

[ **REPUBLIC ACT NO. 4156, June 20, 1964** ]

**AN ACT CREATING THE PHILIPPINE NATIONAL RAILWAYS, PRESCRIBING ITS POWERS, FUNCTIONS AND DUTIES, AND PROVIDING FOR THE NECESSARY FUNDS FOR ITS OPERATION.**

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

SECTION 1. *Name, Duration and Domicile.*—A corporation to serve as the instrumentality of the Government of the Philippines in providing a nation-wide railroad and transportation system, is hereby created, to be known as the Philippine National Railways, which shall exist for a term of fifty years from the date of approval of this Act. He shall have its main office in the City of Manila, and shall have such branches and agencies within or outside the Philippines as may be necessary for the proper conduct of its business. The Corporation shall be under the Office of Economic Coordination.

SEC. 2. *Purposes and specific powers.*—The Philippine National Railways shall have the following purposes and specific powers:

- a. To acquire and hold the assets of the Manila Railroad Company of the Philippine Islands, and to succeed to, or acquire, maintain and operate such grants, concessions and franchises as are now held and enjoyed by the said Manila Railroad Company of the Philippine Islands;
- b. To own or operate railroads, tramways, and other kinds of land transportation, vessels and pipelines, for the purpose of transporting', for consideration, passengers, mail and property between any points in the Philippines; and
- c. As an auxiliary to its main purpose, to own and/or operate powerhouses, hotels, restaurants, terminals, warehouses, timber concessions, coal mines, iron and other mineral properties and to manufacture rolling stock, equipment, tools and other appliances; to construct and operate in connection with its railroad lines, toll viaducts, toll tunnels.

SEC. 3. *Authorized capital stock of the Philippine National Railways.*—The authorized capital stock of the Philippine National Railways shall be two hundred fifty million pesos divided into one million two hundred fifty thousand par value shares of two hundred pesos each, which shall include the present capitalization of the Manila Railroad Company: *Provided*, That the increase in the authorized capital shall be fully subscribed by the Government: *Provided, further*, That the existing long term obligations of the Manila Railroad Company to the Government of the Philippines including its agencies or instrumentalities, in the amount of ninety-two million six hundred thousand pesos shall be converted into capital stocks of the Philippine National Railways and made a part of the subscription: *Provided, still further*, That

the Philippine National Railways shall, aside from its authorized capital stock of two hundred fifty million pesos, receive from the Government of the Philippines the amounts allocated under Republic Acts Numbered Eighteen hundred sixty-seven, Sixteen hundred twenty-three and Eighteen hundred one, for the construction of new railroad lines to the Cagayan Valley, and to the Province of Sorsogon, and the rehabilitation of the Cabanatuan line, respectively: *And, provided, finally,* That the additional amount of one hundred twenty million pesos be set aside, and the entire amount or so much thereof as may be needed by the Philippine National Railways be made available to the Philippine National Railways at least one year before the completion of the Cagayan and/or Sorsogon construction projects, for the purchase of motive power, rolling stocks and other supplies for use in the new lines, it being specified that fifty million pesos of the authorized capital of the Philippine National Railways shall be invested for the purchase of motive power and rolling stock for the railway project in Mindanao and five million pesos or so much thereof for the survey of said railway project.

SEC. 4. *General Powers.*—The Philippine National Railways shall have the following general powers:

- a. To do all such other things and to transact all such business directly or indirectly necessary, incidental or conducive to the attainment of the purpose of the corporation; and
- b. Generally, to exercise all powers of a railroad corporation under the Corporation Law.

SEC. 5. *Board of Directors, Composition mid Appointment.*—The corporate powers of the corporation shall be vested in and exercised by a Board of Directors of not more than eleven and not less than five members as may be fixed by the President of the Philippines, consisting of chairman, vice-chairman and other members, appointed by the President of the Philippines with the consent of the Commission on Appointments. The members of the Board need not be stockholders of the Corporation. The first members of the Board shall serve as designated by the President in their appointments for terms of one, two, and three years, respectively, from date they qualify and assume office; but their successors shall be appointed for terms of three years, except that any person chosen to fill a vacancy shall serve only for the unexpired term of the member whom he succeeds. For actual attendance of meetings, each such members shall receive a *per diem* of twenty-five pesos.

SEC. 6. *Powers and Duties of the Board of Directors.*—The Board of Directors shall have the following powers and duties:

- a. To prescribe, amend and repeal, with the approval of the Administrator of Economic Coordination, by-laws, rules and regulations governing the manner in which the general business of corporation may be exercised, including provisions for the formation of such committee, or committees as the Board of Directors may deem necessary to facilitate its business.
- b. To appoint and fix the compensation of the General Manager, subject to the approval of the President of the Philippines, and to appoint and fix the