

****Title:**** Metropolitan Manila Development Authority vs. Viron Transportation Co., Inc.: A Case of Authority and Regulatory Power in Traffic Management

****Facts:****

The case originated from the chronic traffic congestion in Metro Manila, which prompted the issuance of Executive Order (E.O.) No. 179 by President Gloria Macapagal Arroyo. The E.O. aimed to establish the Greater Manila Mass Transport System Project, principally mandating the Metropolitan Manila Development Authority (MMDA) to decongest traffic by eliminating bus terminals along major thoroughfares in Metro Manila and facilitating the relocation to common bus terminals. Viron Transportation Co., Inc. (Viron) and Mencorp Transportation System, Inc. (Mencorp), two bus companies affected by the E.O., filed separate petitions for declaratory relief in the Regional Trial Court (RTC) of Manila, contesting the authority of the MMDA and the constitutionality of the E.O. The RTC initially upheld the E.O. but, upon reconsideration, declared it unconstitutional, leading to the MMDA's appeal to the Supreme Court.

****Issues:****

1. Whether the requisites for declaratory relief were present, specifically, whether there was a justiciable controversy.
2. The authority of the President and the MMDA to undertake the closure and relocation of bus terminals under the E.O. and existing laws.
3. Whether the E.O. constituted a valid exercise of police power.
4. The compatibility of the E.O. with the Public Service Act.

****Court's Decision:****

1. The Supreme Court found a justiciable controversy as the parties had opposing interests regarding the E.O.'s implementation, affecting the operations and property rights of the bus companies.
2. The Court ruled that while the President has the authority to initiate projects aimed at easing public transport and traffic congestion, the designation of the MMDA as the implementing agency for the project was invalid due to the lack of statutory basis. The law enumerates the DOTC, not the MMDA, as the entity empowered for such projects.
3. Despite acknowledging the public interest in solving traffic congestion, the Court held that the measures employed by the E.O. were not reasonably necessary and could be seen as oppressive towards the bus companies. It stated that less intrusive measures should be considered.
4. The E.O. conflicted with the Public Service Act, which contemplates the provision and

maintenance of bus terminals by public utility operators as part of their franchise.

****Doctrine:****

The decision reiterated that while the State's police power is plenary and can be delegated, its exercise must be within the bounds of the law and authority granted by legislation. It also emphasized the need for measures taken under police power to be reasonably necessary and not unduly oppressive.

****Class Notes:****

- The decision showcases the principle that executive orders must have statutory support, especially when they affect private property interests and business operations.
- It highlights the criteria for justiciability: actual controversy, legal interest by the party making the claim, and the timeliness of the court action.
- The case further delineates the scope of the MMDA's authority, emphasizing its role in coordination, planning, and policy-setting rather than direct implementation of projects that have substantial impacts on property and business operations.

****Historical Background:****

This case emerged within the context of worsening traffic congestion in Metro Manila, a problem that has plagued the metropolis for decades. It stemmed from an attempt by the executive branch to rationalize the city's public transport system through administrative decree, which clashed with existing legislative mandates regarding transportation policy and regulation. The ruling underscores the complexities of governance in addressing urban problems within the bounds of law and inter-agency coordination.