

Title: United Harbor Pilots Association of the Philippines and Manila Pilots Association vs. Hon. Renato C. Corona et al.

Facts:

The Philippine Ports Authority (PPA), empowered to control, regulate, and supervise pilots and the pilotage profession, promulgated PPA-AO-03-85 in 1985, establishing rules for aspiring pilots, including the requirement for permanent and regular appointments by the PPA to exercise harbor pilotage. Harbor pilots were required to join pilot associations, contributing to equipment costs.

In 1992, PPA General Manager Rogelio A. Dayan issued PPA-AO No. 04-92, changing appointments to a one-year term, subject to renewal or cancellation based on performance evaluation. This was contested by the United Harbor Pilots Association and the Manila Pilots Association, arguing against the restrictions imposed on their profession.

Their appeal to the Department of Transportation and Communication (DOTC) was deferred to the PPA's Board of Directors. The Office of the President (OP) initially ordered a suspension of PPA-AO No. 04-92 but later dismissed the appeal, with Assistant Executive Secretary for Legal Affairs Renato C. Corona affirming the order's alignment with the PPA's mandate and not infringing on pilots' rights.

The respondents then sought relief from the Regional Trial Court of Manila, claiming PPA-AO No. 04-92 violated due process and their professional rights. The trial court sided with the respondents, declaring PPA-AO No. 04-92 null and void for overstepping jurisdiction and infringing on property rights without due process.

Issues:

1. Whether PPA-AO No. 04-92 violates pilots' right to practice their profession and their right to due process.
2. Whether the procedure for issuing PPA-AO No. 04-92 complied with the requirements of procedural due process.
3. Whether PPA-AO No. 04-92 constitutes a deprivation of property without substantive due process.

Court's Decision:

The Supreme Court dismissed the petition, affirming the trial court's decision that PPA-AO No. 04-92 was issued in disregard of the respondents' rights against deprivation of property without due process. The decision was based on the conclusion that while procedural due

process was followed through opportunities for appeal, PPA-AO No. 04-92 failed to meet standards of substantive due process by unduly restricting pilots' professional practice with one-year terms subject to performance evaluation. The administrative order was deemed unnecessary and unreasonable, as it duplicated existing regulations under PPA-AO No. 03-85.

Doctrine:

The Supreme Court reiterates the distinction between procedural and substantive due process, emphasizing that a law or administrative order must be reasonable and just, not merely enforced with proper procedures. Professional licensure, once earned, contributes to a vested right that cannot be arbitrarily or unreasonably curtailed without infringing on the individual's right to due process.

Class Notes:

- **Procedural vs. Substantive Due Process:** Procedural due process involves the methods of enforcement of laws, ensuring fair and proper procedures, while substantive due process requires laws themselves to be reasonable and just.
- **Professional License as Property:** Licensure in a profession, like pilotage, is recognized as a property right, enjoying protection under the due process clause.
- **Legal Standards for Administrative Orders:** Administrative orders that regulate professions must not only follow procedural due process but also must be substantiated by a reasonable and just basis for their provisions to not infringe upon individuals' rights to practice their profession.

Historical Background:

This case puts into perspective the regulatory authority of government bodies like the PPA over professions within their jurisdiction and underscores the balance between governmental regulation and individual professionals' rights under the Philippine legal system.