

THIRD DIVISION

[G.R. No. 169493, March 14, 2010]

**STA. CLARA SHIPPING CORPORATION, PETITIONER, VS.
EUGENIA T. SAN PABLO, RESPONDENT.**

DECISION

CORONA, J.:

Sta. Clara Shipping Corporation (Sta. Clara) assails the May 31, 2005 decision^[1] and July 27, 2005 resolutions^[2] of the Court of Appeals (CA) which annulled its certificate of convenience (CPC) to operate MV King Frederick.

The facts are undisputed.

Sta. Clara filed an application, docketed as Case No. 2001-033, with Maritime Industry Authority (MARINA) for a CPC to operate MV King Frederick along the route Matnog, Sorsogon-Allen, Northern Samar and vice versa.^[3] The application was opposed by the pioneering operators Bicolandia Lines, Inc. and Eugenia T. San Pablo/E Tabinas Enterprises (San Pablo) on the ground that, with five vessels^[4] already plying the route, the entry of a sixth vessel would cause grievous problems in berthing space and time schedule.^[5]

MARINA granted the application of Sta. Clara in a decision dated January 26, 2004, the dispositive portion of which read:

WHEREFORE, for all foregoing considerations and finding that the Applicant is a domestic corporation, legally and financially capable to operate and maintain the existing service; that the approval of the instant application will promote public interest and convenience in a proper and suitable manner, this Authority hereby grants Applicant, Sta. Clara Shipping Corporation, a Certificate of Public Convenience (CPC) to operate the ship, MV KING FREDERICK, in the route: Matnog, Sorsogon - Allen, Northern Samar and vice-versa, for the carriage of passengers and cargoes, for a period of FIVE (5) YEARS from date hereof, subject to the following conditions:

1. That the terms and conditions set forth in the attached Certificate of Public Convenience and its Rider thereto shall remain in full force and effect;
2. That the Applicant shall submit the ship's renewed Certificate of Inspection (CI), Coastwise License (CWL), Radio/Ship Station License, Class Certificate and Safety Management Certificate prior

to every expiration thereof, and the ship's Passenger Insurance Coverage fifteen (15) days prior to every expiration thereof, otherwise, this Certificate of Public Convenience (CPC) shall be deemed suspended until compliance/submission thereof;

3. That the Applicant shall at all times carry on board its ship a copy of the latest authority to operate (CPC/PA/SP), the PMMRR 1997, relevant MARINA/PCG/PPA Circulars/Issuances, the SOLAS 74 as amended, Collision Regulations 1972, STCW Convention 1978/95, among other IMO Conventions;
4. That the Applicant shall comply with the provisions of MARINA Memorandum Circular No. 154 dated 23 February 2000 on "Reiteration of Safety-Related Policies/Guidelines/Rules and Regulations For Guidance and Strict Compliance"; and
5. That any violation of the terms and conditions of this Certificate of Public Convenience shall result to the suspension/cancellation and/or revocation thereof.

(Approved during the 99th Quasi-Judicial Board Meeting held on 22 December 2003.)

SO ORDERED.^[6]

Accordingly, a CPC^[7] was issued to Sta. Clara to operate MV King Frederick for a period of five (5) years beginning January 26, 2004.

Counsel for San Pablo received copy of the decision on February 26, 2004.^[8] Her authorized representative received another copy on February 27, 2004.^[9] However, it was only on May 14, 2004 that San Pablo filed with MARINA a motion for reconsideration.^[10] Consequently, MARINA denied the motion for reconsideration for having been filed out of time, citing Rule 17 of Memorandum Circular No. 74-A which provides that a decision becomes final unless a motion for reconsideration or appeal is filed within 15 days from receipt thereof.^[11]

San Pablo filed a petition for review with the CA.^[12]

The CA granted the petition in a decision dated May 31, 2005, the dispositive portion of which read:

UPON THE VIEW WE TAKE OF THIS CASE, THUS, the petition at bench must be, as it is hereby GRANTED. The decision of the MARINA in Maritime Industry Case No. 2001-033 dated January 26, 2004 and its Resolution dated September 16, 2004 denying petitioner's Motion for Reconsideration are hereby VACATED and SET ASIDE. Without costs in this instance.

SO ORDERED.^[13]

Meanwhile, two events transpired which altered the state of facts in this case.

First, Republic Act (RA) 9295^[14] and its implementing rules and regulations^[15] were issued requiring existing operators to apply for CPCs under the new law.^[16] Thus, on May 4, 2005, Sta. Clara filed with the Legaspi Maritime Regional Office (LMRO) an application, docketed as Case No. LMRO 05-056, for a new CPC to operate MV King Frederick and two other vessels in several routes including Matnog, Sorsogon-Allen, Northern Samar and vice versa.^[17]

Second, on June 6, 2005, LMRO granted the application of Sta. Clara for a new CPC:

WHEREFORE, upon the foregoing holdings, and finding that applicant corporation is legally and financially capable to operate and maintain the proposed service; that the approval of the instant application will promote public interest and convenience in proper and suitable manner, this Authority hereby grants applicant corporation STA. CLARA SHIPPING CORPORATION a CERTIFICATE OF PUBLIC CONVENIENCE (CPC) to operate the vessels MV KING FREDERICK, MV NELVIN JULES and MV HANSEL JOBETT for conveyance of passengers and cargoes in the applied route valid for a period of FIFTEEN (15) YEARS from date hereof, subject to the terms and conditions set forth in the attached Certificate of Public Convenience.

This decision takes effect immediately and shall become final, unless an appeal or a timely motion for reconsideration has been filed within fifteen (15) days from receipt hereof.

SO ORDERED.^[18]

Yet, on June 24, 2005, Sta. Clara filed a motion for reconsideration^[19] of the CA decision without disclosing that it had obtained a new CPC for MV King Frederick. It was San Pablo who reported this development to the CA when she filed a motion to hold Sta. Clara in contempt of court and to cancel its new CPC.^[20]

On July 27, 2005, the CA issued two resolutions, one denying Sta. Clara's motion for reconsideration,^[21] and another granting the motion of San Pablo to cancel the new CPC issued to Sta. Clara by the LMRO:

WHEREFORE, public respondent Marina's Decision dated June 6, 2005, in so far as it grants private respondent Sta. Clara Shipping Corporation a Certificate of Public Convenience (CPC) to operate the vessel KING FREDERICK is hereby RESCINDED, NULLIFIED and SET ASIDE. The public respondent Legaspi Maritime Regional Office (LMRO), through its Regional Director, Mr. Lucita T. Madarang, is thus ordered to explain why she should not be cited for contempt for rendering the assailed decision in LMRO 05-056.