

Title: **Philippine Interisland Shipping Association of the Philippines, et al. vs. Court of Appeals, et al.**

Facts:

The case involves a dispute over the enforcement of Executive Order No. 1088 (“E.O. No. 1088”), which prescribed uniform and modified rates for pilotage services rendered to foreign and coastwise vessels in all private and public ports in the Philippines. The Philippine Ports Authority (PPA) and various maritime organizations challenged the validity and enforcement of E.O. No. 1088, promulgated by President Ferdinand E. Marcos on February 3, 1986. The contention arose primarily because the PPA, responsible for regulating pilotage and associated fees, deemed the executive order hastily drawn, exorbitant, and detrimental to port operations.

The United Harbor Pilots’ Association of the Philippines, Inc. (UHPAP) sought to enforce E.O. No. 1088, leading to a series of legal proceedings. This culminated in multiple cases being filed in both the trial courts and ultimately appealed to the Supreme Court. The primary issues revolved around whether E.O. No. 1088 was validly issued and binding upon the PPA and if subsequent administrative orders issued by PPA, particularly A.O. No. 02-88 and A.O. No. 05-92, which aimed to deregulate or modify the terms of pilotage services, were valid or constituted contempt of court directives.

Issues:

1. Whether E.O. No. 1088 is valid and legally binding upon the PPA.
2. Whether the Court of Appeals and the trial courts have jurisdiction over the matters related to E.O. No. 1088 and subsequent PPA administrative orders.
3. Whether the PPA’s issuance of Administrative Orders Nos. 02-88 and 05-92, in light of the extant E.O. No. 1088, constitutes contempt of court.

Court’s Decision:

The Supreme Court held that:

1. **E.O. No. 1088 is a valid legislative act** promulgated by President Marcos, who had legislative powers at the time. It fixed pilotage fees, a prerogative that falls squarely within legislative power. Hence, the PPA must comply with E.O. No. 1088, and it does not have the authority to amend or negate the executive order through administrative issuances.

2. The **Court of Appeals** had jurisdiction over the appeal filed by the government and intervenors, dismissing the appeal based on their findings that issues presented were purely of legal questions, hence, affirming the trial court's decision.

3. The **issuance of A.O. Nos. 02-88 and 05-92** by PPA constituted an attempt to circumvent the regulatory rates established by E.O. No. 1088. The trial court had jurisdiction to hear and decide on the contempt charges related to these administrative orders due to their effects on the enforcement of a final and executory decision.

Doctrine:

- The **fixing of rates is a legislative power**, and executive orders issued by the President concerning rate fixing have the force of law. Administrative agencies like the PPA cannot contravene such orders through their administrative issuances.
- An executive order issued by the President, exercising legislative powers, is binding upon administrative agencies unless expressly repealed or amended by subsequent legislative action or a subsequent executive order by a succeeding President.

Class Notes:

- **Legislative Power and Delegation:** Executive orders issued by the President with legislative power are binding and have the force of law. Administrative agencies cannot invalidate or fail to execute these orders.
- **Jurisdiction over Legal Questions:** The Court of Appeals can dismiss appeals when issues involved are purely legal questions, reinforcing the doctrine that questions of law should be directly reviewed by the Supreme Court.
- **Contempt of Court Principles:** Administrative actions that attempt to circumvent or alter the execution of a court's final and executory decision can be subject to contempt charges.

Historical Background:

E.O. No. 1088 was issued during a tumultuous period in Philippine history, shortly before the 1986 EDSA Revolution. President Marcos exercised legislative powers granted under the martial law regime, including the authority to issue decrees and executive orders on a wide range of policy areas. The issuance of E.O. No. 1088 was indicative of the centralized control exercised by the Marcos administration over economic and regulatory policies, including maritime pilotage fees. The subsequent legal battle over E.O. No. 1088, extending

into the administrations that followed, highlights the ongoing tensions between regulatory authority and the need for clear legislative actions in the Philippines' complex legal and political landscape.