

COMMONWEALTH ACT NO. 146*

AN ACT TO REORGANIZE THE PUBLIC SERVICE COMMISSION, PRESCRIBE ITS POWERS AND DUTIES, DEFINE AND REGULATE PUBLIC SERVICES, PROVIDE AND FIX THE RATES AND QUOTA OF EXPENSES TO BE PAID BY THE SAME, AND FOR OTHER PURPOSES.

Be it enacted by the National Assembly of the Philippines

Chapter I - Organization

Section 1-12¹

CHAPTER II. *Jurisdiction, Powers, and Duties of the Commission*²

Sec. 13. (a) The Commission³ shall have jurisdiction, supervision, and control over all public services and their franchises, equipment, and other properties, and in the exercise of its authority, it shall have the necessary powers and the aid of public force: *Provided, That public services* *Jurisdiction*
owned or operated by government entities or government-owned or controlled corporations shall be regulated by the Commission⁴ in the same way as privately-owned public services, but certificates of public convenience or certificates of public convenience and necessity shall not be required of such entities or corporations: And provided, further, That it shall have no authority to require steamboats, motorships and steamship lines, whether privately-owned, or owned or operated by any government controlled corporation or instrumentality to obtain certificate of public convenience or to prescribe their definite routes or lines of service.

(b) The term “public service” includes every person that now or hereafter may own, operate, manage, or control in the Philippines, for hire or compensation, with general or limited clientele, *“public service”*
defined whether permanent, occasional or accidental, and done for general use business purposes, any common carrier, railroad, street railway, traction railway, sub-way motor vehicle, either for freight or passenger, or both with or without fixed route and whatever may be its classification, freight or carrier service of any class, express service, steamboat, or steamship line, pontines, ferries, and water craft, engaged in the transportation of passengers **or freight or both**, shipyard, marine railway, marine repair shop, wharf or dock, ice plant, ice-refrigeration plant, canal, irrigation system, gas,

* As amended by CA 454, RA 178, RA 723, RA 1270, RA 2031, RA 2677 and RA 3792

¹ These sections provides for the organization of the Public Service Commission, the qualifications, appointments and salaries of the Chairman and members of the Public Service Commission and other administrative matters regarding the Public Service Commission.

In the Integrated Reorganization Plan which was implemented by PD 1, the Public Service Commission was abolished, consequently these sections are deemed repealed.

The same Reorganization Plan created three different board, to wit: Board of Transportation, Board of Communications and Board of Power and Waterworks which shall exercise “ x x the pertinent regulatory and adjudicatory functions of the Public Service Commission and the Civil Aeronautics Board” (Part X, Art. III (8), Integrated Reorganization Plan).

In view of the above provisions in the Reorganization Plan as implemented by PD 1, the other provisions of CA 146, are still in full force and effect. See PD 1206, section 11, (e) promulgated October 6, 1977.

² Now Boards of Transportation and Communications.

³ *Id.*

electric light, heat and power, water supply and power, petroleum, sewerage system, wire or wireless communications system, **wire or wireless** broadcasting stations and other similar public services: *Provided, however,* That a person engaged in agriculture, not otherwise a public service, who owns a motor vehicle and uses it personally and/or enters into a special contract whereby said motor vehicle is offered for hire or compensation to a third party or third parties engaged in agriculture, not itself or themselves a public service, for operation by the latter for a limited time and for specific purpose directly connected with the cultivation of his or their farm, the transportation, processing, and marketing of agricultural products of such third party or third parties shall not be considered as operating a public service for the purpose of this Act.

(c) The word “person” includes every individual, co-partnership, joint stock company or corporation, whether domestic or foreign, their lessees, trustees or receivers, as well as any municipality, province, **city, government-owned or controlled corporation,** or agency of the Government of Philippines, and what ever and other persons or entities that may own or possess or operate public services.⁵

⁴ *Id.*

⁵ Words in bold in the text above are amendments introduced by RA 2677, section 1, approved June 18, 1960.

Statutory History of section 13:

a) Original text -

Section 13. [Except as otherwise provided herein,] the Commission shall have [general] supervision and [regulation of jurisdiction and] control over, all public services, and [also over their] property, [property rights,] equipment, [facilities,] and franchises [so far as may be necessary for the purpose of carrying out the provisions of this Act] and in the exercise of its authority it shall have the necessary powers and the aid of the public force: [*Provided, however,* That the Commission shall have no control or jurisdiction over ice plants, cold storage plants, or any public services operated by the Government of the United States in the Philippines exclusively for its own use and not to serve private persons for pay or compensation, nor over municipal warehouses nor animal-drawn vehicles: *Provided, further,* That the Commission shall nor exercise any control or supervision over air craft in the Philippines, except with regard to the fixing of maximum passenger and freight rates, nor over the Manila Railroad Company until the same shall be controlled by the Government of the Philippines, nor over radio companies or concerns except as regards the fixing of rates: *Provided, further,* That the control and jurisdiction of the Commission over ships shall be limited to the fixing of freight and passenger rates.] (Ed. Note: Words in brackets were deleted in CA 454, *infra*.)

b) Words in bold in the text immediately following are amendments introduced by CA454, section 1, approved June 8, 1939.

SEC. 13. (a) The Commission shall have **jurisdiction,** supervision and control over all public services and **their franchises, equipment,** and **other** properties, and in the exercise of its authority, it shall have the necessary powers and **the** aid of the public force: *Provided, That it shall have no authority to require steamboats, motorships and steamship lines, whether privately owned, or owned or operated by any Government controlled corporation or instrumentality, to obtain certificates of public convenience or to prescribe their definite routes or lines of service;*

(b) The term “public service” includes every person that now or hereafter may own, operate, manage, or control in the Philippines, for hire or compensation, with general or limited clientele, whether permanent, occasional or accidental and done for general business purposes, any common carrier, railroad, street railway, traction railway, sub-way, motor vehicle, either for freight or passenger, or both, with or without fixed route and whatever may be its classification, freight or carrier service of any class, express service, steamboat, or steamship line pontines, ferries, and small water craft, engaged in the transportation of passengers and freight, shipyard, marine railway, marine repair shop, warehouse, wharf or dock, ice plant, ice-refrigeration pant, canal, irrigation system, sewerage, gas, electric light, heat and power, water supply and power, petroleum, sewerage system, telephone, wire or wireless telegraph system and broadcasting radio stations.

(c.) The word “person” includes every individual, co-partnership, joint-stock company or corporation, whether domestic or foreign, their lessees, trustees or receivers, as well as any municipality, province, branch or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate public services.

c) Words in bold in the text immediately following are amendments introduced by RA 1270, section 1, approved June 14, 1955.

SEC. 13. (a) The Commission shall have jurisdiction, supervision, and control over all public services and their franchises, equipment, and other properties, and in the exercise of its authority, it shall have the necessary powers and the aid of the public force: *Provided,* [That it shall have no authority to require steamboats, motorships and steamship lines, whether privately] owned, or owned or operated by any Government controlled corporation or instrumentality, to obtain certificates of public convenience or to prescribe their definite routes or lines of service;

(b) The term public service” includes every person that now or hereafter may own, operate, manage, or control in the Philippines, for hire or compensation, with general or limited clientele, whether permanent, occasional or accidental, and done for general business purposes, any common carrier, railroad, street railway, traction railway, sub-way, motor vehicle, either for freight or passenger, or both,

SEC. 14. The following are exempted from the provisions of the preceding section:

- (a) Warehouses;
- (b) Vehicles drawn by animals and bancas moved by oar or sail, and tugboats and lighters.⁶
- (c) Airships within the Philippines except as regards the fixing of their maximum rates on freight and passengers;
- (d) Radio companies except with respect to the fixing of rates;
- (e) Public services owned or operated by any instrumentality of the National Government or by any government-owned or controlled corporation, **except with respect to the fixing of rates.**⁷

SEC. 15. **With the exception of those enumerated in the preceding section,** no public service shall operate in the Philippines without **possessing a valid and subsisting certificate from the Public Service Commission,**⁸ known as “certificate of public convenience,” or “certificate of convenience and public necessity,” as the case *Issuance of certificate to operate public service* may be, to the effect that the operation of said service and the authorization to do business will promote the public interests in a proper and suitable manner.

with or without fixed route and whatever may be its classification, freight or carrier service of any class, express service, steamboat, or steamship line, pontines, ferries, and [small] water craft, engaged in the transportation of passengers [and] freight, shipyard, marine railway, marine repair shop, warehouse, wharf or dock, ice plant, ice refrigeration plant, canal, irrigation system, [sewerage,] gas, electric light, heat and power, water supply and power, petroleum sewerage system, [telephone] wire or wireless [telegraph] system [and] broadcasting [radio] stations: *Provided, however,* **That a person engaged in agriculture, not otherwise a public service, who owns a motor vehicle and uses it personally and/or enters into a special contract whereby said motor vehicle is offered for hire or compensation to a third party or third parties engaged in agriculture, not itself or themselves a public service, for operation by the latter for a limited time and for a specific purpose directly connected with the cultivation of his or their farm, the transportation, processing, and marketing of agriculture products of such third party or third parties, shall not be considered as operating a public service for the purposes of this Act.**

(c) The word “person” includes every individual, co-partnership, joint-stock company or corporation, whether domestic or foreign, their lessees, trustees or receivers, as well as any municipality, province, [branch] or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate public services. (Ed. Note: Words in brackets were deleted in RA 2677, *supra*.)

⁶ Redesignated in RA 2677, section 1. See footnote 7, *infra*, for Statutory History of section 14.

⁷ Words in bold in the text above are amendments introduced by RA 2677, section 1, approved June 18, 1960.

Statutory History of section 14:

a) Original text (inserted by CA 454, section 1.) -

SEC. 14. The following are exempted from the provisions of the preceding section:

- (a) [Ice and refrigeration plants and the other public services operated in the Philippines by the Government of the United States for its exclusive use and not to serve to persons for hire or compensation:]
- (b) [Municipal] warehouses;
- (c) Vehicles drawn by animals and bancas moved by oar [and] or sail;
- (d) Airships within the Philippines except as regard the fixing of their maximum rates on freight and passengers;
- (e) Radio companies except with respect to the fixing of rates;
- (f) Public services owned or operated by any instrumentality of the National Government or by any government-owned or controlled corporation. (Ed. Note: Words in bracket were deleted in RA 2031, *infra* and RA 2677. *supra*)

b) Words in bold in the text immediately following are amendments introduced by RA 2031, section 1, enacted June 23, 1957.

(c) Vehicles drawn by animals and bancas moved by oar or sail, **and tugboats and lighters.**

c) The old section 14, was transposed as paragraph (b), section 13, as amended by CA 454, section 1. See RA 1383, section 9, as amended by RA 3597, section 8, and RA 2046, section 6, as amended by RA 4186, section 5.

⁸ Now Boards of Transportation and Communications.

The Commission⁹ may prescribe as a condition for the issuance of the certificate provided in the preceding paragraph that the service can be acquired by the Commonwealth¹⁰ of the Philippines or by any instrumentality thereof upon payment of the cost price of its useful equipment, less reasonable depreciation; and likewise, that the certificate shall be valid only for a definite period of time; and that the violation of any of these conditions shall produce the immediate cancellation of the certificate without the necessity of any express action on the part of the Commission.¹¹

*Acquisition of
public service
by Republic*

In estimating the depreciation, the effect of the use of the equipment, its actual condition, the age of the model, or other circumstances affecting its value in the market shall be taken into consideration.

The foregoing is likewise applicable to any extension or amendment of certificates actually in force and to those which may hereafter be issued, to permits to modify itineraries and time schedules of public services and to authorizations to renew and increase equipment and properties.¹²

SEC. 16. *Proceedings of the Commission, upon notice and hearing.* - The Commission¹³ shall have power, upon proper notice and hearing in accordance with the rules and provisions of this Act, subject to the limitations and exception mentioned and saving provisions to the contrary:

(a) To issue certificates which shall be known as Certificates of Public Convenience, authorizing the operation of public services within the Philippines whenever the Commission¹⁴ finds that the operation of the public service proposed and the authorization to do business will promote the public interests in proper and suitable manner: *Provided*, That hereafter, certificates of public convenience and certificates of public convenience and necessity will be granted only to citizens of the Philippines or of the United States or to corporations, co-partnerships, associations or joint-stock companies constituted and organized under the laws of the Philippines: *Provided*, That sixty per centum of the stock or paid-up capital of any such corporation, co-partnership, association or joint stock company must belong entirely to citizens of the Philippines or of the United States:¹⁵ *Provided, further*, That no such certificates shall be issued for a period of more that fifty years.

(b) To approve, subject to constitutional limitations, any franchise or privilege granted under the provision of Act Numbered Six hundred and sixty-seven,¹⁶ as amended by Act Numbered One thousand and

*Approval of
franchise or
privilege*

⁹ *Id.*

¹⁰ Now Republic

¹¹ Now Boards of Transportation and Communications.

¹² Words in bold in the text above are amendments introduced by CA 454, section 1, approved June 8, 1939.
Statutory History of section 15:

Original text --

Section 15. No public service [as herein defined] shall operate in the Philippines without [having first secured from the Commission a] certificate, [which shall be] known as Certificate of Public convenience or [as] Certificate of Public Convenience and Necessity, as the case may be, to the effect that the operation of the said service and the authorization to do business will promote the public interests in a proper and a suitable manner. (Ed. Note: Words in brackets were deleted in CA 454, *supra*.)

¹³ Now Boards of Transportation and Communications.

¹⁴ *Id.*

¹⁵ See Art. XVII. Sec. 1 Constitution of the Philippines (1973).

¹⁶ I CPS (Rev. Ed.)

twenty-two, by any political subdivision of the Philippines when, in the judgment of the Commission,¹⁷ such franchise or privilege will properly conserve the public interests, and the Commission,¹⁸ shall in so approving impose such conditions as to construction, equipment, maintenance, service, or operation as the public interests and convenience may reasonably require, and to issue certificates of public convenience and necessity when such is required or provided by any law or franchise.¹⁹

(c) To fix and determine individual or joint rates, toll, charges, classifications, or schedules thereof, as well as commutation, mileage, kilometrage, and other special rates which shall be imposed, observed, and followed thereafter by any public service:

Fixing of rates, etc.

Provided, That the Commission²⁰ may, in its discretion, approve rates proposed by public services provisionally and without necessity of any hearing; but it shall call a hearing thereon within thirty days thereafter, upon publication and notice to the concerns operating in the territory affected: *Provided, further*, That in case the public service equipment of an operator is used principally or secondarily for the promotion of a private business, the net profits of said private business shall be considered in relation with the public service of such operator of the purpose of fixing the rates.

(d) To fix just and reasonable standards, classification, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed thereafter by any public service.²¹

(e) To ascertain and fix adequate and serviceable standards for the measurement of quantity, quality, pressure, initial voltage, or other condition pertaining to the supply of the products or service rendered by any public service, and to prescribe reasonable regulations for the examination and test of such product or service and for the measurement thereof.²²

(f) To establish reasonable rules, regulations, instructions, specifications, and standards, to secure the accuracy of all meters and appliances for measurements.²³

(g) To compel any public service to furnish safe, adequate, and proper service as regards the manner of furnishing the same as well as the maintenance of the necessary material and equipment.

(h) To require any public service to establish, construct, maintain, and operate any reasonable extension of its existing facilities, where, in the judgment of said Commission,²⁴ such extension is reasonable and practicable and will furnish sufficient business to justify the construction and maintenance of the same, and when the financial condition of the said public service reasonably warrants the original expenditure required in making and operating such extension.

(i) To direct any railroad, street railway or traction company to establish and maintain at any junction or point of connection or intersection with any other line of said road or track, or with any other line

Maintenance of connection at junction or intersection

of any other railroad, street railway or traction company, such just and reasonable

¹⁷ Now Boards of Transportation and Communication.

¹⁸ *Id.*

¹⁹ See PD 217, establishing basic policies for the telephone industry.

²⁰ Now Boards of Transportation and Communications.

²¹ See CA 349 creating the Standardizing Meter Laboratory in the Commission.

²² *Id.*

²³ *Id.*

²⁴ Now Boards of Transportation and Communications.

connection as shall be necessary to promote the convenience of shippers of property, or of passengers, and in like manner to direct any railroad, street railway, or traction company engaged in carrying merchandise, to construct, maintain and operate, upon reasonable terms, a switch connection with any private sidetrack which may be constructed by any shipper to connect with the railroad, street railway or traction company line where, in the judgment of the Commission,²⁵ such connection is reasonable and practicable, and can be put in with safety, and will furnish sufficient business to justify the construction and maintenance of the same.

(j) To authorize, in its discretion, any railroad, street railway or traction company to lay its tracks across the tracks of any other railroad, street railway or traction company, or across any public highway.

(k) To direct any railroad or street railway company to install such safety devices or adopt such other reasonable measures as may in the judgment of the Commission²⁶ be necessary for the protection of the public at passing grade crossings of (1) public highways and railroads, (2) public highways and street railways, or (3) railroads and street railways.

(l) To fix and determine proper and adequate rates of depreciation of the property of any public service which will be observed in a proper and adequate depreciation account to be carried for the protection of stockholders, bondholders or creditors, in accordance with such rules, regulations, and *Depreciation accounts* forms of accounts as the Commission²⁷ may prescribe. Said rates shall be sufficient to provide the amounts required over and above the expense of maintenance to keep such property in a state of efficiency corresponding to the progress of the industry. Each public service shall conform its depreciation accounts to the rates so determined and fixed, and shall set aside the moneys so provided for out of its earnings and carry the same in a depreciation fund. The income from investments of money in such fund shall likewise be carried in such fund. This fund shall not be expended otherwise than for depreciation, improvements, new constructions, extensions or additions to the *Income from depreciation fund* property of such public service.

(m) To amend, modify or revoke at any time any certificate issued under the provisions of this Act, whenever the facts and circumstances on the strength of which said certificates was issued have been misrepresented or materially changed.²⁸

(n) To suspend or revoke any certificate issued under the provisions of this Act whenever the holder thereof has violated or willfully and contumaciously refused to comply with any order, rule or regulation of the Commission²⁹ or any provision of this Act: *Provided*, That the Commission³⁰ for *Suspension or revocation of certificates used* good cause, may prior to the hearing suspend for a period not to exceed thirty days any certificate or the exercise of any right or authority issued or granted under this Act by order of the Commission,³¹ whenever such step shall in the judgment of the Commission³² be necessary to avoid serious and irreparable damage or inconvenience to the public or to private interests.

²⁵ *Id.*

²⁶ Now Boards of Transportation and Communications.

²⁷ *Id.*

²⁸ See PD 101, promulgated January 19, 1973 granting the Board of Transportation additional powers over public utility motor vehicles.

²⁹ Now Boards of Transportation and Communications.

³⁰ *Id.*

³¹ *Id.*

³² *Id.*

(o) To fix, determine, and regulate, as the convenience of the State may require, a special type for auto-buses, trucks, and motor trucks, to be hereafter constructed, purchased, and operated by operators after the approval of this Act; to fix and determine a special registration fee for auto-buses, trucks and motor trucks so constructed, purchased, and operated: *Provided*, That said fees be smaller than those charged for auto-buses, trucks, and motor trucks of types not made regulation under this subsection.

SEC. 17. *Proceedings of Commission without previous hearing.* – The Commission³³ shall have power, without previous hearing, subject to established limitations and exceptions and saving provisions to the contrary:

(a) To investigate, upon its own initiative, or upon complaint in writing, any matter concerning any public service as regards matters under its jurisdiction; to require any public service to furnish safe, adequate, and proper service as the public interest may require and warrant; to enforce compliance with any standard, rule, regulation, order or other requirement of this Act or of the Commission,³⁴ and to prohibit or prevent any public service as herein defined from operating without having first secured a certificate of public convenience or public necessity and convenience, as the case may be, and require existing public services to pay the fees provided for in this Act for the issuance of the proper certificate of public convenience or certificate of public necessity and convenience, as the case may be, under the penalty, in the discretion of the Commission,³⁵ of the revocation and cancellation of any acquired right

(b) To require any public service to pay the actual expenses incurred by the Commission³⁶ in any investigation if it shall be found in the same that any rate, toll, charge, schedule, regulation, practice, act or service thereof is in violation of any provision of this Act or of any certificate, order, rule, regulation or requirement issued or established by the Commission.³⁷ The Commission³⁸ may also assess against any public service costs not to exceed twenty-five pesos with reference to such investigation.

(c) From time to time appraise and value the property of any public service, whenever in the judgment of the Commission³⁹ it shall be necessary so to do so, for the purpose of carrying out any of the provisions of this Act, and in making such valuation the Commission⁴⁰ may have access to and use any books, documents, or records in the possession of any department, bureau, office, or board of the Government of the Philippines or any political subdivision thereof.

(d) To provide, on motion by or at the request of any consumer or user of a public service, for the examination and test of any appliance used for the measuring of any product or

Appraisal of property

Examination and test of appliances

³³ *Id*

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

service of a public service, and for that purpose, by its agents, experts, or examiners to enter upon any premises where said appliances may be, and other premises of the public service, for the purpose of setting up and using on said premises any apparatus necessary therefor, and to fix the fees to be paid by any consumer or user who may apply to the Commission⁴¹ for such examination or test to be made, and if the appliance be found defective or incorrect to the disadvantage of the consumer or user, to require the fees paid to be refunded to the consumer or user by the public service concerned.⁴²

(e) To permit any street railway or traction company to change its existing gauge to standard steam railroad gauge, upon such terms and conditions as the Commission⁴³ shall prescribe.

(f) To grant to any public service special permits to make extra or special trips within the territory covered by its certificate of public convenience, and to make special excursion trips outside of its own territory if its own territory if the public interest or special circumstances require it: *Provided, however,* That in case a public service cannot render such extra service on its own line or in its own territory, a special permit for such extra service may be granted to any other public service.

(g) To require any public service to keep its books, records, and accounts so as to afford an intelligent understanding of the conduct of its business and to that end to require every such public service of the same class to adopt a uniform system of accounting. Such system shall conform to any system approved and confirmed by the Auditor-General.⁴⁴

(h) To require any public service to furnish annual reports of finances and operations. Such reports shall set forth in detail the capital stock issued, the amounts of said capital stock paid up and the form of payment thereof; the dividends paid, the surplus, if any, and the number of stockholders; the consolidated and pending obligations, and the interest paid thereon; the cost and value of the property of the operator; concessions or franchises and equipment; the number of employees and salaries paid to each class; the accidents to passengers, employees, and other persons, and the causes thereof; the annual expenditures on improvements, the manner of their investment and nature of such improvements, the receipts and profits in each of the branches of the business and of whatever source; the operating and other expenses; the balance of profits and losses; and a complete statement of the annual financial operations of the operator, including an annual balance sheet. Such reports shall also contain any information, which the Commission⁴⁵ may require concerning freight passenger rates, or agreements, compromises or contracts affecting the same. Said reports shall cover a period of twelve months, ending on December thirty-first of each year, and shall be sworn to by the officer or functionary of the public service authorized therefor. The Commission⁴⁶ shall also have power to require from time to time special reports containing such information as above provided for or on other matters as the Commission⁴⁷ may deem necessary or advisable.

⁴¹ *Id.*

⁴² *Id.*

⁴³ Now Boards of Transportation and Communications.

⁴⁴ Now Commission on Audit. See CA 325, approved June 18, 1938, transferring to the General Auditing Office (now Commission on Audit) the function of examining the books of account of all public services.

⁴⁵ Now Boards of Transportation and Communications.

⁴⁶ *Id.*

⁴⁷ *Id.*

(i) To require every public service to file with the Commission⁴⁸ a statement in writing, verified by the oaths of the owner or the president and the secretary thereof, if a corporation, setting forth the name, title of office or position, and post-office address, and the authority, power, and duties of every officer, member of the board of directors, trustees, executive committee, superintendent, chief or head of construction and operation thereof, in such form as to disclose the source and origin of each administrative act, rule, decision, order or other action of the operator of such public service; and, within ten days after any change is made in the title of, or authority, powers or duties appertaining to any such office or position, or the person holding the same, file with the Commission⁴⁹ a like statement, verified in like manner, setting forth such change. *Filing of statements*

(j) To require any public service to comply with the laws of the Philippines and with any provincial resolution or municipal ordinance relating thereto and to conform to the duties imposed upon it thereby or by the provisions of its own charter, whether obtained under any general or special law of the Philippines.

(k) To investigate any or all accidents that may occur on the property of any public service or directly or indirectly arising from or connected with its maintenance or operation in the Philippines; to require any public service to give the Commission⁵⁰ immediate and effective notice of all or any such accidents, and to make such order or recommendation with respect thereto as the public interest may warrant to require. *Investigation of accidents*

(l) To require every public service as herein defined to file with it complete schedules of every classification employed and of every individual or joint rate, toll, fare or charged made, charged or exacted by it for any product supplied or service rendered within the Philippines, and, in the case of public carriers, to file with it a statement showing the itineraries or routes served as specified in such requirement. *Schedule of classifications, rates,*

CHAPTER III – *Operators of Public Services – Regulations and Prohibitions*

SEC. 18. It shall be unlawful for any individual, copartnership, association, corporation or joint-stock company, their lessees, trustees, or receivers appointed by any court whatsoever, or any municipality, province, or other department of the Government of the Philippines, to engage in any public service business without having first secured from the Commission⁵¹ a certificate of public convenience or certificate of public convenience and necessity as provided for in this Act, except grantees of legislative franchises expressly exempting such grantee from the requirement of securing a certificate from this Commission,⁵² as well as concerns at present existing expressly exempted from the jurisdiction of the Commission,⁵³ either totally or in part, by the provisions of section thirteen⁵⁴ of this Act.

Unlawful operation of public services

Grantees of legislative franchises

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.*

⁵² *Id.*

⁵³ *Id.*

⁵⁴ Now Section 14

SEC. 19. *Unlawful acts.* – It shall be unlawful for any public service:

(a) To provide or maintain any service that is unsafe, improper, or inadequate, or withhold or refuse any service which can reasonably be demanded and furnished, as found and determined by the Commission⁵⁵ in a final order which shall be conclusive and shall take effect in accordance with this Act, upon appeal or otherwise.

(b) To make or give, directly or indirectly, by itself or through its agents attorneys or brokers, or any of them, discounts or rebates on authorized rates, or grant credit for the payment of freight charges, or any undue or unreasonable preference or advantage to any person or corporation or to any locality or to any particular description of traffic or service, or subject any particular person or corporation or locality or any particular description of traffic to any prejudice or disadvantage in any respect whatsoever; to adopt, maintain, or enforce any regulation, practice or measurement which shall be found or determined by the Commission⁵⁶ to be unjust, unreasonable, unduly preferential or unjustly discriminatory, in a final order which shall be conclusive and shall take effect in accordance with the provisions of this Act, upon appeal or otherwise.

(c) To refuse or neglect, when requested by the Director of Posts⁵⁷ or his authorized representative, to carry public mail on the regular trips of any public land transportation service maintained or operated by any such public service, upon such terms and conditions and for a consideration in such amounts as may be agreed upon between the Director of Posts⁵⁸ and the public service carrier of fixed by the Commission⁵⁹ in the absence of an agreement between the Director of Posts⁶⁰ and the carrier. In case the Director of Posts⁶¹ and the public service carrier are unable to agree on the amount of the compensation to be paid for the carriage of the mail, the Director of Posts⁶² shall forthwith request the Commission⁶³ to fix a just and reasonable compensation for such carriage and the same shall be promptly fixed by the Commission⁶⁴ in accordance with section sixteen of this Act.⁶⁵

SEC. 20. *Acts requiring the approval of the Commission.* – Subject to established limitations and exceptions and saving provisions to the contrary, it shall be unlawful for any public service or for the owner, lessee or operator thereof, without the approval and authorization of the Commission⁶⁶ previously had-

(a) To adopt, establish, fix, impose, maintain, or collect or carry into effect any individual or joint rates, commutation, mileage or other special rate, toll, fare, charge, classification or

⁵⁵ Now Board of Transportation and Communications.

⁵⁶ *Id.*

⁵⁷ Now Postmaster-General.

⁵⁸ *Id.*

⁵⁹ Now Board of Transportation and Communications.

⁶⁰ Now Postmaster-General.

⁶¹ *Id.*

⁶² *Id.*

⁶³ Now Boards of Transportation and Communications.

⁶⁴ *Id.*

⁶⁵ See PD 101, promulgated January 19, 1973.

⁶⁶ Now Boards of Transportation and Communications.

*Individual or joint rates;
notice and hearing on the
application*

itinerary. The Commission⁶⁷ shall approve only those that are just and reasonable and not any that are unjustly discriminatory or unduly preferential, only upon reasonable notice to the public services and other parties concerned, giving them a reasonable opportunity to be heard, and the burden of the proof to show that the proposed rates or regulation are just and reasonable shall be upon the public service proposing the same.

(b) To establish, construct, maintain, or operate new units or extend existing facilities or make any other addition to or general extension of the service.

(c) To abandon any railroad station or stop the sale of passenger tickets or cease to maintain an agent to receive and discharge freight at any station now or hereafter established at which passenger tickets are now *Abandonment of railroad stations* or may hereafter be regularly sold, or at which such agent is now or may hereafter be maintained, or make any permanent change in its time tables or itineraries on any railroad or in its service.

(d) To lay any railroad or street railway track across any highway, so as to make a new crossing at grade, or cross the tracks of any other railroad or street railway, provided that this subsection shall not apply to replacements of lawfully existing tracks.

(e) Hereafter to issue any stock or stock certificates representing an increase of capital; or issue any share of stock without par value; or issue any bonds or other evidence of indebtedness payable in more than *Issuance of stock certificates, notice and hearing* one year from the date of issuance thereof, provided that it shall be the duty of the Commission,⁶⁸ after hearing, to approve any such issue maturing in more than one year from the date thereof, when satisfied that the same is to be made in accordance with law, and the purpose of such issue be approved by the Commission.⁶⁹

(f) To capitalize any franchise in excess of the amount, inclusive of any tax or annual charge, actually paid to the Government of the Philippines or any political subdivision thereof as the consideration of said *Capitalization of franchise in excess of amount* franchise; capitalize any contract for consolidation, merger, or lease, or issue any bonds or other evidence of indebtedness against or as a lien upon any contract for consolidation, merger, or lease: *Provided, however,* That the provisions of this section shall not prevent the issuance of stock, bonds, or other evidence of indebtedness subject to the approval of the Commission⁷⁰ by any lawfully merged or consolidated public services not in contravention of *Exceptions* the provisions of this section.

(g) To sell, alienate, mortgage, encumber or lease its property, franchises, certificates, privileges, or rights, or any part thereof; or *Sale, alienation, etc. of property merger with other public service* merge or consolidate its property, franchises, privileges or rights, or any part thereof, *Notice and hearing on petition* with those of any other public service. The approval herein required shall be given, after notice to the public and after hearing the persons interested at a public hearing, if it be shown that there are just and reasonable grounds for making the mortgage or encumbrance, for liabilities of more than one year maturity, or the sale, alienation, lease, merger, or consolidation to be approved, and that the same are not detrimental to the public interest, and in case of a sale, the date on which

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

the same is to be consummated shall be fixed in the order of approval: *Provided, however,* That nothing herein contained shall be construed to prevent the transaction from being negotiated or completed before its approval or to prevent the sale, alienation, or lease by any public service of any of its property in the ordinary course of its business.

(h) To sell **or register in its books the transfer or sale of** shares of its capital stock, if the result of that sale in itself or in connection with another previous sale, shall be to vest in **the transferee more than forty per centum** of the subscribed capital of said public service. **Any** *Sale of more than forty percent of subscribed capital* transfer **made** in violation of **this** provision shall be void and of no effect and **shall not be registered in** the books of **the** public service corporation. Nothing herein contained shall be construed to prevent the holding of shares lawfully acquired.⁷¹

(i) To sell, alienate or in any manner transfer shares of its capital stock to any alien if the result of that sale, alienation, or transfer in itself or in connection with another previous sale shall be the reduction to less than sixty per centum of the capital stock belonging to Philippine citizens. Such sale, *Void transactions with aliens* alienation or transfer shall be void and of no effect and shall be sufficient cause for ordering the cancellation of the certificate.

(j) To issue, give or tender, directly or indirectly, any free ticket, free pass or free or reduced rate of transportation for passengers, except to the following persons: (1) officers, agents, employees, attorneys, physicians and surgeons of said public service, and members of their families; (2) inmates of hospitals or charity institutions, and persons engaged in charitable work; (3) indigent, destitute, and *Issuance of free tickets, free passes, or reduced rates* homeless persons when transported by charitable societies or hospitals, and the necessary agents employed in such transportation; (4) the necessary caretakers, going and returning, of livestock, poultry, fruit, and other freight under uniform and nondiscriminatory regulation; (5) employees of sleeping car corporations, express corporations, and telegraph and telephone corporation; railway and marine mail service employees, when traveling in the course of their official duty; (6) post-office inspectors, customs officers and inspectors and immigration inspectors when engaged in inspection; (7) witnesses attending any legal investigation in which the public service is an interested party; (8) persons injured in accidents or wrecks, and physicians and nurses attending such persons; (9) peace officers and officers and men of regularly constituted fire departments.⁷²

(k) Adopt, maintain, or apply practices or measures, rules or regulations to which the public shall be subject in its relations with the public service.

CHAPTER IV. – *Penalties for Violations*

SEC. 21. Every public service violating or failing to comply with the terms and conditions of any certificate or any orders, decisions or regulations of the *Non-compliance with terms and conditions of certificate*

⁷⁰ Now Boards of Transportation and Communications.

⁷¹ Words in bold in the text above are amendments introduced by CA 454, section 2, approved June 8, 1939.

Statutory History of section 20 (h):

Original text-

(h) To sell [any share or] shares of its capital stock [to any other public service or any corporation, domestic or foreign,] if the result of that sale in itself or in connection with another previous sale, shall be to vest [in such corporation a majority in interest] of the subscribed capital of said public service. [Every assignment,] transfer, [contract, or agreement for assignment or transfer by or through any person or corporation to any corporation] in violation of [any] of [the] provisions [hereof] shall be void and of no effect, and [no such transfer shall be made on] the books of [any] public service corporation. Nothing herein contained shall be construed to prevent the holding of stock [heretofore] lawfully acquired. (Ed. Note: Words in brackets were deleted in CA 454, *supra*.)

⁷² Proviso of Paragraph (j) was repealed by CA 454, section 3, approved June 8, 1939.

Commission⁷³ shall be subject to a fine of not exceeding two hundred pesos per day for every day during which such default or violations continues; and the Commission⁷⁴ is hereby authorized and empowered to impose such fine, after due notice and hearing.

The fines so imposed shall be paid to the Government of the Philippines through the Commission,⁷⁵ and failure to pay the fine in any case within the time specified in the order or decision of the Commission⁷⁶ shall be deemed good and sufficient reason for the suspension of the certificate of said public service until payment shall be made. Payment may also be enforced by appropriate action brought in a court of competent jurisdiction. The remedy provided in this section shall not be a bar to, or affect any other remedy provided in this Act but shall be cumulative and additional to such remedy or remedies.

Suspension of certificate

SEC. 22. Observance of the orders, decisions, and regulations of the Commission⁷⁷ and of the terms and conditions of any certificate may also be enforced by *mandamus* or injunction in appropriate cases, or by action to compel the specific performance of the orders, decisions, and regulations so made, or of the duties imposed by law upon such public service: *Provided*, That the Commission⁷⁸ may compromise any case that may arise under this Act in such manner and for such amount as it may deem just and reasonable.

*Mandamus or
injunction*

SEC. 23. Any public service corporation that shall perform, commit, or do any act or thing herein forbidden or prohibited or shall neglect, fail, or omit to do or perform any act or thing herein required to be done or performed, shall be punished by a fine not exceeding twenty-five thousand pesos, or by imprisonment not exceeding five years, or both, in the discretion of the court.

*Performance of
prohibited acts*

SEC. 24. Any person who shall knowingly and willfully perform, commit, or do, or participate in performing, committing, or doing, or who shall knowingly and willfully cause, participate, or join with others in causing any public service corporation or company to do, perform, or commit, or who shall advise, solicit, persuade, or knowingly and willfully instruct, direct, or order any officer, agent or employee of any public service corporation or company to perform, commit, or do any act or thing forbidden or prohibited by this Act, shall be punished by a fine not exceeding two thousand pesos, or imprisonment not exceeding two years, or both, in the discretion of the court: *Provided, however*, That for operating a private passenger automobile as a public service without having a certificate of public convenience for the same, the offender shall be subject to the penalties provided for in section sixty-seven (j) of Act Numbered Thirty-nine hundred and ninety-two.⁷⁹

*Persons performing
prohibited acts*

SEC. 25. Any person who shall knowingly and willfully neglect, fail or omit to do or perform, or who shall knowingly and willfully cause or join or participate with others in causing any public service corporation or company to neglect, fail, or omit to do or perform, or who shall advise, solicit, or persuade, or knowingly and willfully instruct, direct, or order any officer, agent, or employee of any public service corporation or company to neglect, fail, or omit to do any actor thing required to be done by this Act, shall be punished by a fine not exceeding two thousand pesos or

*Failure to perform act
required by this Act*

⁷³ Now Boards of Transportation and Communications.

⁷⁴ *Id.*

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ See RA 4136 for Land Transportation Code.

by imprisonment not exceeding two years, or both, in the discretion of the court.

SEC. 26. Any person who shall destroy, injure, or interfere with any apparatus or appliance owned or operated by or in charge of the Commission⁸⁰ or its agents, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding one thousand pesos or imprisonment not exceeding six months, or both, in the discretion of the court.

Any public service permitting the destruction, injury to, or interference with, any such apparatus or appliance, shall forfeit a sum not exceeding four thousand pesos for each offense.

SEC. 27. This Act shall not have the effect to release or waive any right of action by the Commission⁸¹ or by any person for any right, penalty, or forfeiture which may have arisen or which may arise, under any of the laws of the Philippines, and any penalty or forfeiture enforceable under this Act shall not be a bar to or affect a recovery for a right, or affect or bar any criminal proceedings against any public service or person or persons operating such public service, its officers, directors, agents, or employees.

SEC. 28. Violations of the orders, decisions, and regulations of the Commission⁸² and of the terms and conditions of any certificates issued by the Commission⁸³ shall prescribe after sixty days, and violations of the provisions of this Act shall prescribe after one hundred and eighty days.

CHAPTER V. – *Procedure and Review*

SEC. 29. All hearing and investigations before the Commission⁸⁴ shall be governed by rules adopted by the Commission,⁸⁵ and in the conduct thereof the Commission⁸⁶ shall not be bound by the technical rules of legal evidence: *Provided*, That the Public Service Commissioner⁸⁷ or Deputy Commissioner⁸⁸ may summarily punish for contempt by a fine not exceeding two hundred pesos or by imprisonment not exceeding ten days, or both, any person guilty of misconduct in the presence of the Commissioner⁸⁹ or Deputy Commissioner⁹⁰ or so near the same as to interrupt the hearing or session or any proceedings before them, including cases in which a person present at a hearing, session, or investigation held by either of the Commissioner⁹¹ refuses to be sworn as a witness or to answer as such when lawfully required to do so. To enforce the provisions of this section, the Commission⁹² may, if necessary, request the assistance of the municipal police for the execution of any order made for said purpose.

⁸⁰ Now Boards of Transportation and Communications.

⁸¹ *Id.*

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ Now Chairmen of the Boards.

⁸⁸ Members of the Boards.

⁸⁹ Now Chairmen of the Boards.

⁹⁰ Now Members of the Boards.

⁹¹ Now Chairmen of the Boards.

⁹² Now Boards of transportation and Communications.

SEC. 30. (a) The Commission⁹³ may issue subpoenas and subpoenas *duces tecum*, for witnesses in any matter or inquiry pending before the Commission⁹⁴ and require the production of all books, papers, tariffs, contracts, agreements, and all other documents, which the Commission⁹⁵ may deem necessary in any proceeding. Such process shall be issued under the seal of the Commission,⁹⁶ signed by one of the Commissioners⁹⁷ or by the secretary, and may be served by any person of full age, or by registered mail. In case of disobedience to such subpoena, the Commission⁹⁸ may invoke the aid of the Supreme Court, or of any Court of First Instance of the Philippines requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this chapter, and the Supreme Court or any Court of First Instance of the Philippines within the jurisdiction of which such inquiry is carried on, may, in case of contumacy or refusal to obey a subpoena, issue to any public service subject to the provisions of this Act, or to any other person, an order requiring such public service or other person to appear before the Commission⁹⁹ and produce books and papers if so ordered and give evidence touching the matter in question; and any failure to obey such order of the Court may be punished by such court as a contempt thereof.

(b) Any person who shall neglect or refuse to answer any lawful inquiry or produce before the Commission¹⁰⁰ books, papers, tariffs, contracts, agreements, and documents or other things called for by said Commission,¹⁰¹ if in his power to do so, in obedience to the subpoena or lawful inquiry of the Commission¹⁰² upon conviction thereof by a court of competent jurisdiction, shall be punished by a fine not exceeding five thousand pesos or by imprisonment not exceeding one year, or both, in the discretion of the court.

*Refusal to answer
lawful inquiry*

(c) The Commissioner¹⁰³ and Deputy Commissioner,¹⁰⁴ the chiefs of divisions, the attorneys of the Commission,¹⁰⁵ and the deputy secretaries shall have the power to administer oaths in all matters under the jurisdiction of the Commission.¹⁰⁶

(d) Any person who shall testify falsely or make any false affidavit or oath before the Commission¹⁰⁷ or before any of its members shall be guilty of perjury, and upon conviction thereof in a court of competent jurisdiction, shall be punished as provided by law.¹⁰⁸

(e) Witnesses appearing before the Commission¹⁰⁹ in obedience to subpoena or subpoena *duces tecum*, shall be entitled to receive the same fees and mileage as witnesses attending Courts of First Instance in civil cases.

(f) Any person who shall obstruct the Commission¹¹⁰ or either of the Commissioners¹¹¹ while engaged in the discharge of official duties, or who shall conduct himself in a rude, disrespectful or disorderly manner before the Commission¹¹² either of the Commissioners,¹¹³ while engaged in the discharge of

*Obstruction while
engaged in discharge
of duties*

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ Now Chairmen or Member of the Boards.

⁹⁸ Now Boards of Transportation and Communications.

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ Now Chairmen of the Boards.

¹⁰⁴ Now Members of the Board.

¹⁰⁵ Now Boards of Transportation and Communications.

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ The penalty is *arresto mayor* in its maximum period to *prison correctional* in its minimum period (Art. 183, Revised Penal Code.)

¹⁰⁹ Now Boards of Transportation and Communications.

¹¹⁰ *Id.*

¹¹¹ Now Chairmen of the Boards.

¹¹² Now Boards of Transportation and Communications.

official duties, or shall orally or in writing be disrespectful to, offend or insult either of the Commissioners¹¹⁴ on occasion or by reason of the performance of his official duties, upon conviction thereof by a court of competent jurisdiction, shall be punished for each offense by a fine not exceeding one thousand pesos, or by imprisonment not exceeding six months, or both, in the discretion of the Court.

SEC. 31. No person shall be excused from testifying or from producing any book, document, or paper in any investigation or inquiry by or upon the hearing before the Commission,¹¹⁵ when ordered so to do by said Commission,¹¹⁶ except when the testimony or evidence required of him may tend to incriminate him. Without the consent of the interested part, no member or employee of the Commission¹¹⁷ shall be compelled or permitted to give testimony in any civil suit to which the Commission¹¹⁸ is not a party, with regard to secrets obtained by him in the discharge of his official duty. *production of books, etc.*

SEC. 32. The Commission¹¹⁹ may, in any investigation or hearing, by its order in writing, cause the deposition of witnesses residing within or without the Philippines to be taken in the manner prescribed by the **Rules of Court.**¹²⁰ **Where witnesses reside in places distant from Manila and it would be inconvenient and expensive for them to appear personally before the Commission.**¹²¹ the Commission¹²² may, by proper order, commission any clerk of the Court of First Instance, **municipal judge**¹²³ or justice of the peace¹²⁴ of the Philippines to take the **deposition** of witnesses in any case pending before the Commission.¹²⁵ It shall be the duty of the **official** so commissioned, to designate promptly a date or dates for the taking of such **deposition**, giving timely notice to the parties, and on **said** date to proceed to take the **deposition**, reducing it to writing. After the **depositions** have been taken, the **official so commissioned** shall certify to the **depositions taken** and forward **them as soon as possible** to the Commission.¹²⁶ It shall be the duty of the respective parties to furnish stenographers for taking and transcribing the testimony taken. In case there are no stenographers available, the testimony shall be taken in longhand by such person as the **clerk of court, the municipal judge**¹²⁷ or justice of the peace¹²⁸ may designate. The Commission¹²⁹ may also commission **a notary public** to take the **depositions** in the same manner **herein provided**.

The Commission¹³⁰ **may also, by proper order, authorize any of the attorneys of the legal division or division chiefs of the Commission,**¹³¹ **if they be lawyers, to hear and investigate any case filed with the Commission**¹³² **and in connection therewith to receive such evidence as may be material thereto. At the conclusion of the hearing or investigation, the attorney or division chief so** *Persons who may be authorized to conduct hearings*

¹¹³ Now Chairmen of the Boards.

¹¹⁴ *Id.*

¹¹⁵ Now Boards of Transportation and Communications.

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ See Rule 24, Rules of Court.

¹²¹ Now Boards of Transportation and Communications.

¹²² *Id.*

¹²³ Now city judge.

¹²⁴ Now municipal judge.

¹²⁵ Now Boards of Transportation and Communications.

¹²⁶ Now Boards of Transportation and Communications.

¹²⁷ Now city judge.

¹²⁸ Now municipal judge.

¹²⁹ Now Boards of Transportation and Communications.

¹³⁰ *Id.*

¹³¹ *Id.*

¹³² *Id.*

authorized shall submit the evidence received by him to the Commission¹³³ to enable the latter to surrender its decision.¹³⁴

SEC. 33. Every order made by the Commission¹³⁵ shall be served upon the person or public service affected thereby, within ten days from the time said order is filed, by personal delivery or by ordinary mail, upon the attorney of record, or in case there be no attorney of record, upon the party interested; and in case such certified copy is sent by registered mail, the registry mail receipt shall be *prima facie* evidence of the receipt of such order by the public service in due course of mail. All orders of the Commission¹³⁶ to continue an existing service or prescribing rates to be charged shall be immediately operative; all other orders shall become effective upon the dates specified therein: *Provided, however,* That orders, resolutions or decisions in controverted matters and not referring to the continuance of an existing service or prescribing rates to be charged shall not be effective unless otherwise provided by the Commission,¹³⁷ and shall take effect thirty days after notice to the parties. *Service of orders*

SEC. 34. Any interested party may request the reconsideration of any order, ruling, or decision of the Commission¹³⁸ by means of a petition filed not later than fifteen days after the date of the notice of the order, ruling or decision in question. The grounds on which the request for reconsideration is based shall be clearly and specifically stated in the petition. *Period for filing motions for reconsideration* Copies of said petition shall be served on all parties interested in the matter. It shall be the duty of the Commission¹³⁹ to call a hearing on said petition immediately, with notice to the parties, and after hearing to decide the same promptly, either denying the petition or revoking or modifying the order, ruling or decision under consideration.

SEC. 35. The Supreme Court is hereby given jurisdiction to review any order, ruling, or decision of the Commission¹⁴⁰ and to modify or set aside such order, ruling, or decision when it clearly appears that there was no evidence before the Commission¹⁴¹ to support reasonably such order, ruling, or decision, or that the same is contrary to law, or that it was without the jurisdiction of the Commission.¹⁴² The evidence presented to the Commission,¹⁴³ together *Judicial review*

¹³³ *Id.*

¹³⁴ Words in bold in the text above are amendments introduced by RA 723, section 3, approved June 6, 1952.

Statutory History of section 32:

Original Text –

SEC. 32. The Commission may, in any investigation or hearing, by its order in writing, cause the depositions of witnesses residing within or without the Philippines to be taken in the manner prescribed by the [Code of Civil Procedure.] The Commission may [also,] by proper order commission any [of the attorneys of the Commission or chiefs of division to receive evidence, and it may likewise commissions any] clerk of the court of First Instance or justice of the peace of the Philippines to take the [testimony] of witnesses in any case pending before the Commission [where such witnesses reside in places distant from Manila and it would be inconvenient and expensive for them to appear personally before the Commission.] It shall be the duty of the [clerk of the Court of First Instance or justice of the peace] so commissioned to designate promptly a date or dates for the taking of such [evidence] giving timely notice to the parties, and on [such] date to proceed to take the [evidence,] reducing it to writing. After the [evidence] has been taken, the [justice of the peace] shall [forthwith] certify to the [correctness of the transcript of the testimony of the witnesses] and forward it to the Commission. It shall be the duty of the respective parties to furnish stenographers for taking and transcribing the testimony taken. In case there are no stenographers available, the testimony shall be taken in longhand by such person as the justice of the peace may designate. [For the convenience of the parties] the Commission may also commission [any other person] to take the [evidence] in the same manner. (Ed. Notes: Words in bracket were deleted in RA 723, *supra*.)

¹³⁵ Now Boards of Transportation and Communications.

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² See RA 296, section 17, as amended.

¹⁴³ Now Boards of Transportation and Communications.

with the record of the proceedings before the Commission,¹⁴⁴ shall be certified by the secretary of the Commission¹⁴⁵ to the Supreme Court. Any order, ruling, or decision of the Commission¹⁴⁶ may likewise be reviewed by the Supreme Court upon a writ of certiorari in proper cases. The procedure for review, except as herein provided, shall be prescribed by rules of the Supreme Court.¹⁴⁷

SEC. 36. Any order, ruling, or decision of the Commission¹⁴⁸ may be reviewed on the application of any person or public service affected thereby, by certiorari in appropriate cases, or by petition, to be known as Petition for Review, which shall be filed within thirty days from notification of such order, ruling, or decision or, in case a petition for the reconsideration of such order, *Petition for review* ruling or decision is filed in accordance with the preceding section and the same is denied, it shall be filed within fifteen days after notice of the order denying reconsideration. Said petition shall be placed on file in the office of the clerk of the Supreme Court who shall furnish copies thereof to the Secretary of the Commission¹⁴⁹ and other parties interested.

SEC. 37 The institution of a writ of certiorari or other special remedies in the Supreme Court shall in no case supersede or stay any order, ruling or decision of the Commission,¹⁵⁰ unless the Supreme Court shall so direct, and the appellant may be required by the Supreme Court to *Effect of writ of certiorari* give bond in such form and of such amount as may be deemed proper.¹⁵¹

SEC 38. The chief of the legal division or any other attorneys of the Commission¹⁵² shall represent the same in all judicial proceedings. It shall be the duty of the Solicitor General to represent the Commission¹⁵³ in any judicial proceeding if, for special reasons, the Commissioner¹⁵⁴ shall request his intervention.¹⁵⁵

SEC. 39. Any proceeding in any court of the Philippines directly affecting and order of the Commission¹⁵⁶ or to which the Commission¹⁵⁷ is a party, shall have preference over all other civil proceedings pending in such court, except election cases.

CHAPTER VI. - Fees¹⁵⁸

SEC. 40. The Commission¹⁵⁹ is authorized and ordered to charge and collect from any public service **or applicant, as the case may be, the following fees as reimbursement of its expenses in the authorization, supervision and/ or regulation of the public services:**

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ Now Boards of Transportation and Communications.

¹⁴⁷ See Rule 44, Rules of Court.

¹⁴⁸ Now Boards of Transportation and Communications.

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ See Rule 44, Rules of Court, section 4.

¹⁵² Now Boards of Transportation and Communications.

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ Section 38 was amended by RA 178, section 1, approved June 21, 1947, creating the Office of People's Counsel, transferring "the duty of the Solicitor-General to institute proceedings before the Commission in behalf of the public for the purpose of fixing just and reasonable rates" to said office, but the office of People's Counsel was abolished by Executive Order No. 392, section 14, series of 1951.

¹⁵⁶ Now Boards of Transportation and Communications.

¹⁵⁷ *Id.*

¹⁵⁸ In addition to the fees enumerated in this chapter, an additional legal fee is required by section 4 of RA 3870, approved June 15, 1964.

¹⁵⁹ Now Boards of Transportation and Communications.

(a) The charge of **fifty** pesos for the registration of:

1) Applications under the provisions of sections sixteen (a), (b), (c), and (d), and twenty (a), (b), (c), (e), (f), (g), and (h) : *Provided, however, That in case of transportation services, an additional filing fee of five pesos shall be charged for each additional unit or vehicles in excess of five units or vehicles applied for: And provided finally,* That no **filing** fee shall be collected for the reduction of rates if the same does not alter or modify in any way the basic rates of the schedule.

(2) Applications for the approval or modification of maximum rates under Section fourteen.

(b) **Thirty** pesos shall be collected from **any** operator of land transportation for the registration of:

(1) Applications under Section seventeen (f).

(2) Applications for the extension of time **covering a period of thirty days** for the registration of motor vehicles previously authorized by the Commission.¹⁶⁰

(c) **The charge of thirty pesos for the filing of other applications** by any public service operator not specifically provided for in the preceding paragraphs of this section other than motions of a temporary or incidental character; *Provided, however, That fifteen pesos only shall be collected for each certificate of public convenience and necessity in diploma form issued to a public service operator.*

(d) For **annual** reimbursement of the expenses incurred by the Commission¹⁶¹ for the supervision and regulation of the operations of motor vehicle services:

(1) For each automobile, **ten** pesos.

(2) For each motor **vehicle**, truck, **or trailer** of less than two tons **gross** transportation capacity, ten pesos.

(3) For each motor **vehicle**, truck, **or trailer** of two **tons** or more, but less than three tons **gross** transportation capacity, twenty pesos.

(4) For each motor **vehicle**, truck **or trailer** of three tons or more but less than four tons **gross** transportation capacity, thirty pesos.

(5) Motor **vehicles**, trucks, **trailers** or buses of four tons or more **gross** capacity shall pay at the rate of ten pesos per ton **gross**.

The fees provided in **paragraphs (d) and (e) hereof** shall be paid on or before **September thirtieth** of each year with a penalty of fifty *per centum* in case of delinquency: *Provided, further, That if the fees or any balance thereof are not paid within sixty days from the said date, the penalty shall be increased by one per centum for every month thereafter of delinquency: Provided, however,* That motor vehicles registered in the **Motor Vehicles Office**¹⁶² after **September thirtieth** shall

¹⁶⁰ Id.

¹⁶¹ Id.

¹⁶² Now Land Transportation Commission.

be exempt from payment for said year.

e) For **annual** reimbursement of the expenses incurred by the Commission¹⁶³ in the supervision of other public services **and/or in the regulation or fixing of their rates, twenty** centavos for each one hundred pesos or fraction thereof, of the capital stock subscribed or paid, or if no shares have been issued, of the capital invested, **or of the property and equipment, whichever is higher.**

(f) For the **issue or** increase of capital stock, **twenty** centavos for each one hundred pesos or fraction thereof, of the increased capital.

(g) For each permit authorizing the increase of equipment, the installation of new units or authorizing the increase of capacity, or the extension of means or general extensions in the services, **twenty** centavos for each one hundred pesos or fraction of the additional capital necessary to carry out the permit.¹⁶⁴

(h) For the inspection or certification **made in the meter laboratory of the Commission**¹⁶⁵ of each apparatus or meter used by any public service, **four** pesos, and for examination **made outside the meter laboratory of the Commission,**¹⁶⁶ the **additional** expenses **as may be** incurred in making the examination shall **also** be paid.

(i) For certification of copies of official documents in the files of the Commission¹⁶⁷, fifty centavos plus **fifty** centavos for each page or folio so certified.

This **section** shall not be applicable to the **Republic** of the Philippines, nor to its instrumentalities.

Aside from the appropriations for the Commission¹⁶⁸ **under the annual General Appropriation Act, any unexpected balance of the fees collected by the Commission**¹⁶⁹ **under this section shall be constituted receipts automatically appropriated each year, and together with any surplus in the standardizing meter laboratory revolving fund under Commonwealth Act Numbered Three hundred forty-nine, shall be disbursed by the Public Service Commissioner**¹⁷⁰ **in accordance with special budgets to be approved by the Department of Justice,**¹⁷¹ **the Budget Commission and the Office of the President of the Philippines for additional needed personal services, maintenance and operating expenses, acquisition of urgently needed vehicles furniture and equipment, maintenance of an adequate reference library, acquisition of a lot and building for the Commission**¹⁷², **and other expenses necessary for efficient administration and effective supervision and regulation of public services.**¹⁷³

¹⁶³ Now Boards of Transportation and Communications.

¹⁶⁴ See CA 349 creating the Standardizing Meter Laboratory in the Commission.

¹⁶⁵ Now Boards of Transportation and Communications.

¹⁶⁶ Id.

¹⁶⁷ Id.

¹⁶⁸ Id.

¹⁶⁹ Id.

¹⁷⁰ Id.

¹⁷¹ Now Department of Public Works, Transportation and Communications.

¹⁷² Now Boards of Transportation and Communications.

¹⁷³ Words in bold in the text above are amendments introduced by RA 3792, section 5, approved June 22, 1963.

Statutory History of section 40:

a) Original text-

SEC. 40 The Commission is [hereby] authorized and ordered to charge and collect from any public service the following fees:

(A) A charge of twenty-five pesos [shall be made] for the registration of :

(1) Applications under the provisions of sections sixteen (a), (b), (c), and (d), and twenty (a), (b), (c), (f), (g), and (h): *Provided, however,* That no fee shall be collected for the reduction of [schedules, charges, or prices of tickets if the basic unit of the schedule, price, or charge is] not altered or modified in any [manner.]

(2) Applications for the approval or modification of maximum rate under section [thirteen.]

(B) Fifteen pesos shall be collected from operators of land transportation for the registration of:

(1) Applications under sections seventeen (f) and twenty (a) and (b).

(2) Applications for the extensions of time for the registration of motor previously authorized by the Commission.

(3) Other applications filed by any public service operator not specifically provided for in the preceding paragraphs of this section other than motions [and documents] of a temporary or incidental character.

[(C)] For [the] reimbursement of the expenses incurred by the Commission for the supervision and regulation of the operations of [the] motor vehicle services, [the following charges shall be made:]

(1) For each automobile or motor truck of less than one ton net transportation capacity, five pesos.

(2) For each motor truck of one ton or more, but less than two tons net transportation capacity, ten pesos.

(3) For each motor truck of two [tons] or more, but less than three tons net transportation capacity, twenty pesos.

(4) For each motor truck of three tons or more but less than four tons net transportation capacity, thirty pesos.

(5) Motor trucks or buses of four tons or more net capacity shall pay at the rate of ten pesos per ton net or fraction thereof.

[(6)] Automobiles, motor trucks and motor buses under the jurisdiction of the Commission and registered in the Bureau of Public Works and such as may hereafter be registered in the same, shall pay ten *per centum* on the fees fixed in this section,] on or before June thirtieth, [nineteen hundred and thirty-seven, and on or before said date each year thereafter, subject to] a penalty [for] delinquency, [in the discretion of the Commission, of not exceeding] fifty *per centum* [of the sum due:] *Provided, however,* That [equipment] registered in the Bureau of Public Works [during the six months following] June thirtieth [of each year] shall be exempt from payment for said year.

[(D)] For reimbursement of the expenses incurred by the Commission [for] the supervision, [inspection, and regulation] of other services, [the following charges shall be made:]

(1) Ten centavos for [every] one hundred pesos, or fraction, thereof, of the subscribed capital stock [if the grantee is a corporation, for each certificate of public convenience or certificate of public necessity and convenience for the operation of railroad, street railway, traction railway, marine railway public warehouse, wharf, ice plant, cold storage, pipe line, gas, electric light, heat, power, water, oil, sewer, wire or wireless telephone or telegraph system, equipment, or installation, for the first year of the date of the issuance of the certificate, and ten centavos for every hundred pesos or fraction thereof of its proposed or estimated capital stock if the grantee is an individual or a government entity.]

[(2)] For the years following that in which the certificate of the public services mentioned under D-1 was issued, whether the grantee be an individual, copartnership, or corporation, there shall be paid one centavo for every hundred pesos of capital invested during the year of the payment of the annual charge herein established, payable on or before June thirtieth of each year, subject to a penalty of fifty *per centum* of the sum due if payment is not made within the time specified.]

(E) [A charge of] ten centavos [on every] one hundred pesos, or fraction thereof, [of any] increase of the [subscribed capital existing on the date on which the permit was issued, shall be made, if the grantee is a corporation or copartnership, for each permit issued authorizing the increase of the] capital [stock of the public services mentioned under D-1.]

(F) [A charge of ten centavos on every one hundred pesos or fraction thereof of the necessary additional capital shall be made, if the grantee is an individual, for each permit] authorizing the [installation of new units, or] increase of capacity, or the extension of [facilities] or other general extensions in the [plants of the] services [specified under D-1.]

(G) [A charge of] two pesos shall be made for the first [examination and] certification of each meter [or measuring device] used by any public service; and for subsequent examination, the expenses incurred in making the examination shall be paid.

(H) [A charge of fifty centavos shall be made] for certifying copies of official documents [and orders] in the files of the Commission, plus twenty centavos for each page or folio so certified.

All collections [for] fees [established under the other subsections above mentioned] shall be covered into the Philippine Treasury. (Ed. Note: Words in brackets were deleted in CA 454, *infra*.)

b) Words in bold in the text immediately following are amendments introduced by CA 454, section 4, approved June 8, 1939.

SEC. 40. The Commission is authorized and ordered to charge and collect from any public service the following fees:

(a) **The** (a) charge of [twenty-five] pesos for the registration of:

(1) Applications under the provisions of sections sixteen (a), (b), (c) and (d), and twenty (a), (b), (c), (f), (g), and (h): **provided, however,** That no fee shall be collected for the reduction of **rates if the same does** not alter or modify in any way **the basic rates of the schedule.**

(2) Applications for the extension of time for the approval or modification of maximum rates under section **fourteen.**

(b) [Fifteen] pesos shall be collected from operators of land transportation for the registration of:

(1) Applications under section seventeen (f), [and twenty (a) and (b).]

(2) Applications for the extension of time for the registration of motor vehicles previously authorized by the Commission.

CHAPTER VII. - *General and Transitory Provisions*

SEC. 41. A substantial compliance with the requirements of this Act shall be sufficient to give effect to all the rules, orders, acts, and regulations of the Commission¹⁷⁴ and they shall not be declared inoperative, illegal, or void for any omission of a technical nature in respect thereto.

SEC. 42. Copies of all official documents and orders filed or deposited in the office of the Commission¹⁷⁵, certified by either of the Commissioners¹⁷⁶, or by the Secretary to be true copy of the original, under the seal of the Commission,¹⁷⁷ shall be evidence in like manner as the originals in all courts of the Philippines.

SEC. 43.¹⁷⁸

(c) [Other applications filed] by any public service operator not specifically provided for in the preceding paragraphs of this section other than motions of a temporary or incidental character.

(d) For reimbursement of the expenses incurred by the Commission for the supervision and regulation of the operations of the motor vehicle services:

(1) For each automobile [or motor truck of less than one ton net transportation capacity, five] pesos.

(2) For each motor truck of [one ton or more but] less than two tons [net] transportation capacity, ten pesos.

(3) For each motor truck of two or more, but less than three tons [net] transportation capacity, twenty pesos.

(4) For each motor truck of three tons or more but less than four tons [net] transportation capacity, thirty pesos.

(5) Motor trucks or buses of four tons or more [net] capacity shall pay at the rate of ten pesos per ton [net or fraction thereof.]

The fees provided in [this section] shall be paid on or before [June] thirtieth of each year **with a penalty of fifty per centum in case of delinquency: *Provided, [however,]*** That **motor vehicles** registered in the [Bureau of Public Works] after [June] thirtieth shall be exempt from payment for said year.

(e) For reimbursement of said expenses incurred by the Commission **in** the supervision of other **public** services; [ten] centavos for each one hundred pesos of fraction thereof, of the capital stock subscribed **or paid, or if no shares have been issued, of the capital invested.**

(f) **For the increase of capital stock,** [ten] centavos **for each** one hundred pesos of fraction thereof, of the increased capital.

(g) **For each permit authorizing the increase of equipment,** the installation of new units or authorizing the increase of capacity, or the extension of means or general extensions in the services, [ten] centavos for each one hundred pesos or fraction of the additional capital necessary to carry out the permit.

(h) **For the [first] inspection or certification of each apparatus or meter used by any public service,** [two] pesos, and for [subsequent] examination, the expenses incurred in making the examination shall be paid.

(i) For **certification** of copies of official documents in the files of the Commission, **fifty centavos,** plus [twenty] centavos for each page or folio so certified.

[All collections of fees **provided in this section** shall be covered into the Philippine Treasury.] **This [article] shall not be applicable to the [Commonwealth] of the Philippines, nor to its instrumentalities, [nor to enterprises that have legislative franchises for the exercise of which the law specifies the payment of a certain per centum of their earnings in lieu of any taxes, fees, or license fees,]** (Ed. Note: Words in brackets were deleted in RA 3792, *supra*.)

¹⁷⁴ Now Boards of Transportation and Communications.

¹⁷⁵ *Id.*

¹⁷⁶ Now Chairmen of the Boards.

¹⁷⁷ Now Boards of Transportation and Communications.

¹⁷⁸ Transitory

SEC. 44.¹⁷⁹

SEC. 45. If, for any reason, any section, subsection, sentence, clause, or term of this Act is held to be unconstitutional, such decision shall not affect the validity of the other provisions of this Act.

SEC. 46. Act Numbered Thirty-two hundred and forty-seven and Act Numbered Thirty-five and eighteen shall continue in force and effect; but all provisions of Act Numbered Thirty-one hundred and eight and amendments thereof, and all other acts or parts of acts inconsistent with the provisions of this Act are hereby repealed.

SEC. 47. This Act shall take effect upon its approval.

Approved, November 7, 1936.

RELATED STATUTES

Act 667 (Effective March 6, 1903)

Municipal Franchises.

Act 1459 (Effective April 1, 1906)

Corporation Law.

Act 3636 (Effective December 7, 1929)

Prescribing the form for bills for the granting of electric light and power franchises.

Act 3846 (Effective November 11, 1931)

Regulating radio broadcasting and communication.

Act 3893 (Effective November 16, 1931)

For Bonded Warehouses Law.

RA 766 (Effective June 20, 1964)

Governing the registration of aircrafts.

RA 4136 (Effective June 20, 1964)

Governing the registration of motor vehicles.

¹⁷⁹ Id.

