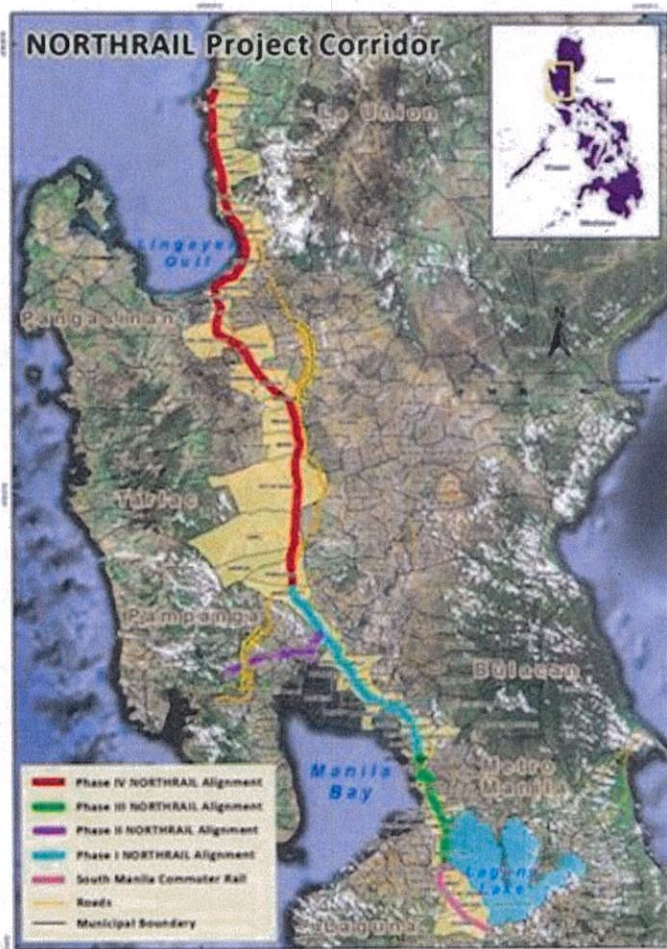


About the Corporation

The North Luzon Railways Corporation (NORTHRAIL) is a pre-operating subsidiary of the Bases Conversion and Development Authority (BCDA), whose primary purpose is to develop, construct, operate and manage a railroad system to serve Metro Manila, Central Luzon and Northern Luzon. Presently, NORTHRAIL is an attached agency of the Department of Transportation and Communications (DOTC).

The secondary purpose of NORTHRAIL is to develop, construct, manage, own, lease, sublease and operate establishments and facilities of all kinds along the railroad system for residential, commercial, business, mixed development, institutional, recreational, tourism, amusement and other purposes. Further, the corporation is to develop, construct, manage, own, lease, sublease, operate, secure, maintain the resources and generally carry out all the activities of a railway line, commercial development and/or operate, maintain various infrastructure, power and electrical, facilities, drainage and sewerage, telecommunications and utility systems and common facilities.



NORTHRAIL Project Phases.

NORTHRAIL Project was originally envisioned to be implemented in the following phases:

Phase I – The rail line between Caloocan City in Metro Manila and the Clark Freeport Zone (CFZ) in Pampanga;

Phase II - Branch line to Subic Economic Freeport Zone;

Phase III - Extension from Caloocan to Bonifacio Global City and Ninoy Aquino International Airport (NAIA); and

Phase IV - Extension from Pampanga to San Fernando, La Union.

Phase I of the project is divided into two, Section I is between Caloocan and Malolos while Section II is between Malolos and Clark Freeport Zone. Phase I will use the Philippine National Railway's Right-of-Way of the

Main Line North, which has been abandoned for decades.

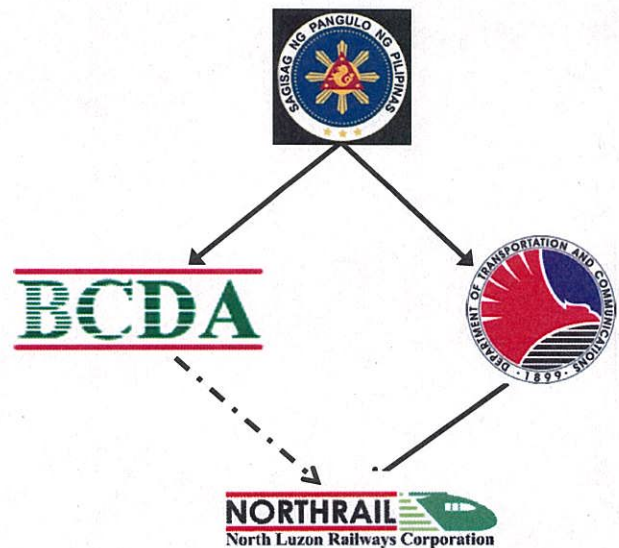
Giving life anew to the abandoned railway line to the north, NORTHRAIL will support the further development of the former Clark Air Base, particularly the Clark International Airport (CIA).

Institutional Setup. The Bases Conversion and Development Authority (BCDA), the government agency responsible for the Manila-Clark-Subic economic zone, was the main proponent of the Project with the support of the Philippine National Railways.

In 1995, the North Luzon Railways Corporation (NORTHRAIL) was formed and organized by the Bases Conversion and Development Authority (BCDA) thru the Securities and Exchange Commission (SEC) as a wholly owned subsidiary to revive the abandoned rail service North of Metro Manila. The Project is also part of the Subic-Clark Alliance for Development (SCAD) Project, which is an integral component of the W-Growth Corridor concept for North Luzon. While NORTHRAIL is a subsidiary of BCDA, Executive Order No. 232 Series of 2003

directed the DOTC Secretary to exercise oversight functions over NORTHRAIL and the Northrail Project. Subsequently, NORTHRAIL was attached to the Department of Transportation and Communications by virtue of Executive Order no. 859 Series of 2010 issued by former President Gloria Macapagal-Arroyo.

The task of clearing Section 1 was made possible with NORTHRAIL's close coordination with other government agencies such as National Housing Authority, Housing and Land Use Regulatory Board, Housing and Urban Development Coordinating Council, Presidential Commission for the Urban Poor, Commission on Human Rights, Department of Budget and Management, Bureau of Internal Revenue, Commission on Audit, Department of Finance, Office of the Government Corporate Counsel, Department of Justice, Philippine National Railways, Bases Conversion and Development Authority, Department of Transportation and Communications and National Economic and Development Authority (NEDA).



Institutional Setup