

Title: Taxicab Operators of Metro Manila et al. v. The Board of Transportation and the Director of the Bureau of Land Transportation

Facts: The Taxicab Operators of Metro Manila, Inc. (TOMMI), Felicisimo Cabigao, and Ace Transportation Corporation, all taxicab operators, sought to declare the nullity of two Memorandum Circulars: No. 77-42 issued by the Board of Transportation (BOT) on October 10, 1977, and No. 52 issued by the Bureau of Land Transportation (BLT) on August 15, 1980. These Circulars mandated the phasing-out of taxis older than six years within Metro Manila, premised on the policy that only safe and comfortable units should be used as public conveyances.

The phase-out began with 1971 model vehicles in 1978, and sequentially included older model taxis each year. The petitioners first sought reconsideration from BOT, but not having received a resolution by the close of 1981, filed a petition with the Supreme Court on December 29, 1981. Petitioners challenged the Circulars on grounds of procedural and substantive due process, as well as violation of equal protection of the laws.

Issues:

1. Whether the BOT and BLT promulgated the challenged Memorandum Circulars in accordance with the procedural requirements of Presidential Decree No. 101, thereby respecting the petitioners' constitutional right to procedural due process.
2. Assuming compliance with procedural requirements, whether the enforcement of the challenged Circulars infringes upon the petitioners' constitutional rights to:
 - Equal protection of the law
 - Substantive due process
 - Protection against arbitrary and unreasonable classification and standards

Court's Decision:

The Supreme Court denied the issuance of the writs prayed for and dismissed the petition. It ruled that:

1. The BOT had a wide discretion in selecting methods of inquiry in formulating policies. The absence of a conference or call for position papers from the operators, before issuing the Circulars, did not equate to denial of procedural due process.
2. The establishment of a six-year age limit for taxicabs as a uniform standard was reasonable, and alleged arbitrariness was not sustained since the age limit was based on empirical data regarding recovery of investment and depreciation.
3. The phased enforcement of the Circulars first in Metro Manila, then potentially

elsewhere, was justified by higher traffic demands in the region, signifying a rational basis for a different treatment in terms of policy enforcement, thus complying with the equal protection clause.

Doctrine:

1. Reasonable standards may be set by government bodies without necessitating public hearings or consultations when these standards are meant for the regulation of future conduct of a class of entities.
2. The government can enforce uniform age limits for vehicles used as public conveyances to promote public welfare without violating substantive due process, provided such limitations are not arbitrary and have a reasonable basis.
3. Differential treatment under law does not violate the equal protection clause if there is a substantial and rational distinction justifying varied application, and if the law applies uniformly to all members within a classified group.

Class Notes:

- When a government agency sets regulations, it must adhere to procedural due process unless the law specifically dispenses with public hearings (Central Bank vs. Cloribel, 44 SCRA 307).
- Substantive due process is satisfied if standards set by regulatory bodies are reasonable, nondiscriminatory, and not arbitrary.
- Equal protection of the law necessitates that individuals or businesses under similar conditions must receive the same treatment and is met if classifications are reasonable, based on substantial differences, and apply equally to all members of the class.
- The police power of the State justifies regulation of property and businesses for the public welfare, including public safety and comfort.

Historical Background:

The case is situated in a period when the Philippines was grappling with issues of ensuring public safety and convenience in a rapidly urbanizing Metro Manila. The government's initiative to phase out old and dilapidated taxis reflects its policy to modernize public transportation and provide a more reliable and safe commuting experience. It shows the balancing act between public interest and the rights of private businesses, especially in a developing economy. The government aimed to elevate the standard of public transport while addressing legitimate concerns from the transport sector about the potential impact of such regulations on their operations and investments.