator of the railway an approval to carry out that construction, or construct a highway on, across, over or under track unless

the Authority has granted to the road authority an approval to carry out that construction.

SECTION 6. – Where, in respect of any railway, tracks are located on, across, over or under a highway, and a person wishes to replace any structure or method by which the tracks are located on, across, over or under the highway with another structure or method, a person shall not change the existing structure or method with a different structure or method unless the Authority has granted to the operator of the railway an approval to do so.

SECTION 7. – Where the operator of the railway is unable to agree with the road authority as to the apportionment of costs associated with the construction, the operator of the railway or the road authority may apply to the appropriate agency to apportion the costs.

ARTICLE XI
EXPROPRIATION AND OVERRIDING OBJECTIVE OF CONSTRUCTION

SECTION 1. – For the purposes of constructing track or structural facilities in respect of a public railway, the operator of the railway may expropriate land in accordance with the existing expropriation procedures.

SECTION 2. – For the purposes of constructing track or structural facilities in respect of an industrial railway on land that the operator of that railway does not own or otherwise have the right to use under an agreement with the owner of that land, that operator may, if the appropriate expropriation agency grants to that operator an approval to proceed under the existing expropriation procedures, expropriate land in accordance with said rules;

SECTION 3. – Where an approval is required before any construction or work may be carried out under the railway legislation, a person shall not expropriate land for the purposes of that construction or work until the Authority has granted that approval.

SECTION 4. – Where construction or work is being carried out pursuant to an approval granted under the two preceding articles, and the Authority is of the opinion that the construction or work is not being carried out in accordance with the railway legislation or that approval, the Authority may at any time give notice to the operator of the railway or the person carrying out the construction or work to stop the construction or work.

SECTION 5. – Where the Authority gives a notice under the previous section, the person carrying out the construction or work shall stop carrying out the construction or work and shall not recommence the construction or work until the Authority grants an approval to do so.

SECTION 6. Prohibition Against Issuance of Restraining Orders and Preliminary Injunctions or Preliminary Mandatory Injunctions. – No court in the Philippines, except the Supreme Court, shall have the jurisdiction to issue any restraining order, preliminary injunction, or preliminary mandatory injunction in any case, dispute, or controversy involving any contract or project involving the PNRA, to prohibit any person or persons, or entity or government official from proceeding with, or continuing the execution of implementation of any such contract or project, or pursuing any lawful activity necessary for the execution, implementation or operation of such contract or project.

ARTICLE XII
OPERATION OF RAILWAY

SECTION 1. – Operations to be Conducted Safely. – The operator of a railway shall –

(a) ensure that -

(i) the track and the structural facilities are constructed, used and maintained in accordance with the railway legislation and the operating rules, if any, and the approvals granted in respect of the track and structural facilities, and

(ii) the rolling stock is maintained and operated in accordance with the railway legislation and the operating rules, if any, and the approvals granted in respect of the operation of the rolling stock

(b) generally maintain and operate the rolling stock, track and structural facilities in such a manner that the rolling stock, track and structural facilities are safe to be used for the purposes for which they are intended and are not a danger to the public or persons employed by or acting on behalf of the operator of the railway.

SECTION 2. – Obstructing Navigation. – A person shall not, in respect of any railway construct, repair, maintain or remove track or structural facilities, or operate rolling stock, in such a manner so as to obstruct or impede the free navigation of or on a river, stream, canal or body of water.

SECTION 3. – Drainage. – A person carrying out the construction, repair, maintenance or removal of any track or structural facility in respect of any railway shall endure that there is constructed and maintained, (a) in the case of track, along each side of, across and under the track, and (b) in the case of a structural facility, as are necessary for the structural facility; proper and adequate ditches and drains that are connected with ditches. Drains, drainage works and watercourses on the land over which the track crosses or on which the structural facility is located so as to provide sufficient outlet to drain and carry off water in such a manner that the existing natural drainage and any existing artificial drainage of the land is not obstructed or impeded.

SECTION 4. – Fire. –

(1) The operator of a railway shall at all times maintain and keep the rights of way and track fee from dead or dry grass, weeds and any other unnecessary combustible matter.

(2) Subject to the regulations, when the damage is caused by a fire started by or arising out of the operation of rolling stock, track or structural facilities or any other operations carried out by the operator of the railway with respect to the railway, the operator of the railway is liable for the damage caused by that fire.

For the purposes of this section, the operator of a railway –

(a) has an insurable interest in all property on or along the rights of way for any damage for which the operator of the railway may be liable, and

(b) may procure insurance on the operator's behalf of that property.

SECTION 5. - Highway Crossing. – Where construction is carried out to lay track on, across, over or under a highway, the person carrying out the construction shall;

(a) carry out the construction so as to allow vehicles using the highway adequate passage, and

(b) on completion of the construction restore the highway to as good condition as the highway was in immediately before the construction was commenced.

SECTION 6. Crossings of Landowners. -

(a) Where a person owns land that is located on both sides of a right of way for track, and if it were not for that right of way, that land would be joined together forming a single area of land, the operator of the railway shall, on the request of the owner of the land, provide a crossing across the right of way and any track located on the right of way that is appropriate for the intended use of the crossing by the owner of the land.

(b) A crossing that is provided under this section shall remain in place until the owner of the land notifies the operator of the railway that the crossing is no longer required or the crossing is removed

pursuant to an agreement between the owner of the land and the operator of the railway.

(c) For the purposes of this section;

(i) if the right of way existed before the owner of the land acquired the land on both sides or either side of the right of way, the owner of the land is responsible for the costs of constructing, maintaining, repairing and removing the crossing, or

(ii) if the owner of the land acquired that land before the right of way that separated that land came into existence, the operator of the railway is responsible for the costs of constructing, maintaining, repairing and removing the crossing.

SECTION 7.- Crossings of Private Roads. -

(a) In this section;

(a.a) "private road" shall mean-

(i) a road that is not a highway, or

(ii) a highway that is not owned or otherwise under the direction, control and management of the Authority or any instrumentality of the government and is designated as a private road by the Secretary, and

(a.b) any reference to an owner of or a person who owns a private road is a reference to the person who owns or otherwise has the direction, control and management of a private road.

(b) Where a person owns a private road that is located on both sides of a right of way for track, and if it were not for that right of way, that private road would be joined together forming a continuous road, the operator of the railway shall, on the request of the owner of the

private road, provide a crossing across the right of way and any track located on the right of way that is appropriate for the intended use of the crossing by the owner of the private road.

(c) A crossing that is provided under this section shall remain in place until the owner of the private road notifies the operator of the railway that the crossing is no longer required or the crossing is removed pursuant to an agreement between the owner of the private road and the operator of the railway.

(d) For the purposes of this section, if

(i) the right of way existed before the private road existed on both sides or either side of the right of way, the owner of the private road is responsible for the costs of constructing, maintaining, repairing and removing the crossing, or

(ii) the private road was in existence before the right of way that separated that road came into existence, the operator of the railway is responsible for the costs of constructing, maintaining, repairing and removing the crossing.

(e) A person shall not construct a crossing under this section unless the Authority has granted an approval for the construction of the crossing.

SECTION 8. - Fences of Landowners

(a) a person owns land that abuts on a right of way for track, the operator of the railway shall, on the request of the owner of the land, provide a fence along the right of way that is appropriate for the intended use of the fence by the owner of the land.

For the purposes of this section, if

(i) the right of way existed before the owner of the land acquired the land that abuts on the right of way, the owner of the land is responsible for the costs of constructing, maintaining and repairing the fence, or

(ii) the owner of the land acquired the land that abuts on the right of way before the right of way came into existence, the operator of the railway is responsible for the costs of constructing the fence and the owner of the land is responsible for the costs of maintaining and repairing the fence.

(b) Where the owner of the land no longer has need for the fence provided under this section, the owner of the land, unless otherwise agreed upon between the owner of the land and the operator of the railway, may on notice to the operator of the railway remove the fence at the expense of the owner of the land.

(c) Nothing in this section shall be construed so as to require an operator of an industrial site referred to in this section to provide a fence along a boundary of the industrial site.

SECTION 9. - Abandonment of Services.-

(a) In this section, "services" shall mean one or more of the following:

(i) the operation of rolling stock;

(ii) the operation of track;

(iii) the accepting of goods or commodities for transportation by means of rolling stock.

(b) An operator of a public railway or industrial railway who intends to cease providing a service shall, prior to the cessation of that service, give notice of the cessation of service to the Authority in accordance with the regulations.

(c) With respect to the cessation of a service that is provided by a public railway, the operator of the public railway shall, prior to the cessation of that service and in addition to giving notice under

subsection (b), shall notify the public and the shippers of goods or commodities on that railway of the cessation of the service in accordance with the regulations.

ARTICLE XIII

PUBLIC RAILWAYS

SECTION 1. - Public Railways as Common Carrier. - An operator of a public railway is a common carrier and shall, as is reasonably within the capabilities of the rolling stock, track, structural facilities and equipment of the operator, provide to all persons adequate and suitable facilities:

(a) for the receiving, forwarding and delivering of goods and commodities on and from railways;

(b) for the interchange of goods and commodities between railways;

(c) for the return of rolling stock;

(d) for the junction of private sidings and the track of industrial railways with the track of the public railway;

(e) for the receiving, forwarding and delivering of goods and commodities on and from private sidings and industrial railways referred to in clause (d).

SECTION 2. - Interchange of goods and commodities.-(a) Where there is an interchange of goods and commodities between a public railway governed under this Act and a railway that is not governed under this Act, and the operators of those railways cannot agree as to the interchange of the goods and commodities, the operator of the public railway governed under this Act may submit to the Philippine National Railway Authority for the purpose of determining all matters respecting the interchange.

SECTION 3. - Tariffs of Rates. - (a) The operator of a public railway shall, subject to the regulations, establish a tariff of rates for the services that the operator provides to the shippers and the general public, and post the tariff of rates in a public place in an office operated by that operator or make that tariff of rates available to the public for inspection at an office operated by that operator.

(b) The operator of a public railway shall, at the request of a shipper, provide to the shipper the operator's tariff of rates for the shipping of that shipper's goods and commodities by that operator.

(c) The operator of a public railway may enter into an agreement with a shipper respecting tariffs, rates and the provision of services concerning the transportation of goods and commodities, and the terms of the agreement may be kept confidential.

SECTION 4. - Limitation of Liability. - The operator of a public railway shall not limit or restrict the operator's liability to a shipper for the transportation of goods and commodities except if permitted by prevailing laws and regulations.

SECTION 5. - Transactions Regarding Approval or Grants of Operation. –

(a) An approval granted to a person in respect of a public railway is not transferable from that person to another person.

(b) Notwithstanding subsection (a), with the approval of the Philippine National Railway Authority, an approval granted to a person in the operation of a public railway may be capitalized, sold, assigned, leased or amalgamated or otherwise transferred in whole or in part.

(c) Where approvals have been granted in respect of a public railway, and the Authority is of the opinion that there is a question as to the continued safe operation of the rolling stock, track or structural facilities arising out of the change in the operator or operators of the public railway, the Authority may do either of the things referred to in subsection (d).

(d) If subsection (c) applies, the Authority may impose terms, conditions or restrictions with respect to those approvals that the Authority considers appropriate to provide for the continued safe operation of the rolling stock, track and structural facilities, or suspend those approvals until the Authority is satisfied as to the continued safe operation of the rolling stock, track and structural facilities.

SECTION 6. - Right of Entry. -(a) For the purposes of constructing, maintaining or repairing rolling stock, track or structural facilities of a public railway, the operator of the public railway and any person employed by or on behalf of that operator may, without taking title to the land, may enter on any land that is adjacent to or in close proximity to the railway, and occupy and use that land for so long as it is necessary to carry out the construction, maintenance or repair.

(b) Any person exercising any powers under this section shall do so in a reasonable manner.

(c) Where any person exercises any power under this section, the owner of the land or other person having possession of the land may apply to the National Railway Authority for compensation with respect to the exercise of those powers.

(d) With the approval of the Authority granted pursuant to an application made by the operator of an industrial railway, that operator may exercise the powers and be subject to the obligations of an operator of a public railway under this section.

ARTICLE XIV
RAILWAY ENERGY PLANT

SECTION 1. In order to ensure a continuous and uninterrupted operation of the railway systems in the Philippines, the Authority may establish its power plant for any of its rail systems when on its own judgment it is more economical and advantageous on the part of the government.

SECTION 2. Waste-to-Energy Plant. – In order to facilitate the collection and transportation of garbage in the metropolitan areas, to ensure the supply of electric power to the railway systems and to help ensure the economic viability of the railway systems, the Authority shall endeavor to establish in cooperation with private sector waste-to-energy plants in strategic areas.

ARTICLE XV
RAILWAY FUNDING AND TRUST FUND

SECTION 1. Funding of the National Railway Authority- For purposes of implementing this Act, the amount of Three Hundred Million (P300, 000,000.00) shall be sourced out from the General Appropriations Act in the next fiscal year after the approval of this Act.

SECTION 2. Establishment of the Railway Trust Fund. – A Railway Trust Fund is hereby established which is a special fund dedicated to finance only railway infrastructure in the Philippines.

SECTION 3. Sources. – The Railway Trust Fund consists of 3% increase in the real property tax increase of the six taxes which shall take effect upon the approval of this Act and 5% of the road user's tax.

SECTION 4. Fund Administrator. – The Trust Fund shall be administered by the Development Bank of the Philippines and can only be spend and withdrawn by 2/3 vote of the members of the Board of Directors of the Authority for the purpose for which it is created.

ARTICLE XVI
TRANSFER OF RAILWAY TECHNOLOGY

SECTION 1. Railway Engineering Course. – The state universities in the Philippines particularly the Polytechnic University of the Philippines (PUP) is hereby encouraged to offer a four (4) year course in Railway Engineering Management to meet the requirements of the railway industry in the Philippines and abroad.

SECTION 2. Railway Training Center. – A National Railway Training Center is hereby established to equip the labor force with necessary skills and expertise in the development and implementation of railway projects and programs and in the operation of railway systems.

ARTICLE XVII
TRAIN DRIVERS

SECTION 1. Train Drivers. – To promote proficiency and to ensure the safety of the general railway riding public, all train drivers must posses certain educational attainment and undergo training to attain certain level of skills, and must be physically and mentally fit owing to the delicate characters of their job.

SECTION 2. Train Drivers' License. – The Railway Training Center shall conduct the training for train drivers for a duration that it may determine and thereafter issue the necessary Train Driver's License (TDL) for those who will pass the training according to its tests and measurement

ARTICLE XVIII
EXEMPTION FROM REAL PROPERTY TAX

SECTION 1. Exemption from Real Property Tax. – All rail properties in the from of land, right-of-way, depot, stations, tracks, office buildings, and terminals are exempted from the payment of real property tax and those which have already been due to the government shall be deemed condoned entirely.

SECTION 2. Exemption from Income Tax. – The income of the Authority derived from the operations of its railway systems is exempted from the payment of income tax.

SECTION 3. Exemption from the payment of customs, duties and charges. – Any importation of goods and/or equipment for the building of railway systems and for the maintenance and operation of railway systems is free from payment of customs, duties and other forms of fees and charges.

ARTICLE XIX
INSURANCE COVERAGE

SECTION 1. Rail Systems Insurance Coverage. All rail systems shall be covered by insurance from natural and man-made disasters either by the Government Service Insurance System (GSIS) or by a self-insurance system in the form of a common trust fund that the Philippine National Railway Authority may establish for the purpose for all the public railway operators.

The Philippine National Railway Authority may use a portion of the accumulated trust fund for the development, implementation and operation of railway projects or systems by 2/3 vote of the members of its board of directors.

SECTION 2. Passenger's Insurance Coverage. Each and every rail passenger shall be covered by accident insurance by the rail operators, government or private, in the amount of One Hundred Thousand Pesos (P100,000.00) in the case of death, not more that Fifty Thousand Pesos (P50,000.00) in cash of an injury exclusive of medical and hospitalization expense, and Seventy Five Thousand Pesos (P75,000.00) in case of incapacity exclusive of medical and hospitalization expense.

SECTION 3. Accumulated Premiums. After five (5) years from the date, the common trust fund was established and every three (3) years thereafter, a portion of the trust fund may be used for rail projects and programs by 2/3 vote of the members of the Board of Directors of the Philippine National Railway Authority.

SECTION 4. Fund Administrator. The Trust Funds authorized under this Article may be administered by a group of financial experts when in the judgment of the Board the need for it arises, otherwise, the Authority shall administer and manage such fund.

ARTICLE XX

APPLICABILITY OF RAILWAY LEGISLATION

SECTION. 1.– Application of this Act. – (a) Where a person owns or is otherwise responsible for the control, management or operation of both rolling stock and track –

(i) this railway legislation as it relates to both rolling stock and track applies to that person, and

(ii) any reference in the railway legislation to the operator of a railway is a reference to that person in that person's capacity as the operator of both rolling stock and track.

(b) Where a person owns or is otherwise responsible for the control, management or operation of rolling stock but does not own and is not otherwise responsible for the control, management or operation of track –

(i) the railway legislation as it relates to rolling stock applies to that person, and

(ii) any reference in the railway legislation to the operator of a railway is a reference to that person in that person's capacity as the operator of rolling stock.

(c) Where a person owns or is otherwise responsible for the control, management or operation of track but does not own and is not otherwise responsible for the control, management or operation of rolling stock –

(i) the railway legislation as it relates to track applies to that person, and

(ii) any reference in the railway legislation to the operator of a railway is a reference to that person in that person's capacity as the operator of track.

(d) Where a person owns or is otherwise responsible for the control, management or operation of structural facilities –

(i) the railway legislation as it relates to the structural facilities applies to that person, and

(ii) any reference in the railway legislation to the operator of a railway is a reference to that person's capacity as the operator of the structural facilities.

SECTION 2. – Non-applicability of Railway Legislation. – The railway legislation does not apply to (a) rolling stock or track that is not full size; (b) structural facilities used in respect of rolling stock or track referred to in clause (a); (c) the operator of a railway with respect to the operation of rolling stock or track referred to in clause (a); (d) a railway with respect to the operation of rolling stock or track referred to in clause (a).

For purposes of this section, (a) a reference to rolling stock or track that is not full size is, subject to the regulations, a reference

(i) in the case of rolling stock, to rolling stock that operates on track that is less than standard gauge in width, and

(ii) in the case of track, to track that is less than standard gauge in width, and

(b) a reference in clause (a) to standard gauge is a reference to standard gauge as that term is commonly understood in the Philippines which is based on international standards.

ARTICLE XXI

APPLICABILITY OF EXISTING LAWS AND REGULATIONS

Section 1. In sofar as they are not inconsistent with this Act, the provisions of the Corporation Law and Republic Act 6957 otherwise known as "An Act Authorizing the Financing, Construction, Operations and Maintenance of Infrastructure Projects by the Private Sector and for other purposes" shall be applicable to the operations of the National Railway Authority.

ARTICLE XXII

CONGRESSIONAL OVERSIGHT COMMITTEE

Section 1. Congressional Oversight Committee: A Congressional Oversight Committee is hereby created, composed of the Chairpersons of the Committee on Public Services if the Senate and the Committee on Railways and Ro-Ro of the House of Representatives and four (4) additional members from each Houses, to be designated by the Senate President and the Speaker of the House of Representatives, respectively. The Oversight Committee, shall among others, monitor and ensure the effective implementation of this Act.

ARTICLE XXIII

SEPARABILITY AND REPEALING CLAUSES

Section 1. Separability Clause: If any of the provisions of this Act is declared invalid, the provisions thereof not affected by such declaration shall remain in force and effect.

Section 2. Repealing Clause: The provisions of Republic Act No. 4156, as amended, Executive Order No. 603, as amended are hereby repealed. All other laws, decrees, orders, proclamations, rules and regulations or parts thereof, inconsistent with any of the provisions of this Act are hereby repealed, amended or modified accordingly.

ARTICLE XXIV

EFFECTIVITY CLAUSE

Section 1. Effectivity Clause: This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,