

**“AN ACT TO RECOGNIZE THE PUBLIC SERVICE COMMISSION,
PRESCRIBE ITS POWERS AND DUTIES, DEFINE AND REGULATE PUBLIC
SERVICES, PROVIDE AND FIX THE RATES AND QUOTA OF EXPENSES TO
BE PAID BY THE SAME FOR OTHER PURPOSES”.**

CHAPTER I. Organization

Section 1. This Act shall be known as the “Public Service Act.”

Section 2. There is created a Commission which shall be designated and known as the Public Service Commission, and which shall be vested with the powers and duties hereafter specified. Whenever the word ‘Commission’ is used in any part of this Act, it shall be held to mean the Public Service Commission or Public Service Commissioner. The Public Service Commission shall consist of a Public Service Commissioner and a Deputy Commissioner. The Public Service Commissioner and Deputy Public Commissioner shall be citizens and residents of the Philippines, not under thirty years of age, members of the Bar of the Philippine Islands, and shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments of the National Assembly. *(Amended by Sec. 1. R.A. 178)*

Section 3. The Commissioner and Deputy Commissioner shall hold office until removed in accordance with the procedure prescribed in section one hundred and seventy-three of Act Numbered Twenty-seven hundred and eleven, known as the Revised Administrative Code. The Deputy Commissioner shall act on all matters delegated to him by the Public Service Commissioner, and in case of the latter’s absence, illness or incapacity he shall act in his stead. In the performance of his functions upon assignment by the Public Service Commissioner, the Deputy Commissioner shall have authority to preside at the hearings of cases assigned to him and to render decisions therein, as well as to act on any matter referred to him by the Commissioner, and his action in such cases shall to all intents and purposes have the same effect and validity as if the Public Service Commissioner himself had acted thereon. In case of the absence, for any reason of the Commissioner and Deputy Commissioner, the Secretary of Justice or any of the attorneys of the Commission to act as Commissioner; and in cases of emergency or extraordinary accumulation of work, the Secretary of Justice may also designate any of the Officers above mentioned to act as additional Commissioner for such time as the interest of the public service may require. *(Amended by Sec.1.R.A. 178).*

Section 4. The Public Service Commissioner shall receive an annual compensation of ten thousand six hundred pesos; the Deputy Commissioner an annual compensation of seven thousand five hundred pesos; the secretary, who shall be an attorney, four thousand pesos, the auditor, four thousand pesos, one chief engineer for the land and water transportation division, five thousand one hundred pesos; one electrical engineer for the industrial division, four thousand pesos; one chief attorney for the legal division, four thousand pesos; and each assistant attorney, three thousand pesos. *(Amended by Sec.,I.R.A. 178).*

Section 5. The Public service commission, the Deputy public Service Commissioner and all other officers and employees of the Public Service Commission shall enjoy the same privileges and rights as the officers and employees of the classified civil service of the government of the Philippines. They shall also be entitled to receive from the Government of the Philippines their necessary traveling expenses while traveling on the business of the Commission, which shall be paid on proper voucher therefore, approved by the Secretary of Justice, out of funds appropriated for the contingent expenses of the Commission. *(Amended by Sec. 1 R.A. 178)*

Section 6. With the approval of the Secretary of Justice the Public service Commissioner shall appoint a secretary of the Public Service Commissioner shall appoint a secretary of the Commission, an auditor, two engineers and chiefs of the transportation and industrial divisions, one chief, attorney and four assistant attorneys, and such inspectors, agents and other officers and employees as may be necessary. *Provided, however,* That the persons at present performing the duties and secretaries, auditors engineers attorneys and assistant attorneys of the Commission now designated as such may continue occupying their respective posts and shall hereafter perform their functions and duties until their successors shall be appointed. The Public Service Commissioner shall have general executive control, direction, and supervision over the work of the Commission and to its members, body and personnel, and over all administrative business. *(Amended by Sec. 1, R.A. 178)*

Section 7. The Secretary of the Commission, under the direction of the Commissioner, shall have charge of the administrative business of the Commission and shall perform such other duties as may be required of him. He shall be the recorder and official report of the proceedings of the Commission and shall have authority to administer oaths in all matters coming under the jurisdiction of the Commission. He shall be the custodian of the records, maps, profiles, tariffs, itineraries, reports, and any other documents and papers filed with the Commission or entrusted to his care and shall be responsible therefore to the Commission. He shall have authority to designate from time to time any of his delegates to perform the duties of deputy secretary with any of the Commissioners.

Section 8. The Commissioner shall furnish to the secretary such of its finding and decision as in its judgment may be of general public interest; the secretary shall compile the same for the purpose of publication in a series of volumes to be designated “ Reports of the Public Service Commission of the Philippines”, which shall be published in such form and manner as may be best adapted for public information and use, and such authorized publications shall be competent evidence of the reports and decisions of the Commission therein contained without any further proof or authentication thereof.

Section 9. No. member or employee of the Commission shall have any official or professional relation with any public service as herein defined, or hold any other office of profit or trust with the Government of the Philippines or of the United States.

Section 10. The Commission shall have its office in the City of Manila at such place as may be designated, and may hold hearings on any proceedings at such times and places, within the Philippines, as it may provide by order in writing; *Provided*, That during the months of April and May of each year, the Commissioner shall be on duty and the Deputy Commissioner on vacation, or vice versa, in such manner that at least one of them shall be on duty during the vacation months once in every two years: *Provided, further*, That nothing hereinbefore provided shall prevent either of the Commissioners from rendering service and performing his duties during vacation months when the interest of the public service shall require it: *Provided lastly*, That notwithstanding the above provisions, the Commissioners shall be entitled to enjoy accrued leave and retirement privileges in the same manner as prescribed for judges of the Court of First Instance. (*Amended by Sec., 1, R.A. 178*)

Section 11. The Commission shall have the power to make needful rules for its government and other proceedings not inconsistent with their Act and shall adopt a common seal, and judicial notice shall be taken of such seal. True copies of said rules and their amendments shall be promptly furnished to the Bureau of Printing and shall be forthwith published in the official Gazette.

Section 12. The Commission shall report annually, as soon as practicable after the first day of January of each year, to the Secretary of Justice, making such recommendations as it may deem proper.

CHAPTER II. – Jurisdiction, Powers, and Duties of the Commission

Section 13. Except as otherwise provided herein. The Commission shall have general supervision and control over, all public services, and also over their property, property rights, equipment, facilities and franchises so far as may be necessary for the purpose of carrying out the provisions of this Act, and in the exercise of its authority it shall have the necessary powers and the aid of the public force: *Provided, however*, That the Commission shall have no control or jurisdiction over ice plants, cold storage plants, or any public services operated by the Government of the United States in the Philippines exclusively for its own use and not to serve private persons for pay or compensation, nor over municipal warehouses nor animal-drawn vehicles: *Provided, further*. That the Commission shall not exercise any control or supervision over air craft in the Philippines, except with regard to the fixing of maximum passenger and freight rates, nor over the Manila Railroad Company until the same shall be controlled by the Government of the Philippines, nor over radio companies, or concerns except as regards the fixing of rates: *Provided, further*, That the control and jurisdiction of the Commission over ships shall be limited to the fixing of freight and passenger rates.

Section 14. The terms ‘public service’ or public utility’ used in this Act include every individual, co-partnership, association, corporation, or joint-stock company, whether domestic or foreign, their lessees, trustees, or receivers appointed by any court whatsoever, or any municipality, province, or other department of the Government of the Philippines, that now or hereafter may own, operate, manage or control in the

Philippines, for hire or compensation, any common carrier, railroad, street railway, traction railway subway, freight and/or passenger motor vehicles, with or without fixed route, freight or any other car service, express service, steamboat, or steamship line, ferries, small water crafts, such as lighters, pontines, lorchas and others engaged in the transportation of passengers or cargo, shipyard, marine railway, marine repair shop, public warehouse, wharf, or dock not under the jurisdiction of the Insular. Collector of Custom, ice, refrigeration, canal, irrigation, pipe line, gas, electric light, heat, power, water, oil, sewer, telephone, wire or wireless telegraph system, plant or equipment and broadcasting stations, when owned, operated, managed, or controlled for public use or service within the Philippines, whether the owner or operator be an individual, co-partnership, association corporation or joint-stock company, either domestic or foreign, or a trustee or receiver appointed by any court whatsoever, or any municipality province, or other department of the Government of the Philippines, or any other entities.

Section 15. No public service as herein defined shall operate in the Philippines without having first secured from the Commission a certificate, which shall be known as Certificate of public Convenience or as Certificate of Public Convenience and Necessity, as the case may be, to the effect that the operation of said service and the authorization to do business will promote the public interests in a proper and suitable manner.

Section 16. *Proceedings of the Commission, upon notice and hearing.* The Commission shall have the power, upon proper notice and hearing in accordance with the rules and provisions of this Act, subject to the limitations and exceptions mentioned and saving provisions to the contrary:

a) To issue certificates which shall be known as Certificates of Public Convenience, authorizing the operation of public services within the Philippines whenever the Commission finds that the operation of the public service proposed and the authorization to do business will promote the public interests un a proper and suitable manner: *Provided*, That hereafter, certificates of public convenience and certificates of public convenience and necessity will be granted only to citizens if the Philippines of the United States or to corporations, co-partnership, associations or joint stock companies constituted and organized under the laws of the Philippines: *Provided*, That sixty per centum of the stock or paid-up capital of any such corporation, co-partnership, association of joint stock company must belong entirely to citizens of the Philippines or of the United States: *Provided, further*, That no such certificates shall be issued for a period of more than fifty years.

b) To approve, subject to constitutional limitations, any franchise or privilege granted under the provisions of Act Numbered six hundred and sixty-seven, as amended by Act Numbered one thousand and twenty-two, by any political sub-division of the Philippines when, in the judgment of the Commission, such franchise or privilege will properly conserve the public interests, and the Commission shall in so approving impose such conditions as to construction, equipment, maintenance, service, or operation as the public interests and convenience may reasonably require, and to issue certificates of

public convenience and necessity when such is required or provided by any law or franchise.

c) To fix and determine individual or joint rates, tolls, charges, classifications, or schedules, thereof, as well as commutation, mileage, kilometrage, and other specials rates which shall be imposed, observed, and followed thereafter by any public service: *Provided*, That the Commission may, in its discretion, approve rates proposed by public services provisionally and without necessity of any hearing; but it shall call a hearing thereon within thirty days thereafter, upon publication and notice to the concerns operating in the territory affected: *Provided, further*, That in case the public service equipment of an operator is used principally or secondarily for the promotion of a private business, the net profits of said private business shall be considered in relation with the public service of such operator for the purpose of fixing the rates.

d) To fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed thereafter by any public service.

e) To ascertain and fix adequate and serviceable standards for the measurement of quantity, quality, pressure, initial voltage, or other condition pertaining to the supply of the product or service rendered by any public service, and to prescribe reasonable regulations for the examination and test of such product or services and for the measurement thereof.

f) To establish reasonable rules, regulations, instructions, specifications, and standards, to secure the accuracy of all meters and appliances for measurements.

g) To compel any public service to furnish safe, adequate, and proper service as regards the manner of furnishing the same as well as the maintenance of the necessary material and equipment.

h) To require any public service to establish, construct, maintain, and operate any reasonable extension of its existing facilities, where, in the judgment of said Commission, such extension is reasonable and practicable and will furnish sufficient business to justify the construction and maintenance of the same, and when the financial condition of the said public service reasonably warrants the original expenditure required in making and operating such extension.

i) To direct any railroad, street railway or traction company to establish and maintain at any junction or point of connection or intersection with any other line of said road or track, or with any other line of any other railroad, street railway or traction company, such just and reasonable connection as shall be necessary to promote the convenience of shippers of property, or of passengers, and in like manner to direct any railroad, street railway, or traction company engaged in carrying merchandise, to construct, maintain and operate, upon reasonable terms, a switch connection with any private sidetrack which may be constructed by any shipper to connect with the railroad,

street railway or traction company line where, in the judgment of the Commission, such connection is reasonable and practicable, and can be put in with safety, and will furnish sufficient business to justify the construction and maintenance of the same.

j) To authorize, in its discretion, any railroad, street railway or traction company to lay its tracks across the tracks of any other railroad, street railway or traction company, or across any public highway.

k) To direct any railroad or street railway company to install such safety devices or adopt such other reasonable measures as may in the judgment of the Commission be necessary for the protection of the public at passing grade crossings of (1) public highways and railroads, (2) public highways and street railways, or (3) railroads and street railways.

l) To fix and determine proper and adequate rates of depreciation of the property of any public service which will be observed in a proper and adequate depreciation account to be carried for the protection of stockholders, bondholders or creditors, in accordance with such rules, regulations, and forms of account as the Commission may prescribe. Said rates shall be sufficient to provide the amounts required over and above the expense of maintenance to keep such property in a state of efficiency corresponding to the progress of the industry. Each public service shall conform its depreciation accounts to the rates so determined and fixed, and shall set aside the moneys so provided for out of its earnings and carry the same in a depreciation fund. The income from investments of money in such fund shall likewise be carried in such fund. This fund shall not be expended otherwise than for depreciation, improvements, new constructions, extensions or additions to the property of such service.

m) To amend, modify or revoke at any time any certificate issued under the provisions of this Act, whenever the facts and circumstances on the strength of which said certificate was issued have been misrepresented or materially changed.

n) To suspend or revoke any certificate issued under the provisions of this Act whenever the holder thereof has violated or willfully contumaciously refused to comply with any order, rule or regulation of the Commission or any provision of this Act: *Provided*, That the Commission, for good cause, may prior to the hearing suspend for a period not to exceed thirty days any certificate or the exercise of any right or authority issued or granted under this Act by order of the Commission, whenever such step shall in the judgment of the Commission be necessary to avoid serious and irreparable damage or inconvenience to the public or to private interests.

o) To fix, determine, and regulate, as the convenience of the State may require, a special type for auto-buses, trucks, and motor trucks, to be hereafter constructed, purchased, and operated by operators after the approval of this Act; to fix and determine a special registration fee for auto-buses, trucks, and motor trucks so constructed, purchased, and operated: *Provided*, That said fees shall be smaller than those charged for auto-buses, trucks, and motor trucks of types not made regulation under this subsection.

Section 17. *Proceedings of Commission without previous hearing.* The Commission shall have power, without previous hearing, subject to established limitations and exceptions and saving provisions to the contrary:

a) To investigate, upon its own initiative, or upon complaint in writing, any matter concerning any public service as regards matters under its jurisdiction; to require any public service to furnish safe, adequate, and proper service as the public interest may require and warrant; to enforce compliance with any standard, rule, regulation, order or other requirement of this Act or of the Commission, and to prohibit or prevent any public service as herein defined from operating without having first secured a certificate of public convenience or public necessity and convenience, as the case may be, and require existing public services to pay the fees provided for in this Act for the issuance of the proper certificate of public convenience, as the case may be, under the penalty, in the discretion of the Commission, of the revocation and cancellation of any acquired right.

b) To require any public service to pay the actual expenses incurred by the Commission in any investigation if it shall be found in the same that any rate, toll, charge, schedule, regulation, practice, act or service thereof is in violation of any provision of this Act or of any certificate, order, rule, regulation or requirement issued or established by the Commission. The Commission may also assess against any public service costs not to exceed twenty-five pesos with reference to such investigation.

c) From time to time appraise and value the property of any public service, whenever in the judgment of the Commission it shall be necessary so to do, for the purpose of carrying out any of the provisions of this Act, and in making such valuation the Commission may have access to and use any books, documents, or records in the possession of any department, bureau, office, or board of the Government of the Philippines or any political subdivision thereof.

d) To provide, on motion by or at the request of any consumer or user of a public service, for the examination and test of any appliance used for the measuring of any product or service of a public service, and for that purpose, by its agents, experts, or examiners to enter upon any premises where said appliances maybe, and other premises of the public service, for the purpose of setting up and using on said premises any apparatus necessary therefore, and to fix the fees to be paid by any consumer or user who may apply to the Commission for such examination or test to be made and if the appliances be found defective or incorrect to the disadvantage of the consumer or user, to require the fees paid to be refunded to the consumer or user by the public service concerned.

e) To permit any street railway or traction company to change its existing gauge to standard steam railroad gauge, upon such terms and conditions as the Commission shall prescribe.

f) To grant to any public service special permits to make extra or special trips within the territory covered by its certificate of public convenience, and to make special excursion trips outside of its own territory if the public interest or special circumstances require it: *Provided, however,* That in case of public service cannot render such extra service on its own line or in its won territory, a special permit for such extra service may be granted to any other public service.

g) To require any public service to keep its books, records, and accounts so as to afford an intelligent understanding of the conduct of its business and to that end to require every such public service of the same class to adopt a uniform system of accounting. Such system shall conform to any system approved and confirmed by the Auditor General.

h) To require any public service to furnish annual reports of finances and operations. Such reports shall set forth in detail the capital stock issued, the amounts of said capital stock paid up and the form of payment thereof; the dividends said, the surplus, if any, and the number of stockholders; the consolidated and pending obligations, and the interest paid thereon; the cost and value of the property of the operator; concessions or franchises and equipment; the number of employees and salaries paid to each class; the accidents to passengers, employees, and other persons, and the causes thereof; the annual expenditures on improvements; the receipts and profits in each of the branches of the business and of whatever source; the operating and other expenses; the balance of profits and losses; and a complete statement of the annual financial operations of the operator, including an annual balance sheet. Such reports shall also contain any information which the Commission may require concerning freight and passenger rates, or agreements, compromises or contracts affecting the same. Said reports shall cover a period of twelve months, ending on December thirty-first of each year, and shall be sworn to by the officer or functionary of the public service authorized therefore. The Commission shall also have power to require from time to time special reports containing such information as above provided for or on other matters as the Commission may deem necessary or advisable.

i) To require every public service to file with the Commission a statement in writing, verified by the oaths of the owner or the president and the secretary thereof, if a corporation, setting forth the name, title of office or position, and post-office address, and the authority, power, and duties of every officer, member of the board of directors, trustees, executive committee, superintendent, chief or head of construction and operation thereof, in such form as to disclose the source and origin of each administrative act, rule, decision, order or other action of the operator of such public service; and within ten days after any change is made in the title of, or authority, powers or duties appertaining to any such office or position, or the person holding the same, file with the Commission a like statement, verified in like manner, setting forth such change.

j) To require any public service to comply with the laws of the Philippines and with any provincial resolution or municipal ordinance relating thereto and to conform to

the duties imposed upon it thereby or by the provisions of its own charter, whether obtained under any general or special law of the Philippines.

k) To investigate any or all accidents that may occur on the property of any public service or directly or indirectly arising from or connected with its maintenance or operation on the Philippines; to require any public service to give the Commission immediate and effective notice of all or any such accidents, and to make such order or recommendation with respect thereto as the public interest may warrant to require.

l) To require every public service as herein defined to file with it complete schedules of every classification employed and of every individual or joint rate, toll, fare or charge made, charged or exacted by it for any product supplied or service rendered within the Philippines, and, in the case of public carriers, to file with it a statement showing the itineraries or routes served as specified in such requirements.

CHAPTER III. Operators of Public Services – Regulations and Prohibitions

Section 18. It shall be unlawful for any individual, co-partnership, association, corporation or joint-stock company, their lessees, trustees, or receivers appointed by any court whatsoever, or any municipality, province, or other department of the Government of the Philippines, to engage in any public service business without having first secured from the Commission a certificate of public convenience or certificate of public convenience and necessity as provided for in this Act, except grantees of legislative franchises expressly exempting such grantee from the requirement of securing a certificate from this Commission, as well as concerns at present existing expressly exempted from the jurisdiction of the Commission, either totally or in part, by the provisions of section thirteen of this Act.

Section 19. Unlawful acts. – It shall be unlawful for any public service:

a) To provide or maintain any service that is unsafe, improper, or inadequate, or withhold or refuse any service which can reasonably be demanded and furnished, as found and determined by the Commission in a final order which shall be conclusive and shall take effect in accordance with this Act, upon appeal or otherwise.

b) To make or give, directly or indirectly, by itself or through its agents, attorneys or brokers, or any of them, discounts or rebates on authorized rates, or grant credit for the payment of freight charges, or any undue or unreasonable preference or advantage to any person or corporation or to any locality or to any particular description of traffic or service, or subject any particular person or corporation or locality or any particular description of traffic to any prejudice or disadvantage in any respect whatsoever; to adopt, maintain, or enforce any regulation, practice or measurement which shall be found or determined by the Commission to be unjust, unreasonable, unduly preferential or unjustly discriminatory, in a final order which shall be conclusive and shall take effect in accordance with the provisions of this Act, upon appeal or otherwise.

c) To refuse or neglect, when requested by the Director of Posts or his authorized representative, to carry public mail on the regular trips of any public land transportation service maintained or operated by any such public service, upon such terms and conditions and for a consideration in such amount as may be agreed upon between the Director of Posts and the public service carrier or fixed by the Commission in the absence of an agreement between the Director of Posts and the carrier. In case the Director of Posts and the public service carrier are unable to agree on the amount of the compensation to be paid for the carriage of the mail, the Director of Posts shall forthwith request the Commission to fix a just and reasonable compensation for such carriage and the same shall be promptly fixed by the Commission in accordance with section of this Act.

Section 20. Acts requiring the approval of the Commission. – Subject to established limitations and exceptions and saving provisions to the contrary, it shall be unlawful for any public service or for the owner, lessee or operator thereof, without the approval and authorization of the Commission previously had –

a) To adopt, establish, fix, impose, maintain, collect or carry into effect any individual or joint rates, commutation, mileage or other special rate, toll, fare, charge, classification or itinerary. The Commission shall approve only those that are just and reasonable and not any that are unjustly discriminatory or unduly preferential, only upon reasonable notice to the public services and other parties concerned, giving them a reasonable opportunity to be heard, and the burden of the proof to show that the proposed rates or regulation are just and reasonable shall be upon the public service proposing the same.

b) To establish, construct, maintain, or operate new units or extend existing facilities or make any other addition to or general extension of the service.

c) To abandon any railroad station or stop the sale of passenger tickets, or cease to maintain an agent to receive and discharge freight at any station now or hereafter established at which passenger tickets are now or may hereafter be regularly sold, or at which such agent is now or may hereafter be maintained, or make any permanent change in its time tables or itineraries on any railroad or in its service.

d) To lay any railroad or street railway track across any highway, so as to make a new crossing at grade, or cross the tracks of any other railroad or street railway, provided that this subsection shall not apply to replacements of lawfully existing tracks.

e) Hereafter to issue any stock or stock certificates representing an increase of capital; or issue any share of stock without par value; or issue any bonds or other evidence of indebtedness payable in more than one year from the date of issuance thereof, provided that it shall be the duty of the Commission, after hearing, to approve any such issue maturing in more than one year from the date thereof, when satisfied that the same is to be made in accordance with law, and the purpose of such issue be approved by the Commission.

f) To capitalize any franchise in excess of the amount, inclusive of any tax or annual charge, actually paid to the Government of the Philippines or any political subdivision thereof as the consideration of said franchise; capitalize any contract for consolidation, merger, or lease, or issue any bonds or other evidence of indebtedness against or as a line upon any contract for consolidation, merger, or lease: *Provided, however,* That the provisions of this section shall not prevent the issuance of stock, bonds, or other evidence of indebtedness subject to the approval of the Commission by any lawfully merged or consolidated public services not in contravention of the provisions of this section.

g) To sell, alienate, mortgage, encumber or lease its property, franchises, certificates, privileges, or rights, or any part thereof; or merge or consolidate its property, franchises, privileges or rights, or any part thereof, with those of any other public service. The approval herein required shall be given, after notice to the public and after hearing the persons interested at a public hearing, if it be shown that there are just and reasonable grounds for making the mortgage or encumbrance, for liabilities of more than one year maturity, or the sale, alienation, lease, merger, or consolidation to be approved, and that the same are not detrimental to the public interest, and in case of a sale, that date on which the same is to be consummated shall be fixed in the order of approval: *Provided, however,* That nothing herein contained shall be construed to prevent the transaction from being negotiated or completed before its approval or to prevent the sale, alienation, or lease by any public service of any of its property in the ordinary course of its business.

h) To sell any share or shares of its capital stock to any other public service or any corporation, domestic or foreign, if the result of that sale in itself or in connection with another previous sale shall be to best in such corporation a majority in interest of the subscribed capital of said public service. Every assignment, transfer, contract, or agreement for assignment or transfer by or through any person or corporation to any corporation in violation of any of the provisions thereof shall be void and of no effect, and no such transfer shall be made on the books of any public service corporation. Nothing herein contained shall be construed to prevent the holding of stock heretofore lawfully acquired.

i) To sell, alienate or in any manner transfer shares of its capital stock to any alien if the result of that sale, alienation, or transfer in itself or in connection with another previous sale shall be the reduction to less than sixty per centum of the capital stock belonging to Philippine citizens. Such sale, alienation or transfer shall be void and of no effect and shall be sufficient cause for ordering the cancellation of the certificate.

j) To issue, give or tender, directly or indirectly, any free ticket, free pass or free reduced fare of transportation for passengers, except to the following persons: (1) officers, agents, employees, attorneys, physicians and surgeons of said public service, and members of their families; (2) inmates of hospitals or charity institutions, and persons engaged in charitable work; (3) indigent, destitute, and homeless persons when transported by charitable societies or hospitals, and the necessary agents employed in

such transportation; (4) the necessary caretakers, going and returning, of live stock, poultry, fruit, and other freight under uniform and nondiscriminatory regulation; (5) employees of sleeping car corporations, express corporations, and telegraph and telephone corporations; railway and marine mail service employees, when traveling in the course of their official duty; (6) post-office inspectors, customs officers and inspectors, and immigration inspectors when engaged in inspection; (7) witnesses attending any level investigation in which the public service is an interested party; (8) persons injured in accidents or wrecks, and physicians and nurses attending such persons; (9) peace officers and officers and men of regularly constituted fire departments: *Provided, however,* That nothing herein contained shall prevent the entry into any public conveyance or in or upon the property of any such public service of any officer or employee of the Government of the Philippines, or any political subdivision thereof, in the pursuit of his public duties: *Provided, further,* That nothing in this Act shall be construed to prevent the interchange between said common carriers of passes or franks for their employees, officers, agents, surgeons, physicians, attorneys, and their families. All public services engaged in the business of carrying passengers shall furnish transportation free of charge to members of the Commission and the secretary and other employees thereof when traveling on official business: *Provided, however,* That carriers by water, in furnishing such free passage, shall not be required to furnish free subsistence unless the purpose of the travel is such that the carrier is directly interested.

k) Adopt, maintain, or apply practices or measures, rules or regulations to which the public shall be subject in its relations with the public service.

CHAPTER IV. – Penalties for Violations

Section 21. Every public service violating or failing to comply with the terms and conditions of any certificate or any orders, decisions or regulations of the Commission shall be subject to a fine of not exceeding two hundred pesos per day for every day during which such default or violation continues, and the Commission is hereby authorized and empowered to impose such fine, after due notice and hearing.

The fines so imposed shall be paid to the Government of the Philippines through the Commission, and the failure to pay the fine in any case within the time specified in the order or decision of the Commission shall be deemed good and sufficient reason for the suspension of the certificate of said public service until payment shall be made. Payment may also be enforced by appropriate action brought in a court of competent jurisdiction. The remedy provided in this section shall not be a bar to, or affect any other remedy provided in this Act but shall be cumulative and additional to such remedy or remedies.

Section 22. Observance of the orders, decisions, and regulations of the Commission and of the terms and conditions of any certificate may also be enforced by mandamus or injunction in appropriate cases, or by action to compel the specific performance of the orders, decisions, and regulations so made, or of the duties imposed by law upon such public service: *Provided,* That the Commission may compromise any

case that may arise under this Act in such manner and for such amount as it may deem just and reasonable.

Section 23. Any public service corporation that shall perform, commit, or do any act or thing herein forbidden or prohibited or shall neglect, fail, or omit to do or perform any act or thing herein required to be done or performed, shall be punished by a fine not exceeding twenty-five thousand pesos, or by imprisonment not exceeding five years, or both, in the discretion of the court.

Section 24. Any person who shall knowingly and willfully perform, commit, or do, or participate in performing, committing, or doing, or who shall knowingly and willfully cause, participate, or join with others in causing any public service corporation or company to do, perform, or commit, or who shall advise, solicit, persuade, or knowingly and willfully instruct, direct, or order any officer, agent, or employee of any public service corporation or company to perform, commit, or do any act or thing forbidden or prohibited by this Act, shall be punished by a fine not exceeding two thousand pesos, or imprisonment not exceeding two years, or both, in the discretion of the court: Provided, however, That for operating a private passenger automobile as public service without having a certificate of public convenience for the same, the offender shall be subject to the penalties provided for in section sixty-seven (j) of Act Numbered Thirty-nine hundred and ninety-two.

Section 25. Any person who shall knowingly and willfully neglect, fail, or omit to do or perform, or who shall knowingly and willfully cause or join or participate with others in causing any public service corporation or company to neglect, fail, or omit to do or perform, or who shall advise, solicit, or persuade, or knowingly and willfully instruct, direct, or order any officer, agent, or employee of any public service corporation or company to neglect, fail, or omit to do any act or thing required to be done by this Act, shall be punished by a fine not exceeding two thousand pesos or by imprisonment not exceeding two years, or both, in the discretion of the court.

Section 26. Any person who shall destroy, injure, or interfere with any apparatus or appliance owned or operated by or in charge of the Commission or its agents, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding six months, or both, in the discretion of the court.

Any public service permitting the destruction, injury to, or interference with, any such apparatus or appliance, shall forfeit a sum not exceeding four thousand pesos for each offense.

Section 27. This Act shall not have the effect to release or waive any right of action by the Commission or by any person for any right, penalty, or forfeiture which may have arisen or which may arise, under any of the laws of the Philippines, and any penalty or forfeiture enforceable under this Act shall not be a bar to or affect a recovery for a right, or affect or bar any criminal proceedings against any public service or person or persons operating such public service, its officers, directors, agents, or employees.

Section 28. Violations of the orders, decisions, and regulations of the Commission and of the terms and conditions of any certificates issued by the Commission shall prescribe after sixty days, and violations of the provisions of this Act shall prescribe after one hundred and eighty days.

CHAPTER V. Procedure and Review

Section 29. All hearing and investigations before the Commission shall be governed by rules adopted by the Commission, and in the conduct thereof the Commission shall not be bound by the technical rules of legal evidence: *Provided*, That the Public Service Commissioner or Deputy Commissioner may summarily punish for contempt by a fine not exceeding two hundred pesos or by imprisonment not exceeding ten days, or both, any person guilty of misconduct in the presence of the Commissioner or Deputy Commissioner or so near the same as to interrupt the hearing or session or any proceedings before them, including cases in which a person present at a hearing, session, or investigation held by either of the Commissioners refuses to be sworn as a witness or to answer as such when lawfully required to do so. To enforce the provisions of this section, the Commission may, if necessary, request the assistance of the municipal police for the execution of any order made for said purpose. (*Amended by Sec. 2 R.A. 178*).

Section 30. (a) The Commission may issue subpoenas and subpoenas duces tecum, for witnesses in any matter or inquiry pending before the Commission and require the production of all books, papers, tariffs, contracts, agreements, and all other documents, which the Commission may deem necessary in any proceedings. Such process shall be issued under the seal of the Commission, signed by one of the Commissioners or by the secretary, and may be served by any person of full age, or by registered mail. In case of disobedience to such subpoena, the Commission may invoke the aid of the Supreme Court, or of any Court of First Instance of the Philippines in inquiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this chapter, and the Supreme Court or any Court of first Instance of the Philippines within the jurisdiction of which such inquiry is carried on, may, in case of contumacy or refusal to obey a subpoena, issue to any public service subject to the provisions of this Act, or to any other person, an order requiring such public service or other person to appear before the Commission and produce books and papers if so ordered and give evidence touching the matter in question; and any failure to obey such order of the Court may be punished by such court as contempt thereof.

(b) Any person who shall neglect or refuse to answer any lawful inquiry or produce before the Commission books, papers, tariffs, contracts, agreements, and documents or other things called for by said Commission, if in his power to do so, in obedience to the subpoena or lawful inquiry of the Commission, upon conviction thereof by a court of competent jurisdiction, shall be punished by a fine not exceeding five thousand pesos by imprisonment not exceeding one year, or both, in the discretion of the Court.

© The Commissioner and Deputy Commissioner, the chiefs of divisions, the attorney of the Commission, and the deputy secretaries shall have the power to administer

oaths in all matters under the jurisdiction of the Commission. (*Amended by Sec., 2, R.A. 178*).

(d) Any person who shall testify falsely or made any false affidavit or oath before the Commission or before any of its members shall be guilty of perjury, and upon conviction thereof in a court of competent jurisdiction, shall be punished as provided by law.

(e) Witnesses appearing before the Commission in obedience to subpoena or subpoena duces tecum, shall be entitled to receive the same fees and mileage allowance as witnesses attending Courts of First Instance in Civil Case.

(f) Any person who shall obstruct the Commission or either of the Commissioners while engaged in the discharge of official duties, or who shall conduct himself in a rude, disrespectful or disorder manner before the Commission or either of the Commissioner, while engage in the discharge of official duties, of shall orally or in writing b disrespectful to, offend or insult either of the Commissioners on occasion or by reason of the performance of his official duties, upon conviction thereof by a court of competent jurisdiction, shall be punished for each offense by a fine not exceeding one thousand pesos, or by imprisonment not exceeding six months, or both, in the discretion of the court.

Section 31. No person shall be excused from testifying or from producing any book, document, or paper in any investigation or inquiry by or upon the hearing before the Commission, when ordered so to do by said Commission, except when the testimony or evidence required of him may tend to incriminate him. Without the consent of the interested party, no member or employee of the Commission shall be compelled or permitted to give testimony in any civil suit to which the Commission is not a party, with regard to secrets obtained by him in the discharge of his official duty.

Section 32. The Commission may, in any investigation or hearing, by its order in writing, cause the depositions of witness residing within or without the Philippines to be taken in the manner prescribed by the Code of Civil Procedure. The commission may also, by proper order, commission any of the attorneys of the Commission or chiefs of division to received evidence, and it may likewise commission any clerk of the Court of First Instance or justice of the peace of the Philippines to take the testimony of witnesses in any case pending before the Commission where such witnesses reside in places distant from Manila and it would be inconvenient and expensive for them appear personally before the Commission. It shall be the duty of the clerk of the Court of the First Instance or justice of the peace so commissioned to designate promptly a dates for the taking of such date to proceed to take the evidence, reducing it to writing. After the evidence has been taken, the justice of the peace shall forthwith certify to the correctness of the transcript of the testimony of the witnesses and forward it to the Commission. It shall be duty of the respective parties to furnish stenographers for taking and transcribing the testimony taken. In case there are no stenographers available, the testimony shall be taken in longhand by such as the justice of the peace may designate. For the convenience

of the parties the commission may also commission any other person to take the evidence in the same manner.

Section 33. Every order made by the Commission shall be observed upon the person or public service affected thereby, within ten days from the time said order is filed, by personal delivery or by ordinary mail, upon the attorney of record, or in case there be no attorney of record, upon the party interested; and in case such certified copy is sent by registered mail, the registry mail receipt shall be prima-facie evidence of the receipt of such order by the public service in due course of mail. All orders shall become effective upon the dates specified therein: *Provided, however,* That orders, resolutions or decisions in controverted matters and not referring to the continuance of an existing service or prescribing rates to be charged shall not be unless otherwise provided by the commission and shall take effect thirty days after notice to the parties.

Section 34. Any interested party may request the reconsideration of any order, ruling, or decision of the Commission by means of a petition filed not later than fifteen days after the date of the notice of the order, ruling, or decision in question. The grounds on which the request for reconsideration is based shall be clearly and specifically stated in the petition. Copies of said petition shall be served on all parties interested in the matter. It shall be the duty of the Commission to call a hearing on said petition immediately, with notice to the parties, and after hearing to decide the same promptly, either denying the petition or revoking or modifying the order, ruling or decision under consideration.

Section 35. The Supreme Court is hereby given jurisdiction to review any order, ruling, or decision of the Commission and to modify or set aside such order, ruling or decision when it clearly appears that there was no evidence before the Commission to support reasonably such order, ruling or decision, or that the same is contrary to law, or that it___ about the jurisdiction of the Commission. The evidence presented to the Commission, together with the record of the proceedings before the Commission, shall be certified by the secretary of the Commission to the Supreme Court. Any order, ruling, or decision of the Commission may likewise be reviewed by the Supreme Court upon a writ of certiorari in proper cases. The procedure for review, except as herein provided, shall be prescribed by rules of the Supreme Court.

Section 36. Any order, ruling, or decision of the Commission may be reviewed on the application of any person or public service affected thereby, by certiorari in appropriate case, or by petition, to be known as Petition for Review, which shall be filed within thirty days from the notification of such order, ruling, or decision, or in case a petition for the reconsideration of such order, ruling, or decision is filed in accordance with the preceding section and the same is denied, it shall be filed within fifteen days after notice of the order denying reconsideration. Said petition shall be placed on file in the office of the clerk of the Supreme Court who shall furnish copies thereof to the Secretary of the Commission and other parties thereof to the Secretary of the Commission and other parties interested.

Section 37. The institution of a writ of certiorari or other special remedies in the Supreme Court shall in no case supersede or stay any order, ruling or decision of the Commission, unless the Supreme Court shall so direct, and the appellant may be required by the Supreme Court to give bond in such form and of such amount as may be deemed proper.

Section 38. The chief of the legal division or any other attorney of the Commission shall represent the same in all judicial proceedings. It shall be the duty of the Solicitor General to represent the Commission in any judicial proceedings if, for special reasons, the Commissioner shall request his intervention.

It shall be the duty of the Solicitor-General to institute proceedings before the Commission, in behalf of the public, for the purpose the of fixing just and reasonable rates or charges to be followed and observed by public services as herein defined, whenever he has reasons to believe that the existing rates or charges of such public service are unjust and unreasonable, or unjustly discriminatory. (*Amended by Sec., R.A. 178*)

Section 39. Any proceedings in any court of the Philippines directly affecting an order of the Commission or to which the Commission is a party, shall have preference over all other civil proceedings pending in such court, except election cases.

CHAPTER VI. Fees

Section 40. The Commission is hereby authorized and ordered to charge and collect from any public service the following fees.

(A) A charge of twenty-five pesos shall be made for the registration of:

- (1) Applications under the provisions of sections sixteen (a), (b), (c), and (d), and twenty (a), (b), (c), (f), (g), and (h): *Provided, however,* That no fee shall be collected for the reduction of schedules, price, or charge is not altered or modified in any manner.
- (2) Applications for the approval or modification of maximum rates under section thirteen.

(B) Fifteen pesos shall be collected from operators of land transportation for the registration of:

- (1) Applications under sections seventeen (f) and twenty (a) and (B).
- (2) Applications for the extension of time for the registration of motor previously authorized by the Commission.
- (3) Other applications filed by any public operator not specifically provided for in the preceding paragraphs of this section other than motions and documents of a temporary or incidental character.

(C) For the reimbursement of the expenses incurred by the Commission for the supervision and regulation of the operations of the motor vehicle services, the following charges shall be made.

- (1) For each automobile or motor truck of less than one tone net transportation capacity, five pesos.
- (2) For each motor truck of one ton or more, but less than two tons net transportation capacity, ten pesos capacity, five pesos.
- (3) For each motor truck of two tons or more, but less than three tons net transportation capacity, twenty pesos.
- (4) For each motor truck of three tons of more but less than four tons net, transportation capacity, thirty pesos.
- (5) Motor trucks or buses of four tons or more net or fraction thereof.
- (6) Automobiles, motor trucks and motor buses under the jurisdiction of the Commission and registered in the Bureau of Public Works and such as may hereafter be registered in the same, shall pay ten per centum on the fees fixed in this section, on or before June thirtieth, nineteen hundred and thirty-seven, on or before said date each year thereafter, subject to a penalty for delinquency, in the discretion of the Commission, of not exceeding fifty per centum of the sum due: *Provided, however,* That equipment registered in the Bureau of Public Works during the six months following June thirtieth of each year shall be exempt from payment for said year.

(D) For reimbursement of the expenses incurred by the Commission for the supervision, inspection, and regulation of other services, the following charges shall be made:

- (1) Ten centavos for every one hundred pesos, or fraction thereof, of the subscribed capital stock if the grantee is a corporation, for each certificate of public convenience or certificate of public convenience and necessity for the operation or railroad, street railway, traction railway, marine railway, public warehouse, wharf, ice plant, cold storage, pipeline, gas, electric light, heat, power, water, oil, sewer, wire or wireless telephone or telegraph system, equipment, or installation, for the first year of the date of the issuance of the certificate, and ten centavos for every hundred pesos or fraction thereof of its proposed or estimated capital stock if the grantee is an individual or a government entity.
- (2) For the years following that in which the certificate of the public services mentioned under D-1 was issued, whether the grantees be an individual, co-partnership, or corporation, there shall be paid one centavo for every hundred pesos of capital invested during the year of the payment of the annual charge herein established, payable on or before June thirtieth of each year, subject to a penalty of fifty per centum of the sum due if payment is not made within the time specified.

- (E) A charge of ten centavos on every one hundred pesos, or fraction thereof, of any increase of the subscribed capital existing on the date on which the permit was issued, shall be made, if the grantee is a corporation or co-partnership, for each permit issued authorizing the increase of the capital stock of the public service mentioned under D-1.
- (F) A charge of ten centavos on every one hundred pesos or fraction thereof of the necessary additional capital shall be made, if the grantee is an additional for each permit authorizing the installation of new units, or increase of capacity, or the extension of facilities or other general extensions in the plants of the services specified under D-1.
- (G) A charge of two pesos shall be made for the first examination and certification of each meter or measuring device used by any public service; and for subsequent examination; the expenses incurred in making the examination shall be paid.
- (H) A charge of fifty centavos shall be made for certifying copies of official documents and orders in the files of the Commission, plus twenty centavos for each page or folio as certified.

All collections for fees established under the other subsections above mentioned shall be covered into the Philippines Treasury.

CHAPTER VII. General and Transitory Provisions

Section 41. A substantial compliance with the requirements of this Act shall be sufficient to give effect to all the rules, orders, acts, and regulations of the Commission and they shall not be declared inoperative, illegal, or void for any omission of a technical nature in respect thereto.

Section 42. Copies of all official documents and orders filed or posited in the office of the Commission, certified by either of the Commissioners, or by Secretary to be true copy of the original, under the seal of the Commission shall be evidence in like manner as the originals in all courts of the Philippines.

Section 43. The Commission created under this Act shall succeed the Commission created under Act Numbered Thirty-one hundred and eight in the dispatch, hearing, and determination of all pending matters before the latter; and shall take charge of its archives, books, furniture, equipment, and other properties of whatsoever nature.

Section 44. In addition to the sum appropriated for the former Commission under Act numbered Forty-one hundred and thirty-two, the General Appropriation Act for nineteen hundred and thirty –six, the sum of six thousand seven hundred and sixty eight pesos and thirty –four centavos is hereby appropriated out of any funds in the Philippine Treasury not otherwise appropriated; and in addition to the sum appropriated under act

Numbered Thirty-eight, the General Appropriation Act for nineteen hundred and thirty-seven, the sum of twenty-three thousand six hundred and thirty-seven, the sum of twenty three thousand six hundred and ten pesos, or so much thereof as may be necessary, is hereby appropriated out of any funds in the Philippine Treasury not otherwise appropriated, for carrying out the purposes of this Act.

Section 45. If, for any reason, any section, subsection, sentence, clause, or term of this Act is held to be unconstitutional, such decision shall not affect the validity of the other provisions of this Act.

Section 46. Act Numbered Thirty-two hundred and forty-seven and Act Numbered Thirty-five hundred and eighteen shall continue in force and effect; but all provisions of Act Numbered Thirty-one hundred and eight and amendments thereof, and all other acts or parts of acts inconsistent with the provisions of this Act are hereby repealed.

Section 47. This Act shall take effect upon its approval. *Approved, November 7, 1936.*

Article III- Specialized Regulatory Boards

1. There are created the following regulatory boards which shall be under the administrative supervisions of the Department in accordance with article II, Chapter IV, Part II of this Plan: (a) Board of Transportation; (b) Board of Communications; and (c) Board of Power and Waterworks.

2. The Board of Communications, the Board of Power and Waterworks and each of the three divisions of the Board of Transportation shall be composed of a full-time Chairman, two full-time members and two ex-officio members, as herein below specifically indicated under this Article. The Chairman and full-time members of each of the boards shall serve for six years; provided that their terms shall be staggered such that the Chairman or a full-time member shall be appointed or reappointed every two years. In the initial appointments, the Chairman shall serve for six years, one full-time member for four years and the other full-time member for two years.

3. The Specialized Boards shall have a common technical staff which shall be responsible for providing the necessary technical research, staff, secretariat and liaison work for the Boards. It shall be headed by an Executive Director who shall supervise the staff for administrative purposes, record and report the proceedings of the Boards, administer oaths in all matters coming under the jurisdiction of the Boards, compile for publications the findings and decisions which in the Boards' judgment may be of general public interest, docket all cases filed with the Boards, set cases for hearings, refer applications and complaints to the staff's divisions concerned or to any entity within or outside the Department for technical study and recommendations, serve summons, issue

The Functions of this Board are as follows:

- a. Issue Certificates of public Convenience for the operation of communications utilities and services, radio communications utilities and services, radio communications systems, wire or wireless telephone or telegraph systems, wire or wireless telephone or telegraph systems, radio and television broadcasting systems and other similar public utilities;
- b. Establish, prescribe and regulate routes, zones and/or areas of operation of particular operators of public service communications; and determine, fix and/or prescribe charges and/or rates pertinent to the operation of such public utility facilities and services except in cases where charges or rates are established by international bodies or associations of which the Philippines is a participating member or by bodies recognized by the Philippine Government as the proper arbiter of such charges or rates;
- c. Grant permits for the use of radio frequencies for wireless telephone and telegraph systems, radio communications systems and radio and television broadcasting systems including amateur radio stations;
- d. Suballocate series of frequencies of bands allocated by the International Telecommunications Union to the specific services;
- e. Suballocate, fix and/or prescribe rules, regulations, standards, and specifications in all cases related to the Issued Certificates of Public Convenience and administer and enforce the same through the Radio Control Office of the Department;
- f. Promulgate rules and regulations requiring any operator of any public communications utilities to equip, install and provide in such utilities and in their stations such devices, equipment, facilities and operating [procedures and techniques as may promote or ensure the highest degree of safety, protection, comfort and convenience to persons, and property in their charge as well as the safety of persons, and property in their charge as well as the safety of persons and property within their areas of operation;
- g. Coordinate and cooperate with government agencies and entities concerned with any aspect involving communications with a view to continually improve the communications service in the country;
- h. Make sure rules and regulations, as public interest may require, to encourage a larger and more effective use of communications, radio and television broadcasting facilities and to maintain competition in these activities whenever the Board finds it reasonably feasible;

- i. Promulgate from time to time, such rules and regulations and prescribe such restrictions and conditions, not inconsistent with law, as public convenience, interest or necessity may require; and
- j. Exercise such other functions as may be prescribed by law.

6. The Board of Power and Waterworks shall be composed of a full-time Chairman who shall be of unquestioned integrity and recognized prominence in previous public and/or private employment; two full-time members who shall be competent in all aspects of power and waterworks, preferably one of whom shall be a lawyer and the other an economist; and the General Manager of the National Electrification Administration and the Director of the Bureau of Public Works, as ex-officio members.

The functions of this Board are as follows:

- a. Issue Certificate of Public Convenience for the operation of public power and waterworks utilities and services, electric light, water supply, power and other similar public utilities;
- b. Establish, prescribe and regulate routes, zones and/or areas of operation of particular operators of public service power and waterworks and determine, fix and/or prescribe charges and/or rates pertinent to the operation of such public utility facilities and service;
- c. Establish, fix and/or prescribe rules, regulations, standards, specifications in all cases related to the issued Certificate of Public Convenience and administer and enforce the same through the National Electrification Administration and the Bureau of Public Works of the Department;
- d. Promulgate rules requiring any operator of public power and waterworks utilities to equip, install and provide in such utilities and in their stations such devices, equipment, facilities and operating procedures and techniques as may promote or ensure the highest degree of safety, protection, comfort and convenience to persons and property in their charge as well as the safety of persons and property within their areas of operation;
- e. Coordinate and cooperate with government agencies and entities concerned with any aspect involving power and waterworks with a view to continually improve power and waterworks services in the country; and
- f. Exercise such other functions as may be prescribed by law:

7. Rulings and decisions of the boards shall be appealable in the same manner as the rulings and decisions of the Public Service Commission had been appealed.

8. The Public Service Commission and the Civil Aeronautics Board are abolished. Their pertinent regulatory and adjudicatory functions are correspondingly transferred to the appropriate regulatory boards including their common technical staffs, and their pertinent enforcement and operational functions are correspondingly transferred to the appropriate bureaus and units in the Department together with applicable appropriations, records equipment, property and such personnel as may be necessary.

9. The functions of the Philippine Coast Guard in the department of National Defense relative to the regulations and licensing of vessels and maritime officers are transferred to the Board of Transportation, together with applicable appropriations, records equipment, property and such personnel as may be necessary.

Article IV. Bureau of Public Highways

1. The Bureau of public Highways, hereinafter referred to in this Article as the Bureau, shall be headed by a Director who shall be assisted, whenever necessary, by one or more Assistant Directors.
2. The Bureau shall be responsible for the construction, maintenance and repair of national roads and bridges as well as for the construction and major maintenance and repair of airport runways. Ordinary maintenance and repair of airport runways shall be the responsibility of the Bureau of Transportation hereinbelow created.
3. The following are created in the Bureau: (a) Planning Division; (b) Financial and Management Division; (c) Administrative Division; (d) Designing Division; (e) Construction Division; (f) Maintenance Division; and (g) Equipment Division.
4. Unless otherwise herein provided, all existing divisions and units in the Bureau are abolished and their pertinent functions together with applicable appropriations, records, equipment, property and such personnel as may be necessary are correspondingly transferred to the appropriate divisions created above.
5. The planning Division shall be responsible for the development of highway and airport runway projects; conducting economic, technical, financial, and organizational feasibility studies for such project; preparing programs of work for them; and establishing project priorities for submission to the Planning Service of the Department.
6. The Financial and Management Division shall be responsible for operational budgeting, accounting, management improvement and financial services.
7. The Administrative Division shall be responsible for personnel, information, legal and general services, and other supportive services.

8. The Designing Division shall be responsible for undertaking the structural and architectural design of roads, bridges and airport runways, including the necessary survey and location works, specifications and estimates, and establishing uniform practices and standards of design to be adopted by regional and district offices. The Division will actually perform designing work for highly complex projects only, while the field offices will be delegated with the authority to prepare designs for less complicated projects following the standards set by the Division.