



**HOUSE OF REPRESENTATIVES**

**H. No. 78**

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BY REPRESENTATIVES SALCEDA, YAP (V.), ROMUALDO, VILLAFUERTE, SALO, SUANSING (E.), SUANSING (H.), GARIN (S.), HERRERA-DY, BENITEZ, ALBANO, DEFENSOR (L.), CHATTO, QUIMBO, CABREDO, PADUANO, BUSTOS, NIETO, BOLILIA, ARENAS, VILLANUEVA (N.), CASTRO (F.H.), CHUNGALAO, FARIÑAS (R.C.), ROBES, ALONTE, BILLONES, DEFENSOR (M.), TAMBUNTING, LACSON, AUMENTADO, CARI, EBCAS, ESPINO, LOPEZ, YU, RODRIGUEZ AND ROMUALDEZ (F.M.)

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AN ACT MODERNIZING THE PUBLIC SERVICE ACT, AMENDING FOR THE PURPOSE COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE "PUBLIC SERVICE ACT", AS AMENDED

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

1           SECTION 1. *Short Title.* - This Act shall be known as the  
2 "New Public Service Act".

3           SEC. 2. *Declaration of Policy.* - It is the State's policy to  
4 promote a just and dynamic social order that will alleviate poverty  
5 through measures that promote an improved quality of life for all.

6           It is hereby recognized that public services are necessary to  
7 the public and must be regulated, in pursuit of consumer welfare  
8 and quality basic services.

1           These policies are fulfilled by: (a) ensuring effective regulation  
2 of public services; (b) providing reasonable rate of return to public  
3 services; (c) rationalize foreign equity restrictions by clearly  
4 defining the term "public utilities"; and (d) instituting processes  
5 for the protection of national security.

6           **SEC. 3. *Definition of Terms.*** – For the purposes of this Act,  
7 the terms below shall be defined as follows:

8           (a) *Administrative Agency* refers to existing agencies, as  
9 enumerated under Section 4 hereof, to which the powers and duties  
10 of the Public Service Commission were transferred;

11           (b) *Common Carrier* refers to persons, corporations, firms or  
12 associations engaged in the business of carrying or transporting  
13 passengers or goods or both, by land, water, or air, for  
14 compensation, offering their services to the public, as defined by  
15 Article 1732 of Republic Act No. 386, otherwise known as the "Civil  
16 Code of the Philippines", as amended;

17           (c) *Concession* refers to a contract granting a private  
18 concessionaire the privilege to, among others, finance, construct,  
19 manage, operate and/or maintain concession assets;

20           (d) *Concessionaire* refers to a person, corporation, firm or  
21 association awarded a concession;

22           (e) *Distribution of Electricity* refers to the conveyance of  
23 electric power by a distribution utility through its distribution  
24 system as defined by Section 4(n) of Republic Act No. 9136,  
25 otherwise known as the "Electric Power Industry Reform Act of  
26 2001";

1           (f) *Philippine National* refers to citizens, partnerships,  
2           associations, and corporations defined by Section 3(a) of Republic  
3           Act No. 7042, otherwise known as the "Foreign Investments Act of  
4           1991", as amended;

5           (g) *Telecommunications* refers to any process which enables a  
6           telecommunications entity to relay and receive voice, data,  
7           electronic messages, written or printed matter, fixed or moving  
8           pictures, words, music or visible or audible signals or any control  
9           signals of any design and for any purpose by wire, radio or other  
10          electromagnetic, spectral, optical or technological means, as defined  
11          by Section 3(a) of Republic Act No. 7925, otherwise known as the  
12          "Public Telecommunications Policy Act of the Philippines", as  
13          amended;

14          (h) *Transmission of Electricity* refers to the conveyance of  
15          electricity through the high voltage backbone system, as defined by  
16          Section 4(ccc) of Republic Act No. 9136, otherwise known as the  
17          "Electric Power Industry Reform Act of 2001";

18          (i) *Water Pipeline Distribution Systems* refer to the operation  
19          and maintenance of water pipeline distribution systems to ensure  
20          an uninterrupted and adequate supply and distribution of potable  
21          water for domestic and other purposes, as regulated by Republic Act  
22          No. 6234, entitled "An Act Creating the Metropolitan Waterworks  
23          and Sewerage System and Dissolving the National Waterworks and  
24          Sewerage Authority; and for Other Purposes", as amended, and  
25          Presidential Decree No. 198, otherwise known as the "Provincial  
26          Water Utilities Act of 1973", as amended; and

1           (j) *Sewerage Pipeline Systems* refer to the operation and  
2 maintenance of sewerage pipeline systems to ensure public health  
3 and safety, as regulated by Republic Act No. 6234, entitled "An Act  
4 Creating the Metropolitan Waterworks and Sewerage System and  
5 Dissolving the National Waterworks and Sewerage Authority; and  
6 for Other Purposes", as amended, and Presidential Decree No. 198,  
7 otherwise known as the "Provincial Water Utilities Act of 1973", as  
8 amended.

9           **SEC. 4. Recognition of Transfer of Jurisdiction to Various**  
10 **Administrative Agencies.** – All references to the Public Service  
11 Commission in Commonwealth Act No. 146, as amended, shall  
12 pertain to any Administrative Agency to which the powers and  
13 duties of the Public Service Commission were transferred, such as  
14 but not limited to:

- 15           (a) Civil Aeronautics Board (CAB);  
16           (b) Civil Aviation Authority of the Philippines (CAAP);  
17           (c) Department of Energy (DOE);  
18           (d) Department of Environment and Natural Resources  
19 (DENR);  
20           (e) Department of Information and Communications  
21 Technology (DICT);  
22           (f) Department of Transportation (DOTr);  
23           (g) Energy Regulatory Commission (ERC);  
24           (h) Land Transportation Franchising and Regulatory Board  
25 (LTFRB);  
26           (i) Land Transportation Office (LTO);  
27           (j) Local Water Utilities Administration (LWUA);

- 1 (k) Maritime Industry Authority (MARINA);  
2 (l) Metropolitan Waterworks and Sewerage System (MWSS);  
3 (m) National Telecommunications Commission (NTC);  
4 (n) National Water Resources Board (NWRB);  
5 (o) Philippine Ports Authority (PPA); and  
6 (p) Toll Regulatory Board (TRB).

7 SEC. 5. Section 13 of Commonwealth Act No. 146, as  
8 amended, is hereby further amended to read as follows:

9 "SEC. 13. (a) The [Commission] ADMINISTRATIVE  
10 AGENCY shall have jurisdiction, supervision, and control  
11 over all public services and their franchises, equipment,  
12 and other properties, and in the exercise of its authority,  
13 it shall have the necessary powers and the aid of public  
14 force: *Provided*, That public services owned or operated  
15 by government entities or government-owned or  
16 controlled corporations shall be regulated by the  
17 [Commission] ADMINISTRATIVE AGENCY in the same  
18 way as privately-owned public services, [but certificates  
19 of public convenience or certificates of public convenience  
20 and necessity shall not be required of such entities or  
21 corporations: *And provided, further*, That it shall have  
22 no authority to require steamboats, motorships and  
23 steamship lines, whether privately-owned, or owned or  
24 operated by any government controlled corporation or  
25 instrumentality to obtain certificate of public  
26 convenience or to prescribe their definite routes or lines

1 of service] **PROVIDED, FURTHER, THAT THE**  
2 **REQUIREMENT OF A FRANCHISE, CERTIFICATE,**  
3 **CONCESSION, OR ANY OTHER APPROPRIATE FORM OF**  
4 **AUTHORIZATION FOR THE OPERATION OF A PUBLIC**  
5 **SERVICE SHALL APPLY IN CASE THE CHARTER OR**  
6 **ENABLING LAW OF A PUBLIC SERVICE OWNED**  
7 **OR OPERATED BY A GOVERNMENT ENTITY OR**  
8 **GOVERNMENT-OWNED OR CONTROLLED CORPORATION**  
9 **DOES NOT EXPLICITLY REQUIRE THE SAME.**

10 (b) The term 'public service' includes every person  
11 that now or hereafter may own, operate, manage, or  
12 control in the Philippines, for hire or compensation, with  
13 general or limited clientele, whether permanent,  
14 occasional or accidental, and done for general use  
15 business purposes, SERVICES WHICH ARE NON-  
16 RIVALROUS OR IMBUED WITH PUBLIC INTEREST,  
17 SUCH AS x x x marine repair shop, wharf or dock, [ice  
18 plant, ice-refrigeration plant,] canal, PUBLIC MARKET,  
19 irrigation system, gas, electric light, heat and power,  
20 water supply and power, petroleum, sewerage system,  
21 TELECOMMUNICATIONS SYSTEM, wire or wireless  
22 communications system, x x x.

23 "x x x

24 (D)(1) A PUBLIC SERVICE THAT MEETS ALL OF  
25 THE FOLLOWING CRITERIA IS DEEMED A PUBLIC UTILITY:

26 (I) THE PERSON OR ENTITY REGULARLY  
27 SUPPLIES, TRANSMITS AND DISTRIBUTES TO THE PUBLIC

1 THROUGH A NETWORK A COMMODITY OR SERVICE OF  
2 PUBLIC CONSEQUENCE;

3 "(II) THE PUBLIC SERVICE IS A NATURAL  
4 MONOPOLY THAT NEEDS TO BE REGULATED. FOR THIS  
5 PURPOSE, NATURAL MONOPOLY EXISTS WHEN THE  
6 MARKET DEMAND FOR A COMMODITY OR SERVICE CAN BE  
7 SUPPLIED BY A SINGLE ENTITY AT A LOWER COST THAN  
8 BY TWO OR MORE ENTITIES;

9 "(III) THE COMMODITY OR SERVICE IS NECESSARY  
10 FOR THE MAINTENANCE OF LIFE AND OCCUPATION OF  
11 THE PUBLIC; AND

12 "(IV) THE PERSON OR ENTITY IS OBLIGATED TO  
13 PROVIDE ADEQUATE SERVICE TO THE PUBLIC ON  
14 DEMAND.

15 "(2) AN ENTITY THAT OPERATES, MANAGES OR  
16 CONTROLS FOR PUBLIC USE, ANY OF THE FOLLOWING  
17 SYSTEMS IS A PUBLIC UTILITY:

- 18 (I) DISTRIBUTION OF ELECTRICITY;  
19 (II) TRANSMISSION OF ELECTRICITY;  
20 (III) WATER PIPELINE DISTRIBUTION; AND  
21 (IV) SEWERAGE PIPELINE.

22 "A CONCESSIONAIRE GRANTED A CONCESSION BY A  
23 GOVERNMENT AGENCY ENGAGED IN PUBLIC UTILITY  
24 OPERATIONS SHALL BE DEEMED A PUBLIC UTILITY FOR  
25 THE PURPOSES OF THIS ACT.

26 "(3) IN ADDITION TO SECTION (D)(1) AND (2)  
27 ABOVE, THE NATIONAL ECONOMIC AND DEVELOPMENT  
28 AUTHORITY (NEDA), IN CONSULTATION WITH THE  
29 PHILIPPINE COMPETITION COMMISSION (PCC), SHALL

1 RECOMMEND TO CONGRESS THE CLASSIFICATION OF A  
2 PUBLIC SERVICE AS A PUBLIC UTILITY PROVIDED THAT  
3 SUCH PUBLIC SERVICE IS ABLE TO MEET ALL THE  
4 CRITERIA ENUMERATED IN SECTION 13(D)(1) OF THIS  
5 ACT.

6 "NO OTHER PERSON SHALL BE DEEMED A PUBLIC  
7 UTILITY UNDER SECTION 13(D) OF THIS ACT, UNLESS  
8 OTHERWISE SUBSEQUENTLY PROVIDED BY LAW."

9 SEC. 6. Section 14 of Commonwealth Act No. 146, as  
10 amended, is hereby further amended to read as follows:

11 "SEC. 14. (1) The following are exempted from the  
12 provisions of [the preceding section] SECTION 13(A), (B)  
13 AND (C) OF THIS ACT:

14 "(a) Warehouses;

15 "(b) Vehicles drawn by animals and bancas moved  
16 by oar or sail, and tugboats and lighters[.];

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

20 "(d) Radio companies except with respect to the  
21 fixing of rates; AND

22 "(e) Public services owned or operated by any  
23 instrumentality of the National Government or by any  
24 government-owned or controlled corporation, except with  
25 respect to the fixing of rates.

26 "(2) IN THE INTEREST OF NATIONAL SECURITY,  
27 THE PRESIDENT, AFTER REVIEW, EVALUATION AND



1 RECOMMENDATION OF THE RELEVANT GOVERNMENT  
2 DEPARTMENT OR ADMINISTRATIVE AGENCY, MAY  
3 SUSPEND OR PROHIBIT ANY PROPOSED MERGER OR  
4 ACQUISITION TRANSACTION, OR ANY INVESTMENT IN A  
5 PUBLIC SERVICE THAT EFFECTIVELY RESULTS IN THE  
6 GRANT OF CONTROL, WHETHER DIRECT OR INDIRECT, TO  
7 A FOREIGNER OR A FOREIGN CORPORATION.

8 "THE PCC SHALL BE CONSULTED ON ALL MATTERS  
9 RELATING TO MERGERS AND ACQUISITIONS.

10 "THE NEDA SHALL PROMULGATE RULES AND  
11 REGULATIONS TO IMPLEMENT THE PROVISIONS OF THIS  
12 SECTION.

13 "(3) IN THE INTEREST OF NATIONAL SECURITY,  
14 THE RESTRICTION ON FOREIGN OWNERSHIP IMPOSED  
15 ON PUBLIC UTILITIES UNDER THE 1987 CONSTITUTION  
16 SHALL CONTINUE TO APPLY TO A PERSON THAT  
17 MANAGES, OPERATES, AND CONTROLS PUBLIC SERVICES  
18 INVOLVING AIR TRANSPORTATION, PHILIPPINE PORTS,  
19 AND AIRPORTS."

20 SEC. 7. Section 15 of Commonwealth Act No. 146, as  
21 amended, is hereby further amended to read as follows:

22 "SEC. 15. With the exception of those enumerated  
23 in [the preceding section] SECTION 14(1), no public  
24 service shall operate in the Philippines without  
25 possessing a valid and subsisting FRANCHISE, certificate,  
26 [from the Public Service Commission, known as  
27 'certificate of public convenience,' or 'certificate of public  
28 convenience and necessity,'] CONCESSION, OR ANY

1           **OTHER APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
2           **OPERATION OF A PUBLIC SERVICE, FROM CONGRESS,**  
3           **AND/OR THE PROPER ADMINISTRATIVE AGENCY, as the**  
4           case may be, to the effect that the operation of said  
5           service and the authorization to do business will promote  
6           the public interests in a proper and suitable manner.

7           “The [Commission] ADMINISTRATIVE AGENCY  
8           [may] SHALL prescribe as a condition for the issuance of  
9           the FRANCHISE, certificate, CONCESSION, OR ANY OTHER  
10          **APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
11          **OPERATION OF A PUBLIC SERVICE** provided in the  
12          preceding paragraph that the service can be acquired by  
13          the [Commonwealth] REPUBLIC of the Philippines or by  
14          any instrumentality thereof upon payment of the cost  
15          price of its CAPITAL STOCK, useful equipment,  
16          **INFRASTRUCTURE, OR PROPERTY,** less reasonable  
17          depreciation; and likewise, that the FRANCHISE,  
18          certificate, CONCESSION, OR ANY OTHER APPROPRIATE  
19          **FORM OF AUTHORIZATION FOR THE OPERATION OF A**  
20          **PUBLIC SERVICE** shall be valid only for a definite period  
21          of time; and that the violation of any of these conditions  
22          shall produce the immediate cancellation of the  
23          FRANCHISE, certificate, CONCESSION, OR ANY OTHER  
24          **APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
25          **OPERATION OF A PUBLIC SERVICE** without the necessity  
26          of any express action on the part of the [Commission]  
27          **ADMINISTRATIVE AGENCY.**

1           “UNLESS OTHERWISE PROVIDED BY LAW, OR BY  
2           ANY INTERNATIONAL AGREEMENT, A PUBLIC SERVICE  
3           SHALL EMPLOY A FOREIGN NATIONAL ONLY AFTER THE  
4           DETERMINATION OF NONAVAILABILITY OF A PHILIPPINE  
5           NATIONAL WHO IS COMPETENT, ABLE AND WILLING TO  
6           PERFORM THE SERVICES FOR WHICH THE FOREIGN  
7           NATIONAL IS DESIRED: *PROVIDED*, THAT IN NO CASE  
8           SHALL THE EMPLOYED FOREIGN NATIONALS COMPRISE  
9           MORE THAN TWENTY-FIVE PERCENT (25%) OF THE TOTAL  
10          EMPLOYEES OF THE PUBLIC SERVICE.

11           “ANY FOREIGN NATIONAL SEEKING ADMISSION TO  
12          THE PHILIPPINES FOR EMPLOYMENT PURPOSES AND ANY  
13          PUBLIC SERVICE WHICH DESIRES TO ENGAGE A FOREIGN  
14          NATIONAL FOR EMPLOYMENT IN THE PHILIPPINES MUST  
15          OBTAIN AN EMPLOYMENT PERMIT PURSUANT TO  
16          PRESIDENTIAL DECREE NO. 442, OTHERWISE KNOWN AS  
17          THE LABOR CODE OF THE PHILIPPINES, AS AMENDED.

18           “NO FOREIGN NATIONAL SHALL BE ALLOWED TO  
19          OWN CAPITAL STOCK OF ANY PUBLIC SERVICE  
20          CLASSIFIED AS A PUBLIC UTILITY PRIOR TO THIS ACT,  
21          UNLESS THE COUNTRY OF SUCH FOREIGN NATIONAL  
22          ACCORDS RECIPROCAL RIGHTS TO PHILIPPINE  
23          NATIONALS AS MAY BE PROVIDED BY FOREIGN LAW,  
24          TREATY OR INTERNATIONAL AGREEMENT. RECIPROCITY  
25          MAY BE SATISFIED BY ACCORDING RIGHTS OF SIMILAR  
26          VALUE IN OTHER ECONOMIC SECTORS.

27           “x x x.”

28          SEC. 8. Section 16 of Commonwealth Act No. 146, as  
29          amended, is hereby further amended to read as follows:

1           "SEC. 16. *Proceedings of the [Commission]*  
2           *ADMINISTRATIVE AGENCY, upon notice and hearing. –*  
3           The [Commission] ADMINISTRATIVE AGENCY shall have  
4           power, upon proper notice and hearing in accordance  
5           with the rules and provisions of this Act, subject to the  
6           limitations and exceptions mentioned and saving  
7           provisions to the contrary:

8           "(a) To issue FRANCHISES, certificates, [which  
9           shall be known as Certificates of Public Convenience,]  
10          CONCESSIONS, OR ANY OTHER APPROPRIATE FORM OF  
11          AUTHORIZATION FOR THE OPERATION OF A PUBLIC  
12          SERVICE authorizing the operation of public services  
13          within the Philippines whenever the [Commission]  
14          ADMINISTRATIVE AGENCY finds that the operation of the  
15          public service proposed and the authorization to do  
16          business will promote the public interests in proper and  
17          suitable manner.[: *Provided*, That hereafter, certificates  
18          of public convenience and certificates of public  
19          convenience and necessity will be granted only to citizens  
20          of the Philippines or of the United States or to  
21          corporations, co-partnerships, associations or joint-stock  
22          companies constituted and organized under the laws of  
23          the Philippines: *Provided*, That sixty per centum of the  
24          stock or paid-up capital of any such corporation,  
25          co-partnership, association or joint-stock company must  
26          belong entirely to citizens of the Philippines or of the

1 United States: *Provided, further,* That no such  
2 certificates shall be issued for a period of more than fifty  
3 years.]

4 “(b) To approve, subject to constitutional  
5 limitations, any franchise or privilege granted [under the  
6 provision of Act Numbered Six hundred and sixty-seven,  
7 as amended by Act Numbered One thousand and  
8 twenty-two,] by any political subdivision of the  
9 Philippines when, in the judgment of the [Commission]  
10 ADMINISTRATIVE AGENCY, such franchise or privilege  
11 will properly conserve the public interests, and the  
12 [Commission] ADMINISTRATIVE AGENCY, shall in so  
13 approving impose such conditions as to construction,  
14 equipment, maintenance, service, or operation as the  
15 public interests and convenience may reasonably require,  
16 and to issue FRANCHISES, certificates, [of public  
17 convenience and necessity] CONCESSIONS, OR ANY  
18 OTHER APPROPRIATE FORM OF AUTHORIZATION FOR THE  
19 OPERATION OF A PUBLIC SERVICE when such is required  
20 or provided by any law or franchise.

21 “(c) To fix and determine individual or joint rates,  
22 tolls, charges, classifications, or schedules thereof, as  
23 well as commutation, mileage, kilometrage, and other  
24 special rates which shall be imposed, observed, and  
25 followed thereafter by any public service WHEN THE  
26 PUBLIC INTEREST SO REQUIRES: *Provided,* That the

1        **[Commission]** ADMINISTRATIVE AGENCY may, in its  
2        discretion, approve rates proposed by public services  
3        provisionally and without necessity of any hearing; but it  
4        shall call a hearing thereon within **[thirty] FIFTEEN (15)**  
5        days, thereafter, upon publication and notice to the  
6        **[concerns operating] AFFECTED PARTIES WITHIN** the  
7        territory affected: *Provided, further,* That in case the  
8        public service equipment of an operator is used  
9        principally or secondarily for the promotion of a private  
10       business, the net profits of said private business shall be  
11       considered in relation with the public service of such  
12       operator for the purpose of fixing the rates[.]:  
13       **PROVIDED, FINALLY, THAT WHEN THE PUBLIC INTEREST**  
14       **REQUIRES, THE ADMINISTRATIVE AGENCY MAY**  
15       **ESTABLISH AND ENFORCE A METHODOLOGY FOR SETTING**  
16       **RATES, TAKING INTO ACCOUNT ALL RELEVANT**  
17       **CONSIDERATIONS, INCLUDING THE EFFICIENCY OF THE**  
18       **REGULATED PUBLIC SERVICE. THE RATES MUST BE SUCH**  
19       **AS TO ALLOW THE RECOVERY OF PRUDENT AND**  
20       **EFFICIENT COSTS AND A REASONABLE RATE OF RETURN**  
21       **TO ENABLE THE PUBLIC SERVICE TO OPERATE VIABLY**  
22       **AND EFFICIENTLY. THE ADMINISTRATIVE AGENCY**  
23       **MAY ADOPT ALTERNATIVE FORMS CONSISTENT**  
24       **WITH INTERNATIONALLY ACCEPTED RATE-SETTING**  
25       **METHODOLOGY. THE ADOPTED RATE-SETTING**  
26       **METHODOLOGY SHALL ENSURE A REASONABLE PRICE**  
27       **OF THE COMMODITY OR SERVICE AND THAT THE**  
28       **RATES PRESCRIBED SHALL NOT BE DISCRIMINATORY.**

1           **"THIS PROVISION SHALL NOT BE INTERPRETED AS**  
2           **MANDATING RATE REGULATION NOR AMENDING OR**  
3           **REPEALING: (1) LAWS PROVIDING A DEREGULATION**  
4           **POLICY, SUCH AS REPUBLIC ACT NO. 7925, OTHERWISE**  
5           **KNOWN AS THE 'PUBLIC TELECOMMUNICATIONS POLICY**  
6           **ACT OF THE PHILIPPINES'; REPUBLIC ACT NO. 8479,**  
7           **OTHERWISE KNOWN AS THE 'DOWNSTREAM OIL**  
8           **INDUSTRY DEREGULATION ACT OF 1998'; REPUBLIC**  
9           **ACT NO. 9136, OTHERWISE KNOWN AS THE 'ELECTRIC**  
10           **POWER INDUSTRY REFORM ACT OF 2001'; AND**  
11           **REPUBLIC ACT NO. 9295, OTHERWISE KNOWN AS THE**  
12           **'DOMESTIC SHIPPING DEVELOPMENT ACT OF 2004';**  
13           **AND (2) REGULATIONS PROMULGATED BY THESE**  
14           **ADMINISTRATIVE AGENCIES TO DEREGULATE RATES.**

15           **"x x x**

16           **"(h) To require any public service to establish,**  
17           **construct, maintain, and operate any reasonable**  
18           **extension of its existing facilities, where, in the**  
19           **judgment of said [Commission] ADMINISTRATIVE**  
20           **AGENCY, such extension is reasonable and practicable**  
21           **and will furnish sufficient business to justify the**  
22           **construction and maintenance of the same, and when**  
23           **the financial condition of the said public service**  
24           **reasonably warrants the original expenditure required**  
25           **in making and operating such extension.**

26           **"(i) To direct any railroad, street railway or**  
27           **traction company to establish and maintain at any**

1 junction or point of connection or intersection with any  
2 other line of said road or track, or with any other line  
3 of any other railroad, street railway or traction  
4 company, such [just and reasonable] PRUDENT AND  
5 EFFICIENT connection as shall be necessary to promote  
6 the convenience of shippers of property, or of  
7 passengers, and in like manner to direct any railroad,  
8 street railway[,] or traction company engaged in  
9 carrying merchandise, to construct, maintain and  
10 operate, upon reasonable terms, a switch connection  
11 with any private sidetrack which may be constructed  
12 by any shipper to connect with the railroad, street  
13 railway or traction company line where, in the  
14 judgment of the [Commission] ADMINISTRATIVE  
15 AGENCY, such connection is reasonable and  
16 practicable, and can be put in with safety, and will  
17 furnish sufficient business to justify the construction  
18 and maintenance of the same.

19 "x x x

20 "(k) To direct any railroad or street railway  
21 company to install such safety devices or adopt such  
22 other reasonable measures as may in the judgment of  
23 the [Commission] ADMINISTRATIVE AGENCY be  
24 necessary for the protection of the public at passing  
25 grade crossings of (1) public highways and railroads,  
26 (2) public highways and street railways, or (3)  
27 railroads and street railways.



1           “(l) To fix and determine proper and adequate  
2 rates of depreciation of the property of any public service  
3 [which will be observed in a proper and adequate  
4 depreciation account to be carried for the protection of  
5 stockholders, bondholders or creditors,] in accordance  
6 with such rules, regulations, and forms of accounts as the  
7 [Commission] ADMINISTRATIVE AGENCY may prescribe.  
8 Said rates shall be sufficient to provide the amounts  
9 required over and above the expense of maintenance to  
10 keep such property in a state of efficiency corresponding  
11 to the progress of the industry. [Each public service shall  
12 conform its depreciation accounts to the rates so  
13 determined and fixed, and shall set aside the moneys so  
14 provided for out of its earnings and carry the same in a  
15 depreciation fund. The income from investments of  
16 money in such fund shall likewise be carried in such  
17 fund. This fund shall not be expended otherwise  
18 than for depreciation, improvements, new constructions,  
19 extensions or additions to the property of such public  
20 service.]

21           “x x x

22           “(n) To suspend or revoke any FRANCHISE,  
23 certificate, CONCESSION, OR ANY OTHER APPROPRIATE  
24 FORM OF AUTHORIZATION FOR THE OPERATION OF A  
25 PUBLIC SERVICE issued under the provisions of this Act  
26 whenever the holder thereof has violated or willfully  
27 and contumaciously refused to comply with any

1 order, rule or regulation of the [Commission]  
2 ADMINISTRATIVE AGENCY or any provision of  
3 this Act: *Provided*, That the [Commission]  
4 ADMINISTRATIVE AGENCY for good cause, may prior to  
5 the hearing suspend for a period not to exceed thirty  
6 days any FRANCHISE, certificate, CONCESSION, OR ANY  
7 OTHER APPROPRIATE FORM OF AUTHORIZATION FOR THE  
8 OPERATION OF A PUBLIC SERVICE, or the exercise of any  
9 right or authority issued or granted under this Act by  
10 order of the [Commission] ADMINISTRATIVE AGENCY,  
11 whenever such step shall in the judgment of the  
12 [Commission] ADMINISTRATIVE AGENCY be necessary  
13 to avoid serious and irreparable damage or  
14 inconvenience to the public or to private interests.

15 "x x x."

16 SEC. 9. Section 17 of Commonwealth Act No. 146, as  
17 amended, is hereby further amended to read as follows:

18 "SEC. 17. *Proceedings of [Commission]*  
19 *ADMINISTRATIVE AGENCY without previous*  
20 *hearing.* - The [Commission] ADMINISTRATIVE  
21 AGENCY shall have power, without previous hearing,  
22 subject to established limitations and exceptions and  
23 saving provisions to the contrary:

24 "(a) To investigate, upon its own initiative, or  
25 upon complaint in writing, any matter concerning any  
26 public service as regards matters under its

1 jurisdiction; to require any public service to furnish  
2 safe, adequate, and proper service as the public  
3 interest may require and warrant; to enforce  
4 compliance with any standard, rule, regulation, order  
5 or other requirement of this Act or of the [Commission]  
6 ADMINISTRATIVE AGENCY, and to prohibit or prevent  
7 any public service as herein defined from operating  
8 without having first secured a [certificate of public  
9 convenience or public necessity and convenience]  
10 FRANCHISE, CERTIFICATE, CONCESSION, OR ANY  
11 OTHER APPROPRIATE FORM OF AUTHORIZATION FOR  
12 THE OPERATION OF A PUBLIC SERVICE, as the case  
13 may be, and require existing public services to pay the  
14 fees provided for in this Act for the issuance of the  
15 [proper certificate of public convenience or certificate  
16 of public necessity and convenience] FRANCHISE,  
17 CERTIFICATE, CONCESSION, OR ANY OTHER  
18 APPROPRIATE FORM OF AUTHORIZATION FOR THE  
19 OPERATION OF A PUBLIC SERVICE, as the case may be,  
20 under the penalty, in the discretion of the  
21 [Commission] ADMINISTRATIVE AGENCY, of the  
22 revocation and cancellation of any acquired right.

23 (b) To require any public service to pay the  
24 actual expenses incurred by the [Commission]  
25 ADMINISTRATIVE AGENCY in any investigation if it  
26 shall be found in the same that any rate, toll, charge,

1 schedule, regulation, practice, act or service thereof is  
2 in violation of any provision of this Act or of any  
3 **FRANCHISE, certificate, CONCESSION, OR ANY OTHER**  
4 **APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
5 **OPERATION OF A PUBLIC SERVICE, order, rule,**  
6 **regulation or requirement issued or established by**  
7 **the [Commission] ADMINISTRATIVE AGENCY. The**  
8 **[Commission] ADMINISTRATIVE AGENCY** may also  
9 assess against any public service **REASONABLE** costs  
10 **[not to exceed twenty-five pesos]** with reference to  
11 such investigation.

12 “(c) From time to time appraise and value the  
13 property of any public service, whenever in the  
14 judgment of the **[Commission] ADMINISTRATIVE**  
15 **AGENCY** it shall be necessary **[so]** to do so, for the  
16 purpose of carrying out any of the provisions of this  
17 Act, and in making such valuation the **[Commission]**  
18 **ADMINISTRATIVE AGENCY** may have access to and  
19 use any books, documents, or records in the possession  
20 of any department, bureau, office, or board of the  
21 Government of the Philippines or any political  
22 subdivision thereof.

23 “(d) To provide, on motion by or at the request of  
24 any consumer or user of a public service, for the  
25 examination and test of any appliance used for the  
26 measuring of any product or service of a public service,

1 and for that purpose, by its agents, experts, or  
2 examiners to enter upon any premises where said  
3 appliances may be, and other premises of the public  
4 service, for the purpose of setting up and using on said  
5 premises any apparatus necessary therefor, and to fix  
6 the fees to be paid by any consumer or user who may  
7 apply to the [Commission] ADMINISTRATIVE AGENCY  
8 for such examination or test to be made, and if the  
9 appliance be found defective or incorrect to the  
10 disadvantage of the consumer or user, to require the  
11 fees paid to be refunded to the consumer or user by the  
12 public service concerned.

13 “(e) To permit any street railway or traction  
14 company to change its existing gauge to standard  
15 steam railroad gauge, upon such terms and conditions  
16 as the [Commission] ADMINISTRATIVE AGENCY shall  
17 prescribe.

18 “(f) To grant to any public service special  
19 permits to make extra or special trips within the  
20 territory covered by its [certificate of public  
21 convenience] FRANCHISE, CERTIFICATE, CONCESSION,  
22 OR ANY OTHER APPROPRIATE FORM OF  
23 AUTHORIZATION FOR THE OPERATION OF A PUBLIC  
24 SERVICE, and to make special excursion trips outside  
25 of its own territory [if its own territory] if the public  
26 interest or special circumstances require it: *Provided,*  
27 *however,* That in case a public service cannot render

1 such extra service on its own line or in its own  
2 territory, a special permit for such extra service may be  
3 granted to any other public service.

4 “(g) To require any public service to keep its  
5 books, records, and accounts so as to afford an  
6 intelligent understanding of the conduct of its  
7 business and to that end to require every such public  
8 service of the same class to adopt a uniform system of  
9 accounting. Such system shall conform to any system  
10 approved and confirmed by the [Auditor-General]  
11 COMMISSION ON AUDIT.

12 “x x x.”

13 SEC. 10. Section 18 of Commonwealth Act No. 146, as  
14 amended, is hereby further amended to read as follows:

15 “SEC. 18. It shall be unlawful for any individual,  
16 [co]partnership, association, corporation or joint-stock  
17 company, their lessees, trustees, or receivers  
18 appointed by any court whatsoever, or any  
19 municipality, province, or other department of the  
20 Government of the Philippines, to engage in any  
21 public service business without having first secured  
22 from the [Commission] ADMINISTRATIVE AGENCY a  
23 [certificate of public convenience or certificate of  
24 public convenience and necessity] FRANCHISE,  
25 CERTIFICATE, CONCESSION, OR ANY OTHER  
26 APPROPRIATE FORM OF AUTHORIZATION FOR THE  
27 OPERATION OF A PUBLIC SERVICE as provided for in

1 this Act, except grantees of legislative franchises  
2 expressly exempting such grantee from the  
3 requirement of securing a certificate from this  
4 [Commission] ADMINISTRATIVE AGENCY, as well as  
5 concerns at present existing expressly exempted from  
6 the jurisdiction of the [Commission] ADMINISTRATIVE  
7 AGENCY, either totally or in part, by the provisions of  
8 section thirteen of this Act.”

9 SEC. 11. Section 19 of Commonwealth Act No. 146, as  
10 amended, is hereby further amended to read as follows:

11 “SEC. 19. *Unlawful acts.* – It shall be unlawful  
12 for any public service:

13 “(a) To provide or maintain any service that is  
14 unsafe, improper, or inadequate, or withhold or refuse  
15 any service which can reasonably be demanded and  
16 furnished, as found and determined by the  
17 [Commission] ADMINISTRATIVE AGENCY in a final  
18 order which shall be conclusive and shall take effect in  
19 accordance with this Act, upon appeal or otherwise.

20 “(b) To make or give, directly or indirectly, by  
21 itself or through its agents, attorneys or brokers, or  
22 any of them, discounts or rebates on authorized rates,  
23 or grant credit for the payment of freight charges, or  
24 any undue or unreasonable preference or advantage to  
25 any person or corporation or to any locality or to any  
26 particular description of traffic or service, or subject  
27 any particular person or corporation or locality or any

1 particular description of traffic to any prejudice or  
2 disadvantage in any respect whatsoever; to adopt,  
3 maintain, or enforce any regulation, practice or  
4 measurement which shall be found or determined by  
5 the [Commission] ADMINISTRATIVE AGENCY to be  
6 unjust, unreasonable, unduly preferential or unjustly  
7 discriminatory, in a final order which shall be  
8 conclusive and shall take effect in accordance with the  
9 provisions of this Act, upon appeal or otherwise.

10 (c) To refuse or neglect, when requested by the  
11 [Director of Posts] POSTMASTER GENERAL or his  
12 authorized representative, to carry public mail on the  
13 regular trips of any public land transportation service  
14 maintained or operated by any such public service,  
15 upon such terms and conditions and for a  
16 consideration in such amounts as may be agreed upon  
17 between the [Director of Posts] POSTMASTER  
18 GENERAL and the public service carrier [of] OR fixed  
19 by the [Commission] ADMINISTRATIVE AGENCY in the  
20 absence of an agreement between the [Director of  
21 Posts] POSTMASTER GENERAL and the carrier. In case  
22 the [Director of Posts] POSTMASTER GENERAL and the  
23 public service carrier are unable to agree on the amount  
24 of the compensation to be paid for the carriage of the  
25 mail, the [Director of Posts] POSTMASTER GENERAL



1           shall forthwith request the [Commission]  
2           ADMINISTRATIVE AGENCY to fix a [just and reasonable]  
3           PRUDENT AND EFFICIENT compensation for such carriage  
4           and the same shall be promptly fixed by the  
5           [Commission] ADMINISTRATIVE AGENCY in accordance  
6           with section sixteen of this Act.

7           “(D) TO REFUSE OR NEGLECT, WHEN REQUESTED  
8           BY THE ADMINISTRATIVE AGENCY TO URGENTLY USE,  
9           DELIVER OR RENDER THE PUBLIC SERVICE FOR THE  
10          PURPOSE OF AVOIDING FURTHER LOSS ON HUMAN,  
11          MATERIAL, ECONOMIC, OR ENVIRONMENT DURING A  
12          STATE OF CALAMITY.”

13          SEC. 12. Section 20 of Commonwealth Act No. 146, as  
14          amended, is hereby further amended to read as follows:

15          “SEC. 20. *Acts requiring the approval of the*  
16          [Commission] ADMINISTRATIVE AGENCY. – Subject to  
17          established limitations and exceptions and saving  
18          provisions to the contrary, it shall be unlawful for any  
19          public service or for the owner, lessee or operator  
20          thereof, without the approval and authorization  
21          of the [Commission] ADMINISTRATIVE AGENCY  
22          previously had[-]:

23          “(a) To adopt, establish, fix, impose, maintain, or  
24          collect or carry into effect any individual or joint rates,  
25          commutation, mileage or other special rate, toll, fare,  
26          charge, classification or itinerary. The [Commission]

1        **ADMINISTRATIVE AGENCY** shall approve only those  
2        that are [just and reasonable] **PRUDENT AND**  
3        **EFFICIENT** and not any that are unjustly  
4        discriminatory or unduly preferential, only upon  
5        reasonable notice to the public services and other  
6        parties concerned, giving them a reasonable  
7        opportunity to be heard, and the burden of the proof to  
8        show that the proposed rates or regulation are [just  
9        and reasonable] **PRUDENT AND EFFICIENT** shall be  
10       upon the public service proposing the same.

11        “(b) To establish, construct, maintain, or operate  
12        new units or extend existing facilities or make any other  
13        addition to or general extension of the service[.]:  
14        **PROVIDED, THAT SAID APPROVAL SHALL ONLY**  
15        **BE REQUIRED FOR ASSETS USED, USEFUL, AND**  
16        **EFFICIENT IN THE DELIVERY OF PUBLIC SERVICE.**  
17        **THE ADMINISTRATIVE AGENCY MUST COMMENCE**  
18        **PROCEEDINGS ON THE PUBLIC UTILITY’S APPLICATION**  
19        **WITHIN SIXTY (60) CALENDAR DAYS FROM ITS FILING OF**  
20        **COMPLETE DOCUMENTS, SUBJECT TO THE RATE-SETTING**  
21        **METHODOLOGY OF SUCH ADMINISTRATIVE AGENCY.**  
22        **THE ADMINISTRATIVE AGENCY SHALL DECIDE ON THE**  
23        **APPLICATION WITHIN ONE (1) YEAR FROM FILING OF**  
24        **COMPLETE DOCUMENTS. FAILURE TO DECIDE WITHIN**  
25        **THE SAID PERIOD SHALL DEEM THE APPLICATION**  
26        **APPROVED.**

1           **"FOR APPLICATIONS WITH COMPLETE**  
2           **DOCUMENTATION PENDING WITH THE ADMINISTRATIVE**  
3           **AGENCY AT THE TIME OF THE EFFECTIVITY OF THIS**  
4           **ACT, THE ADMINISTRATIVE AGENCY SHALL DECIDE**  
5           **ON SUCH APPLICATIONS WITHIN SIX (6) MONTHS**  
6           **FROM THE EFFECTIVITY OF THIS ACT. FAILURE TO**  
7           **DECIDE WITHIN THE SAID PERIOD SHALL DEEM THE**  
8           **APPLICATION APPROVED.**

9           **"THE ADMINISTRATIVE AGENCY MAY ISSUE**  
10           **REGULATIONS PRESCRIBING A SHORTER PERIOD**  
11           **THAN THAT PROVIDED IN THE PRECEDING PARAGRAPHS**  
12           **ONLY IN CASES OF EMERGENCY, AS MAY BE CERTIFIED**  
13           **BY SUCH ADMINISTRATIVE AGENCY, REQUIRING THE**  
14           **INSTALLATION, CONSTRUCTION OR MAINTENANCE OF**  
15           **UNITS, FACILITIES OR EQUIPMENT.**

16           **"x x x**

17           **"(e) [Hereafter to issue any stock or stock**  
18           **certificates representing an increase of capital; or] TO**  
19           **issue any share of stock without par value[; or issue any**  
20           **bonds or other evidence of indebtedness payable in more**  
21           **than one year from the date of issuance thereof,]:**  
22           **[provided that] PROVIDED, THAT it shall be the duty of**  
23           **the [Commission] ADMINISTRATIVE AGENCY, after**  
24           **hearing, to approve any such issue [maturing in more**  
25           **than one year from the date thereof,] when satisfied that**

1 the same is to be made in accordance with law[, and the  
2 purpose of such issue be approved by the Commission].

3 “(f) To capitalize any franchise in excess of the  
4 amount, inclusive of any tax or annual charge,  
5 actually paid to the Government of the Philippines or  
6 any political subdivision thereof as the consideration  
7 of said franchise; capitalize any contract for  
8 consolidation, merger, or lease, or issue any bonds or  
9 other evidence of indebtedness against or as a lien  
10 upon any contract for consolidation, merger, or lease:  
11 *Provided, however,* That the provisions of this section  
12 shall not prevent the issuance of stock, bonds, or other  
13 evidence of indebtedness subject to the approval of the  
14 [Commission] ADMINISTRATIVE AGENCY by any  
15 lawfully merged or consolidated public services not in  
16 contravention of the provisions of this section.

17 “(g) To sell, alienate, mortgage, encumber or lease  
18 its property, franchises, certificates, privileges, or rights,  
19 or any part thereof, or merge or consolidate its property,  
20 franchises, privileges or rights, or any part thereof, with  
21 those of any other public service. The approval herein  
22 required shall be given, after notice to the public and  
23 after hearing the persons interested at a public hearing,  
24 if it be shown that there are just and reasonable grounds  
25 for making the mortgage or encumbrance, for liabilities  
26 of more than one year maturity, or the sale, alienation,  
27 lease, merger, or consolidation to be approved, and that

1 the same are not detrimental to the public interest, and  
 2 in case of a sale, the date on which the same is to be  
 3 consummated shall be fixed in the order of approval:  
 4 *Provided, however,* That nothing herein contained shall  
 5 be construed to prevent the transaction from being  
 6 negotiated or completed before its approval or to prevent  
 7 the sale, alienation, or lease by any public service of any  
 8 of its property in the ordinary course of its business[.]:  
 9 **PROVIDED, FURTHER, THAT THE NEED FOR APPROVAL**  
 10 **OF THE SALE, ALIENATION, MORTGAGE, ENCUMBRANCE**  
 11 **OR LEASE WILL BE REQUIRED ONLY FOR PROPERTIES OF**  
 12 **THE PUBLIC SERVICE THAT ARE USED AND USEFUL IN**  
 13 **THE DELIVERY OF THE REQUIRED PUBLIC SERVICE.**

14 "x x x

15 "(i) To sell, alienate or in any manner transfer  
 16 shares of its capital stock to any alien if the result of that  
 17 sale, alienation, or transfer in itself or in connection with  
 18 another previous sale shall be the reduction to less than  
 19 sixty [per centum] PERCENT (60%) of the capital stock  
 20 belonging to Philippine [citizens] NATIONALS IN THE  
 21 OPERATION OF A PUBLIC UTILITY AS REQUIRED BY THE  
 22 CONSTITUTION. Such sale, alienation or transfer shall be  
 23 void and of no effect and shall be sufficient cause for  
 24 ordering the cancellation of the certificate.

25 "x x x."

26 SEC. 13. Section 21 of Commonwealth Act No. 146, as  
 27 amended, is hereby further amended to read as follows:

1           “SEC. 21. [Every] IN THE ABSENCE OF ANY  
2 SPECIFIC FINE OR PENALTY IMPOSED UNDER THE  
3 CHARTER OF THE ADMINISTRATIVE AGENCY OR THE  
4 SPECIAL LAW GOVERNING THE PARTICULAR PUBLIC  
5 SERVICE, EVERY public service violating or failing to  
6 comply with the terms and conditions of any certificate or  
7 any order[s], decision[s] or regulation[s] of the  
8 [Commission] ADMINISTRATIVE AGENCY shall be  
9 subject to a fine [of not exceeding two hundred pesos] OF  
10 NOT LOWER THAN FIVE THOUSAND PESOS (P5,000.00)  
11 BUT NOT EXCEEDING TWO MILLION PESOS  
12 (P2,000,000.00) per day for every day during which such  
13 default or violation continues[:], OR DIVESTMENT, OR  
14 BOTH; and the [Commission] ADMINISTRATIVE AGENCY  
15 is hereby authorized and empowered to impose such fine,  
16 OR ORDER DIVESTMENT, after due notice and hearing[:]:  
17 *PROVIDED, THAT SHOULD A LESSER FINE OR PENALTY*  
18 *BE IMPOSED UNDER THE CHARTER OF THE*  
19 *ADMINISTRATIVE AGENCY OR THE SPECIAL LAW*  
20 *GOVERNING THE PUBLIC SERVICE, THE AMOUNT OF FINE*  
21 *OR PENALTY PROVIDED FOR UNDER THIS SECTION SHALL*  
22 *APPLY.*

23           “IN CASES WHERE RATES COLLECTED BY THE  
24 PUBLIC SERVICE EXCEED THE RATES AUTHORIZED BY  
25 THE ADMINISTRATIVE AGENCY, THE ADMINISTRATIVE  
26 AGENCY MAY ORDER A REFUND TO CONSUMERS IN LIEU  
27 OF OR IN ADDITION TO THE FINE OR PENALTY IMPOSED

1           **UNDER THIS ACT OR THE SPECIAL LAW GOVERNING THE**  
2           **PUBLIC SERVICE.**

3           “The fines so imposed shall be paid to the  
4           Government of the Philippines through the  
5           [Commission] ADMINISTRATIVE AGENCY, and failure to  
6           pay the fine OR COMPLY WITH THE ORDER TO REFUND OR  
7           DIVEST in any case within the time specified in the order  
8           or decision of the [Commission] ADMINISTRATIVE  
9           AGENCY shall be deemed good and sufficient reason for  
10          the suspension of the FRANCHISE, certificate,  
11          CONCESSION, OR ANY OTHER APPROPRIATE FORM OF  
12          AUTHORIZATION FOR THE OPERATION of said public  
13          service until payment shall be made OR THE ORDER IS  
14          COMPLIED WITH. Payment may also be enforced by  
15          appropriate action brought in a court of competent  
16          jurisdiction. The remedy provided in this section shall  
17          not be a bar to, or affect any other remedy provided in  
18          this Act but shall be cumulative and additional to such  
19          remedy or remedies.”

20          SEC. 14. Section 22 of Commonwealth Act No. 146, as  
21          amended, is hereby further amended to read as follows:

22                 “SEC. 22. Observance of the orders, decisions,  
23                 and regulations of the [Commission] ADMINISTRATIVE  
24                 AGENCY and of the terms and conditions of  
25                 any certificate may also be enforced by *mandamus*  
26                 or injunction in appropriate cases, or by action to  
27                 compel the specific performance of the orders,

1 decisions, and regulations so made, or of the duties  
2 imposed by law upon such public service: *Provided*,  
3 That the [Commission] ADMINISTRATIVE AGENCY  
4 may compromise any case that may arise under this  
5 Act in such manner and for such amount as it may  
6 deem just and reasonable.”

7 SEC. 15. Section 23 of Commonwealth Act No. 146, as  
8 amended, is hereby further amended to read as follows:

9 “SEC. 23. Any public service corporation that shall  
10 perform, commit, or do any act or thing herein forbidden  
11 or prohibited or shall neglect, fail, or omit to do or  
12 perform any act or thing herein required to be done or  
13 performed, shall be punished by a fine not exceeding  
14 [twenty-five thousand pesos] TWO MILLION PESOS  
15 (P2,000,000.00), or by imprisonment [not exceeding five  
16 years] OF NOT LOWER THAN SIX (6) YEARS AND ONE (1)  
17 DAY TO TWELVE (12) YEARS, or both, [in] AT the  
18 discretion of the court.”

19 SEC. 16. Section 24 of Commonwealth Act No. 146, as  
20 amended, is hereby amended to read as follows:

21 “SEC. 24. Any person who shall knowingly and  
22 willfully perform, commit, or do, or participate in  
23 performing, committing, or doing, or who shall knowingly  
24 and willfully cause, participate, or join with others in  
25 causing any public service corporation or company to do,  
26 perform, or commit, or who shall advise, solicit,



1 persuade, or knowingly and willfully instruct, direct, or  
2 order any officer, agent, or employee of any public service  
3 corporation or company to perform, commit, or do any act  
4 or thing forbidden or prohibited by this Act, shall be  
5 punished by a fine not exceeding [two thousand pesos]  
6 TWO MILLION PESOS (P2,000,000.00), or imprisonment  
7 [not exceeding two years] OF NOT LOWER THAN SIX (6)  
8 YEARS AND ONE (1) DAY TO TWELVE (12) YEARS, or both,  
9 [in] AT the discretion of the court[: *Provided, however,*  
10 That for operating a private passenger automobile as a  
11 public service without having a certificate of public  
12 convenience for the same, the offender shall be subject to  
13 the penalties provided for in section sixty-seven (j) of Act  
14 Numbered Thirty-nine hundred an ninety-two].”

15 SEC. 17. Section 25 of Commonwealth Act No. 146, as  
16 amended, is hereby amended to read as follows:

17 “SEC. 25. Any person who shall knowingly and  
18 willfully neglect, fail, or omit to do or perform, or who  
19 shall knowingly and willfully cause or join or participate  
20 with others in causing any public service corporation or  
21 company to neglect, fail, or omit to do or perform, or who  
22 shall advise, solicit, or persuade, or knowingly and  
23 willfully instruct, direct, or order any officer, agent, or  
24 employee of any public service corporation or company to  
25 neglect, fail, or omit to do any act or thing required to be  
26 done by this Act, shall be punished by a fine not

1 exceeding [two thousand pesos] TWO MILLION PESOS  
2 (P2,000,000.00) or by imprisonment [not exceeding two  
3 years] OF NOT LOWER THAN SIX (6) YEARS AND ONE (1)  
4 DAY TO TWELVE (12) YEARS, or both, [in] AT the  
5 discretion of the court."

6 SEC. 18. Section 26 of Commonwealth Act No. 146, as  
7 amended, is hereby amended to read as follows:

8 "SEC. 26. Any person who shall destroy, injure, or  
9 interfere with any apparatus or appliance owned or  
10 operated by or in charge of the [Commission]  
11 ADMINISTRATIVE AGENCY or its agents, shall be deemed  
12 guilty of a misdemeanor and upon conviction shall be  
13 punished by a fine [not exceeding one thousand pesos]  
14 OF THE AMOUNT EQUIVALENT TO THE ACTUAL MARKET  
15 VALUE OF THE APPARATUS OR APPLIANCE DESTROYED  
16 OR INJURED PLUS A FINE NOT EXCEEDING TWO MILLION  
17 PESOS (P2,000,000.00) or imprisonment [not exceeding  
18 six months] OF NOT LOWER THAN SIX (6) YEARS AND ONE  
19 (1) DAY TO TWELVE (12) YEARS, or both, [in] AT the  
20 discretion of the court."

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

25 SEC. 19. Section 27 of Commonwealth Act No. 146, as  
26 amended, is hereby amended to read as follows:

1           “SEC. 27. This Act shall not have the effect to  
2           release or waive any right of action by the  
3           [Commission] ADMINISTRATIVE AGENCY or by any  
4           person for any right, penalty, or forfeiture which may  
5           have arisen or which may arise, under any of the laws  
6           of the Philippines, and any penalty or forfeiture  
7           enforceable under this Act shall not be a bar to or  
8           affect a recovery for a right, or affect or bar any  
9           criminal proceedings against any public service or  
10          person or persons operating such public service, its  
11          officers, directors, agents, or employees.”

12          SEC. 20. Section 28 of Commonwealth Act No. 146, as  
13          amended, is hereby amended to read as follows:

14                 “SEC. 28. Violations of the orders, decisions,  
15                 and regulations of the [Commission] ADMINISTRATIVE  
16                 AGENCY and of the terms and conditions of any  
17                 FRANCHISE, certificate[s], CONCESSION, OR ANY OTHER  
18                 APPROPRIATE FORM OF AUTHORIZATION FOR THE  
19                 OPERATION OF A PUBLIC SERVICE issued by the  
20                 [Commission shall prescribe after sixty days]  
21                 ADMINISTRATIVE AGENCY, and violations of the  
22                 provisions of this Act shall prescribe [after one hundred  
23                 and eighty days.] IN ACCORDANCE WITH ACT NO. 3326,  
24                 ENTITLED ‘AN ACT TO ESTABLISH PERIODS OF  
25                 PRESCRIPTION FOR VIOLATIONS PENALIZED BY  
26                 SPECIAL ACTS AND MUNICIPAL ORDINANCES AND TO

1           **PROVIDE WHEN PRESCRIPTION SHALL BEGIN TO RUN’,**  
2           **AS AMENDED.”**

3           **SEC. 21. Section 29 of Commonwealth Act No. 146, as**  
4           **amended, is hereby amended to read as follows:**

5           “**SEC. 29. All hearings and investigations before**  
6           **the [Commission] ADMINISTRATIVE AGENCY shall be**  
7           **governed by rules adopted by the [Commission]**  
8           **ADMINISTRATIVE AGENCY, and in the conduct thereof**  
9           **the [Commission] ADMINISTRATIVE AGENCY shall not**  
10           **be bound by the technical rules of legal evidence:**  
11           ***Provided,* That the [Public Service Commissioner or**  
12           **Deputy Commissioner] HEARING OFFICER may**  
13           **summarily punish for contempt by a fine not exceeding**  
14           **[two hundred pesos] TWO THOUSAND PESOS (P2,000.00)**  
15           **or by imprisonment not exceeding ten days, or both,**  
16           **any person guilty of misconduct in the presence of the**  
17           **[Commissioner or Deputy Commissioner] HEARING**  
18           **OFFICER or so near the same as to interrupt the**  
19           **hearing or session or any proceedings before them,**  
20           **including cases in which a person present at a**  
21           **hearing, session, or investigation held by [either of the**  
22           **Commissioner] THE HEARING OFFICER refuses to be**  
23           **sworn as a witness or to answer as such when lawfully**  
24           **required to do so. To enforce the provisions of this**  
25           **section, the [Commission] ADMINISTRATIVE AGENCY**

1           may, if necessary, request the assistance of the  
2           municipal OR CITY police for the execution of any order  
3           made for said purpose.”

4           SEC. 22. Section 30 of Commonwealth Act No. 146, as  
5           amended, is hereby amended to read as follows:

6                   “SEC. 30. (a) The [Commission] ADMINISTRATIVE  
7           AGENCY may issue subpoenas and subpoenas *duces*  
8           *tecum*, for witnesses in any matter or inquiry pending  
9           before the [Commission] ADMINISTRATIVE AGENCY  
10          and require the production of all books, papers, tariffs,  
11          contracts, agreements, and all other documents, which  
12          the [Commission] ADMINISTRATIVE AGENCY may  
13          deem necessary in any proceeding. Such process shall  
14          be issued under the seal of the [Commission]  
15          ADMINISTRATIVE AGENCY, signed by one of the  
16          [Commissioners or by the secretary] HEARING  
17          OFFICERS, and may be served by any person of  
18          full age, or by registered mail. [In case of]  
19          [d]Disobedience [to such] TO OR FAILURE TO COMPLY  
20          WITH SUCH subpoena, SHALL CONSTITUTE INDIRECT  
21          CONTEMPT, AND MAY BE INSTITUTED IN THE MANNER  
22          AS PROVIDED IN THE RULES OF COURT BEFORE THE  
23          APPROPRIATE COURT. [the Commission may invoke  
24          the aid of the Supreme Court, or of any Court of First  
25          Instance of the Philippines in requiring the  
26          attendance and testimony of witnesses and the

1 production of books, papers, and documents under the  
2 provisions of this chapter, and the Supreme Court or  
3 any Court of First Instance of the Philippines within  
4 the jurisdiction of which such inquiry is carried on,  
5 may, in case of contumacy or refusal to obey a  
6 subpoena, issue to any public service subject to the  
7 provisions of this Act, or to any other person, an order  
8 requiring such public service or other person to appear  
9 before the Commission and produce books and papers  
10 if so ordered and give evidence touching the matter in  
11 question; and any failure to obey such order of the  
12 Court may be punished by such court as a contempt  
13 thereof.]

14 “(b) Any person who shall neglect or refuse  
15 to answer any lawful inquiry or produce before  
16 the [Commission] ADMINISTRATIVE AGENCY books,  
17 papers, tariffs, contracts, agreements, and documents  
18 or other things called for by said [Commission]  
19 ADMINISTRATIVE AGENCY, if in his power to do so,  
20 in obedience to the subpoena or lawful inquiry of  
21 the [Commission] ADMINISTRATIVE AGENCY upon  
22 conviction thereof by a court of competent jurisdiction,  
23 shall be punished by a fine not exceeding [five]  
24 THIRTY thousand pesos (P30,000.00) or by  
25 imprisonment not exceeding [one year] SIX (6)  
26 MONTHS, or both, [in] AT the discretion of the court.

1           “(c) The [Commissioner and Deputy  
2 Commissioner,] OFFICIALS AND HEARING OFFICERS  
3 OF THE [the chiefs of divisions, the attorneys of  
4 the Commission] ADMINISTRATIVE AGENCY, [and the  
5 deputy secretaries] shall have the power to administer  
6 oaths in all matters under the jurisdiction of the  
7 [Commission] ADMINISTRATIVE AGENCY.

8           “(d) Any person who shall testify falsely or make  
9 any false affidavit or oath before the [Commission]  
10 ADMINISTRATIVE AGENCY or before any of its  
11 members shall be guilty of perjury, and upon conviction  
12 thereof in a court of competent jurisdiction, shall be  
13 punished as provided by law.

14           “(e) Witnesses appearing before the  
15 [Commission] ADMINISTRATIVE AGENCY in obedience  
16 to subpoena or subpoena *duces tecum*, shall be entitled  
17 to receive the same fees and mileage as witnesses  
18 attending [Courts of First Instance] REGIONAL TRIAL  
19 COURTS in civil cases.

20           “(f) Any person who shall obstruct the  
21 [Commission] ADMINISTRATIVE AGENCY or either of  
22 the [Commissioners] HEARING OFFICERS while  
23 engaged in the discharge of official duties, or who shall  
24 conduct himself in a rude, disrespectful or disorderly  
25 manner before the [Commission] ADMINISTRATIVE

1           **AGENCY** either of the **[Commissioners]** **HEARING**  
2           **OFFICERS**, while engaged in the discharge of official  
3           duties, or shall orally or in writing be disrespectful to,  
4           offend or insult either of the **[Commissioners]**  
5           **HEARING OFFICERS** on occasion or by reason of the  
6           performance of his official duties, upon conviction  
7           thereof by a court of competent jurisdiction, shall be  
8           punished for each offense by a fine not exceeding  
9           **[one thousand pesos]** **THIRTY THOUSAND PESOS**  
10           **(P30,000.00)**, or by imprisonment not exceeding six  
11           **(6)** months, or both, **[in]** **AT** the discretion of the  
12           **Court.**”

13           **SEC. 23.** Section 31 of Commonwealth Act No. 146, as  
14           amended, is hereby amended to read as follows:

15           “**SEC. 31.** No person shall be excused from  
16           testifying or from producing any book, document, or  
17           paper in any investigation or inquiry by or upon the  
18           hearing before the **[Commission]** **ADMINISTRATIVE**  
19           **AGENCY**, when ordered so to do by said **[Commission]**  
20           **ADMINISTRATIVE AGENCY**, except when the testimony  
21           or evidence required of him may tend to incriminate  
22           him. Without the consent of the interested party,  
23           no member or employee of the **[Commission]**  
24           **ADMINISTRATIVE AGENCY** shall be compelled or  
25           permitted to give testimony in any civil suit to which  
26           the **[Commission]** **ADMINISTRATIVE AGENCY** is not a



1 party, with regard to secrets obtained by him in the  
2 discharge of his official duty.”

3 SEC. 24. Section 32 of Commonwealth Act No. 146, as  
4 amended, is hereby further amended to read as follows:

5 “SEC. 32. The [Commission] ADMINISTRATIVE  
6 AGENCY may, in any investigation or hearing, by its  
7 order in writing, cause the deposition of witnesses  
8 residing within or without the Philippines to be taken in  
9 the manner AND UNDER THE CONDITIONS prescribed  
10 by the Rules of Court. Where witnesses reside in  
11 places distant from Manila and it would be inconvenient  
12 and expensive for them to appear personally before  
13 the [Commission.] ADMINISTRATIVE AGENCY, the  
14 [Commission] ADMINISTRATIVE AGENCY may, by  
15 proper order, commission any clerk of the [Court of First  
16 Instance, municipal judge or justice of the peace]  
17 REGIONAL TRIAL COURT of the Philippines to take the  
18 deposition of witnesses in any case pending before the  
19 [Commission] ADMINISTRATIVE AGENCY. It shall be  
20 the duty of the official so commissioned, to designate  
21 promptly a date or dates for the taking of such  
22 deposition, giving timely notice to the parties, and on  
23 said date to proceed to take the deposition, reducing it to  
24 writing. After the depositions have been taken, the  
25 official so commissioned shall certify to the depositions  
26 taken and forward them as soon as possible to the

1 [Commission] ADMINISTRATIVE AGENCY. It shall be  
2 the duty of the respective parties to furnish  
3 stenographers for taking and transcribing the testimony  
4 taken. [In case there are no stenographers available, the  
5 testimony shall be taken in longhand by such person as  
6 the clerk of court, the municipal judge or justice of the  
7 peace may designate. The Commission may also  
8 commission a notary public to take the depositions in  
9 the same manner herein provided.]

10 "The [Commission] ADMINISTRATIVE AGENCY  
11 may also, by proper order, authorize any of the  
12 attorneys of the legal division or division chiefs of the  
13 [Commission] ADMINISTRATIVE AGENCY, if they be  
14 lawyers, to hear and investigate any case filed with the  
15 [Commission] ADMINISTRATIVE AGENCY and in  
16 connection therewith to receive such evidence as may  
17 be material thereto. At the conclusion of the hearing  
18 or investigation, the attorney or division chief so  
19 authorized shall submit the evidence received by him  
20 to the [Commission] ADMINISTRATIVE AGENCY to  
21 enable the latter to [surrender] RENDER its decision."

22 SEC. 25. Section 33 of Commonwealth Act No. 146, as  
23 amended, is hereby amended to read as follows:

24 "SEC. 33. Every order made by the  
25 [Commission] ADMINISTRATIVE AGENCY shall be  
26 served upon the person or public service affected

1           thereby, within ten (10) days from the time said order  
2           is filed, by personal delivery or by ordinary mail, upon  
3           the attorney of record, or in case there be no attorney  
4           of record, upon the party interested; and in case such  
5           certified copy is sent by registered mail, the registry  
6           mail receipt shall be *prima facie* evidence of the  
7           receipt of such order by the public service in due  
8           course of mail. All orders of the [Commission]  
9           ADMINISTRATIVE AGENCY to continue an existing  
10          service or prescribing rates to be charged shall be  
11          immediately operative; all other orders shall become  
12          effective upon the dates specified therein: *Provided,*  
13          *however,* That orders, resolutions or decisions in  
14          controverted matters and not referring to the  
15          continuance of an existing service or prescribing rates  
16          to be charged shall not be effective unless otherwise  
17          provided by the [Commission] ADMINISTRATIVE  
18          AGENCY, and shall take effect thirty (30) days after  
19          notice to the parties.”

20          SEC. 26. Section 34 of Commonwealth Act No. 146, as  
21          amended, is hereby amended to read as follows:

22                 “SEC. 34. Any interested party may request the  
23                 reconsideration of any order, ruling, or decision of the  
24                 [Commission] ADMINISTRATIVE AGENCY by means of  
25                 a petition filed not later than fifteen (15) days after the  
26                 date of the notice of the order, ruling or decision in  
27                 question. The grounds on which the request for

1 reconsideration is based shall be clearly and  
2 specifically stated in the petition. Copies of said  
3 petition shall be served on all parties interested in the  
4 matter. It shall be the duty of the [Commission]  
5 ADMINISTRATIVE AGENCY to call a hearing on said  
6 petition immediately, with notice to the parties, and  
7 after hearing to decide the same promptly, either  
8 denying the petition or revoking or modifying the  
9 order, ruling or decision under consideration.”

10 SEC. 27. Section 35 of Commonwealth Act No. 146, as  
11 amended, is hereby amended to read as follows:

12 “SEC. 35. [The Supreme Court is hereby given  
13 jurisdiction to review any order, ruling, or decision of  
14 the Commission and to modify or set aside such order,  
15 ruling, or decision when it clearly appears that there  
16 was no evidence before the Commission to support  
17 reasonably such order, ruling, or decision, or that the  
18 same is contrary to law, or that it was without the  
19 jurisdiction of the Commission. The evidence  
20 presented to the Commission, together with the record  
21 of the proceedings before the Commission, shall be  
22 certified by the secretary of the Commission to the  
23 Supreme Court. Any order, ruling, or decision of the  
24 Commission may likewise be reviewed by the Supreme  
25 Court upon a writ of certiorari in proper cases. The  
26 procedure for review, except as herein provided, shall  
27 be prescribed by rules of the Supreme Court.] ANY

1           **ORDER, RULING, OR DECISION OF THE**  
2           **ADMINISTRATIVE AGENCY MAY BE APPEALED IN THE**  
3           **MANNER AND WITHIN THE PERIOD PRESCRIBED UNDER**  
4           **THE RULES OF COURT AND OTHER PERTINENT LAWS.”**

5           **SEC. 28. Section 36 of Commonwealth Act No. 146, as**  
6           **amended, is hereby amended to read as follows:**

7                   **“SEC. 36. Any order, ruling, or decision of the**  
8           **[Commission] ADMINISTRATIVE AGENCY may be**  
9           **reviewed on the application of any person or public**  
10           **service affected thereby, by certiorari in appropriate**  
11           **cases, or by petition, to be known as Petition for**  
12           **Review, which shall be filed within thirty (30) days**  
13           **from notification of such order, ruling, or decision or,**  
14           **in case a petition for the reconsideration of such order,**  
15           **ruling, or decision is filed in accordance with the**  
16           **preceding section and the same is denied, it shall be**  
17           **filed within fifteen (15) days after notice of the order**  
18           **denying reconsideration. Said petition shall be placed**  
19           **on file in the office of the clerk of the Supreme Court**  
20           **who shall furnish copies thereof to the [Secretary of**  
21           **the Commission] ADMINISTRATIVE AGENCY and other**  
22           **parties interested.”**

23           **SEC. 29. Section 37 of Commonwealth Act No. 146, as**  
24           **amended, is hereby amended to read as follows:**

25                   **“SEC. 37. The institution of a writ of certiorari**  
26           **or other special remedies in the Supreme Court shall**  
27           **in no case supersede or stay any order, ruling, or**

1 decision of the [Commission] ADMINISTRATIVE  
2 AGENCY, unless the Supreme Court shall so direct, and  
3 the appellant may be required by the Supreme Court to  
4 give bond in such form and of such amount as may be  
5 deemed proper.”

6 SEC. 30. Section 38 of Commonwealth Act No. 146, as  
7 amended, is hereby amended to read as follows:

8 “SEC. 38. The chief of the legal division  
9 or any other attorneys of the [Commission]  
10 ADMINISTRATIVE AGENCY shall represent the same  
11 in all judicial proceedings. It shall be the duty of  
12 the Solicitor General to represent the [Commission]  
13 ADMINISTRATIVE AGENCY in any judicial proceeding if,  
14 for special reasons, the [Commissioner] HEARING  
15 OFFICER shall request his intervention.”

16 SEC. 31. Section 39 of Commonwealth Act No. 146, as  
17 amended, is hereby amended to read as follows:

18 “SEC. 39. Any proceeding in any court of the  
19 Philippines directly affecting an[d] order of the  
20 [Commission] ADMINISTRATIVE AGENCY or to which  
21 the [Commission] ADMINISTRATIVE AGENCY is a  
22 party, shall have preference over all other civil  
23 proceedings pending in such court, except election  
24 cases.”

25 SEC. 32. Section 40 of Commonwealth Act No. 146, as  
26 amended, is hereby further amended to read as follows:

1           "SEC. 40. [The Commission is authorized and  
2 ordered to charge and collect from any public service or  
3 applicant, as the case may be, the following fees as  
4 reimbursement of its expenses in the authorization,  
5 supervision and/or regulation of the public services:]

6           **ADMINISTRATIVE FEES AND CHARGES. -**  
7           **ADMINISTRATIVE AGENCIES MAY COLLECT FROM ANY**  
8           **PUBLIC SERVICE OR PUBLIC UTILITY REASONABLE FEES**  
9           **AND CHARGES, AND IMPOSE APPROPRIATE PENALTIES**  
10           **AND FINES AS PROVIDED BY LAW: PROVIDED, THAT**  
11           **SUCH FEES, CHARGES, PENALTIES AND FINES MAY BE**  
12           **ADJUSTED TO ITS PRESENT VALUE EVERY FIVE (5) YEARS**  
13           **USING THE CONSUMER PRICE INDEX (CPI) AS**  
14           **PUBLISHED BY THE PHILIPPINE STATISTICS AUTHORITY**  
15           **(PSA)."**

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

17           "x x x

18           Aside from the appropriations for the Commission  
19 under the annual General Appropriations Act, any  
20 unexpended balance of the fees collected by the  
21 Commission under this section shall be constituted x x x  
22 and other expenses necessary for efficient administration  
23 and effective supervision and regulation of public  
24 services.]

25           SEC. 33. *Interpretation.* - This Act shall be subject to and  
26 consistent with the regulatory powers of the State to promote public

1 interest in Article IX-C, Section 4 and Article XII, Section 17 of the  
2 Constitution.

3 A person classified as a public utility prior to the effectivity of  
4 this Act and declassified as such under this Act shall be considered  
5 a public service and a business affected with public interest for  
6 purposes of Article XII, Section 17 of the Constitution. Such person  
7 shall continue to be subject to regulation by relevant Administrative  
8 Agencies under existing laws. This Act does not redefine the term  
9 Common Carrier as defined under Article 1732 of Republic Act  
10 No. 386, otherwise known as the "Civil Code of the Philippines", as  
11 amended, or alter its obligation to exercise extraordinary diligence  
12 as provided thereunder.

13 No franchise, certificate, concession, or authorization granted  
14 by the appropriate Administrative Agencies pursuant to this Act  
15 shall be: (a) exclusive in character; (b) for a longer period than fifty  
16 (50) years: *Provided*, That if a public service has maintained an  
17 exemplary record in the delivery of services, and has made  
18 substantial investments on infrastructure, technology or equipment  
19 for its operations, such performance and size of investment shall be  
20 taken, and the application for renewal of the franchise, certificate,  
21 concession or authorization of the public service shall be given  
22 priority by the appropriate Administrative Agencies; and (c) granted  
23 except under the condition that it shall be subject to amendment,  
24 alteration, or repeal by Congress when the public interest so  
25 requires.

26 SEC. 34. *Non-Impairment of Existing Agreements.* – The  
27 application and implementation of the pertinent provisions of this



1 Act shall not impair vested rights or obligations of contracts.  
2 Current and subsisting concession agreements and other similar  
3 contracts of juridical persons with government agencies or  
4 government-owned and -controlled corporations covering activities  
5 hereunder classified as public utilities shall remain valid and in  
6 force in accordance with the existing terms and conditions the  
7 parties agreed to thereunder until the expiration or termination  
8 thereof.

9       SEC. 35. *Suppletory Application of Commonwealth Act*  
10 *No. 146.* – Commonwealth Act No. 146, as amended, shall  
11 be construed as a general law that shall apply suppletorily to  
12 special laws or existing sector-specific laws governing public  
13 services, except for Section 13(d) of Commonwealth Act No. 146,  
14 as amended, under Section 5 of this Act.

15       SEC. 36. *Conduct of Regular Studies.* – The NEDA shall  
16 conduct regular studies on whether regulatory reform is warranted  
17 in a public service sector to improve consumer welfare and to  
18 submit its recommendation to Congress.

19       SEC. 37. *Congressional Oversight and Periodic Review.* – A  
20 Congressional Oversight Committee shall be created that will  
21 conduct a periodic review commencing from the effectivity of this  
22 Act. The Congressional Oversight Committee shall be composed of  
23 the Chairperson of the Senate Committee on Public Services, the  
24 Chairperson of the House of Representatives Committee on  
25 Economic Affairs, and representatives of other relevant  
26 congressional committees.

1           **SEC. 38. *Performance Audit.*** – Administrative Agencies  
2 shall conduct a performance audit every three (3) years by an  
3 independent evaluation team to ensure the quality of services  
4 provided to the public and the ability of manpower and system  
5 resources of the public service provider to immediately respond to  
6 emergency cases. Metrics for various types of services must be  
7 established to sustain reliability, security, and safety of the public.

8           **SEC. 39. *Implementing Rules and Regulations.*** – All  
9 administrative agencies under Section 4 of this Act shall, in  
10 coordination with the NEDA, promulgate rules and regulations to  
11 implement the provisions of this Act, within six (6) months from the  
12 effectivity of this Act.

13           **SEC. 40. *Separability Clause.*** – Should any portion or  
14 provision of this Act be declared unconstitutional, the remainder of  
15 this Act or any provision not affected thereby shall remain in force  
16 and effect.

17           **SEC. 41. *Repealing Clause.*** – All laws, decrees, orders, rules  
18 and regulations, or other issuances or parts thereof, including  
19 Commonwealth Act No. 146 or the Public Service Act, as amended,  
20 inconsistent with the provisions of this Act are hereby repealed or  
21 modified accordingly. This includes:

22           (a) Republic Act No. 6957, entitled “An Act Authorizing the  
23 Financing, Construction, Operation and Maintenance of  
24 Infrastructure Projects by the Private Sector, and for Other  
25 Purposes”, as amended, on the limitation of foreign investment in a  
26 facility operator where a public utility franchise is required;

1           (b) Republic Act No. 9295, otherwise known as the “Domestic  
2 Shipping Development Act of 2004”, as amended, on the limitation  
3 of foreign investments in domestic ship operator, domestic ship  
4 owner, ship builder, ship repairer, and such other provisions therein  
5 inconsistent with this Act;

6           (c) Republic Act No. 9497, otherwise known as the “Civil  
7 Aviation Authority Act of 2008”, as amended, on the limitation of  
8 foreign investments in relation to the registration of aircraft and  
9 restriction on the issuance of permits and authority, and such other  
10 provisions therein inconsistent with this Act;

11           (d) Republic Act No. 776, otherwise known as “The Civil  
12 Aeronautics Act of the Philippines”, as amended, on the limitation  
13 of foreign investments in relation to the registration of aircraft,  
14 issuance of permits and authority, and such other provisions therein  
15 inconsistent with this Act;

16           (e) Presidential Decree No. 1112, otherwise known as the  
17 “Toll Operation Decree”, as amended, on the limitation of contracts  
18 for the construction, operation and maintenance of toll facilities only  
19 to citizens of the Philippines and such other provisions therein  
20 inconsistent with this Act;

21           (f) Republic Act No. 9136, otherwise known as the “Electric  
22 Power Industry Reform Act of 2001”, as amended, except the  
23 provisions and clauses on Cross Ownership, Market Power Abuse,  
24 and Anti-Competitive Behavior;

25           (g) Executive Order No. 202, Series of 1987, entitled  
26 “Creating the Land Transportation Franchising and Regulatory

1 Board”, as amended, and the Administrative Code of 1987, as  
2 amended;

3 (h) Presidential Decree No. 857, otherwise known as the  
4 “Revised Charter of the Philippine Ports Authority”, as amended;

5 (i) Republic Act No. 6234, entitled “An Act Creating the  
6 Metropolitan Waterworks and Sewerage System and Dissolving the  
7 National Waterworks and Sewerage Authority; and for Other  
8 Purposes”, as amended;

9 (j) Presidential Decree No. 198, otherwise known as the  
10 “Provincial Water Utilities Act of 1973”, as amended;

11 (k) Department of Transportation Department Order  
12 No. 2018-13 on the classification of the Transport Network  
13 Companies and Transportation Network Vehicles Service as public  
14 utilities; and

15 (l) Republic Act No. 7925, otherwise known as the “Public  
16 Telecommunications Policy Act of the Philippines”, on the  
17 classification of all telecommunications entities as public utilities.

18 SEC. 42. *Effectivity.* – This Act shall take effect fifteen (15)  
19 days after its publication in the *Official Gazette* or in a newspaper of  
20 general circulation.

Approved,

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