

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
S. No. **2274**

RECEIVED

Introduced by Senator Antonio "Sonny" F. Trillanes IV

EXPLANATORY NOTE

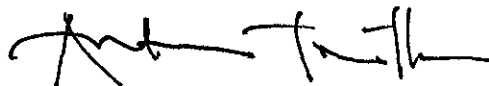
The mode of transportation has exceedingly improved at present with the introduction of the Roll on/Roll off ship or the so called "Ro-Ro". This has been well-received by businessmen and entrepreneurs for it allows them to transport their goods to any part of the country in a less costly manner. Similarly, individuals who do not have enough budgets to cover fares for boats and airplanes find the taking of "Ro-Ro" a good economical alternative.

While the Roll on/Roll off ship program of the government has drawn a lot of patronage from the public, to some, taking the "Ro-Ro" could be tiresome. The concept of "Ro-Ro" is basically a passenger ferry on short sea routes. 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 has to disembark from the ferries and return to the buses several times so that they will be able to *continue with the duration of the travel.*

This bill intends to provide the public with another mass transport system that is cheaper, faster, safer and reliable. It also envisions enhancing agricultural productivity and promoting 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 or 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.*

In view of the foregoing, the immediate approval of this bill is earnestly sought.

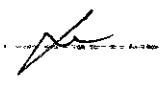


ANTONIO "SONNY" F. TRILLANES IV
Senator

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

15 MAR 13 2008

SENATE
S. No. 2274

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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

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

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ARTICLE I

GENERAL PROVISIONS

SECTION 1. This Act shall be known as the "*Philippine National Railway Act of 2008*".

SEC. 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;

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

3
4 **SEC. 3. Purposes.** – This Act shall have the following purposes:

- 5 1. To enhance agricultural productivity;
- 6 2. To accelerate the industrialization of the countryside;
- 7 3. To enhance tourism in the countryside;
- 8 4. To decongest the metropolis;
- 9 5. To depollute the metropolitan areas;
- 10 6. To decentralize development to the rural areas;
- 11 7. To reduce national dependence on oil imports;
- 12 8. To reduce the importation of vehicles;
- 13 9. To reduce the cost of road maintenance;
- 14 10. To promote inter-regional trade and commerce;
- 15 11. To facilitate the collection and transportation of garbage;
- 16 12. To facilitate the movement of people, goods and services;
- 17 13. To provide cheaper, faster, safer and reliable mass transport systems; and
- 18 14. To generate job opportunities.

19
20 **ARTICLE II**

21 **DEFINITION OF TERMS**

22 **SEC. 4. Definitions.** – As used in this Act:

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

- 1 b) “Urban Rail System” means any undertaking that is a street railway, tramway, light rail
2 transit or similar undertaking the purpose of which is to transport the general public
3 within an urban area;
- 4 c) “Subway” means underground railroad;
- 5 d) “Maglev” means magnetic levitation train that operates at the speed of 500k ms per hour;
- 6 e) “Depot” as used in this Act means an area where the vehicles are parked for maintenance,
7 repair and reconditioning;
- 8 f) “Station” means loading and unloading area for rail commuters
- 9 g) “Rolling Stock” means any locomotive or railway car that operates on track and any other
10 vehicle that by design or by the way it is equipped is capable of being operated on track;
- 11 h) “Track” means railway track and includes any land or right of way on which the railway
12 track is located and any signal apparatus used in respect of the operation of the railway
13 track;
- 14 i) “Structural Facilities” means, in respect of railway, bridges, tunnels, overpasses, culverts,
15 crossings and similar structures;
- 16 j) “Public railway” means a railway that is operated for the purposes of transporting
17 individuals, goods and commodities or any one or more of them for a toll or fee, but does
18 not include, an amusement railway, or an industrial railway;
- 19 k) “Amusement Railway” means a railway that is operated wholly within the confines of an
20 amusement, historical or similar park or site, for the purpose of providing rides to
21 individuals on rolling stock and is not operated for the purposes of transporting goods or
22 commodities for a toll or fee or of being a common carrier;
- 23 l) “Industrial Railway” means railway that transports only goods or commodities that are
24 manufactured, refined or otherwise produced, processed or handled by the person who
25 operates the railway or on whose behalf the railway is operated, and is operated wholly or
26 in part within the confines of the industrial site on which goods or commodities are
27 manufactured, refined or otherwise produced, processed, handled, and is not operated for

1 the purposes of transporting goods and commodities for a toll or a fee or of being a
2 common carrier;

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

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

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

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

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

14 **ARTICLE III**

15 **STRUCTURE OF THE NATIONAL RAILWAY INDUSTRY**

16 **SEC. 5.** The National Railway Industry shall be comprised of both the public and private
17 domains. (a) The public domain shall consist of two (2) bodies: the Philippine National Railway
18 Authority and the Railway Regulatory Board. These bodies are responsible for all sovereign
19 tasks relative to the development of the railway industry. (b) The private domain of the national
20 railway industry encompasses ownership and operation of railway systems and its maintenance.
21 Specifically, the role of the private sector in the railway industry includes ownership systems,
22 provision of rolling stocks and the operation of the same under the Build-Operate-Transfer (B-O-
23 T) scheme.

24
25 **SEC. 6. Responsibilities in the Public Domain.** – The sovereign tasks to be managed in
26 the public domain of the railway industry include the ownership, operation and maintenance of
27 the existing railway infrastructure.

1 **SEC. 10. Powers, Duties and Functions.** – The Philippine National Railway Authority

2 shall have the following powers, duties and functions:

- 3 (a) To have continuous succession under its corporate name;
- 4 (b) To sue and be sued;
- 5 (c) To adopt, alter and use a corporate seal;
- 6 (d) To amend and repeal its By-laws;
- 7 (e) To acquire, own, hold, administer and lease such real or personal property as it deems
8 necessary or convenient in governing its business affairs and to lease, mortgage, sell,
9 alienate or otherwise dispose of any such real or personal property held by it except
10 its right-of-way;
- 11 (f) To enter into any obligation, assign or accept the assignment of, and rescind any
12 agreement or contract necessary or incidental to the proper functioning of the
13 Authority;
- 14 (g) To contract loans, indebtedness and credit accommodations, in any local or
15 convertible foreign currency, from any international financial institution, foreign
16 government entities and local or foreign private commercial banks or similar
17 institutions under such terms and conditions prescribed by law, rules and regulations,
18 and to issue commercial papers and bonds in connection therewith;
- 19 (h) To construct, own, lease, operate and maintain public utilities, infrastructure facilities
20 and such auxiliary support services needed to develop, operate and maintain a
21 national railway system;
- 22 (i) To design, construct, maintain and operate by itself or by delegation to, or through
23 contractual arrangement such auxiliary infrastructure support facilities as, but not
24 limited to, parking structures above or below the ground, including the means of
25 access;
- 26 (j) To prescribe, fix and regulate the route of railway transport;

- 1 (k) To receive donations, grants, request and assistance of all kinds and to utilize the
2 same;
- 3 (l) To exercise the right of eminent domain in the name of the Republic of the
4 Philippines and in the acquisition of real estate by excess condemnation or escheat
5 proceedings, including appurtenant properties. The title thereto shall be registered in
6 the name of the Government and thereupon all such properties shall be entrusted to
7 the Authority as agent of the Government;
- 8 (m) To form, establish, organize and maintain subsidiary corporations or joint ventures
9 formed in accordance with the Philippine Corporation Code;
- 10 (n) To privatize any part or all of the railway system or any subsystem under the
11 Authority, in accordance with the law;
- 12 (o) To promulgate such rules and regulations as may be necessary to carry out the
13 objectives of this Act, and to perform such other powers as may be necessary to carry
14 out the purpose of this Act;
- 15 (p) To formulate and adopt a master plan for a national railway system with ecological
16 and environmental standards;
- 17 (q) To promote and encourage the active participation of the private sector, both local
18 and international, and the local government units in the development, implementation
19 and operation of railway system;
- 20 (r) To implement or cause the implementation of the national railway plan, policies and
21 programs according to a schedule of priorities consistent with the needs and available
22 resources;
- 23 (s) To control and develop, construct, operate and maintain railway facilities including
24 parking stations and terminals for freight, goods, and cargoes;
- 25 (t) To regulate the schedule, frequency, routing and pricing of railway services; and
- 26 (u) To call upon any government agency for such assistance as may be necessary in the
27 discharge of its duties and functions.

1 **SEC. 11. Powers and Functions of the Board.** – The powers of the Authority shall be
2 vested in and exercised by a Board of Directors, hereinafter referred to as the “Board”.

3 The Board shall have the following powers and functions:

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

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

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

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

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

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

17

18 **SEC. 12. Management.** – The general conduct of the operations and management of the
19 Authority shall be vested in the National Railway Administrator who shall serve as the Chief
20 Executive Officer of the Authority and Ex-Officio Member of the Board. He shall be primarily
21 responsible in carrying out the projects and programs of the Authority as well as in the
22 implementation of its policies, rules and regulations including the execution of the decisions of
23 the Board.

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

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

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

7

8 **SEC. 13. *Duties and Responsibilities of the National Railway Administrator.*** – The
9 administrator of the Authority shall have the following duties and functions:

- 10 (a) Appoint, subject to the confirmation of the Board, all the staff and personnel of
11 the Authority;
- 12 (b) Execute, administer and implement the policies, programs, plans, guidelines and
13 regulations issued and adopted by the Board;
- 14 (c) Direct and supervise the operations and administration of the Authority;
- 15 (d) Direct and supervise the operations of all public railways;
- 16 (e) Determine, subject to the approval of the Board and the concurrence of the
17 Department of Budget and Management, the staffing pattern and the number of
18 personnel of the Authority;
- 19 (f) Direct and supervise the preparation of the agenda for the meeting of the Board,
20 and to submit for the consideration of the Board such measures as he/she believes
21 necessary to carry out the purposes and objectives of this Act;
- 22 (g) Represent the Authority in all its transactions with other offices, agencies and
23 instrumentalities of the government and to deal with any persons and entities,
24 public or private, domestic or foreign, on matters related to the mandate of the
25 Authority; and
- 26 (h) Exercise such other powers and perform such other duties and functions as the
27 Board may assign or authorize.

1 **SEC. 14. *Public Accountability.*** – To ensure public accountability, the Authority shall be
2 subject to the audit of the Commission on Audit (COA) and shall comply with all the generally-
3 accepted accounting and auditing rules and regulations and those, which it may hereafter
4 promulgate pursuant to its constitutional mandate.

5
6 **SEC. 15. *Merit System.*** – All officials and employees of the Authority shall be selected
7 and appointed based on the comprehensive and progressive merit system to be established by the
8 Authority immediately upon its organization and in accordance with Civil Service law, rules and
9 regulations. The hiring, promotion, transfer and dismissal of all its personnel including
10 temporary workers shall be governed by existing civil service laws, rules and regulations.

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ARTICLE V

13

ABOLITION OF RAIL EXISTING OFFICES AND AGENCIES

14 **SEC. 16.** Upon the approval of this Act, the Philippine National Railways (PNR), Light
15 Rail Transit Authority (LRTA), the Panay Railways and the North Luzon Railway Corporation
16 (NLRC) including all other rail offices and agencies shall be deemed abolished and its projects,
17 assets and liabilities transferred to and assumed by the Philippine National Railway Authority.

18

19 **SEC. 17.** The assets and liabilities of the Edsa Light Rail transit of the Department of
20 Transportation and Communications insofar as its existing Build-Lease Transfer Contract with
21 the Metro Rail Transit Cooperation (MRTC) are likewise deemed transferred to and assumed by
22 the Authority.

23

24 **SEC. 18.** The plantilla personnel of the existing rail offices and agencies holding either
25 permanent or contractual positions may be absorbed by the Authority of retire from service,
26 subject to existing laws and regulations and the guidelines that the Department of Budget and
27 Management may issue for the purpose.

1 **ARTICLE VI**

2 **RAILWAY REGULATORY BOARD**

3 **SEC. 19.** A regulatory Board is hereby created composed of a Chairman and four (4)
4 members who shall be appointed by the President of the Philippines from among the list of ten
5 (10) nominees that the Board of the Philippine National Railway Authority shall submit to the
6 Office of the President. The National Railway Administrator shall sit in Board as ex-officio
7 member.

8
9 **SEC. 20. *Standards.*** The Regulatory Board shall set the necessary fare, safety and
10 security standards to be observed by all railway operators, public or private, in order to sustain
11 the development and operations of the rail industry, enhance the operations of rail systems and
12 ensure the safety of the rail-riding public and protect them from any form of natural calamities
13 and man-made disasters.

14
15 **SEC. 21. *Rules and Regulations.*** – The Philippine National Railway Authority may
16 formulate rules and regulations on the following:

- 17 (a) Standards and specifications with respect to rolling stock, tack and structural
18 facilities and other equipment and apparatus used;
- 19 (b) Construction, maintenance, repair and removal of track and structural facilities;
- 20 (c) Permanent fencing and temporary fencing of Right-Of-Way and structural facilities
21 and the apportionment of costs with respect to that fencing;
- 22 (d) Crossings of track and the use of those crossings;
- 23 (e) Installation and use of signage, warning signals, barriers, operating signals and
24 other similar apparatus;
- 25 (f) Qualifications of persons operating rolling stock and of persons carrying out
26 functions respecting the operation of track and of other equipment and matters
27 ancillary to the operation of rolling stock;

- 1 (g) Materials to be provided;
- 2 (h) Criteria to be met in order for an approval to be granted or renewed;
- 3 (h.1) requiring an applicant or an operator of a railway to have a safety
- 4 management system and plan;
- 5 (h.2) the terms for which an approval may be granted or renewed;
- 6 (i) Amounts of insurance of other security to be provided by or in the case of holders
- 7 of approvals, persons, carrying out construction of the railway and persons
- 8 operating the rolling stock or track;
- 9 (j) Damages caused by or arising out of fires and the liability for those damages stated
- 10 in Section 57 of Article XII hereof;
- 11 (k) Tariffs, rates and the provision of services for the public railways;
- 12 (l) Limitations on the liability of operators of public railways insofar as the
- 13 transportation of goods and commodities in relation to Section 65 of Article XIII
- 14 hereof;
- 15 (m) Procedures and processes governing the resolution of disputes between shippers of
- 16 goods and commodities and the operators of public railways with respect to tariffs,
- 17 rates and the provision of services;
- 18 (n) Accidents and other incidents;
- 19 (o) Cessation of services;
- 20 (p) Information to be provided to the Board, the Authority and railway safety officers
- 21 and governing the use of that information;
- 22 (q) Form and contents of notices of administrative penalties;
- 23 (r) Amounts or the manner of determining the amounts, of the administrative penalties
- 24 that may be imposed by the Board;
- 25 (s) Amounts, or the manner of determining the amounts, of the administrative penalties
- 26 that may be imposed by a railway safety officer;
- 27 (t) Periods for giving of notices of administrative penalties;

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

3 (v) Measures that are to be taken by an operator of a railway to secure the railway
4 against the threat of terrorist activity including, without limitation, the filing with
5 the Authority of plans to ensure the security of the railway operation.
6

7 **SEC. 22. – (a) – *Railway Safety.*** – Where railway installations and railway vehicles must
8 be built, they should meet optimal safety requirements in operation. These requirements are met,
9 when the installations and vehicles conform to the Safety Code which is prescribed by the Board
10 and approved by the Authority.

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

13 (1) movement accidents at station entrances and exits;

14 (2) system integrity has to be planned and proven;

15 (3) restoration of limited service has to be trained;

16 (4) activities of passengers while in the premises of the stations particularly while
17 waiting in the platforms must be monitored and precautions prepared;

18 (5) safety equipment has to be installed on all relevant places, which have to be
19 coordinated with the Railway Regulator;

20 (6) Fire safety has to be guaranteed and precautions prepared with the local fire
21 brigades and coordinated with the Philippine National Railway Authority.
22

23 **SEC. 23. *Railway Security.*** – (a) Security measures shall be adopted in the operations of
24 the public transport. In the implementation thereof, all security issues shall be addressed taking
25 into account the following:

26 (i) Personal security;

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

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

3 (b) There shall be an integrated and seamless security network that must consist of
4 mutually coordinated measures such as:

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

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

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

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

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

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

18 **ARTICLE VII**

19 **COMPLIANCE, ACCIDENTS, AND ADMINISTRATIVE PENALTIES**

20 **SEC. 24. (a) *Purposes of Inspections.*** – A railway safety officer may carry out
21 inspections under Section 21 of Article VI hereof for purposes of:

22 (i) administering the railway legislation and the approvals;

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

24 (iii) fostering compliance with operating rules;

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

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

1 (vi) fostering, with respect to the operation of railways, the safety of the general
2 public and of persons employed by or acting on behalf of operators of railways.
3

4 **SEC. 25. *Inspection of Railways.*** – (a) A railway safety officer may carry out
5 inspections of the following:

- 6 (i) any rolling stock;
- 7 (ii) anything transported on rolling stock;
- 8 (iii) any track;
- 9 (iv) any structural facility;
- 10 (v) any record, document, object, or thing that relates to the operation of a
11 railway

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

- 14 (i) enter on or into any track, structural facility, rolling stock, building or any
15 other property associated with or operated by the operator of the railway;
- 16 (ii) ride on any rolling stock;
- 17 (iii) make inquiries of any person who is employed by or who carries out any
18 duties or functions for or in respect of the operator of the railway;
- 19 (iv) perform or cause to be performed tests or examinations of anything that
20 may be inspected under subsection (a).

21
22 **SEC. 26. *Production of Documents, etc.*** – (a) A person who is subject to an inspections
23 shall, when requested to do so by a railway safety officer, produce for inspection within a
24 reasonable period of time any record, document, object, or thing that relates to the matter being
25 inspected.

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

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

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

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

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

22

23 **SEC. 27. *Directions of Railway Safety Officer.*** – (a) Where a railway safety officer
24 carries out an inspection, he may do one or more of the following:

25 (i) order the cessation of any activity carried out in respect of a railway, the
26 operation of any rolling stock, the operation of any track, or the use of any
27 structural facility, where the railway safety officer is of the opinion that

1 that activity, operation, or use is a danger to the safety of the public or
2 persons employed by or acting on behalf of the operator of the railway;

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

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

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

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

20 (vi) issue directions requiring any procedure or practice respecting the
21 operation of any rolling stock, track, structural facility, or equipment to be
22 stopped or changed so that the procedure or practice, in the opinion of the
23 railway safety officer, will conform to the requirements of the railway
24 legislation and be carried out in a safe manner.

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

1 **SEC. 28. Accidents.** – (a) The operator of a railway shall keep a record of every accident
2 involving rolling stock and shall forthwith report to the Authority any accident involving any
3 rolling stock that is reportable pursuant to the regulations

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

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

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

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

11 (c) In carrying out an investigation under this section, the railway safety officer may
12 exercise any powers and carry out any functions that the Board may exercise and take possession
13 of and remove any rolling stock, goods, or commodities being transported on the rolling stock,
14 any equipment and any track or structural facilities involved in the accident for the purposes of
15 conducting tests, analyses, and other assessments in carrying out the investigation.

16

17 **SEC. 29. Railway Operator's Powers Regarding the Accident.** – (a) For the purposes of
18 dealing with an accident involving rolling stock, the operator of the railway and any person
19 employed by or on behalf of that operator may:

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

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

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

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

1 **SEC. 30. *Administrative Penalties.*** – (a) Where the Board is of the opinion that an
2 operator of a railway or a person employed by or acting on behalf of an operator of a railway has
3 failed to comply with the railway legislation, an operating rules or an approval, any order made
4 or direction given by the Board, or any order made or direction given by the Authority or a
5 railway safety officer, the Authority may act under subsection (b).

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

10 (c) Where a railway safety officer is of the opinion that an operator of a railway or a
11 person employed by or acting on behalf of an operator of a railway has failed to comply with the
12 railway legislation, an operating rule or an approval that governs the operation of rolling stock,
13 track or a structural facility, or an order made or direction given by a railway safety officer, the
14 latter may act under subsection (d).

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

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

22

23

ARTICLE VIII

24

REVIEWS AND JUDICIAL RELIEF

25

SEC. 31. *Definition of an Affected Person.* – (a) In this part, “affected person” means:

26

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

27

- 1 (ii) a person who has been granted an approval by the Authority;
- 2 (iii) a person to whom an order or a direction has been given or who is subject
- 3 to an order made or direction given by the Authority;
- 4 (iv) a person who owns or has an interest in land where that or the use of that
- 5 land is or may be affected by any expropriation that is or may be carried
- 6 out or any construction that is or may be carried out pursuant to an
- 7 approval referred to in Section 41, 42, and 43 of Article X hereof; or
- 8 (v) any person whom the Board, in its discretion, accepts as an affected
- 9 person.

10 (b) In this Part, a reference to any action taken by the Authority is a reference to the fact

11 that Railway Authority or has done one or more of the following:

- 12 (i) refused to grant an approval;
- 13 (ii) granted an approval;
- 14 (iii) cancelled or suspended an approval in whole or in part;
- 15 (iv) imposed, removed, or altered any term, condition, or restriction to which
- 16 an approval is subject;
- 17 (v) given an order or direction under the railway legislation;
- 18 (vi) imposed an administrative penalty under the railway legislation.

19

20 **SEC. 32. *Application for Review or Hearing by the Board.*** – (a) Where an action is

21 taken by the Authority or the affected person in respect of whom the action was taken, may apply

22 to the Board for a review of the action taken by the safety officer or within 30 days from the date

23 the action was taken.

24 (b) With respect to any matter under the railway legislation other than an action taken by

25 the safety officer, an affected person may, with the consent of the Board, apply to the Board for a

26 hearing into the matter.

27

1 **SEC. 33. *Conduct of Review or Hearing by the Board.*** – (a) On receiving application
2 under Section 4(a) of Article VII, for a review of an action taken by the safety officer, the Board
3 shall conduct a review of that action.

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

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

12

13 **SEC. 34. *Decision of the Board.*** – (a) In conducting a review of an action taken by the
14 safety officer, the Board may make an order confirming the action taken by the safety officer,
15 change the action taken by the safety officer or rescind the action taken by the safety officer.

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

20 (c) Where the Board hears a matter other than an action take by the safety officer, the
21 Board may make any order and make the order subject to any terms, condition, or restriction that
22 the Board considered appropriate in the circumstances.

23

24 **SEC. 35. *Procedure before the Board.*** – (a) For the purposes of conducting reviews and
25 hearings before the Board, the Chair and the other Members of the Board may:

26 (i) summon and enforce the attendance of witnesses;

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

- 1 (iii) compel witnesses to give evidence in person or otherwise; and
- 2 (iv) compel witnesses to produce any record, object, or thing that relates to the
- 3 matter being heard.

4 (b) With respect to reviews and hearing before the Board, the Board may make rules on
5 the following:

- 6 (i) Notices to be given in respect of a review or hearing;
- 7 (ii) Procedure before the Board;
- 8 (iii) Adjournments of matters before the Board;
- 9 (iv) Attendance of witnesses;
- 10 (v) Receiving and recording of evidence;
- 11 (vi) Procedure incases when a party to the review or hearing fails to appear or
- 12 attend the review or hearing;
- 13 (vii) Authority of the Board to consider a matter without conducting a formal or
- 14 summary hearing and governing the procedure to be used in those
- 15 circumstances;
- 16 (viii) Applicability of the 1997 Revised Rules of Court;
- 17 (ix) Issuance and publication of decisions of the Board;
- 18 (x) Reconsideration of decisions made by the Board;
- 19 (xi) Costs.

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

1 **SEC. 36. *Board Decision is Final.*** – Subject to the provisions in Section 25 of Article
2 VII, hereof, every decision or order of the Board is final and executor.

3
4 **SEC. 37. *Appeal from Orders or Decision of the Board.*** – (a) An appeal lies from the
5 decision of the Board of the Court of Appeal on a question of jurisdiction or on a question of
6 law.

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

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

11
12 **SEC. 38. *Reconsideration of Railway Safety Officer's Order.*** – (a) In this Section,
13 “order” shall mean a direction given in respect of an investigation or an administrative penalty
14 imposed under Section 23 of Article VI hereof.

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

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

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

22

23

ARTICLE IX

24

RIGHT OF WAY

25 **SEC. 39. *Right of Way.*** – It shall be the duty of the Authority to identify and establish
26 within three (3) years after the approval of this Act the alignment of a National Railway System

1 and once it is established and the right of way is acquired, the same cannot be the object of sale,
2 lease, or otherwise.

3

4 **SEC. 40. *Intrusion into the Right of Way.*** – Any intrusion into the right of way by any
5 person shall be punishable by imprisonment ranging from four (4) to six (6) years and the
6 demolition of any structure thereon shall be at the expense of the intruder.

7

8

ARTICLE X

9

CONSTRUCTION OF RAILWAYS

10

11 **SEC. 41. *Initial Construction of Public Railway.*** – A person shall not construct any
12 track or any structural facilities on any land for the purposes of constructing or developing a
13 public railway unless the Authority has granted to the person who is to be the operator of the
14 railway an approval to carry out that construction on that land.

14

15

16 **SEC. 42. *Subsequent Construction of Public Railway.*** – Where a person wishes to
17 construct any track or structural facilities in respect of a public railway on land that is not already
18 included in an existing approval, that person shall not construct that track or those structural
19 facilities on that land unless the Authority has granted to the operator of the railway an approval
20 to carry out the construction on that land.

20

21

22 **SEC. 43. *Construction of Industrial Railway.*** – Where a person wishes to construct any
23 track or structural facilities in respect of an industrial railway on land that the industrial railway
24 intends to acquire by means of expropriation, that person shall not construct that track or those
25 structural facilities on that land unless the Authority has granted to the operator of the railway an
26 approval to carry out that construction on that land.

26

1 **SEC. 44. *Construction of Track Crossing.*** – A person shall not, in respect of any
2 railway, construct on, across, over, or under a highway unless the Authority has granted to the
3 operator of the railway an approval to carry out that construction, or construct a highway on,
4 across, over, or under track unless the Authority has granted to the road authority an approval to
5 carry out that construction.

6
7 **SEC. 45.** Where, in respect of any railway, tracks are located on, across, over, or under a
8 highway, and a person wishes to replace any structure or method by which the tracks are located
9 on, across, over, or under the highway with another structure or method, a person shall not
10 change the existing structure or method with a different structure or method unless the Authority
11 has granted to the operator of the railway an approval to do so.

12
13 **SEC. 46.** Where the operator of the railway is unable to agree with the road authority as
14 to the apportionment of costs associated with the construction, the operator of the railway or the
15 road authority may apply to the appropriate agency to apportion the costs.

16

17

ARTICLE XI

18

EXPROPRIATION AND OVERRIDING OBJECTIVE OF CONSTRUCTION

19 **SEC. 47.** For the purposes of constructing track or structural facilities in respect of a
20 public railway, the operator of the railway may expropriate land in accordance with the existing
21 expropriation procedures.

22

23 **SEC. 48.** For the purposes of constructing track or structural facilities in respect of an
24 industrial railway on land that the operator of that railway does not own or otherwise have the
25 right to use under an agreement with the owner of that land, that operator may, if the appropriate
26 expropriation agency grants to that operator an approval to proceed under the existing
27 expropriation procedures, expropriate land in accordance with the said rules.

1 **SEC. 49.** Where an approval is required before any construction or work may be carried
2 out under the railway legislation, a person shall not expropriate land for the purposes of that
3 construction or work until the Authority has granted that approval.

4
5 **SEC. 50.** Where construction or work is being carried out pursuant to an approval
6 granted under the two preceding articles, and the Authority is of the opinion that the construction
7 or work is not being carried out in accordance with the railway legislation or that approval, the
8 Authority may at any time give notice to the operator of the railway or the person carrying out
9 the construction or work to stop the construction or work.

10
11 **SEC. 51.** Where the Authority gives a notice under the previous section, the person
12 carrying out the construction or work shall stop carrying out the construction or work and shall
13 not recommence the construction or work until the Authority grants an approval to do so.

14
15 **SEC. 52. *Prohibition Against Issuance of Restraining Orders and Preliminary***
16 ***Injunctions or Preliminary Mandatory Injunctions.*** – No court in the Philippines, except the
17 Supreme Court, shall have the jurisdiction to issue any restraining order, preliminary injunction,
18 or preliminary mandatory injunction in any case, dispute, or controversy involving any contract
19 or project involving the PNRA, to prohibit any person or persons, or entity or government
20 official from proceeding with, or continuing the execution of implementation of any such
21 contract or project, or pursuing any lawful activity necessary for the execution, implementation
22 or operation of such contract or project.

23
24 **ARTICLE XII**

25 **OPERATION OF RAILWAY**

26 **SEC. 53. *Operations to be Conducted Safely.*** – The operator of a railway shall –

27 (a) Ensure that –

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

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

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

12
13 **SEC. 54. *Obstructing Navigation*** – A person shall not, in respect of any railway
14 construct, repair, maintain or remove track or structural facilities, or operate rolling stock, in
15 such a manner so as to obstruct or impede the free navigation of or on a river, stream, canal or
16 body of water.

17
18 **SEC. 55. *Drainage***. A person carrying out the construction, repair, maintenance or
19 removal of any track or structural facility in respect of any railway shall ensure that there is
20 constructed and maintained, (a) in the case of track, along each side of, across and under the
21 track, and (b) in the case of a structural facility, as are necessary for the structural facility; proper
22 and adequate ditches and drains that are connected with ditches. Drains, drainage works and
23 watercourses on the land over which the track crosses or on which the structural facility is
24 located so as to provide sufficient outlet to drain and carry off water in such a manner that the
25 existing natural drainage and any existing artificial drainage of the land is not obstructed or
26 impeded.

1 **SEC. 56. Fire. –**

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

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

9 For the purpose of this section, the operator of a railway –

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

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

13
14 **SEC. 57. Highway Crossing. –** Where construction is carried out to lay track on, across,

15 over or under a highway, the person carrying out the construction shall;

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

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

20
21 **SEC. 58. Crossing of Landowners. –**

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

1 (b) A crossing that is provided under this section shall remain in place until the owner of
2 the land notifies the operator of the railway that the crossing is no longer required or
3 the crossing is removed pursuant to an agreement between the owner of the land and
4 the operator of the railway.

5 (c) For the purposes of this section:

6 i. If the right of way existed before the owner of the land acquired the land on
7 both sides or either side of the right of way, the owner of the land is
8 responsible for the costs of constructing, maintaining, repairing and removing
9 the crossing, or

10 ii. If the owner of the land acquired that land before the right of way that
11 separated that land came into existence, the operator of the railway is
12 responsible for the costs of constructing, maintaining, repairing and removing
13 the crossing.

14
15 **SEC. 59. *Crossing of Private Roads.* –**

16 (a) In this section:

17 (a.a) “private road” shall mean –

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

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

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

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

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

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

7 (d) For the purposes of this section, if

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

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

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

16

17 **SEC. 60. *Fences of Landowners***

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

21 For the purpose of this section, if

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

25 (ii) The owner of the land acquired the land that abuts on the right of way
26 before the right of way came into existence, the operator of the railway is

1 responsible for the costs of constructing the fence and the owner of the
2 land is responsible for the costs of maintaining and repairing the fence.

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

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

9 **SEC. 61. *Abandonment of Services.* –**

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

11 (i) The operation of rolling stock;

12 (ii) The operation of track;

13 (iii) The accepting of goods or commodities for transportation by means of rolling
14 stock.

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

18 (c) With respect to the cessation of a service that is provided by a public railway, the
19 operator of the public railway shall, prior to the cessation of that service and in addition to giving
20 notice under (b), shall notify the public and the shippers of goods or commodities on that railway
21 of the cessation of the service in accordance with the regulations.

22
23 **ARTICLE XIII**

24 **PUBLIC RAILWAYS**

25 **SEC. 62. *Public Railways as Common Carrier.* –** An operator of a public railway is a
26 common carrier and shall, as is reasonably within the capabilities of the rolling stock, track,

1 structural facilities and equipment of the operator, provide to all persons adequate and suitable
2 facilities:

3 (a) For receiving, forwarding and delivering of goods and commodities on and from
4 railways;

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

6 (c) For the return of rolling stock;

7 (d) For the injunction of private sidings and the track of industrial railways with the track
8 of the public railway;

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

11

12 **SEC. 63. *Interchange of Goods and Commodities*** – (a) Where there is an interchange of
13 goods and commodities between a public railway governed under this Act and a railway that is
14 not governed under this Act, and the operators of those railways cannot agree as to the
15 interchange of the goods and commodities, the operator of the public railway governed under
16 this Act may submit to the Philippine national Railway Authority for the purpose of determining
17 all matters respecting the interchange.

18

19 **SEC. 64. *Tariffs of Rates***. – (a) The operator of a public railway shall, subject to the
20 regulations, establish a tariff of rates for the services that the operator provides to the shippers
21 and the general public, and post the tariff of rates in a public place in an office operated by that
22 operator or make that tariff of rates available to the public for inspection at an office operated by
23 that operator.

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

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

4
5 **SEC. 65. *Limitation of Liability.*** – The operator of a public railway shall not limit or
6 restrict the operator’s liability to a shipper for the transportation of goods and commodities
7 except if permitted by prevailing laws and regulations.

8
9 **SEC. 66. *Transactions Regarding Approval or Grants of Operation.*** –

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

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

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

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

24
25 **SEC. 67. *Right of Entry.*** – (a) For the purposes of constructing, maintaining or repairing
26 rolling stock, track or structural facilities of a public railway, the operator of the public railway
27 and any person employed by or on behalf of that operator may, without taking title to the land,

1 may enter on any land that is adjacent to or in close proximity to the railway, and occupy and use
2 that land for so long as it is necessary to carry out the construction, maintenance or repair.

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

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

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

11

12

ARTICLE XIV

13

RAILWAY ENERGY PLANT

14

SEC. 68. In order to ensure a continuous and uninterrupted operation of the railway
15 systems in the Philippines, the Authority may establish its power plant for any of its rail systems
16 when on its own judgment it is more economical and advantageous on the part of the
17 government.

18

19

SEC. 69. *Waste-to-Energy Plant.* – In order to facilitate the collection and transportation
20 of garbage in the metropolitan areas, to ensure the supply of electric power to the railway
21 systems and to help ensure the economic viability of the railway systems, the Authority shall
22 endeavor to establish in cooperation with private sector waste-to-energy plants in strategic areas.

23

24

ARTICLE XV

25

RAILWAY FUNDING AND TRUST FUND

1 **ARTICLE XVII**

2 **TRAIN DRIVERS**

3 **SEC. 76. *Train Drivers.*** – To promote proficiency and to ensure the safety of the general
4 railway riding public, all train drivers must possess certain educational attainment and undergo
5 training to attain certain level of skills, and must be physically and mentally fit owing to the
6 delicate characters of their job.

7
8 **SEC. 77. *Train Drivers' License.*** – The Railway Training Center shall conduct the
9 training for train drivers for a duration that it may determine and thereafter issue the necessary
10 Train Drivers' License (TDL) for those who will pass the training according to its test and
11 measurement.

12 **ARTICLE XVIII**

13 **EXEMPTION FROM REAL PROPERTY TAX**

14
15 **SEC. 78. *Exemption from Real property Tax.***– All rail properties in the form of land,
16 right of way, depot, stations, tracks, office buildings, and terminals are exempted from the
17 payment of real property tax and those which have already been due to the government shall be
18 deemed condoned entirely.

19
20 **SEC. 79. *Exemption form Income Tax.*** – The income of the Authority derived from the
21 operations of its railway systems is exempted from the payment of income tax.

22
23 **SEC. 80. *Exemption from the payment of customs, duties and charges.*** – Any
24 importation of goods and/or equipment for the building of railway systems and for the
25 maintenance and operation of railway systems is free from payment of customs, duties and other
26 forms of fees and charges.

1 **ARTICLE XIX**

2 **INSURANCE COVERAGE**

3 **SEC. 81. *Rail Systems Insurance Coverage.*** – All rail systems shall be covered by
4 insurance from natural and man-made disasters either by the Government Service Insurance
5 System (GSIS) or by a self-insurance system in the form of a common trust fund that the
6 Philippine National Railway Authority may establish for the purpose for all the public railway
7 operators.

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

11
12 **SEC. 82. *Passenger's Insurance Coverage.*** – Each and every rail passenger shall be
13 covered by accident insurance by the rail operators, government or private, in the amount of One
14 Hundred Thousand Pesos ((P100,000.00) in the case of death, not more than Fifty Thousand
15 Pesos (P50,000.00)in cash of an injury exclusive of medical and hospitalization expense, and
16 Seventy Five Thousand Pesos (P75,000.00) in case of incapacity exclusive of medical and
17 hospitalization expense.

18
19 **SEC. 83. *Accumulated Premiums.*** – After five (5) years from the date, the common trust
20 fund was established and every three (3) years thereafter, a portion of the trust fund may be used
21 for rail projects and programs by 2/3 vote of the members of the Board of Directors of the
22 Philippine National Railway Authority.

23
24 **SEC. 84. *Fund Administrator.*** - The Trust Funds authorized under this Article may be
25 administered by a group of financial experts when in the judgment of the Board the need for it
26 arises, otherwise, the Authority shall administer and manage such fund.

1 **ARTICLE XX**

2 **APPLICABILITY OF RAILWAY LEGISLATION**

3 **SEC. 85. *Application of this Act.*** – (a) Where a person owns or is otherwise responsible
4 for the control, management or operation of both rolling stock and track –

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

7 (ii) Any reference in the railway legislation to the operator of a railway is a
8 reference to that person in that person’s capacity as the operator of both rolling
9 stock and track.

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

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

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

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

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

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

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

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

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

1 **SEC. 86. *Non-applicability of Railway Legislation.*** – The railway legislation does not
2 apply to (a) rolling stock or track that is not full size; (b) structural facilities used in respect of
3 rolling stock or track referred to in clause (a); (c) the operator of a railway with respect to the
4 operation of rolling stock or track referred to in clause (a); (d) a railway with respect to the
5 operation of rolling stock or track referred to in clause (a).

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

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

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

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

13

14

ARTICLE XXI

15

APPLICABILITY OF EXISTING LAWS AND REGULATIONS

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17 **SEC. 87.** Insofar as they are not inconsistent with this Act, the provisions of the
18 Corporation Law and Republic Act 6957 otherwise known as “an Act Authorizing the Financing,
19 Construction, Operations and Maintenance of Infrastructure Projects by the Private Sector s and
20 for Other Purposes” shall be applicable to the operations of the National Railway Authority.

21

22

ARTICLE XXII

23

CONGRESSIONAL OVERSIGHT COMMITTEE

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25 **SEC. 88. *Separability Clause*** - If any of the provisions of this Acts declared invalid, the
26 provisions thereof not affected by such declaration shall remain in force and effect.

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28 **SEC. 89. *Repealing Clause*** – The provisions of Republic Act No. 4156, as amended,
29 Executive Order No. 603, as amended are hereby repealed. All other laws, decrees, orders,

1 proclamations, rules and regulations or parts thereof, inconsistent with any of the provisions of
2 this Act are hereby repealed, amended or modified accordingly.

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ARTICLE XXIV

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EFFECTIVITY CLAUSE

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SEC. 90. *Effectivity Clause* – This Act shall take effect fifteen (15) days following its

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publication in at least two (2) newspapers of general circulation.

Approved,