

Title: **The Chairman and Executive Director, Palawan Council for Sustainable Development vs. Ejercito Lim (doing business as Bonanza Air Services)**

**Facts:**

The case centers around the legality of administrative and enforcement actions taken by the Palawan Council for Sustainable Development (PCSD) against Ejercito Lim, a domestic air carrier operator doing business as Bonanza Air Services, which specializes in transporting live fish from Palawan. The PCSD issued Administrative Order (A.O.) No. 00-05 on February 25, 2002, requiring traders and carriers to secure accreditation for the transport of live fish from Palawan. Despite the Air Transportation Office (ATO) communicating that its authorized carriers, including Lim's service, should be exempt due to their status as common carriers, the PCSD proceeded with enforcement actions. Lim's continued operation without accreditation led to a Notice of Violation and Show Cause Order, imposing a fine and demanding compliance. Lim challenged the PCSD's actions by filing a petition for prohibition in the Court of Appeals (CA), which resulted in a temporary restraining order against the PCSD and ultimately, a decision in Lim's favor, declaring the PCSD's orders and notices null and void.

**Procedural Posture:**

Lim's petition for prohibition in the CA was initially met with a temporary restraining order (TRO), followed by a writ of preliminary injunction upon Lim posting a bond. The CA, without receiving a comment from the PCSD due to lack of filing, issued its decision granting Lim's petition. The PCSD's appeal to the Supreme Court argued on the question of the CA's interpretation of their regulatory authority under Republic Act No. 7611 (Strategic Environmental Plan for Palawan Act), and their administrative orders being within their powers.

**Issues:**

1. Whether the CA erred in ruling that the PCSD's issuance of A.O. No. 00-05, Series of 2002, and its subsequent actions were null and void for exceeding its regulatory authority.
2. Whether the PCSD's administrative regulations encroached upon legislative functions attributed to the local government.

**Court's Decision:**

The Supreme Court reversed the CA's decision, ruling in favor of PCSD. The Court clarified that the PCSD, under Republic Act No. 7611, wielded the proper authority to issue A.O. No. 00-05 and subsequent orders as part of its mandate to implement the Strategic Environmental Plan for Palawan. The Court emphasized that the PCSD possessed both quasi-legislative and quasi-judicial powers, granting it the ability to enforce environmental regulations, including the accreditation of carriers for live fish transport, under its purview. Thus, the issuance of administrative orders and the subsequent Notice of Violation and Show Cause Order against Lim were deemed valid and within the scope of PCSD's authority.

**\*\*Doctrine:\*\***

The Court reiterated the doctrine that administrative agencies have the authority to issue regulations to implement statutory mandates, provided such regulations are within the bounds of the law granting such powers. Specifically, the Court recognized the broad regulatory authority bestowed upon the PCSD by Republic Act No. 7611 to ensure the sustainable development of Palawan, including regulation of activities that may impact the province's natural resources.

**\*\*Class Notes:\*\***

1. **\*\*Quasi-Legislative Powers\*\***: Refer to the authority of administrative agencies to issue rules and regulations that have the effect of law, within the scope granted by the legislature.
2. **\*\*Quasi-Judicial Powers\*\***: Involve the capacity of administrative agencies to interpret and apply rules they have promulgated in deciding disputes.
3. **\*\*Republic Act No. 7611\*\***: Known as the Strategic Environmental Plan for Palawan Act, it outlines the powers and functions of the PCSD, including the formulation, implementation, and enforcement of policies for the sustainable development of Palawan.
4. **\*\*Criteria for Valid Administrative Orders\*\***: Administrative regulations must be within the authority given by the legislature, not contravene existing laws, and be reasonable.

**\*\*Historical Background:\*\***

The PCSD was established to operationalize the Strategic Environmental Plan for Palawan, promoting sustainable development while protecting its rich biodiversity. This case underscores the tensions between local business operations and environmental regulation, highlighting the legal boundaries of administrative authority in enforcing environmental

policies.