

****Title:**** Spouses Pereña vs. Spouses Zarate, et al.

****Facts:****

The case involves the spouses Teodoro and Nanette Pereña, who operated a school bus service, contracting with the Zarate family to transport their 15-year-old son, Aaron, to and from Don Bosco Technical Institute. On August 22, 1996, the bus, driven by Clemente Alfaro, chose an alternate route to avoid traffic, traversing a path underneath the Magallanes Interchange with no railroad crossing safety measures. While crossing the railroad tracks, their vehicle was struck by a northbound PNR train, resulting in Aaron's death. The legal battle ensued when the Zarates filed a case for damages against Alfaro, the Pereñas, and PNR for Aaron's death, attributing negligence to all parties involved. Despite attempts at proving diligence on the Pereñas' part and deflecting blame by PNR, both the RTC and the Court of Appeals found them jointly and severally liable for Aaron's death, basing their decisions on breach of contract of carriage (Pereñas) and quasi-delict (PNR).

****Issues:****

1. Whether the Pereñas, as school bus operators, were common carriers and thus subjected to the standard of extraordinary diligence.
2. Whether the Pereñas and PNR were jointly and severally liable for Aaron's death.
3. The appropriateness and calculation of damages, including loss of earning capacity for the deceased, who was a minor and a student at the time of his death.

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

1. ****Common Carrier Classification:**** The Court affirmed that the Pereñas, despite offering services to a specific client base, operated as common carriers because they offered transportation services to the public for a fee. They were therefore held to the standard of extraordinary diligence required by law for common carriers.
2. ****Joint and Several Liability:**** Both the Pereñas and PNR were found jointly and severally liable for Aaron's death. The Pereñas failed to overcome the presumption of negligence applicable to common carriers involved in passenger deaths, and both parties' negligence contributed to the fatal accident. The Court established that the negligence of the Pereñas' driver and the lack of appropriate safety measures at the railroad crossing by PNR were proximate causes of Aaron's death.
3. ****Damages and Loss of Earning Capacity:**** The Court upheld the award for loss of earning capacity, applying the case law even though Aaron was a minor and a student. His

earning capacity was calculated based on the minimum wage, taking into account his potential future earnings.

****Doctrine:****

1. Operators of school bus services are classified as common carriers and are subject to the duty of observing extraordinary diligence.
2. A common carrier is presumed negligent upon the death of a passenger, and such presumption can only be overcome by proof of observance of extraordinary diligence.
3. Loss of earning capacity can be awarded for the death of a minor, based on presumed future earnings, even if the deceased was unemployed at the time of death.

****Class Notes:****

- Common Carrier: Engages in the business of transporting passengers or goods for compensation, offering services to the public, and bound to observe extraordinary diligence.
- Joint and Several Liability: When multiple parties are liable for an obligation, each is individually responsible for the full amount of the obligation.
- Loss of Earning Capacity: Damages awarded for the future income a deceased person would reasonably have been expected to earn were it not for their untimely death.
- Extraordinary Diligence: The highest degree of care expected of common carriers, to ensure the safety of passengers as far as human care and foresight can provide.
- Presumption of Negligence for Common Carriers: In cases of passenger death or injury, the law presumes the carrier's negligence, shifting the burden of proof to the carrier to demonstrate extraordinary diligence.

****Historical Background:****

This case highlights the legal standard imposed upon operators of transportation services, especially those considered common carriers. It reinforces the concept of extraordinary diligence in protecting passenger safety and addresses the computation of damages for the loss of potential future earnings, setting a precedent for how similar cases are approached regarding minors and students.