

JAIME R. BLANCO, PETITIONER, VS. NELIA MANALO, ET AL., RESPONDENTS.

G.R. No. L-21842. May 29, 1971

Ponente: DIZON, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/e931a6145658/>

DIZON, J.:

This is a petition for the review of the decision rendered by the Public Service Commission in PSC's Case No. 121628, the dispositive part of which reads as follows:

"In view of the foregoing, public necessity having been duly proven and established, and that the grant of additional units will promote public welfare in a proper and suitable manner; that applicant-operators being all financially capable and are Filipino citizens, or corporations, 60% of the capital stock of which are owned by Filipino citizens, let an authority be granted to the herein applicant-operators authorizing them to operate additional taxicab units within the City of Manila and its suburbs, and from any place in the said territory to any other place in the Island of Luzon directly accessible to motor vehicle traffic and vice-versa, with the following number of units specified after their respective names:

NAME OF OPERATOR

TRADE NAME

INCREASE OF EQUIPMENT AUTHORIZED

1. NELIA MANALO

Ace Taxi

4

2. ADMIRAL TAXICAB CO.

Admiral

5

3. SABINO GONZALES

Albert

1

4. ANTIPOLLO TAXICAB & GARAGE CO.

Antipollo

4

5. AURELIA C. GONZALES

Banner

3

6. CARLOS DIMAYUGA

Circle I

5

7. RUPERTO M. RODELAS

Circle II

6

8. A. D. SANTOS INC,

City Cab

18

9. MARCELINO LIM

Diamond

4

10. FRANCISCO A. OLALIA

Family

4

11. FORTUNATO F. HALILI

Halili

1

12. BRIGIDA R. VDA. DE SILVA

Holiday I

5

13. ROMEO R. SILVA

Holiday II

8

14. JOSE F. ZAMORA

Golden

25

15. FELIPE J. ZAMORA

Golden

7

16. ALFREDO B. ZAMORA

Golden

7

17. BENEDICTO K. KATIGBAK

Jaguar

9

18. VIOLETA LAYGO

J C

3

19. VICTOR KATIGBAK

Kat

4

20. LA MALLORCA

Mallorca

36

21. CENTRAL TAXICAB

Liberty

8

22. ANTONIO KATIGBAK, et. al.

Lily

3

23. CARLOS VILLENA

Lunar I

1

24. MILAGROS MACASAET

Mayon

4

25. MD TRANSIT & TAXI CO.

MD Taxi

4

26. BELEN MANALO (ESTATE OF ZARRAGA & SILVA)

Miladi

3

27. ROSARIO VDA. DE MONSERRAT

M Y

4

28. P & B TAXICAB CO. INC.

P & B

7

29. PESO TAXICAB CO. INC.

Peso

5

30. AMADOR RAYMUNDO

Raysan

1

31. JAJA INC.

Republic I

7

32. CLOVER ENTERPRISES INC.

Republic II

5

33. REX TAXI CO. INC.

Rex Taxi

10

34. MODESTO MERCARDO

Saboy

4

35. TAURUS CO. INC.

Taurus

5

36. ENRIQUE MONSERRAT JR.

Tops

8

37. LUIS T. VALENCIA

77 Taxi

5

38. RAYMUNDO KATIGBAK

88 Taxi

5

39. GERMAN VILLANUEVA

Viltre

1

40. MANILA YELLOW TAXICAB

Yellow Taxi

15

41. UNITED TRANSPORT CO.

United

15

42. FELIPE C. MONSERRAT

Zenith

12

43. ALLIANCE TRANSPORT SYSTEM CO. INC,

Alliance

3

44. NOLI REYES

Toro

3

45. KINGSWAY TAXICAB CORP.

Kingsway

3

46. VICENTE VISTAN

Atlas Taxi

1

47. JOSE C. REYES

Blu Car

1

48. FRANCISCO QUISUMBING

Dollar Taxi

5

49. F. & R. QUISUMBING

Dollar Taxi

5

50. RODOLFO QUISUMBING

Dollar Taxi

5

51. ARTURO MIRANDA

Green Archer

1

52. CARLOS LOPEZ

Lopez Taxi

1

53. ALBERTO AFRICA

Lunar II

1

54. NIEVES DE LEON

New Yorker

1

55. FRANCISCO AFRICA

Prince

2

56. JULIO T. LAO

Princess

2

57. PAZ MARQUEZ BENITEZ

Redi

2

58. PEDRO REYES

Safeway

1

59. ALBERTO CRUZ

Seven Eleven

2

Total - - - - -

330

With this decision, the total number of taxicab units actually authorized in the City of Manila and its Suburbs will be 2,815.

Cases Nos, 121754, 121185, 121334, 121548, 121873, 121186 and 109964, which are applications filed by old taxicab operators who now ceased to operate, having sold all their units, are hereby ordered denied. All the other applications filed in the above-entitled cases other than those granted additional units as enumerated above are likewise ordered denied or dismissed, either for lack of merit or for failure to appear and prosecute their respective applications.

The authority herein granted shall be subject to the following:

CONDITIONS:

1. Applicants shall register with the Motor Vehicles Office (Central Office), Quezon City, the additional taxicab units hereinabove authorized within 30 days from the date hereof, and submit to this Commission certified copies of the certificates of registration of the said units issued by the said Office within 10 days from date of such registration, otherwise this decision will be cancelled and revoked.

The Chief, Motor Vehicles Office (Central Office) shall inspect the units herein authorized, and shall accept them for registration only if found fit for operation for public service.

2. Applicants shall operate the additional taxicab units herein authorized strictly in accordance with the terms and conditions prescribed in their respective certificates of public convenience.

Applicants, who are holders of more than one certificate of public convenience, shall observe and comply with the terms and conditions of the certificate the period of validity of which shall expire last.

This decision shall take effect immediately, and shall become final thirty (30) days after notice to the parties."

It appears that a total of 357 applications to operate taxicab units were filed separately by individual applicants with the Public Service Commission. Fifty-nine (59) of them were filed by taxicab operators in the City of Manila and suburbs for the grant of additional units, while the remaining two hundred ninety-eight (298) were filed by

non-operators praying that they be authorized to operate the number of taxicab units applied for separately by each and everyone of them, in the City of Manila and its suburbs and vice-versa, and from any place within said territory to any other place in the island of Luzon directly accessible to motor vehicle traffic. Fifty-seven (57) applications were dismissed for failure of the applicants to appear on the date of the hearing, while Cases Nos. 121255, 121865 and 121328 had been previously dismissed upon petition of the applicants themselves. A few taxicab operators, while not filing application for additional units, opposed all the applications above referred to.

The City of Manila opposed all the applications, while the taxicab operators who had filed applications for additional units also opposed all the applications filed by the non-operators, their contention being that, should the Commission find it necessary to authorize additional taxi-cab units, all of them should be given to them as they were entitled to priority in relation to the increase of their authorized units.

After proper notice by publication to all parties concerned, all the applications were heard jointly upon agreement of the parties, and decision was subsequently rendered in the manner set forth above.

Upon the evidence presented by the parties, the Commission found that there existed public necessity for the operation of additional taxicab units in the City of Manila and suburbs, and/or vice-versa, and that all the applicants had the necessary financial capacity to acquire and operate whatever number of units would be awarded to each and everyone of them. It found, however, that it was obviously unreasonable to authorize the total of 14,995 units involved in the 357 applications filed with it. Therefore, on the basis of the evidence of record, the Commission authorized only 330 additional taxicab units. Resolving the question of who among the applicants should be the awardees in the allocation of these 330 taxicab units, the Commission said:

"To whom this increase of 330 taxicab units should be granted is a matter of serious deliberation considering that all of the applicants who appeared have proven their respective financial capacity. Unlike in the cases decided by the Commission on February 4, 1949 where there were only 15 new applicants and the Commission granted a total of 15 units to three (3) new applicants found to have had special qualifications, there are in these cases 298 new applicants and 59 applicant-operators. Considering the fact that the Commission decides to grant only 330 additional units, it is therefore not possible to give to all applicants as their number is even greater than the additional units hereby authorized. Besides, it is the policy of this Commission that a taxicab operator should have at least the minimum of five (5) units, consequently, it would not be possible to grant to any new applicant and it would be unfair to grant to some of the new applicants and deny to the others as they are all found under equal circumstances. It is therefore the opinion of this Commission that the best solution is to follow strictly the law and the doctrines laid down by the Supreme Court regarding this matter. In the case of *Bohol Land Transportation Co. vs. Ju-reidini*, (53, Phil. 560) the Supreme Court ruled that "before granting a certificate of public necessity and convenience to a transportation company or common carrier on land, there being another with a proper certificate, the latter should be given an opportunity to improve its service, if deficient or inadequate", and in the case of *Yangco vs. Esteban* (58, Phil. 345), the Supreme Court laid down the following doctrine: "Where two operators are more than serving the public there is no reason to permit a third operator to engage in competition with them. x x x x". Furthermore, the Supreme Court stated "being old operators, unquestionably able and ready to increase their units, the petitioners are entitled to protection and priority as against new operators". (*Encarnacion Elchico vda. de Fernando et. al. vs. Gallardo*, G. R. No. L-4860, September 5, 1953).

In view of the fact that applicant-operators who appeared are willing and capable to increase their equipment, we believe that in justice to them they should be entitled to preference than the new applicants. The present applicant-operators are entitled to be given every opportunity to improve their services as they have not been making good business lately due to the recent increase in the prices of cars, spare parts and fuel which prompted the Commission to grant them an increase in fares in Case No. 128510 on October 4, 1960, in order to allow them a fair and reasonable return for their investments. Another factor considered by the

Commission in grant-ing the increased units to applicant-operators only is the decision of the Commission to keep the number of present oper-ators to its present level. The Commission has experienced great difficulty in its supervision of TPU jitneys and auto-calesas in Manila and suburbs due to the great num-ber of operators. Considering the fact that the Commission has actually only 92 transportation inspectors in the field distributed throughout the country, we believe that with the maintenance of the present number of taxicab operators there will be no additional burden in the exer-cise of its power of supervision. The individual records of operation of these applicant-operators were likewise consid-ered in the distribution of additional units hereby authorized to them to the extent that some operators received a lit-tle more than the others. The additional taxicab units herein authorized are nevertheless distributed to the applicant-operators as much as possible in propor-tion to their present authorized units so that some of them are granted only one ad-ditional unit. These present operators likewise have a marked advantage over the new applicants as they are more experi-enced in the operation of the business, and that they have the ready shops, me-chanics and necessary personnel to handle the same."

For the reasons stated in the above-quoted portion of the appealed decision, the Commission approved the applications of the taxicab operators and allocated amongst them the 330 authorized additional taxicab units in the manner set forth in the dispositive portion of the appealed decision quoted at the beginning hereof.

From said decision, Jaime R. Blanco, petitioner herein, appealed by filing with this Court the corresponding petition for review. It appears, however, that he failed to file his brief within the period granted to him for the purpose. The record also shows that although the respondents were required to file their brief within 30 days from notice, in accordance with the provisions of the Rules of Court on the matter, no brief was filed by them. The instant appeal, however, may be decided on the basis of the following issues raised by petitioner in his petition for review:

"The issues in this petition, for review are purely questions of law which were squarely raised before PSC, as follows:

I. That, notwithstanding the uncontra-dicted proven fact that all existing taxicab operators, respondents herein, except La Mallorca, had sold and/or assigned their franchises in whole and in part, PSC erred in not holding that said existing taxicab operators, except La Mallorca, are estopped to claim, and/or have waived their right to, and/or have lost their right to, preference to the 330 additional taxicab units granted in PSC's Decision of May 15, 1951.

II. That, notwithstanding the uncontra-dicted proven fact that all existing taxicab operators, respondents herein, had violated PSC's rules and regulations, PSC erred in not holding that said existing taxicab operators had no right to preference to the 330 addi-tional taxicab units granted in PSC's Deci-sion of May 15, 1961.

III. That PSC erred in relying on the outdated factor of fair and reasonable re-turn to investment in granting preference over the said 330 additional taxicab units to existing taxicab operators, respondents herein.

IV. PSC violated petitioner's right to due process when it granted 48 of said 330 additional taxicab units to nine (9) unlisted taxicab operators, nine (9) of respondents herein.

V. Since hearings before PSC are re-corded, PSC erred in refusing to disturb its Decision of May 15, 1951 just because the PSC commissioners at reconsideration did not hear the recorded evidence presented to their predecessors.

VI. Since immediate effectivity of PSC's decisions are by law not stayed by reconsidera-tion motions or appeal, PSC erred in refusing to disturb its Decision of May 15, 1961 just because the grantees therein had already invested for the units granted therein.

VII. PSC erred in not granting petitioner the franchise and units applied for."

The first and second issues are here considered jointly.

It is petitioner's contention that, as the taxicab operators-applicants had sold and/or assigned their franchises, in whole or in part, and had violated the Commission's rules and regulations, the Commission should have held that they were estopped to claim, and/or that they had waived their right to, and/or that they had lost their right to preference in the allocation of the 330 additional taxicab units authorized in the decision appealed from.

On the above issues the Commission ruled that the taxicab operators-applicants had the right - subject to the Commission's approval - to sell, in whole or in part, their respective franchises or certificates of public convenience which were just like any other ordinary property. While, apparently, the Commission believed petitioners claim that some of the taxicab operators-applicants had sold some of their taxicab units, it held nevertheless that there was no sufficient evidence to show that these sales constituted what the Commission called "trafficking." By this term, the Commission most probably had in mind the case of parties who apply for and are authorized to operate taxicab units, not to render service to the public but to engage in speculation by thereafter selling said units and thereafter ask for authority to operate additional ones. We agree with the Commission that the record does not show that anyone of the taxicab operators-applicants had been guilty of this practice.

Petitioner next contends that the Commission erred in relying on the outdated factor of fair and reasonable return in granting preference to the taxicab operators-applicants in the allocation of the 330 additional taxicab units authorized in the appealed decision, invoking, in this connection, our decision in *Manila Yellow Taxicab vs. Public Service Commission* (G.R. L-2875, October 31, 1951).

We find no merit in this contention. The appealed decision shows that the Commission found that the taxicab operators-applicants "had not been making good business lately due to the recent increase in the prices of cars, spare parts and fuel which prompted the Commission to grant them an increase in fares." This makes the appealed decision fall within the ruling in the *Manila Yellow Taxicab* case to the effect that no preference should be granted to present and actual taxicab operators in the allocation of additional authorized units in the absence of evidence of the resultant loss to them should a new applicant be granted the franchise applied for or a portion of the aforesaid additional units.

Moreover, as additional reason in support of its decision, the Commission said that it had adopted the policy "to keep the number of present operators to its present level," because the Commission had experienced great difficulty in its supervision of the public vehicles operating in Manila and suburbs with only its 92 transportation inspectors in the field distributed throughout the country. In the circumstances of the case, We cannot say that this was a wrong policy.

The next issue raised by petitioner is that the Commission violated its right to due process by granting 48 of the authorized 330 additional taxicab units to nine (9) unlisted taxicab operators.

We consider this issue as of little consequence in view of the ruling of the Commission - with which We agree - allocating the additional units authorized in its decision among actual taxicab operators, it being a fact that petitioner is not one of them. If any party is entitled to assail the award to the alleged unlisted operators, it is all or one of the operators-applicants.

As regards the last three issues raised in the petition for review, We are of the opinion that they are not - whether singly nor collectively - sufficient ground upon which to reverse the decision appealed from.

IN VIEW OF ALL THE FOREGOING, the decision appealed from is affirmed.

Concepcion, C.J., Reyes, J.B.L., Makalintal, Zaldivar, Ruiz Castro, Fernando, Teehankee, Villamor, and Makasiar, JJ., concur.

Barredo, J., did not take part.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.