

**JUAN M. SERRANO, PETITIONER, VS. PUBLIC SERVICE COMMISSION,
CHAMBER OF TAXICAB SERVICES, INC., ADMIRAL TAXI CO., INC.,
LITA ENTER-PRISES COMPANY, INC., SABINO GONZALES, ET AL., ...**

G.R. No. L-24165. August 30, 1968

Ponente: FERNANDO, J.

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FERNANDO, J.:

A joint decision of respondent Public Service Commission,[1] passing on the claim of 99 applicants for certificate of public convenience to operate and maintain taxicab service within the city of Manila and suburbs and from there to any point in the Island of Luzon, specifying by name those granted such certificates of public convenience, sixty in number, but failing to refer individually to the unsuccessful ones, their fate being indicated by the curt and summary statement, "the applications not included in the list of those granted are either [dismissed] for lack of interest or failure to prosecute or [denied] for failure to qualify," is assailed in this petition for review by Juan M. Serrano, one of those who failed in his bid to obtain a certificate of public convenience.

According to petitioner, he "filed an application with the Public Service Commission requesting authority to operate a taxicab automobile service within the City of Manila and from said city to any place in the Island of Luzon open to motor vehicle traffic and vice versa, with the use of fifty (50) units." [2] He "alleged in his application that he is of age, Filipino citizen, married and a resident of 121 Minnesota, Quezon City; that he is a public service bus operator in the City of Manila and environs being the holder of several certificates of public convenience embracing different lines; that he desires to operate a taxicab service in the City of Manila and environs and proposes to utilize fifty (50) units of bantam closed cars of the Toyopet type; that public convenience and necessity demand the immediate approval of the application; that the applicant is financially capable to establish and maintain the proposed service; that the applicant will charge the rates that are at present charged by existing taxicab operators in the City of Manila and environs; and that the applicant is ready and willing to comply with the Public Service Act as amended and all such rules and regulations of the Public Service Commission now existing or which may be promulgated from time to time." [3]

His application "was heard by Associate Commissioner Gregorio C. Pañganiban. The record of the case shows that the petitioner completed the presentation of his evidence, but the oppositors did not present any evidence to rebut the evidence of the petitioner as to his qualification and financial capacity." [4] Nonetheless, "the Public Service Commission denied completely [his] application * * *. It is not known from the decision appealed from whether the application of the petitioner was dismissed for lack of interest or failure to prosecute or denied for failure to qualify." [5]

A motion for reconsideration was filed and denied by respondent Public Service Commission. Hence the present petition for review.

In his brief, petitioner alleged as the first error committed by the Public Service Commission its failure to make "a statement of facts as to each case regarding the qualification and financial ability of the applicant and the other

factors constituting the criterion used as basis in granting the application, in whole or in part, on the one hand, and dismissing or denying the application on the other." [6] Petitioner, in support of the above assignment of error, relies on the constitutional provision that "no decision shall be rendered by any court of record without expressing therein clearly and distinctly the facts and the law on which it is based." [7]

The above constitutional mandate does not lend support to petitioner's plea. Its wording is clear and definite. The obligation to state clearly and distinctly the facts and the law on which the decision is based is incumbent on a court of record. The Public Service Commission is not a court of record within the meaning of the above constitutional provision. So it was held by us in *Dagdag v. Public Service Commission*, [8] with its categorical pronouncement of the Commission not being "a judicial tribunal," its functions being "limited and administrative in nature." Reference was made in the above decision to the earlier case of *Filipino Bus Co. v. Philippine Railway Co.*, [9] where not once but twice it was explicitly stated that the Public Service Commission is "not a court."

It does not mean, however, that the non-inclusion of the administrative tribunal within the scope of the above constitutional provision justifies the summary disposition of petitioner's application in the manner followed by respondent Public Service Commission. In *Ang Tibay v. Court*, [10] speaking of the Court of Industrial Relations, which is likewise an administrative tribunal possessed of quasi-judicial powers like the Public Service Commission, we made clear that while it is "free from the rigidity of certain procedural requirements," it does not mean "that it can, in justiciable cases coming before it, entirely ignore or disregard the fundamental and essential requirement of due process * * *." Seven cardinal primary rights, which, this Court held, must be respected, are enumerated, the last being "that quasi-judicial tribunals," and the Public Service Commission is one of them, "should, in all controversial questions, render its decision in such a manner that the parties to the proceeding can know the various issues involved, and the reasons for the decisions rendered. The performance of this duty is inseparable from the authority conferred upon it." [11] It does not admit of doubt that when in a decision under review respondent Public Service Commission did not even bother to refer individually to petitioner and state why his application is either dismissed or denied, there was a violation of the above cardinal primary right.

The failure to respect such cardinal primary right of petitioner to have his application decided in such a manner as to inform him not only of the issues involved but the reasons for the decision, which necessarily would likewise require a finding of facts, cannot receive judicial approval. The error of the Public Service Commission is thus marked and manifest.

The gravity of such a failing is underscored not only by deprivation of a right to which petitioner is entitled, but also by the obstacle placed on the responsibility entrusted to us of reviewing decisions and orders of the Public Service Commission. Only the other month, in *Philippine Rabbit Bus Lines, Inc. v. Gabatin*, [12] a study of our decisions from *Philippine Shipowners' Association v. Public Utility Commissioner*, [13] to *Robles v. Blaylock*, [14] a period covering more than 45 years, yielded the conclusion that invariably this Court accords deference to a finding of facts of respondent Commission, unless it could be shown that evidence in support thereof is lacking. It is all the more essential then that each and every application should be considered strictly on its merits and the relevant facts in support of an order, ruling or decision be carefully inquired into and clearly set forth. Otherwise, the exercise of the power of review by this Court might be condemned to futility. Necessarily then, such an arbitrary fiat as the denial or dismissal of an application without any statement as to why under the evidence such a result is called for is plainly bereft of support in law. Even if, as was noted in the joint decision, there was a lack of interest or failure on the part of an applicant calling for a dismissal of his petition, such a conclusion must find support in the competent evidence before the respondent Commission and must be so indicated in the order.

In the second assignment of error, petitioner would have this Court pass on the sufficiency of his evidence to

show that he has all the qualifications required to entitle him to a certificate of public convenience. The evaluation of the evidence is primarily for the respondent Public Service Commission. The summary denial of his petition, as above noted, was plain and palpable error. There is a need then to remand the matter to respondent Public Service Commission so that it could consider the evidence and discharge the function committed to it by law. Only after it has rendered its decision setting forth the facts on which it is based does the power of review on the part of this Court come into play. As of this stage then, it is premature to consider the second assignment of error.

WHEREFORE, the decision of the Public Service Commission of September 7, 1964 insofar as it dismissed or denied the application of petitioner Juan M. Serrano, is set aside and the case remanded to respondent Public Service Commission to consider the evidence submitted by him and thereafter to render a decision either approving or denying the same based on the facts as found which must be set forth therein. Without pronouncement as to costs.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Sanchez, Castro, and Angeles, JJ., concur.

[1] Macario A. Abad, Jr. and 98 other applicants, PSC Cases Nos. 62-6717, from Sept. 7, 1964.

[2] Brief for Petitioner, p. 2

[3] Ibid, pp. 2-3.

[4] Ibid, pp. 4-5.

[5] Ibid, p. 5.

[6] Ibid, p. 6.

[7] Article VIII, Section 12, Constitution of the Philippines.

[8] 104 Phil. 162, 168 (1958).

[9] 57 Phil. 860 (1933). *CF. Hoc Lian Ho Dry Goods Club and Tan v. Manila Electric Co.*, 63 Phil. 804, 808 (1936), where it was held: "The Public Service Commission is not a judicial tribunal, and its functions are limited and administrative in nature."

[10] 69 Phil. 635 (1940). The doctrine in the *Ang Tibay* case has been followed in subsequent decisions, the latest of which is *Phil. Air Lines, Inc. v. Civil Aeronautics Board*, G.R. No. L-24321, July 21, 1967.

[11] Ibid, p. 644.

[12] G.R. No. L-24472, July 31, 1968.

[13] 43 Phil. 328 (1922).

[14] G.R. No. L-24123, March 27, 1968.

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