

**Title:** City of Tagbilaran vs. Severiano G. Lim (G.R. No. L-24472, July 31, 1968)

**Facts:**

1. **Filing of Application:**

- Severiano G. Lim filed an application for a certificate of public convenience to operate 50 motorized tricycles within Tagbilaran City before the Public Service Commission (PSC).

2. **Opposition:**

- The City of Tagbilaran opposed the application, contending that it had the authority to grant such permits as per its city charter.

3. **Hearings and Evidence:**

- Hearings were conducted where Lim presented evidence, including his capability of financing the tricycle operation and the public need due to lack of transport facilities within the city.

- The City Board argued that the operation of additional tricycles would exacerbate congestion and control issues.

4. **Decision by PSC:**

- On December 20, 1968, the PSC approved Lim's application, stating the city charter did not vest the authority to grant operation permits to the city. The PSC found that public convenience required increased transportation services.

5. **Appeal:**

- The City of Tagbilaran appealed the PSC decision to the Supreme Court. The city reiterated its claim to have exclusive authority to grant such permissions.

**Issues:**

1. **Authority to Grant Certificate of Public Convenience:**

- Whether the City of Tagbilaran or the PSC has the authority to grant certificates of public convenience for operating motorized tricycles within the city.

2. **Evidentiary Basis for PSC's Decision:**

- Whether the evidence presented justified the PSC's finding that public convenience would be promoted by granting Lim's application.

**Court's Decision:**

**Resolution of Issues:**

1. **Authority to Grant Certificate:**

- **Legal Analysis:**

- The Supreme Court ruled that the City of Tagbilaran did not have the statutory power to grant certificates for public convenience. No specific provision in its charter granted such authority.

- The principle established in prior cases emphasized that municipal corporations have only those powers expressly or impliedly delegated by legislation.

- **Conclusion:**

- Article XXI of the city charter only allowed the City to impose license fees but did not grant the authority to issue certificates of public convenience.

2. **Evidentiary Basis for PSC's Decision:**

- **Assessment of PSC's Findings:**

- The Court upheld the PSC's findings, indicating substantial evidence supported the need for additional tricycle services to cater to the city's growing population.

- The PSC's decision was found to be rational and based on facts presented during the hearings.

- **Judicial Review:**

- The Supreme Court reiterated that it would not disturb the PSC's factual findings unless there is a clear abuse of discretion.

**Doctrine:**

- **Municipal Corporation Powers:**

- Municipal entities only possess powers expressly granted by law and those necessary to accomplish their expressly stated powers.

- They cannot assume powers that are not explicitly provided by statute or inherently necessary.

**Class Notes:**

- **Municipal Authority:**

- Restricted to specific powers granted by legislation; essential to verify statutory basis for municipal actions.

- **Public Service Commission (PSC) Authority:**

- PSC holds primary authority for issuing certificates of public convenience concerning

transportation within cities.

- **Judicial Review of Administrative Decisions**:

- Courts generally defer to administrative agencies' factual findings unless there's clear evidence of abuse of discretion.

**Key Statutory References**:

- **Commonwealth Act No. 146** - Public Service Act.

- **Republic Act No. 4660 (1966)** - Relevant for any subsequent amendments or clarifications.

**Historical Background**:

- During 1960s Philippines, there was significant expansion and urbanization in cities like Tagbilaran, increasing transportation demands.

- Municipalities often sought greater local control over public services amidst gaps in local versus national regulatory powers.

**Conclusion**:

The Supreme Court emphasized the clear statutory delimitation of powers between municipal entities and national agencies like the PSC, stressing adherence to legislative intent in determining jurisdiction over public convenience matters.