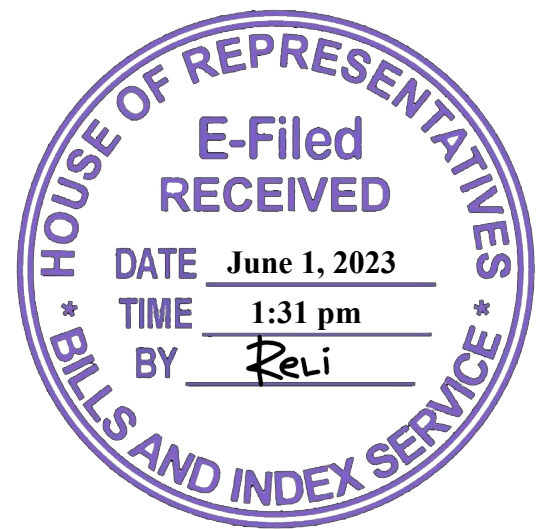




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **8510**



Introduced by Rep. Bernadette “BH” Herrera

EXPLANATORY NOTE

Railways traverse multiple cities and municipalities that transport the mass commuting public from their origin to their destination. Having a safe, secure, reliable, efficient, integrated, intermodal, affordable, cost-effective, environmentally sustainable, and people-oriented national transport system plays a vital role in modern time given also that there are ongoing developments for the rail sector and widely being constructed and projected to be completed throughout the country that will aid the necessity of intercity transport of goods, services, and people.

Part of the Build Better More (BBM) Program is the enhancement of the country’s competitive edge in providing effective and efficient transportation systems. In Chapter 12 of the Philippine Development Plan 2023-2028, it was identified that the key challenges to transport connectivity and safety are low-quality infrastructure, inconsistent regulation, and inefficient operations. The regulatory functions for railways are currently fragmented among various rail entities, resulting in inconsistencies in policies and standards, and inefficiencies in the planning and regulatory processes.

This bill addresses the need to rationalize and streamline the regulatory functions over railways by creating a single and unified regulatory body for the railway industry to promote the efficient and effective management of the national railway system. The bill provides for the creation of Railways Industry Authority of the Philippines which will be responsible for the regulations within the Philippine Railway Industry.

In view hereof, the immediate passage of this measure is earnestly requested.


Bernadette “BH” Herrera
Bagong Henerasyon Partylist



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **8510**

Introduced by Rep. Bernadette “BH” Herrera

AN ACT

**CREATING THE RAILWAYS INDUSTRY AUTHORITY OF THE PHILIPPINES AND
DEFINING ITS POWERS, FUNCTIONS AND STRUCTURE**

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

ARTICLE 1

TITLE, POLICY AND DEFINITION OF TERMS

SECTION 1. *Short Title.* This Act shall be known as the “Railways Industry Authority Act of 2023”

SECTION 2. *Declaration of Policy.* It is hereby declared the policy of the State for a safe, secure, reliable, efficient, integrated, intermodal, affordable, cost-effective, environmentally sustainable, and people oriented national transport system.

The State recognizes the criticality of a clearly defined transport regulation framework and policy to ensure decision and operational consistency, establish efficient and effective coordination and partnership among National Government Agencies (NGA) and relevant stakeholders, encourage further infrastructure investment, and promote active and substantial participation of the private sector, to the benefit of the commuting public.

The State further acknowledges the importance of streamlining the bureaucracy through merging regulation policy and framework into a unified authority, versus distributed and inconsistent regulatory provision.

In the pursuit hereof, the State adheres to the establishment of a railway industry regulatory entity that is national in-scope, but able to address and respond to domestic complexities and unicity.

SECTION 3. *Definition of Terms.* For the purpose of this Act, the following terms shall mean:

- (a) "*Appropriation*" refers to an authorization made by law or legislative enactment directing payment out of government funds under specified conditions or for specific purposes.
- (b) "*Asset operators*" refer to the entities responsible for the operation, maintenance, and management of railway infrastructure assets.
- (c) "*Attached agency*" refers to an agency that is attached to a department or other executive agency for the purpose of policy and program coordination, according to Section 3(e) of Executive Order No. 292, otherwise known as the Administrative Code of 1987.
- (d) "*Concessionaire*" refers to a private organization that is authorized to operate, maintain, and/or develop a specific railway line or service for a certain period of time, subject to certain terms and conditions.

- (e) “*Economic Regulation*” refers to the coverage of regulating tariffs and services, developing competition, ensuring non-discriminatory access given that there are NO Filipino competent counterpart, fare regulation, and ensuring infrastructure investments.
- (f) “*Environmental Regulation*” refers to rail-specific environmental protection.
- (g) “*Key Performance Indicator*” is a measurable value used to measure and evaluate performance against specific goals and targets.
- (h) “*Railway entities*” refer to the individual companies, organizations, or agencies that operate within the broader “Railways Industry”.
- (i) “*Railways Industry*”, briefly referred to as “industry” in the broadest concept of the term. All enterprises engaged in the designing, constructing, manufacturing, acquiring, operating, supplying, repairing and/or maintaining railways, or component parts thereof; of managing and/or operating railway lines, shipping and freight forwarding railways agencies, and similar enterprises.
- (j) “*Safety and Security Regulation*” refers to the regulation of the safety and security compliances that the railway industry complies with, ensuring the safety and security of the passengers, freight, or cargo and as well as enforcement for non-compliance of the said regulation.
- (k) “*Social Protection*” refers to the set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labor markets especially when right-sizing the workforce.
- (l) “*Technical Regulation*” refers to a requirement to attain safety, environmental, or operational standards.

ARTICLE 2

CREATION AND ORGANIZATION OF THE RAILWAYS INDUSTRY

AUTHORITY OF THE PHILIPPINES

SECTION 4. *Creation of the Railways Industry Authority of the Philippines.* The Railways Industry Authority of the Philippines (RIAP) is hereby created as the central railway industry regulation authority of the Philippine Government.

Its functions and powers are national in scope and are able to address and respond to complexities and unicity of the locality to which the railway infrastructure and assets are located.

The RIAP shall be an attached agency of the Department of Transportation (DOTr) for purposes of policy and program coordination but shall independently be governed by its Rail Industry Board (RIB), and operated and managed by its own set of Administrative Officials and Personnel.

SECTION 5. *General Functions and Powers of RIAP.* In furtherance of its mandate, the RIAP shall have the following functions and powers:

- (a) Issuances and revocation of certification to entities intending to participate in the Philippine Railway Industry, from planning and project development, construction and implementation, testing, commissioning and handover, operations and maintenance, and decommissioning and disposal;
- (b) Issuance and revocation of franchise to railway infrastructure and asset operators and/or concessionaires, as may be delegated by Congress through an enabling law;
- (c) Prescribe and enforce railway-industry related standards, rules and guidance, in compliance with domestic statutes (primarily) and international mandates (as applicable to local setting);
- (d) Administer, impose, and implement railway-related regulatory requisites in accordance with pertinent statutes, for the following:
 1. Economic (including Fare) Regulation
 2. Safety and Security Regulation
 3. Environmental Regulation
 4. Technical Regulation
 5. Social Protection
- (e) Formulate, prescribe, and enforce unified metrics and Key Performance Indicators (KPIs) to entities involved in the railway industry of the Philippines;

- (f) Provide investment regulation to the Philippine Railways Industry, in partnership with the National Economic and Development Authority (NEDA);
- (g) Establishment, operation, and maintenance of extension or regional offices when required by the exigencies of its mandate and purpose;
- (h) Formulation of its own organizational structure, and number, positions, and salaries of its personnel, subject to pertinent organizational and compensation statutes;
- (i) Exercise such other functions and powers as may be necessary to carry out the mandate and purpose to which RIAP was established, or which, from time to time, may be declared by RIB to be necessary, useful, incidental, or auxiliary to accomplish its mandate and purpose.

SECTION 6. *Composition of the Railways Industry Board.* The RIB shall be composed of the following ex-officio members, to wit:

- (a) Secretary of the Department of Transportation (DOTr);
- (b) Undersecretary for Railways;
- (c) Secretary of the Department of Labor and Employment (DOLE);
- (d) Secretary of the Department of Public Works and Highways (DPWH);
- (e) Secretary of the Department of Budget and Management (DBM);
- (f) Secretary of the Department of Environment and Natural Resources (DENR);
- (g) Secretary of the Department of Finance; and
- (h) One (1) representative from the private sector

Furthermore, the President of the Philippines shall appoint through the recommendation of the Secretary of DOTr an Administrator who shall sit as the Chairman of the Board.

The RIB shall have the power to recommend an expansion of the membership of the board up to a total of eleven (11) Members, upon the approval of the Office of the President.

SECTION 7. *Management.* The Management of RIAP shall be headed by an Administrator and shall be assisted by three (3) Deputy Administrators who shall also be appointed by the President of the Philippines through the recommendation of the Secretary of DOTr. The Deputy Administrators shall be responsible for the following, to wit:

- (a) One (1) shall be responsible for the General Administration of RIAP such as Human Resources, Finance, Legal, Information Technology, and other similar divisions deemed necessary.
- (b) One (1) shall be responsible for the Regulations that include the research and development of standards, guidelines, and policies.
- (c) One (1) shall be responsible for the Monitoring and Enforcement of the set standards, guidelines, and policies, and Adjudication of disputes and complaints arising from the implementation.

SECTION 8. *Coordination with Other Agencies.* The Authority shall coordinate with the following government entities to carry out its functions effectively and efficiently:

- (a) Department of Transportation (DOTr);
- (b) Department of Labor and Employment (DOLE);
- (c) Department of Trade and Industry (DTI);
- (d) Department of Public Works and Highways (DPWH);
- (e) Department of Environment and Natural Resources (DENR);
- (f) Department of Finance (DOF);
- (g) Department of Information and Communications Technology (DICT);
- (h) Governance Commission for Government-Owned or -Controlled Corporations (GCG);
- (i) Philippine Railways Institute (PRI); and
- (j) Other government entities whose functions concur with that of the Authority.

SECTION 9. *Implementing Guidelines.* The following shall be implemented, following the effectivity of this Act:

- (a) Appointment of Members of the Rail Industry Board
 - a. The RIB member from the private sector and the Administrator shall be appointed by the Office of the President, from the list of qualified nominees from the DOTr; the rest of the ex-officio Members will assume their posts upon the appointment of the former
 - b. Initially, RIB members shall be appointed for a term of 12 months, within 30 days from the issuance hereof; their primary responsibility is to formulate and issue the required implementing rules, regulations and structure governing the operation and management of the RIAP itself, within 12 months of their appointment.

- c. Thereafter, members of RIB shall serve for a term of three years; no member of the board shall serve for more than two consecutive terms.
- d. Only the Office of the President, through the Executive Secretary, can revoke the appointment of private sector member and the Chairman of RIB

(b) Designation of Core Administrative Officials, and Personnel

- a. The RIB shall formulate an appropriate, lean and reasonable organizational structure (on top of the Core Administrative Positions [Administrator and Deputy Administrators] identified hereof) and staffing pattern of RIAP, including its extension or regional offices, as maybe required by the existence of railway infrastructure and asset in the given geographic area.
- b. The hiring of Core Administrative Officials, and Personnel shall follow the available and applicable qualifications and requirements pertinent to the functions and powers of RIAP, and applicable statutes and DBM rules and regulations.

ARTICLE 3

APPROPRIATIONS AND FINANCING

SECTION 10. *Initial Funding.* Initial funds needed to carry out the provisions of this Act shall be taken from the appropriations of DOTr for the current fiscal year in which RIAP is created. Thereafter, continuing funding requirements shall be included in the Annual General Appropriations Act (GAA), subject to the usual budgetary preparation procedures. In addition, the RIAP is hereby authorized to retain fifty percent (50%) of its collections from fees, charges, and other dues collectible by the regulatory body to defray any deficiency in the GAA.

SECTION 11. *Continuing Appropriations and Revenue Generation.* Continuing funding requirements shall be included in the Annual General Appropriations Act (GAA), subject to the usual budgetary preparation procedures.

In addition, the RIAP is hereby authorized to retain fifty percent (50%) of its collections from fees, charges, and other dues collectible by the regulatory body to defray any deficiency in the GAA.

ARTICLE 4

TRANSITORY PROVISIONS

SECTION 12. *Amendment of Mandates of Existing Railway Entities.* The RIAP shall assume all powers and functions of the following existing railway entities relative to the issuance of eligibility certifications, determination of fares, railways restructuring, quality of service regulation, and investment regulation:

- (a) Light Rail Transit Authority (LRTA); and
- (b) Philippine National Railways (PNR).

The respective mandates of these railway entities shall be amended to concur with the assumption of powers and functions by RIAP.

SECTION 13. *Effect on Future Railways Entities.* Any Railway Entity established after this Act takes effect shall not be granted any functions or powers that coincide, conflict, or contradict with the functions and powers stipulated in Section 5 of this Act.

ARTICLE 5

FINAL PROVISIONS

SECTION 14. *Congressional Oversight Committee.* A Congressional Oversight Committee is hereby created, composed of the Chairpersons and Members of the Committee on Public Services of the Senate and the Committee on Transportation of the House of Representatives. Additional committees of both Houses who wish to be part of this Oversight Committee can join, subject to the approval of their respective House Leadership. The Oversight Committee shall, among others, monitor and ensure the effective implementation of this Act.

SECTION 15. *Separability and Repealing Clause.*

Separability. If any part of this Act herein be declared unconstitutional or invalid, other provisions not affected thereby shall remain in full force and effect.

Repeal. All other orders, guidelines, rules, regulations and issuances, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 16. *Effectivity.* This Act shall take effect immediately upon its publication in the *Official Gazette* or in a newspaper of general circulation.