

### Title:

**Pangasinan Transportation Co., Inc. vs. The Public Service Commission (70 Phil. 221)**

### Facts:

**Step-by-Step Events:**

- Business Operation:** Pangasinan Transportation Co., Inc. (Petitioner) had been operating passenger transport services in Pangasinan, Tarlac, and parts of Nueva Ecija and Zambales for twenty years, using TPU buses under several Certificates of Public Convenience.
- Application for Additional Trucks (August 26, 1939):** Petitioner filed with the Public Service Commission (PSC) (Respondent) an application to operate ten new Brockway trucks to comply with existing certificates and labor law requirements.
- PSC Decision (September 26, 1939):** PSC granted the application but amended the existing certificates with two new conditions:
  - Certificates shall be valid for only 25 years from the date of the decision.
  - The Commonwealth of the Philippines could acquire the company's assets upon payment, less depreciation.
- Motion for Reconsideration (October 9, 1939):** Petitioner filed for reconsideration of the new conditions, which was denied by the PSC on November 14, 1939.
- Petition for Certiorari (November 20, 1939):** Petitioner filed with the Supreme Court, challenging the constitutionality of Commonwealth Act No. 454 and its application to certificates issued before June 8, 1939.

### Issues:

**Legal Issues Raised:**

- Constitutionality of Commonwealth Act No. 454:**
  - Whether the Act's provisions constituted an unconstitutional delegation of legislative powers to the PSC without sufficient standards or guidelines.
- Application of the Act to Pre-existing Certificates:**
  - Whether the Act applies to certificates of public convenience issued before June 8, 1939, making them subject to retroactive conditions imposed by the PSC.

3. **Procedural Due Process:**

- Whether the imposition of the 25-year validity condition by the PSC without prior notice or hearing violated procedural due process rights.

**Court's Decision:**

**Resolution of Legal Issues:**

1. **Issue: Constitutionality of Commonwealth Act No. 454**

- **Ruling:** The Supreme Court upheld the constitutionality of Commonwealth Act No. 454. The delegation to the PSC was considered a valid exercise of legislative power, especially since it was accompanied by the guideline to promote public interests in a proper and suitable manner.

2. **Issue: Application of the Act to Pre-existing Certificates**

- **Ruling:** The Court ruled that Commonwealth Act No. 454 applied to existing certificates as well as future ones. The legislation, including its conditions for acquisition by the Commonwealth and time-limitation, was valid for certificates already in force.

3. **Issue: Procedural Due Process**

- **Ruling:** The Court held that the imposition of conditions without prior notice or hearing violated the petitioner's right to procedural due process. The decision to limit certificate validity to 25 years without giving the petitioner an opportunity to contest was reversed and remanded for further proceedings with proper notice and hearing.

**Doctrine:**

**Established/Reiterated Doctrines:**

1. **Delegation of Powers:** Legislative power can be delegated to administrative bodies like the PSC, provided that clear standards or guidelines are given—in this case, public interest.

2. **Applicability of Regulatory Statutes:** Statutes regulating public utilities, as an exercise of police power, apply to existing operations and newly established services.

3. **Procedural Due Process:** Administrative actions affecting rights must provide an opportunity for notice and hearing (fair play standards).

**Class Notes:**

- **Delegation of Powers:** Legislative bodies can delegate administrative functions to agencies with guidance and constraints, specifically here—promote public interests.

- **Police Power:** Regulation of public utilities is within the scope of state police power and applies to current and future holders.
- **Procedural Due Process:** Essential for ensuring fair administrative procedures; hinges on the opportunity for notice and a chance to present evidence.

Relevant Statutes:

- **Commonwealth Act No. 146 (as amended):** Establishes the Public Service Commission's role and outlines guidelines for issuing certificates of public convenience.
- **Constitution of the Philippines, Article XIII, Section 8:** Limits franchises, certificates, or rights to a maximum period of fifty years with the possibility of amendment, alteration, or repeal by the National Assembly.

### Historical Background:

The case reflects the historical tension during the Commonwealth period between regulation and private enterprise in the Philippines. The newly established government sought to balance public welfare with private business interests, issuing laws to ensure fair and equitable operations within public service sectors like transportation. The engagement of the Supreme Court demonstrated the evolving administrative and regulatory framework adapting to modern economic and social needs post-American colonization.