

# [ Commonwealth Act No. 454, June 08, 1939 ]

## **AN ACT TO AMEND VARIOUS SECTIONS OF COMMONWEALTH ACT NUMBERED ONE HUNDRED AND FORTY-SIX, KNOWN AS THE PUBLIC SERVICE ACT.**

*Be it enacted by the National Assembly of the Philippines:*

SECTION 1. Sections thirteen, fourteen, and fifteen of Commonwealth Act Numbered One hundred and forty-six, known as the Public Service Act, are amended so as to read as follows:

"SEC. 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 it shall have no authority to require steamboats, motorships and steamship lines, whether privately owned, or owned or operated by any Government controlled corporation or instrumentality, to obtain certificates 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 whatever may be its classification, freight or carrier service of any class, express service, steamboat, or steamship line, ponties, ferries, and small water craft, engaged in the transportation of passengers and freight, shipyard, marine railway, marine repair shop, warehouse, wharf or dock, ice plant, ice-refrigeration plant, canal, irrigation system, sewerage, gas, electric light, heat and power, water supply and power, petroleum, sewerage system, telephone, wire or wireless telegraph system and broadcasting radio stations.

"(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, branch or agency of the Government of the Philippines, and whatever other persons or entities that may own or possess or operate public services."

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

"(a) Ice and refrigeration plants and the other public services operated in the Philippines by the Government of the United States for its exclusive use and notto serve to persons for hire or compensation:

"(b) Municipal warehouses;

"(c) Vehicles drawn by animals and bancas moved by oar and/or sail;

"(d) Airships within the Philippines except as regard the fixing of their maximum rates on freight and passengers;

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

"(f) Public services owned or operated by any instrumentality of the National Government or by any government-owned or controlled corporation."

"Sec. 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 convenience and public 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 Commonwealth of the Philippines or by 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 permits to modify itineraries and time schedules of public services and to authorizations to renew and increase equipment and properties"

SEC. 2. Subsection (h) of section twenty of the same Act is amended so as to read as follows"

"(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."

Sec 3. All the provisos following the word "departments" in paragraph (9) of Subsection (j) of section twenty of the same Act are repealed and the colon following the aforesaid word is changed into a period.