

RED LINE TRANSPORTATION CO., INC., ET AL., PETITIONERS, VS. MATIAS SANTO TOMAS, RESPONDENT.

G.R. No. L-18472. January 30, 1967

Ponente: ZALDIVAR. J.

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ZALDIVAR. J.:

This case stems from an application filed by respondent Matias Santo Tomas before the Public Service Commission to operate a bus service for the transportation of passengers and freight on the line Imurung-Baggao-Tuguegarao (Cagayan), and vice-versa, with the use of eight auto-trucks (Case 60-2376). Against the application, Red Line Transportation Co., Inc., Bachrach Transportation Co., Inc., Manuel L. Abrasado, and Teresa Barizo, land transportation operators, filed oppositions, all alleging that the service they are already rendering on the line applied for is more than sufficient and adequate to meet the needs of the travelling public and that to grant the application would result in a cut-throat and ruinous competition which is detrimental to public interest.

After trial, wherein the parties introduced oral and documentary evidence, the Public Service Commission rendered a decision, dated April 27, 1961, which states, among others, as follows:

"After due consideration of the entire evidence of record as well as the records of this Commission on TPU (PUB) services authorized in the region applied for, the Commission finds that oppositors' contention that there is no need for the approval of the application is not supported by the evidence. There is ample and satisfactory evidence to show that the approval of the service applied for will promote public interests and convenience in a proper and suitable manner." (Underscoring supplied)

The Public Service Commission, therefore, authorized the respondent to operate four auto-trucks (instead of eight) on the line applied for by him. Dissatisfied with the decision, petitioners filed before this Court the present petition for review, by way of an appeal from the decision of the Public Service Commission, and contend:

1. That the Public Service Commission erred in finding that the applicant is financially capable of operating the proposed service; and
2. That the Public Service Commission erred in finding that the approval of the service applied for will promote public interest and convenience in a proper and suitable manner.

The decision appealed from must be affirmed.

It is a settled rule that where the Public Service Commission has reached a conclusion, after weighing the conflicting evidence, that public necessity and convenience warrant the putting of additional public utility service, that conclusion must be respected and will not be disturbed by the Supreme Court unless it appears that said conclusion is not supported by evidence.[1]

The evidence shows that on the Imurung-Baggao-Tuguegarao line there is constant flow of people who travel, consisting of students and employees, as well as merchants and farmers who ply their trade or sell their

agricultural products; that the means of transportation obtaining along this line are inadequate to cope with the needs of the people travelling along said route because the trucks and buses are always fully loaded, and often times overloaded, such that very often passengers would have to wait for a long time before they could be accommodated; that oppositor Bachrach Transportation Co., Inc. does not operate any bus to Imurung as its lines are between Ilagan and Aparri, and between other towns in Nueva Ecija, and Isabela; that oppositor Manuel L. Abrasado operates up to San Jose (Nueva Ecija) only, and his operation is very irregular; that although oppositor Red Line Transportation Co., Inc. operates on the line in question, it uses only one unit, which is Bus No. 59, making one trip in the morning and another in the afternoon. Oppositor Teresa Barizo did not present any evidence, but she simply adopted the evidence presented by the other oppositors. The evidence also shows that the Municipal Council of Baggao, Cagayan, passed a resolution urging the Public Service Commission to approve the application of respondent Matias Santo Tomas for the benefit of the people, and thereby minimizing accidents resulting from the practice of excess passengers' riding on top of the buses.

With regard to the financial capacity of respondent, aside from the fact that this question has become academic because respondent has already acquired the four buses and is actually operating them,[2] the finding of the Commission on this matter is also supported by the evidence. The respondent had shown that he owns a store capitalized at P3,000 and has invested the amount of from P6,000 to P7,000 in the business of buying and selling mongo, corn and beans, from which he often times derived a profit of around P300.00 a week; that he has the sum of P10,000 deposited in the Philippine National Bank; that he owns 38 hectares of land at Masikal, Cagayan, valued at P38,000; that he has a two-hectare residential and orchard land at Tuguegarao which could be sold at from P30 to P40 per square meter; and that out of the P60,000 that he entrusted to his brothers and sisters he had taken P40,000 with which he bought the four units he is now operating.

In the case of *Mindoro Transportation Co., Inc. v. Torcuator*, G. R. No. L-18479, February 28, 1963, wherein the financial capacity of applicant therein to operate the six auto-trucks authorized by the Public Service Commission was challenged, this Court said:

"The financial capacity of the applicant is, likewise, supported by the evidence through his oral testimony that he has two (2) trucks valued at P19,000.00 ready for immediate operation, three (3) trucks for which P20,000.00 has been spent and under assembly in Manila, a tentative reservation for the purchase of eight (8) trucks with the Manila Trading Co., P10,000.00 in cash on hand, a credit line of P40,000.00, and a monthly income of P300.00 derived from his law practice."

In the case of *Pangasinan Transportation Co., Inc. v. Tambot*, 95 Phil., 661, this Court, in sustaining the Commission's finding that the applicant therein was financially capable to operate the service granted him, declared:

"x x x It is contended that the evidence submitted by respondent to prove his financial capacity is completely insufficient to show that he is capable to meet the many financial responsibilities that may be occasioned by the operation of a transportation service which demands that the operator must always have ready cash on hand to respond to his obligations to the public. In this connection, it should be stated that the Commission has found respondent to be financially capable having in view the evidence submitted on the matter. Thus, it has been shown that respondent has P15,000 cash; a fishpond with a market value of P20,000 which produces an income of P6,000 a year; a residential land that can be sold for P10,000; a piece of agricultural land which yields an income of P4,000 a year and may be sold for P30,000, and an estimated monthly receipt of P5,000 from the operation of the proposed lines. We consider these figures as sufficient financial support for the operation of the 6 units granted to respondent. At any rate, this matter seems to be moot for it appears that these units had already been purchased and registered with the Commission by respondent."

Considering that, as shown by the evidence, respondent Matias Santo Tomas has as much, if not more, assets or

resources as the applicants in the above-cited Toccuator and Tambot cases, and that he is authorized to operate only four auto-trucks, We hold that the Public Service Commission did not err in finding that said respondent is capable to meet the financial responsibilities incident to the operation of the service he applied for.

IN VIEW OF THE FOREGOING, the decision of the Public Service Commission, dated April 27, 1961, is affirmed, with costs against the petitioners.

IT IS SO ORDERED.

Concepcion, C.J., Reyes, J.B.L., Dizon, Regala, Makalintal, Bengzon, J.P., Sanchez, and Ruiz Castro, JJ., concur.

[1] La Mallorca and Pampanga Bus Company, Inc. v. Mercado, L-19120, November 29, 1965 and cases cited therein; Halili v. Dallas, L-20282, May 19, 1965; La Mallorca and Pampanga Bus Company, Inc. v. Mendiola, L-19558, November 28, 1963; MD Transit & Taxi Co., Inc. v. Pepito, L-16481, September 29, 1962; Pineda v. Carandang, L-13270-71, March 24, 1960.

[2] Pangasinan Transportation Co., Inc. v. Tambot, 95 Phil., 661.

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