

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

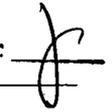


Senate
Office of the Secretary

'16 JUL 20 A9:36

SENATE

S. No. 644

RECEIVED BY: 

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
INSTITUTING THE PHILIPPINE RAILWAY AUTHORITY AND FOR OTHER
PURPOSES

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 budget 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 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 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 interregional 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 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

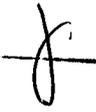


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AN ACT
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PURPOSES

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

ARTICLE I
GENERAL PROVISIONS

1 SECTION 1. This Act shall be known as the "*Philippine National Railways Act of*
2 *2016.*"
3

4 SEC. 2. *Declaration of Principles and Policies.* –

- 5 a) The State shall promote the railway industry as an instrument for national progress and
6 prosperity;
- 7
- 8 b) The State shall establish a National Railway System that is cost-effective, reliable,
9 efficient, accessible and sustainable;
- 10
- 11 c) The State shall promote the participation of the private sector in the building and
12 construction of railway infrastructure;
- 13
- 14 d) The State shall promote the cooperation between the government and the private sector
15 including the local government writs in the development, implementation and operation
16 of railway systems; and
- 17
- 18 e) The State shall promote the safety and security of the general railway riding public and
19 provide for their convenience.
- 20
- 21

22 SEC. 3. *Purposes.* - This Act shall have the following purposes:

- 23 a) To enhance agricultural productivity; To accelerate the industrialization of the
24 countryside;
- 25
- 26 b) To enhance tourism in the countryside;
- 27
- 28 c) To decongest the metropolis;
- 29
- 30 d) To depollute the metropolitan areas;

- 1 e) To decentralize. development to the rural areas;
2
3 f) To reduce national dependence on oil imports;
4
5 g) To reduce the importation of vehicles;
6
7 h) To reduce the cost of road maintenance;
8
9 i) To promote inter-regional trade and commerce;
10
11 j) To facilitate the collection and transportation of garbage;
12
13 k) To facilitate the movement of people, goods and services;
14
15 l) To provide cheaper, faster, safer and reliable mass transport systems; and
16
17 m) To generate job opportunities.
18
19

20 **ARTICLE II**
21 **DEFINITION OF TERMS**
22

23 **SEC. 4. Definitions.** - As used in this Act, the following terms shall be defined as
24 follows:

- 25 a) "Railway" means an undertaking that is operated for the purposes of transporting
26 individuals, goods and commodities or anyone or more of them by means of rolling
27 stock operated on track, but does not include an urban rail transit system;
28
29 b) "Urban Rail System" means any undertaking that is a street railway, tramway, light
30 rail transit or similar undertaking the purpose of which is to transport the general
31 public within an urban area;
32
33 c) "Subway" means underground railroad;
34
35 d) "Maglev" means magnetic levitation train that operates at the speed of 500k ms per
36 hour;
37
38 e) "Depot" as used in this Act means an area where the vehicles are parked for
39 maintenance, repair and reconditioning;
40
41 f) "Station" means loading and unloading area for rail commuters;
42
43 g) "Rolling Stock" means any locomotive or railway car that operates on track and any
44 other vehicle that by design or by the way it is equipped is capable of being operated
45 on track;
46
47 h) "Track" means railway track and includes any land or right of way on which the
48 railway track is located and any signal apparatus used in respect of the operation of
49 the railway track;
50

- 1 i) "Structural Facilities" means, in respect of railway, bridges, tunnels, overpasses,
2 culverts, crossings and similar structures;
3
- 4 j) "Public railway" means a railway that is operated for the purposes of transporting
5 individuals, goods and commodities or anyone or more of them for a toll or fee, but
6 does not include, an amusement railway, or an industrial railway;
7
- 8 k) "Amusement Railway" means a railway that is operated wholly within the confines of
9 an amusement, historical or similar park or site, for the purpose of providing rides to
10 individuals on rolling stock and is not operated for the purposes of transporting goods
11 or commodities for a toll or fee or of being a common carrier;
12
- 13 l) "Industrial Railway" means railway that transports only goods or commodities that
14 are manufactured, refined or otherwise produced, processed or handled by the person
15 who operates the railway or on whose behalf the railway is operated, and is operated
16 wholly or in part within the confines of the industrial site on which goods or
17 commodities are manufactured, refined or otherwise produced, processed, handled,
18 and is not operated for the purposes of transporting goods and commodities for a toll
19 or a fee or of being a common carrier;
20
- 21 m) "Approval" means an approval granted under this Act and includes an amendment to
22 the approval;
23
- 24 n) "Authority" means the Philippine National Railway Authority;
25
- 26 o) "Secretary" means the minister/head of the Philippine Department of Transportation
27 and Communications;
28
- 29 p) "National Railway Administrator" means a person appointed as Chief Operating
30 Officer of the Philippine National Railway Authority;
31
- 32 q) "Railway Safety Officer" means a person designated as a railway safety officer and
33 includes any person authorized by the Railway Regulatory Board to carry out duties
34 or functions on behalf of or in place of a railway safety officer.
35
36

37 **ARTICLE III**
38 **STRUCTURE OF THE NATIONAL RAILWAY INDUSTRY**
39

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

- 1 alienate or otherwise dispose of any such real or personal property held by it except its
2 right-of-way;
3
- 4 f) To 'enter into any obligation, assign or accept the assignment of, and rescind any
5 agreement or contract' necessary or incidental to the proper functioning of the Authority;
6
- 7 g) To contract loans, indebtedness and credit accommodations, in any local or convertible
8 foreign currency, from any international financial institution, foreign government entities
9 and local or foreign private commercial banks or similar institutions under such terms and
10 conditions prescribed by law, rules and regulations, and to issue commercial papers and
11 bonds in connection therewith;
12
- 13 h) To construct, own, lease, operate and maintain public utilities, infrastructure facilities and
14 such auxiliary support services needed to develop, operate and maintain a national
15 railway system;
16
- 17 i) To design, construct, maintain and operate by itself or by delegation to, or through
18 contractual arrangement such auxiliary infrastructure support facilities as, but not limited
19 to, parking structures above or below the ground, including the means of access;
20
- 21 j) To prescribe, fix and regulate the route of railway transport;
22
- 23 k) To receive donations, grants, request and assistance of all kinds and to utilize the same;
24
- 25 l) To exercise the right of eminent domain in the name of the Republic of the Philippines
26 and in the acquisition of real estate by excess condemnation or escheat proceedings,
27 including appurtenant properties. The title thereto shall be registered in the name of the
28 Government and thereupon all such properties shall be entrusted to the Authority as agent
29 of the Government;
30
- 31 m) To form, establish, organize and maintain subsidiary corporations or joint ventures
32 formed in accordance with the Philippine Corporation Code;
33
- 34 n) To privatize any part or all of the railway system or any subsystem under the Authority,
35 in accordance with the law;
36
- 37 o) To promulgate such rules and regulations as may be necessary to carry out the objectives
38 of this Act, and to perform such other powers as may be necessary to carry out the
39 purpose of this Act;
40
- 41 p) To formulate and adopt a master plan for a national railway system with ecological and
42 environmental standards;
43
- 44 q) To promote and encourage the active participation of the private sector, both local and
45 international, and the local government units in the development, implementation and
46 operation of railway system;
47
- 48 r) To implement or cause the implementation of the national railway plan, policies and
49 programs according to a schedule of priorities consistent with the needs and available
50 resources;

- 1 s) To control and develop, construct, operate and maintain railway facilities including
2 parking stations and terminals for freight, goods, and cargoes;
3
4 t) To regulate the schedule, frequency, routing and pricing of railway services; and
5
6 u) To call upon any government agency for such assistance as may be necessary in the
7 discharge of its duties and functions.
8
9

10 **SEC. 11. Powers and Functions of the Board.** – The powers of the Authority shall be
11 vested in and exercised by a Board of Directors, hereinafter referred to as the "Board".
12

13 The Board shall have the following powers and functions:

- 14 a) Formulate policies, rules and regulations, plans, projects and programs;
15
16 b) Direct the management, operations and administration of the Authority;
17
18 c) Create offices or positions necessary for the efficient operations of the Authority and fix
19 the remuneration and other emoluments of subordinate officers and personnel of the
20 Authority in accordance with the Revised Compensation and Position Classification
21 System, and to remove or otherwise discipline such officers/employees for cause in
22 accordance with Civil Service Rules and Regulations;
23
24 d) Establish financial and operations targets for management as basis for evaluating and
25 monitoring corporate performance;
26
27 e) Authorize such expenditures as are in the interest of the efficient administration and
28 operations of the Authority; and
29
30 f) Exercise such other powers as may be necessary to accomplish the purposes for which
31 the Authority.
32
33

34 **SEC. 12. Management.** – The general conduct of the operations and management of
35 the Authority shall be vested in the National Railway Administrator who shall serve as the
36 Chief Executive Officer of the Authority and Ex-Officio Member of the Board. He shall be
37 primarily responsible in carrying out the projects and programs of the Authority as well as in
38 the implementation of its policies, rules and regulations including the execution of the
39 decisions of the Board.
40

41 The National Railway Administrator must be a natural-born citizen, at least thirty-five
42 (35) years of age on the day of his/her appointment, of good moral character and with
43 recognized executive ability and competence in the field of transportation, business
44 administration, management, finance or law. He shall be appointed by the President of the
45 Republic of the Philippines and shall serve for a term of seven (7) years and renewable for
46 another term only.
47

48 The National Railway Administrator shall be assisted by deputies for Metro Manila,
49 Luzon, Visayas and Mindanao, all of whom shall likewise be appointed by the President of

1 the Republic of the Philippines for a term of seven (7) years renewable for another term only.
2 These officers can only be removed for cause as provided under existing laws.
3
4

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

- 7 a) Appoint, subject to the confirmation of the Board, all the staff and personnel of the
8 Authority;
9
10 b) Execute, administer and implement the policies, programs, plans, guidelines and
11 regulations issued and adopted by the Board;
12
13 c) Direct and supervise the operations and administration of the Authority;
14
15 d) Direct and supervise the operations of all public railways;
16
17 e) Determine, subject to the approval of the Board and the concurrence of the Department of
18 Budget and Management, the staffing pattern and the number of personnel of the
19 Authority;
20
21 f) Direct and supervise the preparation of the agenda for the meeting of the Board, and to
22 submit for the consideration of the Board such measures as he/she believes necessary to
23 carry out the purposes and objectives of this Act;
24
25 g) Represent the Authority in all its transactions with other offices, agencies and
26 instrumentalities of the government and to deal with any persons and entities, public or
27 private, domestic or foreign, on matters related to the mandate of the Authority; and
28
29 h) Exercise such other powers and perform such other duties and functions as the Board may
30 assign or authorize.
31
32

33 **SEC. 14. Public Accountability.** – To ensure public accountability, the Authority
34 shall be subject to the audit of the Commission on Audit (COA) and shall comply with all the
35 generally accepted accounting and auditing rules and regulations and those, which it may
36 hereafter promulgate pursuant to its constitutional mandate.
37
38

39 **SEC. 15. Merit System.** – All officials and employees of the Authority shall be
40 selected and appointed based on the comprehensive and progressive merit system to be
41 established by the Authority immediately upon its organization and in accordance with Civil
42 Service law, rules and regulations. The hiring, promotion, transfer and dismissal of all its
43 personnel including temporary workers shall be governed by existing Civil Service laws,
44 rules and regulations.

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ARTICLE V
ABOLITION OF RAIL EXISTING OFFICES AND AGENCIES

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SEC. 16. Upon the approval of this Act, the Philippine National Railways (PNR), 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

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

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

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ARTICLE VI
RAILWAY REGULATORY BOARD

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SEC. 19. 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.

SEC. 20. 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.

SEC. 21. 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, tack 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;

- 1 e) Installation and use of signage, warning signals, barriers, operating signals and other
2 similar apparatus;
3
- 4 f) Qualifications of persons operating rolling stock and of persons carrying out functions
5 respecting the operation of track and of other equipment and matters ancillary to the
6 operation of rolling stock;
7
- 8 g) Materials to be provided;
9
- 10 h) Criteria to be met in order for an approval to be granted or renewed; (h. 1) requiring an
11 applicant or an operator of a railway to have a safety management system and plan; (h.2)
12 the terms for which an approval may be granted or renewed;
13
- 14 i) Amounts of insurance of other security to be provided by or in the case of holders of
15 approvals, persons, carrying out construction of the railway and persons operating the
16 rolling stock or track;
17
- 18 j) Damages caused by or arising out of fires and the liability for those damages stated in
19 Section 57 of Article XII hereof;
20
- 21 k) Tariffs, rates and the provision of services for the public railways;
22
- 23 l) Limitations on the liability of operators of public railways insofar as the transportation of
24 goods and commodities in relation to Section 65 of Article XIII hereof;
25
- 26 m) Procedures and processes governing the resolution of disputes between shippers of goods
27 and commodities and the operators of public railways with respect to tariffs, rates and the
28 provision of services;
29
- 30 n) Accidents and other incidents;
31
- 32 o) Cessation of services;
33
- 34 p) Information to be provided to the Board, the Authority and railway safety officers and
35 governing the use of that information;
36
- 37 q) Form and contents of notices of administrative penalties;
38
- 39 r) Amounts or the manner of determining the amounts, of the administrative penalties that
40 may be imposed by the Board;
41
- 42 s) Amounts, or the manner of determining the amounts, of the administrative penalties that
43 may be imposed by a railway safety officer;
44
- 45 t) Periods for giving of notices of administrative penalties;
46
- 47 u) On any other matter necessary for the administration of the system of administrative
48 penalties; and/or

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

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

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

- 13 (1) movement accidents at station entrances and exits;
14
15 (2) system integrity has to be planned and proven;
16
17 (3) restoration of limited service has to be trained;
18
19 (4) activities of passengers while in the premises of the stations particularly while
20 waiting in the platforms must be monitored and precautions prepared;
21
22 (5) safety equipment has to be installed on all relevant places, which have to be
23 coordinated with the Railway Regulator; and
24
25 (6) fire safety has to be guaranteed and precautions prepared with the local fire
26 brigades and coordinated with the Philippine National Railway Authority.
27

28 **SEC. 23. *Railway Security*.** –

- 29 (1) Security measures shall be adopted in the operations of the public transport. In
30 the implementation thereof, all security issues shall be addressed taking into
31 account the following:
32 (1) Personal security;
33 (2) Personal security of staff and personnel of the railways;
34 (3) Protection of facilities and vehicles against damages, acts of
35 vandalism, and the like;
36
37 (2) There shall be an integrated and seamless security network that must consist of
38 mutually coordinated measures such as:
39 (1) Implementation of a passenger security center responsible for
40 coordinating all security-related measures;
41 (2) Initialization of cooperation between police and transport company's
42 security and surveillance duties;
43 (3) Presence of personnel tailored to deal with potential threats in certain
44 districts, at certain stations, or on board trains;
45 (4) Installation of communication facilities such as emergency call push
46 buttons and public address networks;
47 (5) Security-aware-design of facilities and vehicles, with a special
48 unobstructed visibility and ample lighting;

- 1 (6) Installation of facilities which will supervise the passenger areas and
2 trains, and to provide audible and visual information to passengers
3 both on board and within station areas.
4
5

6 **ARTICLE VII**
7 **COMPLIANCE, ACCIDENTS, AND ADMINISTRATIVE PENALTIES**
8

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

- 11 (1) administering the railway legislation and the approvals;
12
13 (2) fostering compliance with the railway legislation and the approvals;
14
15 (3) fostering compliance with operating rules;
16
17 (4) fostering the safe operation of rolling stock, track, and structural facilities;
18
19 (5) fostering the maintenance of track and structural facilities so that they are safe;
20
21 (6) fostering with respect to the operation of railways, the safety of the general public
22 and of persons employed by or acting on behalf of operators of railways.
23
24

25 **SEC. 25. *Inspection of Railways.*** –

- 26 a) A railway safety officer may carry out inspections of the following:
27 (1) any rolling stock;
28 (2) anything transported on roiling stock;
29 (3) any track;
30 (4) any structural facility; and/or
31 (5) any record, document, object, or thing that relates to the operation of a
32 railway
33
34 b) A railway safety officer, in carrying out an inspection under subsection (a), may do one or
35 more of the following:
36 (1) enter on or into any track, structural facility, rolling stock, building or any other
37 property associated with or operated by the operator of the railway;
38 (2) ride on any roiling stock;
39 (3) make inquiries of any person who is employed by or who carries out any duties or
40 functions for or in respect of the operator of the railway; and/or
41 (4) perform or cause to be performed tests or examinations of anything that may be
42 inspected under subsection (a).
43

44 **SEC. 26. *Production of Documents, etc.*** -

- 45 (a) A person who is subject to an inspections shall, when requested to do so by a railway
46 safety officer, produce for inspection within a reasonable period of time any record,
47 document, object, or thing that relates to the matter being inspected.
48
49 (b) A railway safety officer may remove the record, document, object, or thing being
50 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,
3 object or thing only for the period of time that is reasonably required to make the copies
4 or take photographs of it, and shall, on having made the copies or having taken the
5 photographs, return the record, document, object, or thing to the person from whom it was
6 taken.

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

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

22
23 (f) If a railway safety officer retains possession of a record, document, object, or thing under
24 subsection (d), the railway safety officer shall, where requested to do so by the person
25 from whom the record, document object, or thing was taken and if practicable to do so,
26 provide to that person a copy or a photograph of that record, document, object, or thing.

27
28
29 **SEC. 27. Directions of Railway Safety Officer.** – a) Where a railway safety officer
30 carries out an inspection, he may do one or more of the following:

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

36
37 (2) order that any rolling stock, track, or any equipment used in respect of the
38 rolling stock or track be removed from service, where the railway safety
39 officer is of the opinion that the operation of the rolling stock, track, or
40 equipment is a danger to the safety of the public or persons employed by or
41 acting on behalf of the operator of the railway;

42
43 (3) issue directions restricting the speed or otherwise respecting the speed at
44 which rolling stock or a specific item or type or rolling stock may be operated
45 generally or over a specific portion of track;

46
47 (4) issue directions requiring repairs or maintenance to be carried out on rolling
48 stock, track, or structural facilities so that the rolling stock, track, or structural
49 facilities conform to the requirements of the railway legislation and any
50 approvals granted to the operator of the railway;

1 (5) suspend any person engaged in any activity concerning the operation of any
2 rolling stock, track, structural facility, or equipment from engaging in that
3 activity where the railway safety officer is of the opinion that the activity is a
4 danger to the safety of the public or persons employed by or acting on behalf
5 of the operator of the railway; and
6

7 (6) issue directions requiring any procedure or practice respecting the operation
8 of any rolling stock, track, structural facility, or equipment to be stopped or
9 changed so that the procedure or practice, in the opinion of the railway safety
10 officer, will conform to the requirements of the railway legislation and be
11 carried out in a safe manner.
12

13 b) Any order or direction given under this section may be given to the operator of a railway
14 or any person employed by or acting on behalf of the operator of the railway.
15

16
17 **SEC. 28. Accidents.** - a) The operator of a railway shall keep a record of every
18 accident involving rolling stock and shall forthwith report to the Authority any accident
19 involving any rolling stock that is reportable pursuant to the regulations;
20

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

23 (1) enter on and proceed across any property for the purpose of gaining access to
24 where the accident occurred;

25 (2) enter on any property on which the accident occurred or on which rolling
26 stock or any goods or commodities being transported came to rest; and

27 (3) carry out an investigation into the accident and its causes.
28

29 c) In carrying out an investigation under this section, the railway safety officer may
30 exercise any powers and carry out any functions that the Board may exercise and take
31 possession of and remove any rolling stock, goods, or commodities being transported on the
32 rolling stock, any equipment and any track or structural facilities involved in the accident for
33 the purposes of conducting tests, analyses, and other assessments in carrying out the
34 investigation.
35

36
37 **SEC. 29. Railway Operator's Powers Regarding the Accident.** - (a) For the purposes
38 of dealing with an accident involving rolling stock, the operator of the railway and any person
39 employed by or on behalf of that operator may:

40 (1) enter on and proceed across any property for the purpose of gaining access to
41 where the accident occurred;
42

43 (2) enter on any property on which the accident occurred or on which rolling
44 stock or any goods or commodities being transported came to rest; and
45

46 (3) carry out the work that is appropriate to deal with the accident and to remove
47 the rolling stock and any goods or commodities
48

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

- 1 (4) imposed, removed, or altered any term, condition, or restriction to which an
2 approval is subject;
3 (5) given an order or direction under the railway legislation;
4 (6) imposed an administrative penalty under the railway legislation.
5
6

7 **SEC. 32. *Application for Review or Hearing by the Board.*** - a) Where an action is
8 taken by the Authority or the affected person in respect of whom the action was taken, may
9 apply to the Board for a review of the action taken by the safety officer or within 30 days
10 from the date the action was taken.
11

12 b) With respect to any matter under the railway legislation other than an action taken
13 by the safety officer, an affected person may, with the consent of the Board, apply to the
14 Board for a hearing into the matter.
15

16
17 **SEC. 33. *Conduct of Review or Hearing by the Board.*** - a) On receiving application
18 under Section 4(a) of Article VII, for a review of an action taken by the safety officer, the
19 Board shall conduct a review of that action.
20

21 b) On receiving an application under Section 4(b) of the same Article for a hearing in
22 respect of a matter other than an action taken by the safety officer, the Board may conduct a
23 hearing on the matter.
24

25 c) Whether or not an affected person has made an application for a review or a
26 hearing, the Board may conduct a review of an action taken by the safety officer or conduct a
27 hearing into any other matter under the railway legislation where the Board is of the opinion
28 that a review or a hearing should be conducted or the safety officer has requested the Board
29 to conduct a review or a hearing.
30

31
32 **SEC. 34. *Decision of the Board.*** - a) In conducting a review of an action taken by the
33 safety officer, the Board may make an order confirming the action taken by the safety officer,
34 change the action taken by the safety officer or rescind the action taken by the safety officer.
35

36 b) In making an order under subsection (a), the Board may make any decision or take
37 any action that the safety officer or a railway safety officer may take or take under the
38 railway legislation, make the order subject to any terms, conditions or restrictions, and give
39 any direction that the Board considers appropriate in the circumstances.
40

41 c) Where the Board hears a matter other than an action taken by the safety officer, the
42 Board may make any order and make the order subject to any terms, condition, or restriction
43 that the Board considered appropriate in the circumstances.
44

45
46 **SEC. 35. *Procedure before the Board.*** -

47 (a) For the purposes of conducting reviews and hearings before the Board, the Chair
48 and the other Members of the Board may:

- 49 (1) summon and enforce the attendance of witnesses;
50 (2) compel witnesses to give evidence on oath or otherwise;

- 1 (3) compel witnesses to give evidence in person or otherwise; and
2 (4) compel witnesses to produce any record, object, or thing that relates to the
3 matter being heard.
4

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

- 7 (1) Notices to be given in respect of a review or hearing;
8 (2) Procedure before the Board;
9 (3) Adjournments of matters before the Board;
10 (4) Attendance of witnesses;
11 (5) Receiving and recording of evidence;
12 (6) Procedure in cases when a party to the review or hearing fails to appear or
13 attend the review or hearing;
14 (7) Authority of the Board to consider a matter without conducting a formal or
15 summary hearing and governing the procedure to be used in those
16 circumstances;
17 (8) Applicability of the 1997 Revised Rules of Court;
18 (9) Issuance and publication of decisions of the Board;
19 (10) Reconsideration of decisions made by the Board; and
20 (11) Costs.
21

22 (c) Where the safety officer summoned to attend a review or hearing before the Board
23 cannot attend for a valid ground or grounds, the safety officer may in writing,
24 designate an employee under the administration of the Secretary and who is in the
25 opinion of the safety officer, knowledgeable with respect to the subject matter
26 under review. The designated employee shall attend the proceeding on behalf of
27 the safety officer and shall be deemed to have been the person summoned to
28 attend the review or hearing.
29

30
31 **SEC. 36. Board Decision is Final.** - Subject to the provisions in Section 25 of Article
32 VII, hereof, every decision or order of the Board is final and executor.
33

34
35 **SEC. 37. Appeal from Orders or Decision of the Board.** - (a) An appeal lies from the
36 decision of the Board of the Court of Appeal on a question of jurisdiction or on a question of
37 law.
38

39 b) No appeal shall be taken after 30 days from the date the Board has served written
40 notice of its decision on the person subject of the decision.
41

42 (c) In the event the decision rendered by the Board is elevated on appeal to the Court
43 of Appeals, the Board shall be duly represented before the Court.
44

45
46 **SEC. 38. Reconsideration of Railway Safety Officer's Order.** - (a) In this Section,
47 "order" shall mean a direction given in respect of an investigation or an administrative
48 penalty imposed under Section 23 of Article VI hereof.

1 the operator of the railway an approval to carry out that construction, or construct a highway
2 on, across, over, or under track unless the Authority has granted to the road authority an
3 approval to carry out that construction.
4

5
6 **SEC. 45.** Where, in respect of any railway, tracks are located on, across, over, or
7 under a highway, and a person wishes to replace any structure or method by which the tracks
8 are located on, across, over, or under the highway with another structure or method, a person
9 shall not change the existing structure or method with a different structure or method unless
10 the Authority has granted to the operator of the railway an approval to do so.
11

12
13 **SEC. 46.** Where the operator of the railway is unable to agree with the road authority
14 as to the apportionment of costs associated with the construction, the operator of the railway
15 or the road authority may apply to the appropriate agency to apportion the costs.
16

17
18 **ARTICLE XI**
19 **EXPROPRIATION AND OVERRIDING OBJECTIVE OF CONSTRUCTION**
20

21 **SEC. 47.** For the purposes of constructing track or structural facilities in respect of a
22 public railway, the operator of the railway may expropriate land in accordance with the
23 existing expropriation procedures.
24

25
26 **SEC. 48.** For the purposes of constructing track or structural facilities in respect of an
27 industrial railway on land that the operator of that railway does not own or otherwise have the
28 right to use under an agreement with the owner of that land, that operator may, if the
29 appropriate expropriation agency grants to that operator an approval to proceed under the
30 existing expropriation procedures, expropriate land in accordance with the said rules.
31

32
33 **SEC. 49.** Where an approval is required before any construction or work may be
34 carried out under the railway legislation, a person shall not expropriate land for the purposes
35 of that construction or work until the Authority has granted that approval.
36

37
38 **SEC. 50.** Where construction or work is being carried out pursuant to an approval
39 granted under the two preceding articles, and the Authority is of the opinion that the
40 construction or work is not being carried out in accordance with the railway legislation or that
41 approval, the Authority may at any time give notice to the operator of the railway or the
42 person carrying out the construction or work to stop the construction or work.
43

44
45 **SEC. 51.** Where the Authority gives a notice under the previous section, the person
46 carrying out the construction or work shall stop carrying out the construction or work and
47 shall not recommence the construction or work until the Authority grants an approval to do
48 so.

1 b) Subject to the regulations, when the damage is caused by a fire started by or arising out of
2 the operation of rolling stock, track or structural facilities or any other operations carried
3 out by the operator of the railway with respect to the railway, the operator of the railway
4 is liable for the damage caused by that fire. For the purpose of this section, the operator of
5 a railway-

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

8 (2) May procure insurance on the operator's behalf of that property.
9

10
11 **SEC. 57. Highway Crossing.** – Where construction is carried out to lay track on,
12 across, over or under a highway, the person carrying out the construction shall:

13 a) Carry out the construction so as to allow vehicles using the highway adequate
14 passage; and

15
16 b) On completion of the construction restore the highway to as good condition as
17 the highway was in immediately before the construction was commences.
18

19 **SEC. 58. Crossing of Landowners.** –

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

26 b) A crossing that is provided under this section shall remain in place until the owner
27 of the land notifies the operator of the railway that the crossing is no longer required or the
28 crossing is removed pursuant to an agreement between the owner of the land and the operator
29 of the railway.
30

31 c) For the purposes of this section:

32 (1) If the right of way existed before the owner of the land acquired the land on
33 both sides or either side of the right of way, the owner of the land is
34 responsible for the costs of constructing, maintaining, repairing and removing
35 the crossing; or

36 (2) If the owner of the land acquired that land before the right of way that
37 separated that land came into existence, the operator of the railway is
38 responsible for the costs of constructing, maintaining, repairing and removing
39 the crossing.
40
41

42 **SEC. 59. Crossing of Private Roads.** –

43 a) In this section:

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

45 (i) a road that is not a highway; or

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

1 (a.b) any reference to an owner of or a person who owns a private road is a
2 reference to the person who owns or otherwise has the direction, control
3 and management of a private road.
4

5 b) Where a person owns a private road that is located on both sides of a right of
6 way for track, and if it were not for that right of way, that private road would
7 be joined together forming a continuous road, the operator of the railway shall,
8 on the request of the owner of the private road, provide a crossing across the
9 right of way and any track located on the right of way that is appropriate for
10 the intended use of the crossing by the owner of the private road.
11

12 c) A crossing that is provided under this section shall remain in place until the
13 owner of the private road notifies the operator of the railway that the crossing
14 is no longer required or the crossing is removed pursuant to an agreement
15 between the owner of the private road and the operator of the railway.
16

17 d) For the purposes of this section, if (i) the right of way existed before the
18 private road existed on both sides or either side of the right of way, the owner
19 of the private road is responsible for the costs of constructing, maintaining,
20 repairing and removing the crossing, or (ii) the private road was in existence
21 before the right of way that separated that road came into existence, the
22 operator of the railway is responsible for the costs of constructing,
23 maintaining, repairing and removing the crossing.
24

25 e) A person shall not construct a crossing under this section unless the Authority
26 has granted an approval for the consideration of the crossing.
27
28

29 **SEC. 60. Fences of Landowners. –**

30 a) A person owns a land that abuts on a right of way for track, the operator of the
31 railway shall, on the request of the owner of the land, provide a fence along
32 the right of way that is appropriate for the intended use of the fence by the
33 owner of the land. For the purpose of this section, if

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

37 (ii) The owner of the land acquired the land that abuts on the right of way
38 before the right of way came into existence, the operator of the railway
39 is responsible for the costs of constructing the fence and the owner of
40 the land is responsible for the costs of maintaining and repairing the
41 fence.
42

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

- 1 c) Nothing in this section shall be construed so as to require an operator of an
2 industrial site referred to in this section to provide a fence along a boundary of
3 the industrial site.
4
5

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

- 7 a) In this section, "services" shall mean one or more of the following:
8 (i) The operation of rolling stock;
9 (ii) The operation of track; or
10 (iii) The accepting of goods or commodities for transportation by means of
11 rolling stock.
12
13 b) An operator of a public railway or industrial railway who intends to cease
14 providing a service shall, prior to the cessation of that service, give notice of
15 the cessation of service to the Authority in accordance with the regulations.
16
17 c) With respect to the cessation of a service that is provided by a public railway,
18 the operator of the public railway shall, prior to the cessation of that service
19 and in addition to giving notice under (b), shall notify the public and the
20 shippers of goods or commodities on that railway of the cessation of the
21 service in accordance with the regulations.
22
23

24 **ARTICLE XIII**
25 **PUBLIC RAILWAYS**
26

27 **SEC. 62. *Public Railways as Common Carrier.* –** An operator of a public railway is a
28 common carrier and shall, as is reasonably within the capabilities of the rolling stock, track,
29 structural facilities and equipment of the operator, provide to all persons adequate and
30 suitable facilities:

- 31 a) For receiving, forwarding and delivering of goods and commodities on and
32 from railways;
33
34 b) For the interchange of goods and commodities between railways;
35
36 c) For the return of rolling stock;
37
38 d) For the injunction of private sidings and the track of industrial railways with
39 the track of the public railway; and
40
41 e) For the receiving, forwarding and delivering of goods and commodities on and
42 from private sidings and industrial railways referred to in clause (d).
43
44

45 **SEC. 63. *Interchange of Goods and Commodities.* –** (a) Where there is an
46 interchange of goods and commodities between a public railway governed under this Act and
47 a railway that is not governed under this Act, and the operators of those railways cannot agree
48 as to the interchange of the goods and commodities, the operator of the public railway
49 governed under this Act may submit to the Philippine National Railway Authority for the
50 purpose of determining all matters respecting the interchange.

1 **SEC. 64. Tariffs of Rates.** – (a) The operator of a public railway shall, subject to the
2 regulations, establish a tariff of rates for the services that the operator provides to the shippers
3 and the general public, and post the tariff of rates in a public place in an office operated by
4 that operator or make that tariff of rates available to the public for inspection at an office
5 operated by that operator.
6

7 (b) The operator of a public railway shall, at the request of a shipper, provide to the
8 shipper the operator's tariff of rates for the shipping of that shipper's goods and commodities
9 by that operator.
10

11 (c) The operator of a public railway may enter into an agreement with a shipper
12 respecting tariffs, rates and the provision of services concerning the transportation of goods
13 and commodities, and the terms of the agreement may be kept confidential.
14
15

16 **SEC. 65. Limitation of Liability.** – The operator of a public railway shall not limit or
17 restrict the operator's liability to a shipper for the transportation of goods and commodities
18 except if permitted by prevailing laws and regulations.
19
20

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

22 a) An approval granted to a person in respect of a public railway is not
23 transferrable from that person to another person.
24

25 b) Notwithstanding subsection (a), with the approval of the Philippine National
26 Railway Authority, an approval granted to a person in the operation of a public
27 railway may be capitalized, sold, assigned, leased or amalgamated or
28 otherwise transferred in whole or in part.
29

30 c) Where approvals have been granted in respect of a public railway, and the
31 Authority is of the opinion that there is a question as to the continued safe
32 operation of the rolling stock, track or structural facilities arising out of the
33 change in the operators of the public railway, the Authority may do either of
34 the things referred to in subsection (d).
35

36 d) If subsection (c) applies, the Authority may impose terms, conditions or
37 restrictions with respect to those approvals that the Authority considers
38 appropriate to provide for the continued safe operation of the rolling stock,
39 track and structural facilities, or suspend those approvals until the Authority is
40 satisfied as to the continued safe operation of the rolling stock, track and
41 structural facilities.
42
43

44 **SEC. 67. Right of Entry.** – (a) For the purposes of constructing, maintaining or
45 repairing rolling stock, track or structural facilities of a public railway, the operator of the
46 public railway and any person employed by or on behalf of that operator may, without taking
47 title to the land, may enter on any land that is adjacent to or in close proximity to the railway,
48 and occupy and use that land for so long as it is necessary to carry out the construction,
49 maintenance or repair.

- 1 a) Any person exercising any powers under this section shall do so in a
2 reasonable manner.
- 3 b) Where any person exercises any power under this section, the owner of the
4 land or other person having possession of the land may apply to the National
5 Railway Authority for compensation with respect to the exercise of those
6 powers.
7
- 8 c) With the approval of the Authority granted pursuant to an application made by
9 the operator of an industrial railway, that operator may exercise the powers
10 and be subject to the obligations of an operator of a public railway under this
11 section.
12
13

14 **ARTICLE XIV**
15 **RAILWAY ENERGY PLANT**

16
17 **SEC. 68.** – In order to ensure a continuous and uninterrupted operation of the railway
18 systems in the Philippines, the Authority may establish its power plant for any of its rail
19 systems when on its own judgment it is more economical and advantageous on the part of the
20 government.
21

22
23 **SEC. 69. *Waste-to-Energy Plant.*** – In order to facilitate the collection and
24 transportation of garbage in the metropolitan areas, to ensure the supply of electric power to
25 the railway systems and to help ensure the economic viability of the railway systems, the
26 Authority shall endeavor to establish in cooperation with private sector waste-to-energy
27 plants in strategic areas.
28
29

30 **ARTICLE XV**
31 **RAILWAY FUNDING AND TRUST FUND**

32
33 **SEC. 70. *Funding of the National Railway Authority.*** – For purposes of
34 implementing this Act, the amount of Three Hundred Million (P300,000,000.00) shall be
35 sourced out from the General Appropriations Act in the next fiscal year after the approval of
36 this Act.
37

38
39 **SEC. 71. *Establishment of the Railway Trust Fund.*** – A Railway Trust Fund is
40 hereby established which is a special fund dedicated to finance only railway infrastructure in
41 the Philippines.
42
43

44 **SEC. 72. *Sources.*** – The Railway Trust Fund consists of 3% increase in the real
45 property tax increase of the six taxes which shall take effect upon the approval of this Act and
46 5% of the road user's tax.

1 maintenance and operation of railway systems is free from payment of customs, duties and
2 other forms of fees and charges.

3
4
5 **ARTICLE XIX**
6 **INSURANCE COVERAGE**
7

8 **SEC. 81. *Rail Systems Insurance Coverage.*** – All rail systems shall be covered by
9 insurance from natural and man-made disasters either by the Government Service Insurance
10 System (GSIS) or by a self-insurance system in the form of a common trust fund that the
11 Philippine National Railway Authority may establish for the purpose for all the public
12 railway operators. The Philippine national Railway Authority may use a portion of the
13 accumulated trust fund for the development, implementation and operation of railway
14 projects or systems by 2/3 vote of the members of its board of directors.
15

16
17 **SEC. 82. *Passenger's Insurance Coverage.*** – Each and every rail passenger shall be
18 covered by accident insurance by the rail operators, government or private, in the amount of
19 One Hundred Thousand Pesos (P100,000.00) in the case of death, not more than Fifty
20 Thousand Pesos (P50,000.00) in cash of an injury exclusive of medical and hospitalization
21 expense, and Seventy Five Thousand Pesos (P75,000.00) in case of incapacity exclusive of
22 medical and hospitalization expense.
23

24
25 **SEC. 83. *Accumulated Premiums.*** – After five (5) years from the date, the common
26 trust fund was established and every three (3) years thereafter, a portion of the trust fund may
27 be used for rail projects and programs by 2/3 vote of the members of the Board of Directors
28 of the Philippine National Railway Authority.
29

30
31 **SEC. 84. *Fund Administrator.*** – The Trust Funds authorized under this Article may
32 be administered by a group of financial experts when in the judgment of the Board the need
33 for it arises, otherwise, the Authority shall administer and manage such fund.
34

35
36 **ARTICLE XX**
37 **APPLICABILITY OF RAILWAY LEGISLATION**
38

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

41 (1) This railway legislation as it relates to both rolling stock and track applies to
42 that person, and

43 (2) Any reference in the railway legislation to the operator of a railway is a
44 reference to that person in that person's capacity as the operator of both rolling
45 stock and track.
46

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

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

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

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

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

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

10
11 d) Where a person owns or is otherwise responsible for the control, management or operation
12 of structural facilities -

13 (1) the railway legislation as it relates to the structural facilities applies to the
14 person, and

15 (2) any reference in the railway legislation to the operator of a railway is a
16 reference to that person's capacity as the operator of the structural facilities.
17

18
19 **SEC. 86. *Non-applicability of Railway Legislation.*** - The railway legislation does
20 not apply to (a) rolling stock or track that is not full size; (b) structural facilities used in
21 respect of rolling stock or track referred to in clause (a); (c) the operator of a railway with
22 respect to the operation of rolling stock or track referred to in clause (a); (d) a railway with
23 respect to the operation of rolling stock or track referred to in clause (a). For purposes of this
24 section, (a) a reference to rolling stock or track that is not full size is, subject to the
25 regulations, a reference

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

28 (2) In the case of track, to track that is less than standard gauge in width, and
29

30 (b) A reference in clause (a) to standard gauge is a reference to standard gauge as that term is
31 commonly understood in the Philippines which is based on international standards.
32

33 34 **ARTICLE XXI**

35 **APPLICABILITY OF EXISTING LAWS AND REGULATIONS**

36
37 **SEC. 87.** Insofar as they are not inconsistent with this Act, the provisions of the
38 Corporation Law and Republic Act 6957 otherwise known as "An Act Authorizing the
39 Financing, Construction, Operations and Maintenance of Infrastructure Projects by the
40 Private Sector and for Other Purposes" shall be applicable to the operations of the National
41 Railway Authority.
42

43 44 **ARTICLE XXII**

45 **CONGRESSIONAL OVERSIGHT COMMITTEE**

46
47 **SEC. 88. *Separability Clause.*** - If any of the provisions of this Acts declared invalid,
48 the provisions thereof not affected by such declaration shall remain in force and effect.

