

[EXECUTIVE ORDER NO. 232]

August 19, 2003

DIRECTING THE SECRETARY OF THE DEPARTMENT OF TRANSPORTATION AND COMMUNICATIONS [DOTC] TO EXERCISE PRIMARY OVERSIGHT FUNCTIONS OVER THE NORTH RAIL PROJECT, TRANSFERRING THE NORTH LUZON RAILWAYS CORPORATION [NORTHRAIL] FROM THE OFFICE OF THE PRESIDENT TO THE DOTC, AND REORGANIZING THE RESPECTIVE GOVERNING BOARDS OF NORTHRAIL AND THE PHILIPPINE NATIONAL RAILWAYS [PNR]

WHEREAS, the North Rail Project was established to provide a mass transport railway system that would interconnect the former baselands from Metro Manila (Fort Bonifacio) to Central ((Mark and Subic) and Northern Luzon (Poro Point);

WHEREAS, NORTHRAIL was incorporated and registered with the Securities and Exchange Commission as a wholly-owned subsidiary of the Bases Conversion Development Authority (BCDA) with the primary purpose to develop, construct, operate and manage a railroad system to serve Metro Manila, Central and Northern Luzon;

WHEREAS, to ensure the accomplishment of the objective of the North Rail Project, there is a need to establish clear lines of authority and accountability by directing a specific cabinet official to exercise "primary oversight functions over the same;

WHEREAS, the DOTC is the primary policy, planning, programming, coordinating, implementing, regulating and administrative entity in the Executive Branch in the promotion, development and regulation of dependable and coordinated networks of transportation and communications system, as well as in the fast, safe, efficient and reliable postal, transportation and communications services;

WHEREAS, in order for the DOTC to effectively oversee and monitor the implementation of the North Rail Project, there is a need to transfer administrative supervision over NORTHRAIL from the Office of the President to the DOTC and to reorganize the respective Governing Boards of NORTHRAIL and the PNR to include the DOTC Secretary as *ex-officio* Co-Chairman thereof;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. *Primary Oversight Functions.* - The DOTC Secretary is hereby directed to exercise primary oversight functions over the North Rail Project to oversee and monitor the effective and efficient implementation thereof.

SECTION 2. *Transfer of NORTHRAIL.* - NORTHRAIL is hereby transferred from the Office of the President to the DOTC, which shall exercise administrative supervision over the said agency.

SECTION 3. *DOTC Secretary as Ex-Officio Co-Chairman.* – In order to carry out his functions under the provisions hereof, the DOTC Secretary shall be the *ex-officio* Co-Chairman of the respective governing boards of NORTHRAIL and the PNR.

SECTION 4. Assistance. - The DOTC Secretary may call upon the Department of Finance, the Department of Tourism, the Department of Budget and Management [DBM], the Department of Public Works and Highways, the Department of Environment and Natural Resources, the National Economic and Development Authority, the Housing and Urban Development Coordinating Council, the Metropolitan Manila Development Authority, the BCDA, the Clark Development Corporation, and any other agency of the Government for such assistance as may be necessary or appropriate in the performance of his functions.

All heads of departments, agencies, bureaus, offices, including government-owned or controlled corporations, are hereby enjoined to render full assistance and cooperation to the DOTC Secretary and provide such information and data as may be required to carry out his functions pursuant to this Order.

SECTION 5. Internal Audit. - An internal auditor for the North Rail Project shall be designated by the DOTC Secretary. Such internal auditor shall have the duty, among others, of reviewing and checking the disbursements made from the proceeds of applicable loan agreements as well as the Philippine Government counterpart funds. The internal auditor shall report to and shall be under the supervision of the DBM Secretary.

SECTION 6. Repealing Clause. - All executive issuances, rules and regulations, or parts thereof which are inconsistent with this Executive Order are hereby repealed, amended, or modified accordingly.

SECTION 7. Effectivity. - This Executive Order shall take effect immediately.
City of Manila, Aug. 19, 2003

(Sgd.) **GLORIA M. ARROYO**

By the President:

(Sgd.) **ALBERTO G. ROMULO**
Executive Secretary