

11-07-1936

COMMONWEALTH ACT NO. 146

THE PUBLIC SERVICE LAW

(As amended, and as modified particularly by PD No. 1, Integrated Reorganization Plan and EO 546)

**CHAPTER I
ORGANIZATION**

SECTION 1. This Act shall be known as the "Public Service Act."

SECTION 2. There is created under the Department of Justice a commission which shall be designated and known as the Public Service Commission, composed of one Public Service Commissioner and five Associate Commissioners, and which shall be vested with the powers and duties hereafter specified. Whenever the word "Commission" is used in this Act, it shall be held to mean the Public Service Commission, and whenever the word "Commissioner" is used in this Act it shall be held to mean the Public Service Commissioner or anyone of the Associate Commissioners. The Public Service Commissioner and the Associate Public Service Commissioners shall be natural born citizens and residents of the Philippines, not under thirty years of age; members of the Bar of the Philippines, with at least five years of law practice or five years of employment in the government service requiring a lawyer's diploma; and shall be appointed by the President of the Philippines, with the consent of the Commission on Appointments of the Congress of the Philippines: Provided, however, That the present Commissioner and the personnel of the Commission shall continue in office without the necessity of re-appointment. The Commissioners shall have the rank and privilege of retirement of Judges of the Courts of First Instance. (As amended by Republic Act Nos. 178 and 2677)

SECTION 3. The Commissioner and Associate Commissioners shall hold office until they reach the age of seventy years, or until removed in accordance with the procedures prescribed in section one hundred and seventy-three of Act Numbered Twenty-seven hundred and eleven, known as the Revised Administrative Code: Provided, however, That upon retirement any Commissioner or Associate Commissioner shall be entitled to all retirement benefits and privileges for Judges of the Courts of First Instance or under the retirement law to which he may be entitled on the date of his retirement. In case of the absence, for any reason, of the Public Service Commissioner, the Associate Commissioner with seniority of appointment shall act as Commissioner. If on account of absence, illness, or incapacity of any of three Commissioners, or whenever by reason of temporary disability of any Commissioner or of a vacancy occurring therein, the requisite number of Commissioners necessary to render a decision or issue an order in any case is not present, or in the event of a tie vote among the Commissioners, the Secretary of Justice may designate such number of Judges of the Courts of First Instance, or such number of attorneys of the legal division of the Commission, as may be necessary to sit temporarily as Commissioners in the Public Service Commission.

The Public Service Commission shall sit individually or as a body en banc or in two divisions of three Commissioners each. The Public Service Commissioner shall preside when the Commission sits en banc and in one division. In the other division, the Associate Commissioner with seniority of appointment in that division shall preside. Five Commissioners shall constitute a quorum for sessions en banc and two Commissioners shall constitute a quorum for the sessions of a division. In the absence of a quorum, the session shall be adjourned until the requisite number is present.

All the powers herein vested upon the Commission shall be considered vested upon any of the Commissioners, acting either individually or jointly as hereinafter provided. The Commissioners shall equitably divide among themselves all pending cases and those that may hereafter be submitted to the Commissioner, in such manner and form as they may determine, and shall proceed to hear and determine the case assigned to each or to their respective divisions, or to the Commission en banc as follows: uncontested cases, except those pertaining to the fixing of rates, shall be decided by one Commissioner; contested cases and all cases involving the fixing of rates shall be decided by the Commission in division and the concurrence of at least two Commissioners in the division shall be necessary for the promulgation of a decision or non-interlocutory order in these cases: Provided, however, That any motion for reconsideration of a decision or non-interlocutory order of any Commissioner or division shall be heard directly by the Commission en banc and the concurrence of at least four Commissioners shall be necessary for the promulgation of a final decision or order resolving such motion for reconsideration. (As amended by Republic Act Nos. 723 and 2677)

SECTION 4. The Public Service Commissioner shall receive an annual compensation of thirteen thousand pesos; and each of the Associate Commissioners an annual compensation of twelve thousand pesos. The Commissioners shall be assisted by one chief attorney, one finance and rate regulation officer, one chief utilities regulation engineer, one chief accountant, one transportation regulation chief, one secretary of the Public Service Commission, and three public utilities advisers who shall receive an annual compensation of not less than ten thousand eight hundred pesos each; five assistant chiefs of division who shall receive an annual compensation of not less than nine thousand six hundred pesos each; twelve attorneys who shall receive an annual compensation of not less than nine thousand pesos each; and a technical and confidential staff to be composed of two certified public accounts, two electrical engineers, two mechanical or communication engineers, and two special assistants who shall receive an annual compensation of not less than seven thousand two hundred pesos each. (As amended by Republic Act Nos. 723, 2677 and 3792)

SECTION 5. The Public Service Commissioner, the Associate Public Service Commissioners, and all other officers and employees of the Public Service Commission shall enjoy the same privileges and rights as the officer 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.

When the exigency of the service so requires and with the approval of the Secretary of Justice, and subject to the provisions of Commonwealth Act Numbered Two hundred forty-six, as amended, funds may be set aside from the appropriations provided for the Commission and/or from the fees collected under Section forty of this Act to defray the expenses to be incurred by the Public Service Commissioner or any of the Associate Commissioners, officers or employees of the Commission to be designated by the Commissioner, with the approval of the Secretary of Justice, in the study of modern trends in supervision and regulation of public services. (As amended by Republic Act No. 3792)

SECTION 6. The Secretary of Justice, upon recommendation of the Public Service Commissioner, shall appoint all subordinate officers and employees of the Commission as may be provided in the Appropriation Act. The Public Service Commissioner shall have general executive control, direction, and supervision over the work of the Commission and of its members, body and personnel, and over all administrative business. (As amended by Republic Act Nos. 178 and 3792)

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 reporter 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 Commission shall furnish the Secretary such of its findings and decisions 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 office of profit or trust with the Government of the Philippines.

SECTION 10. The Commission shall have its office in the City of Manila or at such other 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, at least three Commissioners shall be on vacation in such manner that once every two years at least three of them shall be on duty during April and May: Provided, however, That in the interest of public service, the Secretary of Justice may require any or all the Commissioners not on duty to render services and perform their duties during the vacation months. (As amended by Republic Act Nos. 176 and 3792)

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

CHAPTER II JURISDICTION, POWERS AND DUTIES OF THE COMMISSION

SECTION 13. (a) The Commission shall have jurisdiction, supervision, and control over all public services and their franchises, equipment, and other properties, and in the exercise of its authority, it shall have the necessary powers and the aid of the public force: Provided, That public services owned or operated by government entities or government-owned or controlled corporations shall be regulated by the Commission in the same way as privately-owned public services, but certificates of public convenience or certificates of public convenience and necessity shall not be required of such entities or corporations: And provided, further, That it shall have no authority to require steamboats, motor ships and steamship lines, whether privately-owned, or owned or operated by any Government controlled corporation or instrumentality to obtain certificate of public convenience or to prescribe their definite routes or lines of service.

(b) The term "public service" includes every person that now or hereafter may own, operate, manage, or control in the Philippines, for hire or compensation, with general or limited clientele, whether permanent, occasional or accidental, and done for general business purposes, any common carrier, railroad, street railway, traction railway, sub-way motor vehicle, either for freight or passenger, or both with or without fixed route and whether may be its classification, freight or

carrier service of any class, express service, steamboat or steamship line, pontines, ferries, and water craft, engaged in the transportation of passengers or freight or both, shipyard, marine railways, marine repair shop, [warehouse] wharf or dock, ice plant, ice-refrigeration plant, canal, irrigation system, gas, electric light, heat and power water supply and power, petroleum, sewerage system, **wire or wireless communications system, wire or wireless broadcasting stations and other similar public services:** Provided, however, That a person engaged in agriculture, not otherwise a public service, who owns a motor vehicle and uses it personally and/or enters into a special contract whereby said motor vehicle is offered for hire or compensation to a third party or third parties engaged in agriculture, not itself or themselves a public service, for operation by the latter for a limited time and for a specific purpose directly connected with the cultivation of his or their farm, the transportation, processing, and marketing of agricultural products of such third party or third parties shall not be considered as operating a public service for the purposes of this Act.

(c) The word "person" includes every individual, co-partnership, joint-stock company or corporation, whether domestic or foreign, their lessees, trustees, or receivers, as well as any municipality, province, city, government-owned or controlled corporation, or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate public services. (As amended by Com. Act 454 and RA No. 2677)

SECTION 14. The following are exempted from the provisions of the preceding section:

(a) Warehouses;

(b) Vehicles drawn by animals and bancas moved by oar or sail, and tugboats and lighters;

(c) Airships within the Philippines except as regards the fixing of their maximum rates on freight and passengers;

(d) Radio companies except with respect to the fixing of rates;

(e) Public services owned or operated by any instrumentality of the National Government or by any government-owned or controlled corporation, except with respect to the fixing of rates. (As amended by Com. Act 454, RA No. 2031, and RA No. 2677)

SECTION 15. With the exception of those enumerated in the preceding section, no public service shall operate in the Philippines without possessing a valid and subsisting certificate from the Public Service Commission known as "certificate of public convenience," or "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.

The Commission may prescribe as a condition for the issuance of the certificate provided in the preceding paragraph that the service can be acquired by the Republic of the Philippines or any instrumentality thereof upon payment of the cost price of its useful equipment, less reasonable depreciation; and likewise, that the certificate shall be valid only for a definite period of time; and that the violation of any of these conditions shall produce the immediate cancellation of the certificate without the necessity of any express action on the part of the Commission.

In estimating the depreciation, the effect of the use of the equipment, its actual condition, the age of the model, or other circumstances affecting its value in the market shall be taken into consideration.

The foregoing is likewise applicable to any extension or amendment of certificates actually in force and to those which may hereafter be issued, to permit to modify itineraries and time schedules of public services, and to authorizations to renew and increase equipment and properties.

SECTION 16. Proceedings of the Commission, upon notice and hearing. - The Commission shall have 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 service 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 interest in a proper and suitable manner. Provided, That thereafter, certificates of public convenience and certificates of public convenience and necessity will be granted only to citizens of the Philippines or of the United States or to corporations, co-partnerships, 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 corporations, co-partnership, association or 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 No. Six Hundred and Sixty-seven, as amended by Act No. One Thousand and twenty-two, by any political subdivision 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, kilometer age, and other special 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, measurement, 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 service 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 to promote, such just and reasonable connection as shall be necessary to promote the convenience of shippers of property, or of passengers, and in like manner 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 out 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 about such other reasonable measures as may in the judgment of the Commission be necessary for the protection of the public are passing grade crossing of (1) public highways and railroads, (2) public highways and streets railway, or (3) railways 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 form 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 construction, extensions or conditions to the property of such public service.

(m) To amend, modify or revoke at any time 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 and 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-busses, 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 more those charged for auto-busses, trucks, and motor trucks of types not made regulation under the subsection.

SECTION 17. Proceedings of Commission without previous hearing. - The Commission shall have power without previous hearing, subject to established limitations and exception 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 or certificate of public necessity and convenience, as the case may be, under the penalty, in the discretion by the Commission, of the revocation and cancellation of any acquired rights.

(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, tool, charge, schedule, regulation, practice, act or service thereof is in violation of any provision of this Act or 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 may be, 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 appliance 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 certificates of public convenience, and to make special excursion trips outside of its own territory if the public interest or special circumstances required it: Provided, however, that in case a public service cannot render such extra service on its own line or in its own 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 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 paid, 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 person, and the causes thereof; the annual expenditures on improvements; the manner of their investment and nature of such 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, filed 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 character, 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 in the Philippines; to require any public service to give the Commission immediate and effective notice of all any such accidents, and to make such order or recommendation with respect thereto as the public interest may warrant or require.

(l) To require every public service s herein defined to file within 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 requirement.

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 grantees 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 of 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 of 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 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 sixteen 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 regulations 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 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 lien 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 hearing the persons interested at a public hearing, if it be shown that there are just and reasonable grounds for making the mortgaged 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, the 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 or register in its books the transfer or sale of shares of its capital stock, if the result of that sale in itself or in connection with another previous sale, shall be to vest in the transferee more than forty per centum of the subscribed capital of said public service. Any transfer made in violation of this provision shall be void and of no effect and shall not be registered in the books of the public service corporation. Nothing herein contained shall be construed to prevent the holding of shares lawfully acquired. (As amended by Com. Act No. 454.)

(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 or reduced rate 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 livestock, poultry, fruit, and other freight under uniform and non-discriminatory 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 legal 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 men of regularly constituted fire departments. (As amended by Com. Act No. 454.)

(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 failure to pay the fine in any case within the same 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 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 forbidden or prohibited or shall neglect, fail or omit to do or perform any act or thing herein 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 a 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 an 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 to 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 one thousand pesos or imprisonment 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 appliances 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 services, 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 certificate 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 hearings 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 associate commissioners 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 associate commissioners or so near the same as to interrupt the hearing or session or any proceeding 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.

(1) While the Commission is authorized to make rules for the conduct of their business, it could not set at naught the fundamental rule of all proceedings that only parties having a real interest will be heard.

(2) A party not affected or prejudiced cannot file an opposition.

(3) One public service corporation cannot assume the name and be substituted in the place of another public service corporation.

(4) A legal representative of the estate of a deceased applicant may be substituted for the latter. If the right consists in the prosecution of unfinished proceedings upon an application for a certificate of public convenience of the deceased before the Public service Commission, it is but logical that the legal representative be empowered and entitled in behalf of the estate to make the right effective in that proceeding.

(5) One who has been granted a legislative franchise to operate an ice plant, although not yet an operator of such public utility, has sufficient interest or personality either to oppose an established operator's application for an increase in the capacity of his existing plant, or to ask for a joint hearing of said application and the grantee's own application for the issuance of a certificate of public convenience in order to operate under such franchise.

(6) The fact that a party is the lessee of a line does not bar him from applying for a certificate of its own in the same line. Even in cases where the owner of a certificate has sold it subject to the condition that he would not apply for a similar service on the same line sold by him, it has been held that such an argument does not bar the seller from applying and that the Public Service Commission, if it finds that there is public need for the new service applied for, may properly grant the certificate requested. In other words the primary consideration is a finding by the Commission that public interest and convenience require a given service and that parties may not by agreement deprive the Commission of its power.

(7) A case involving the grant of a Certificate of Public Convenience to the respondent becomes moot and academic where the respondent ceases to be a bus operator, and it should be dismissed.

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 proceeding. 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 said of the Supreme Court or of any Court of First Instance of the Philippines in requiring the attendance and testimony of witness 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 person, an order requiring such public service or other person to appear before the Commission and produce and papers if so ordered and give evidence touching the matter; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) Any person who shall neglect or refuse to answer any lawful inquiry or produce the Commission books, paper, 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 or by imprisonment not exceeding one year, or both, in the discretion of the court.

(c) The Commissioner and associate commissioners, the chiefs of divisions, the attorneys of the Commission, and the deputy secretaries shall have the power to administer oaths in all matters under the jurisdiction of the Commission.

(d) Any person who shall testify falsely or make 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 cases.

(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 disorderly manner before the Commission or either of the Commissioners, while engaged in the discharge of official duties, or shall orally or in writing be disrespectful to, offend or insult either of the Commissioners on occasion or by reason of the performance of 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 deposition of witnesses residing within or without the Philippines to be taken in the manner prescribed by the Rules of Court. Where witnesses reside in places distant from Manila and it would be inconvenient and expensive for them to appear personally before the Commission, the Commission may, by proper order, commission any clerk of the Court of First Instance, municipal judge or justice of the peace of the Philippines to take the deposition of witnesses in any case pending before the Commission. It shall be the duty of the official so commissioned, to designate promptly a date or dates for the taking of such deposition, giving timely notice to the parties, and on said date to proceed to take the deposition, reducing it to writing. After the depositions have been taken, the official so commissioned shall certify to the depositions taken and forward them as soon as possible to the Commission. It shall be the 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 long hand by such person as the clerk of court, the municipal judge or justice of the peace may designate. The Commission may also commission a notary public to take the depositions in the same manner herein provided.

The Commission may also, by proper order, authorize any of the attorneys of the legal division or division chiefs of the Commission, if they be lawyers, to hear and investigate any case filed, with the Commission and in connection therewith to receive such evidence as may be material thereto. At the conclusion of the hearing or investigation, the attorney or division chief so authorized shall submit the evidence received by him to the Commission to enable the latter to render its decision. (As amended by Rep. Act No. 723.)

SECTION 33. Every order made by the Commission shall be served 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 of the Commission to continue an existing service or prescribing rates to be charged shall be immediately operative; all other orders shall become effective upon the dates specified thereon: Provided, however, that orders, resolutions or decisions in converted matters and not referring to the continuance of an existing service or prescribing rates to be charged shall not be effective 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 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 was without 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 cases, 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 of a petition is filed in accordance with the preceding section for the reconsideration of such order, ruling or decision 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 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 attorneys 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 reason, the Commissioner shall request his intervention.

There is hereby created under the administrative supervision of the Secretary of Justice an office to be known as the Office of the People's Counsel in the Public Service Commission. The people's Counsel shall have two assistants and such number of employees as may be necessary to perform the functions hereinafter specified. The People's Counsel and his assistants shall be appointed by the President of the Philippines with the consent of the commission on appointments of the Congress of the Philippines. The employees of the office of the People's Counsel shall be appointed by the Secretary of Justice upon recommendation of the People's Counsel.

The People's Counsel and his assistants shall possess the qualifications of a provincial fiscal. The People's Counsel shall receive compensation at the rate of seven thousand two hundred pesos per annum, and the first and second assistant's People's Counsel, at the rate of six thousand pesos per annum each.

The People's Counsel, his assistants, and the employees of the Office of the People's Counsel shall not, during their continuance in office, intervene directly or indirectly in the management or control of, or be financially interested directly or indirectly in any public service as defined in this Act.

It shall be the duty of the People's Counsel (1) to institute proceedings before the Commission, in behalf of the public, for the purpose of fixing just and reasonable rates or charges to be followed and observed by public services as herein defined, whenever he has reason to believe that the existing rates or charges of such public services are unjust and unreasonable or unjustly discriminatory; (2) to represent and appear for the public before the Commission or any court of the Philippines in every case involving the interest of users of the products of, or service furnished

by any public service under the jurisdiction of the Commission; (3) to represent and appear for petitioners appearing before the Commission for the purpose of complaining in matters of the rates and services; (4) to investigate the service given by the rates charged by, and the valuation of the properties of the public services under the jurisdiction of the Commission, and such other matters relating to said public services as affect the interests of users of the products or service thereof, and to take all the steps necessary for the protection of the interests of the person or persons or of the public affected thereby. In connection with such investigation he is hereby empowered to issue subpoena or subpoena duces tecum.

The People's Counsel is authorized to call upon and obtain such assistance as he may deem necessary in the performance of his duties from any officer or employee of any department, bureau, office, agency, or instrumentality of the government including corporations owned, controlled or operated by the government. (As amended by Rep. Act No. 178.)

SECTION 39. Any proceeding 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 authorized and ordered to charge and collect from any public service or applicant, as the case may be, the following fees as reimbursement of its expenses in the authorization, supervision and/or regulation of public services:

(a) The charge of fifty pesos for the registration of:

(1) Applications under the provisions of Section sixteen (a), (b), (c), and (d), and twenty (a), (b) (c), (e), (f), and (h): Provided however, That in case of transportation services an additional filing fee of five pesos shall be charged for each additional unit or vehicle in excess of five units or vehicles applied for: And provided, finally, That no filing fee shall be collected for the reduction of rates if the same does not alter or modify in any way the basic rates of the schedule.

(2) Applications for the approval or modification of maximum rates under Section fourteen.

(b) Thirty pesos shall be collected from any operator of land transportation for the registration of:

(1) Applications under Section seventeen (f).

(2) Applications for the extension of time covering a period of thirty days for the registration of motor vehicles previously authorized by the Commission.

(c) The charge of thirty pesos for the filing of other applications by any public service operator not specifically provided for in the preceding paragraphs of this section other than motions of a temporary or incidental character: Provided, however, That fifteen pesos only shall be collected for each certificate of public convenience or certificate of public convenience and necessity in diploma form issued to a public service operator.

(d) For annual reimbursement of the expenses incurred by the Commission for the supervision and regulation of the operations of motor vehicle services:

(1) For each automobile, ten pesos.

(2) For each motor vehicle, truck, or trailer of less than two tons gross transportation capacity, ten pesos.

(3) For each motor vehicle, truck, or trailer of two tons or more, but less than three tons gross transportation capacity, twenty pesos.

(4) For each motor vehicle, truck, or trailer of three tons or more but less than four tons gross transportation capacity, thirty pesos.

(5) Motor vehicles, trucks, trailers or buses of four tons or more gross capacity shall pay at the rate of ten pesos per ton gross. The fees provided in paragraphs (d) and (e) hereof shall be paid on or before September thirtieth of each year with a penalty of fifty per centum in case of delinquency: Provided, further, That if the fees or any balance thereof are not paid within sixty days from the said date, the penalty shall be increased by one per centum for every month thereafter of delinquency: Provided, however, That motor vehicles registered in the Motor Vehicles Office after September thirtieth shall be exempt from payment for said year.

(e) For annual reimbursement of the expenses incurred by the Commission in the supervision of other public services and/or in the regulation or fixing of their rates, twenty centavos for each one hundred pesos or fraction thereof, of the capital stock subscribed or paid, or if no shares have been issued, of the capital invested, or of the property and equipment, whichever is higher.

(f) For the issue or increase of capital stock, twenty centavos for each one hundred pesos or fraction thereof, of the increased capital.

(g) For each permit authorizing the increase of equipment, the installation of new units or authorizing the increase of capacity. or the extension of means or general extension in the services, twenty centavos for each one hundred pesos or fraction of the additional capital necessary to carry out the permit.

(h) For the inspection or certification made in the meter laboratory of the Commission or each apparatus or meter used by any public service, four pesos, and for examination made outside the meter laboratory of the Commission, the additional expenses as may be incurred in making the examination shall also be paid.

(i) For certification of copies of official documents in the files of the Commission, fifty centavos plus fifty centavos for each page or folio so certified.

This section shall not be applicable to the Republic of the Philippines, nor to its instrumentalities.

Aside from the appropriations for the Commission under the annual General Appropriation Act, any unexpended balance of the fees collected by the Commission under this section shall be constituted receipts automatically appropriated each year, and together with any surplus in the standardizing meter laboratory revolving fund under Commonwealth Act Numbered Three hundred forty-nine, shall be disbursed by the Public Service Commissioner in accordance with special budgets to be approved by the Department of Justice, the Budget Commission and the Office of the President of the Philippines for additional needed personal services, maintenance and operating expenses, acquisition of urgently needed vehicles, furniture and equipment, maintenance of an adequate reference library, acquisition of a lot and building for the Commission, and other expenses necessary for efficient administration and effective supervision and regulation of public services. (As amended by Com. Act No. 454 and RA No. 3792, approved June 22, 1963.)

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 filled or deposited in the office of the Commission, certified by either of the commissioners, or by the 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 Philippines Treasury not otherwise; 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 ten pesos, or so much thereof as may be necessary, is hereby appropriated, out of any funds in the Philippines Treasury not otherwise appropriated, for carrying out the purposes of this Act.

SECTION 45. If, any reason, any section, subsection, sentence, clauses or terms 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 or 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