

Title: Mandbusco, Inc., et al. vs. Pablo Francisco

Facts:

This case arose when Pablo Francisco applied for a certificate of public convenience to operate five PUJ (Public Utility Jeepneys) jitneys from barrio Pinagbuhatan, Pasig, Rizal to the intersection known as the “Crossing” of Highway 54 and Shaw Boulevards, Mandaluyong, Rizal, and vice versa. The Public Service Commission conducted a hearing, notified all parties, and listened to the evidence presented by Francisco and the opposing bus operators (Mandbusco, Inc., et al.). On June 15, 1964, the Commission granted Francisco’s application, citing public benefit and a lack of direct service in the area specified. The bus operators petitioned for review following a rejected motion for reconsideration by the Commission en banc, arguing, among other things, that their evidence showed there was an excess of available passenger vehicles which negated the need for Francisco’s proposed service. They highlighted their witness’s testimonies and the concept of the “old operator rule.”

Procedural Posture:

After the Public Service Commission decided in favor of Francisco, Mandbusco, Inc. and the other petitioners filed a motion for reconsideration, which was rejected en banc. Subsequently, they brought the petition for review to the Supreme Court, challenging the Commission’s decision.

Issues:

1. Whether the Public Service Commission erred in granting the certificate of public convenience to Francisco despite evidence suggesting an excess of passenger vehicles on the route he proposed.
2. Whether the “old operator rule” should have prevented the Commission from granting Francisco’s application, considering the petitioners’ already existing operations.
3. Whether the issuance of the certificate of public convenience violated Memoranda from the Commission suggesting a suspension of action on applications for passenger service in specified areas, including where Francisco wished to operate.

Court’s Decision:

1. The Court disagreed with the petitioners’ interpretation of the evidence regarding the sufficiency of passenger vehicles, pointing out that the evidence did not accurately represent the traffic from Pinagbuhatan and that public convenience warranted Francisco’s jitney service.

2. The Court found the “old operator rule” inapplicable, as Francisco’s franchise was a maiden one for a route that lacked direct service, thus meriting the grant of the certificate.

3. Regarding the supposed violation of Commission Memoranda, the Court noted that Francisco’s service area was not explicitly covered by the directives mentioned by the petitioners and, even if it were, public welfare and convenience, which the Commission determined to be best served by Francisco’s operation, would prevail.

Doctrine:

- The application of the “old operator rule” is contingent on the contexts of public convenience, previous service provision, and the specifics of the territory to be served. It does not automatically preclude the entry of new operators.
- Public welfare and convenience can supersede internal administrative memoranda, especially in decisions involving public service and transportation.

Class Notes:

- **“Old Operator Rule”**: An operator already providing service in an area should be given the chance to improve before a new operator is introduced; however, this rule finds exceptions when addressing unserved or underserved routes, where public convenience is a significant factor.
- **Public Convenience and Necessity (PCN)**: A certificate of public convenience (CPC) can be granted if it’s determined that the public need exists and the proposed service addresses that need, even in the face of opposition from existing operators.
- **Evidence and Public Service Commission Decisions**: The discretionary authority of the Public Service Commission in assessing evidence and determining public necessity and convenience is afforded significant deference, barring a clear showing of abuse.

Historical Background:

In the evolving landscape of public transportation and utility regulation in the Philippines, the Public Service Commission (now replaced by the Land Transportation Franchising and Regulatory Board for land transport matters) played a critical role in mediating the balance between public necessity, the interests of existing operators, and the entry of new participants. The case underscores the ongoing tension between ensuring adequate public transportation services and protecting established investments, within the broader context of a growing and rapidly urbanizing population.