



SENATE

20 FEB 26 A8:53

Senate Bill No. 1372

REC'D 10:30 AM

*SF*

Introduced by Senator Juan Miguel F. Zubiri

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

**EXPLANATORY NOTE**

The current Public Service Act was enacted in 1936 to regulate the public utilities in order to ensure the welfare of the people. As in any law, the same is reflective of the exigencies then existing, and the circumstances of the times.

In the intervening 80 years, several advancements in technology have occurred. For instance, telecommunications drastically improved over the years since the national landline telephone system was pioneered in the country in 1932. Today, mobile phones have surpassed the usage of landline telephones and have become the most widely used means of communication. In fact, since the advent of mobile phone use in 1990, subscribers have grown from 10,000 to 115.82 million, and Filipinos are among the world's top online and social media users in 2019, spending an average of 10 hours and 2 minutes on the internet everyday. Indeed, what used to be viewed as a luxurious communicating device for high-income earners has now become ubiquitous and part of every Filipino's daily life.

Similarly, evolution in the transportation systems have been seen in the country. Motor vehicles have already been operating in the public highways in Manila and suburbs since 1910. Through the years, better means of transportation were introduced, including cars, trucks, jeepneys. Eventually, in 1980, electric railway system began, and since then, there has been an exponential growth in the demand for such means of transportation.

The same is true with the development in the electric power generation and transmission sector. What used to be a vertically-integrated, centrally-controlled and managed, and wholly-owned industry by the government has been deregulated and opened to private players in 2001 through the enactment of the EPIRA, as a response to the increasing necessity of electricity in the country. Indeed, the government has recognized the need to institute reforms in the electric power industry, in order to adopt with the rapidly growing demand for what may now be considered a basic consumer good.

A review and revision of the law is highly necessary at this time considering the quantum leaps in technology the world has seen since then. Among others, the usage and even modes of transportation, communication technologies, and the ubiquity of what may have been luxuries in the past – such as electricity and water services, have changed the way utilities must be viewed.

This bill therefore aims to be in tune with the times by rationalizing restrictions which may no longer be necessary. This Bill adopts largely adopts the version approved by the House of Representatives which has already been extensively deliberated on and studied by our colleagues at the House of Representatives as well as by the undersigned.

Among the key amendments proposed to the PSA is providing a statutory definition of a "public utility," which was often used interchangeably with "public service." The clarification in this Bill will lift foreign ownership limits, except in the cases of electricity distribution, electricity transmission, and water distribution. The amendment intends to open the country to even more foreign investment in order to benefit ordinary Filipinos and to make the Philippines an even stronger participant in the global community of nations.

The bill likewise adopts the following changes to ensure that the above goal is fully realized: (a) removing prior regulatory approval before incurring long term indebtedness and/or issuing shares of stock; (b) removing the requirement to put up a depreciation fund; (c) removing prior regulatory approval for encumbrance for assets which are not used and useful in the delivery of the required public service and limiting prior regulatory approval for construction or installation of assets of the same nature; (e) maintaining with the concerned administrative agency the discretion to adopt its own rate setting methodology; (f) explicitly recognizing the authority of the Philippine Competition Commission to regulate anti-competitive behavior; and (g) promoting the employment of Filipinos in these public utilities. To safeguard the interests of the people, the provisions on fines and penalties imposed in the Bill, if more stringent than existing penal provisions of special laws, shall prevail.

The bill envisions a future where public utilities can freely invest in resources to keep up with advancing technology. Given the capital-intensive nature of providing public service, public utilities must be able to have prompt and timely access to all types of financing options in order to better manage its resources: whether by raising additional equity or indebtedness, removing inefficient mandatory investments in the form of depreciation funds, or allowing them to manage and dispose of their assets without need for administrative agencies to police the intended usage. These, together with the administrative agency's determination to the most suitable rate-setting methodology will ensure that the public is guarded against price volatility of public service. This Bill will aid in the delivery of modern services to households and turn common folk into a global Filipino.

In view of the foregoing, early passage of this bill is earnestly sought.



JUAN MIGUEL F. ZUBIRI

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Senate Bill No. 1372

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Introduced by Senator Juan Miguel F. Zubiri

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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 "New Public  
2 Service Act."

3

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

7

8 It is hereby recognized that public services are necessary to the public  
9 and must be regulated, in pursuit of consumer welfare and quality basic services.  
10 These policies are fulfilled by: 1) ensuring effective regulation of public services;  
11 2) providing reasonable rate of return to public services; 3) rationalize foreign  
12 equity restrictions by clearly defining the term "public utilities"; and 4) instituting  
13 processes for the protection of national security.

14

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

17

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

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

6

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

10

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

13

14      (e) *Distribution of Electricity* refers to the conveyance of electric power by a  
15       distribution utility through its distribution system as defined by Section 4 (n) of  
16       Republic Act No. 9136, otherwise known as the "Electric Power Industry Reform  
17       Act (EPIRA) of 1991";

18

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

22

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

30

31      (h) *Transmission of Electricity* refers to the conveyance of electricity through the  
32       high voltage backbone system, as defined by Section 4 (ccc) of Republic Act No.  
33       9136, otherwise known as EPIRA;

34

35      (i) *Water Pipeline Distribution Systems* refer to the operation and maintenance of  
36       water pipeline distribution systems to ensure an uninterrupted and adequate

1 supply and distribution of potable water for domestic and other purposes, as  
2 regulated by Republic Act No. 6234, entitled "An Act Creating the Metropolitan  
3 Waterworks and Sewerage System," as amended, and Presidential Decree No.  
4 198, otherwise known as "The Provincial Water Utilities Act of 1973," as  
5 amended; and

6

7 (j) *Sewerage Pipeline Systems* refer to the operation and maintenance of  
8 sewerage pipeline systems to ensure public health and safety, as regulated by  
9 Republic Act No. 6234, entitled "An Act Creating the Metropolitan Waterworks  
10 and Sewerage System," as amended, and Presidential Decree No. 198, otherwise  
11 known as "The Provincial Water Utilities Act of 1973," as amended.

12

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

18

- 19 a. Civil Aeronautics Board (CAB);  
20 b. Civil Aviation Authority of the Philippines (CAAP);  
21 c. Department of Energy (DOE);  
22 d. Department of Environment and Natural Resources (DENR);  
23 e. Department of Information and Communications Technology (DICT);  
24 f. Department of Transportation (DOTr);  
25 g. Energy Regulatory Commission (ERC);  
26 h. Land Transportation Franchising Regulatory Board (LTFRB);  
27 i. Land Transportation Office (LTO);  
28 j. Local Water Utilities Administration (LWUA);  
29 k. Maritime Industry Authority (MARINA);  
30 l. Metropolitan Waterworks and Sewerage System (MWSS);  
31 m. National Telecommunications Commission (NTC);  
32 n. National Water Resources Board (NWRB);  
33 o. Philippine Ports Authority (PPA); and  
34 p. Toll Regulatory Board (TRB).

35

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

3

4 "SEC. 13. (a) The [Commission] **ADMINISTRATIVE AGENCY** shall have  
5 jurisdiction, supervision, and control over all public services and their franchises,  
6 equipment, and other properties, and in the exercise of its authority, it shall have  
7 the necessary powers and the aid of public force: *Provided*, That public services  
8 owned or operated by government entities or government-owned or controlled  
9 corporations shall be regulated by the [Commission] **ADMINISTRATIVE**  
10 **AGENCY** in the same way as privately-owned public services, [but certificates of  
11 public convenience or certificates of public convenience and necessity shall not  
12 be required of such entities or corporations: *And provided, further*, That it shall  
13 have no authority to require steamboats, motorships and steamship lines,  
14 whether privately-owned, or owned or operated by any government controlled  
15 corporation or instrumentality to obtain certificate of public convenience or to  
16 prescribe their definite routes or lines of service] **Provided, further, That the**  
17 **requirement of a franchise, certificate, concession, or any other**  
18 **appropriate form of authorization for the operation of a public service**  
19 **SHALL APPLY in case the charter or enabling law of a public service**  
20 **owned or operated by a government entity or government owned or**  
21 **controlled operation does not explicitly REQUIRE THE SAME.**

22

23 "(b) The term 'public service' includes every person that now or hereafter may  
24 own, operate, manage, or control in the Philippines for hire or compensation,  
25 with general or limited clientele, whether permanent, occasional or accidental,  
26 and done for general use business purposes, **services which are non-**  
27 **rivalrous or imbued with public interest, such as** x x x marine repair shop,  
28 wharf or dock, [ice plant, ice refrigeration plant,] canal, **PUBLIC MARKET**,  
29 irrigation system, gas, electric light, heat and power, water supply and power,  
30 petroleum, sewerage system, **TELECOMMUNICATIONS SYSTEM**, wire or  
31 wireless communications system, x x x.

32           "x x x

33

34 "**(d) (1) A PUBLIC SERVICE THAT MEETS ALL OF THE FOLLOWING**  
35 **CRITERIA IS DEEMED A PUBLIC UTILITY:**

36

1       (a) THE PERSON REGULARLY SUPPLIES, TRANSMITS AND  
2              DISTRIBUTES TO THE PUBLIC THROUGH A NETWORK A  
3              COMMODITY OR SERVICE OF PUBLIC CONSEQUENCE;

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

10

11

12       (c) THE COMMODITY OR SERVICE IS NECESSARY FOR THE  
13              MAINTENANCE OF LIFE AND OCCUPATION OF THE PUBLIC; AND

14

15       (d) THE PERSON IS OBLIGATED TO PROVIDE ADEQUATE SERVICE  
16              TO THE PUBLIC ON DEMAND.

17

18

19       (2) AN ENTITY THAT OPERATES, MANAGES OR CONTROLS FOR PUBLIC  
20              USE ANY OF THE FOLLOWING SYSTEMS IS A PUBLIC UTILITY:

21              (a) DISTRIBUTION OF ELECTRICITY;  
22              (b) TRANSMISSION OF ELECTRICITY;  
23              (c) WATER PIPELINE DISTRIBUTION; AND  
24              (d) SEWERAGE PIPELINE.

25

26       A CONCESSIONAIRE GRANTED A CONCESSION BY A  
27              GOVERNMENT AGENCY ENGAGED IN PUBLIC UTILITY OPERATIONS  
28              SHALL BE DEEMED A PUBLIC UTILITY FOR THE PURPOSES OF THIS  
29              ACT.

30

31       (3) IN ADDITION TO SEC. (d)(1) AND (2) ABOVE, THE NATIONAL  
32              ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA), IN  
33              CONSULTATION WITH THE PHILIPPINE COMPETITION COMMISSION  
34              (PCC), SHALL RECOMMEND TO CONGRESS THE CLASSIFICATION OF A  
35              PUBLIC SERVICE AS A PUBLIC UTILITY PROVIDED SUCH PUBLIC

1     **SERVICE IS ABLE TO MEET ALL CRITERIA ENUMMERATED IN SEC. 13**  
2     **(d)(1) OF THIS ACT.**

4                 **NO OTHER PERSON SHALL BE DEEMED A PUBLIC UTILITY UNDER**  
5     **SEC. 13(d) OF THIS ACT, UNLESS OTHERWISE SUBSEQUENTLY**  
6     **PROVIDED BY LAW."**

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

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

- 13                 (a) Warehouses;
- 14                 (b) Vehicles drawn by animals and bancas moved by oar or sail, and  
15                         tugboats and lighters[.];
- 16                 (c) Airships within the Philippines except as regards the fixing of their  
17                         maximum rates on freight and passengers;
- 18                 (d) Radio companies except with respect to the fixing of rates;
- 19                 (e) Public services owned or operated by any instrumentality of the National  
20                         Government or by any government-owned or controlled corporation,  
21                         except with respect to the fixing of rates.

23         "**(2) IN THE INTEREST OF NATIONAL SECURITY, THE PRESIDENT,**  
24     **AFTER REVIEW, EVALUATION AND RECOMMENDATION OF THE**  
25     **RELEVANT GOVERNMENT DEPARTMENT OR ADMINISTRATIVE AGENCY,**  
26     **MAY SUSPEND OR PROHIBIT ANY PROPOSED MERGER OR**  
27     **ACQUISITION TRANSACTION, OR ANY INVESTMENT IN A PUBLIC**  
28     **SERVICE THAT EFFECTIVELY RESULTS IN THE GRANT OF CONTROL,**  
29     **WHETHER DIRECT OR INDIRECT, TO A FOREIGNER OR A FOREIGN**  
30     **CORPORATION.**

32         **THE PHILIPPINE COMPETITION COMMISSION SHALL BE**  
33     **CONSULTED ON ALL MATTERS RELATING TO MERGERS AND**  
34     **ACQUISITIONS.**

1           **THE NEDA SHALL PROMULGATE RULES AND REGULATIONS TO**  
2           **IMPLEMENT THE PROVISIONS OF THIS SECTION.**

4           SEC. 7. Section 15 of Commonwealth Act No. 146, as amended, is hereby  
5       amended to read as follows:

6       "SEC. 15. With the exception of those enumerated in **SECTION 14(1)**  
7       [preceding section], no public service shall operate in the Philippines without  
8       possessing a valid and subsisting **FRANCHISE**, certificate, **CONCESSION, OR**  
9       **ANY OTHER APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
10      **OPERATION OF A PUBLIC SERVICE**, [from the Public Service Commission  
11       known as "certificate of public convenience," or "certificate of public convenience  
12       and necessity,"] **FROM CONGRESS, AND/OR THE PROPER**  
13      **ADMINISTRATIVE AGENCY**, as the case may be, to the effect that the  
14       operation of said service and the authorization to do business will promote the  
15       public interest in a proper and suitable manner.

16

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

33

34       **UNLESS OTHERWISE PROVIDED BY LAW, OR BY ANY**  
35      **INTERNATIONAL AGREEMENT, A PUBLIC SERVICE SHALL EMPLOY A**  
36      **FOREIGN NATIONAL ONLY AFTER THE DETERMINATION OF NON-**

1     **AVAILABILITY OF A PHILIPPINE NATIONAL WHO IS COMPETENT, ABLE**  
2     **AND WILLING TO PERFORM THE SERVICES FOR WHICH THE FOREIGN**  
3     **NATIONAL IS DESIRED; PROVIDED, THAT IN NO CASE SHALL THE**  
4     **EMPLOYED FOREIGN NATIONALS COMPRIZE MORE THAN TWENTY**  
5     **FIVE PERCENT (25%) OF THE TOTAL EMPLOYEES OF THE PUBLIC**  
6     **SERVICE.**

7  
8         **ANY FOREIGN NATIONAL SEEKING ADMISSION TO THE**  
9         **PHILIPPINES FOR EMPLOYMENT PURPOSES AND ANY PUBLIC SERVICE**  
10         **WHICH DESIRES TO ENGAGE A FOREIGN NATIONAL FOR EMPLOYMENT**  
11         **IN THE PHILIPPINES MUST OBTAIN AN EMPLOYMENT PERMIT**  
12         **PURSUANT TO P.D. NO. 442, OTHERWISE KNOWN AS THE LABOR CODE**  
13         **OF THE PHILIPPINES, AS AMENDED.**

14  
15         **NO FOREIGN NATIONAL SHALL BE ALLOWED TO OWN CAPITAL**  
16         **STOCK OF ANY PUBLIC SERVICE CLASSIFIED AS A PUBLIC UTILITY**  
17         **PRIOR TO THIS ACT, UNLESS THE COUNTRY OF SUCH FOREIGN**  
18         **NATIONAL ACCORDS RECIPROCAL RIGHTS TO PHILIPPINE**  
19         **NATIONALS AS MAY BE PROVIDED BY FOREIGN LAW, TREATY OR**  
20         **INTERNATIONAL AGREEMENT. RECIPROCITY MAY BE SATISFIED BY**  
21         **ACCORDING RIGHTS OF SIMILAR VALUE IN OTHER ECONOMIC**  
22         **SECTORS.**

23         "X X X."

24  
25         SEC. 8. Section 16 of Commonwealth Act No. 146, as amended, are  
26 hereby amended to read as follows:

27         "SEC. 16. *Proceedings of the [Commission] ADMINISTRATIVE AGENCY, upon*  
28         *notice and hearing.* – The [Commission] **ADMINISTRATIVE AGENCY** shall  
29         have power, upon proper notice and hearing in accordance with the rules and  
30         provisions of this Act, subject to the limitations and exceptionS mentioned and  
31         saving provisions to the contrary:

32             "(a) To issue **FRANCHISES**, certificates, **CONCESSION, OR ANY**  
33         **OTHER APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
34         **OPERATION OF A PUBLIC SERVICE** [which shall be known as Certificates of  
35         Public Convenience,] authorizing the operation of public services within the  
36         Philippines whenever the [Commission] **ADMINISTRATIVE AGENCY** finds that

1 the operation of the public service proposed and the authorization to do business  
2 will promote the public interest in proper and suitable manner: [Provided, That  
3 hereafter, certificates of public convenience and certificates of public  
4 convenience and necessity will be granted only to citizens of the Philippines or of  
5 the United States or to corporations, co-partnerships, associations or joint-stock  
6 companies constituted and organized under the laws of the Philippines: Provided,  
7 That sixty per centum of the stock or paid-up capital of any such corporation, co-  
8 partnership, association or joint-stock company must belong entirely to citizens  
9 of the Philippines or of the United States: Provided, further, That no such  
10 certificates shall be issued for a period of more than fifty years.]

11 (b) To approve, subject to constitutional limitations any franchise or  
12 privilege granted [under the provisions of Act No. Six Hundred and Sixty-seven,  
13 as amended by Act No. One Thousand and twenty-two], by any political  
14 subdivision of the Philippines when, in the judgment of the [Commission]  
15 **ADMINISTRATIVE AGENCY**, such franchise or privilege will properly conserve  
16 the public interests, and the [Commission] **ADMINISTRATIVE AGENCY** shall in  
17 so approving impose such conditions as to construction, equipment,  
18 maintenance, service, or operation as the public interests and convenience may  
19 reasonably require, and to issue **FRANCHISE**, certificates, [of public  
20 convenience and necessity] **CONCESSION, OR ANY OTHER APPROPRIATE  
FORM OF AUTHORIZATION FOR THE OPERATION OF A PUBLIC  
SERVICE** when such is required or provided by any law or franchise.

23 "(c) To fix and determine individual or joint rates, tollS, charges,  
24 classifications, or schedules thereof, as well as commutation, mileage,  
25 kilometrage, and other special rates which shall be imposed, observed, and  
26 followed thereafter by any public service **WHEN THE PUBLIC INTEREST SO  
REQUIRES**: *Provided*, That the [Commission] **ADMINISTRATIVE AGENCY**  
27 may, in its discretion, approve rates proposed by public services provisionally and  
28 without necessity of any hearing; but it shall call a hearing thereon within [thirty]  
29 **FIFTEEN (15)** days, thereafter, upon publication and notice to the [concerns  
30 operating] **AFFECTED PARTIES WITHin** the territory affected: *Provided,*  
31 *further*, That in case the public service equipment of an operator is used  
32 principally or secondarily for the promotion of a private business, the net profits  
33 of said private business shall be considered in relation with the public service of  
34 such operator for the purpose of fixing the rates[;]: **PROVIDED, FINALLY,**  
35 **THAT WHEN THE PUBLIC INTEREST REQUIRES, THE ADMINISTRATIVE**

1 AGENCY MAY ESTABLISH AND ENFORCE A METHODOLOGY FOR  
2 SETTING RATES, TAKING INTO ACCOUNT ALL RELEVANT  
3 CONSIDERATIONS, INCLUDING THE EFFICIENCY OF THE REGULATED  
4 PUBLIC SERVICE. THE RATES MUST BE SUCH AS TO ALLOW THE  
5 RECOVERY OF PRUDENT AND EFFICIENT COSTS AND A REASONABLE  
6 RATE OF RETURN TO ENABLE THE PUBLIC SERVICE TO OPERATE  
7 VIABLY AND EFFICIENTLY. THE ADMINISTRATIVE AGENCY MAY ADOPT  
8 ALTERNATIVE FORMS CONSISTENT WITH INTERNATIONALLY  
9 ACCEPTED RATE-SETTING METHODOLOGY. THE ADOPTED RATE-  
10 SETTING METHODOLOGY SHALL ENSURE A REASONABLE PRICE OF  
11 THE COMMODITY OR SERVICE AND THAT THE RATES PRESCRIBED  
12 SHALL NOT BE DISCRIMINATORY.

13 "THIS PROVISION SHALL NOT BE INTERPRETED AS MANDATING  
14 RATE REGULATION NOR AMENDING OR REPEALING (1) LAWS  
15 PROVIDING A DEREGULATION POLICY, SUCH AS R.A. NO. 7925,  
16 OTHERWISE KNOWN AS THE "PUBLIC TELECOMMUNICATIONS POLICY  
17 ACT," R.A. NO. 8479, OTHERWISE KNOWN AS THE "DOWNSTREAM OIL  
18 INDUSTRY DEREGULATION ACT," R.A. NO. 9136, OTHERWISE KNOWN  
19 AS THE EPIRA LAW AND R.A. NO. 9295, OTHERWISE KNOWN AS THE  
20 "DOMESTIC SHIPPING DEVELOPMENT ACT OF 2004," AND (2)  
21 REGULATIONS PROMULGATED BY THESE ADMINISTRATIVE AGENCIES  
22 TO DEREGULATE RATES.

23 "xxx

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

31 (i) To direct any railroad, street railway or traction company to establish and  
32 maintain at any junction or point of connection or intersection with any other line  
33 of said road or track, or with any other line of any other railroad, street railway  
34 or traction company, such [just and reasonable] **PRUDENT AND EFFICIENT**  
35 connection as shall be necessary to promote the convenience of shippers of  
36 property, or of passengers, and in like manner to direct any railroad, street

1 railway, or traction company engaged in carrying merchandise, to construct,  
2 maintain and operate, upon reasonable terms, a switch connection with any  
3 private sidetrack which may be constructed by any shipper to connect with the  
4 railroad, street railway or traction company line where, in the judgment of the  
5 [Commission] **ADMINISTRATIVE AGENCY**, such connection is reasonable and  
6 practicable, and can be put in with safety, and will furnish sufficient business to  
7 justify the construction and maintenance of the same.

8 "x x x

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

14 (l) To fix and determine proper and adequate rates of depreciation of the  
15 property of any public service [which will be observed in a proper and adequate  
16 depreciation account to be carried for the protection of stockholders,  
17 bondholders or creditors] in accordance with such rules, regulations, and forms  
18 of accounts as the [Commission] **ADMINISTRATIVE AGENCY** may prescribe.  
19 Said rates shall be sufficient to provide the amounts required over and above the  
20 expense of maintenance to keep such property in a state of efficiency  
21 corresponding to the progress of the industry. [Each public service shall conform  
22 its depreciation accounts to the rates so determined and fixed, and shall set  
23 aside the moneys so provided for out of its earnings and carry the same in a  
24 depreciation fund. The income from investments of money in such fund shall  
25 likewise be carried in such fund. This fund shall not be expended otherwise than  
26 for depreciation, improvements, new construction, extensions or conditions to  
27 the property of such public service.]"

28 "x x x

29 (n) To suspend or revoke any **FRANCHISE**, certificate, **CONCESSION, OR**  
30 **ANY OTHER APPROPRIATE FORM OF AUTHORIZATION FOR THE**  
31 **OPERATION OF A PUBLIC SERVICE** issued under the provisions of this Act  
32 whenever the holder thereof has violated or willfully and contumaciously refused  
33 to comply with any order, rule or regulation of the [Commission]  
34 **ADMINISTRATIVE AGENCY** or any provision of this Act: *Provided*, That the  
35 [Commission] **ADMINISTRATIVE AGENCY** for good cause, may prior to the  
36 hearing suspend for a period not to exceed thirty days any **FRANCHISE**,

1 certificate, **CONCESSION, OR ANY OTHER APPROPRIATE FORM OF**  
2 **AUTHORIZATION FOR THE OPERATION OF A PUBLIC SERVICE**, or the  
3 exercise of any right or authority issued or granted under this Act by order of the  
4 [Commission] **ADMINISTRATIVE AGENCY**, whenever such step shall in the  
5 judgment of the [Commission] **ADMINISTRATIVE AGENCY** be necessary to  
6 avoid serious and irreparable damage or inconvenience to the public or to private  
7 interests.

8 "x x x

9

10 SEC. 9. Section 17 (b) of Commonwealth Act No. 146, as amended, is  
11 hereby amended to read as follows:

12 "SEC. 17. *Proceedings of [Commission] ADMINISTRATIVE AGENCY without*  
13 *previous hearing.* – The [Commission] **ADMINISTRATIVE AGENCY** shall have  
14 power without previous hearing, subject to established limitations and exceptions  
15 and saving provisions to the contrary:

16 (a) To investigate, upon its own initiative, or upon complaint in writing, any  
17 matter concerning any public service as regards matters under its jurisdiction; to  
18 require any public service to furnish safe, adequate, and proper service as the  
19 public interest may require and warrant; to enforce compliance with any  
20 standard, rule, regulation, order or other requirement of this Act or of the  
21 [Commission] **ADMINISTRATIVE AGENCY**, and to prohibit or prevent any  
22 public service as herein defined from operating without having first secured a  
23 [certificate of public convenience or public necessity and convenience]

24 **FRANCHISE, CERTIFICATE, CONCESSION, OR ANY FORM OF**  
25 **AUTHORIZATION FOR THE OPERATION OF A PUBLIC SERVICE**, as the  
26 case may be, and require existing public services to pay the fees provided for in  
27 this Act for the issuance of the [proper certificate of public convenience or  
28 certificate of public necessity and convenience] **FRANCHISE, CERTIFICATE,**  
29 **CONCESSION, OR ANY FORM OF AUTHORIZATION FOR THE**  
30 **OPERATION OF A PUBLIC SERVICE**, as the case may be, under the penalty,  
31 in the discretion of the [Commission] **ADMINISTRATIVE AGENCY**, of the  
32 revocation and cancellation of any acquired right.

33 (b) To require any public service to pay the actual expenses incurred by the  
34 [Commission] **ADMINISTRATIVE AGENCY** in any investigation if it shall be  
35 found in the same that any rate, toll, charge, schedule, regulation, practice, act  
36 or service thereof is in violation of any provision of this Act or of any

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

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

15   (d) To provide, on motion by or at the request of any consumer or user of a  
16   public service, for the examination and test of any appliance used for the  
17   measuring of any product or service of a public service, and for that purpose, by  
18   its agents, experts, or examiners to enter upon any premises where said  
19   appliances may be, and other premises of the public service, for the purpose of  
20   setting up and using on said premises any apparatus necessary therefor, and to  
21   fix the fees to be paid by any consumer or user who may apply to the  
22   [Commission] **ADMINISTRATIVE AGENCY** for such examination or test to be  
23   made, and if the appliance be found defective or incorrect to the disadvantage of  
24   the consumer or user, to require the fees paid to be refunded to the consumer or  
25   user by the public service concerned.

26   (e) To permit any street railway or traction company to change its existing gauge  
27   to standard steam railroad gauge, upon such terms and conditions as the  
28   [Commission] **ADMINISTRATIVE AGENCY** shall prescribe.

29   (f) To grant to any public service special permits to make extra or special trips  
30   within the territory covered by its [certificate of public convenience]  
31   **FRANCHISE, CERTIFICATE, CONCESSION, OR ANY FORM OF**  
32   **AUTHORIZATION FOR THE OPERATION OF A PUBLIC SERVICE**, and to  
33   make special excursion trips outside of its own territory if its own territory if the  
34   public interest or special circumstances require it: *Provided, however,* That in  
35   case a public service cannot render such extra service on its own line or in its

1 own territory, a special permit for such extra service may be granted to any  
2 other public service.

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

8 "x x x"

9

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

12 "SEC. 18. It shall be unlawful for any individual, [co]partnership, association,  
13 corporation or joint-stock company, their lessees, trustees, or receivers  
14 appointed by any court whatsoever, or any municipality, province, or other  
15 department of the Government of the Philippines, to engage in any public service  
16 business without having first secured from the [Commission]  
17 **ADMINISTRATIVE AGENCY** a [certificate of public convenience or certificate  
18 of public convenience and necessity] **FRANCHISE, CERTIFICATE,**  
19 **CONCESSION, OR ANY FORM OF AUTHORIZATION FOR THE**  
20 **OPERATION OF A PUBLIC SERVICE** as provided for in this Act, except  
21 grantees of legislative franchises expressly exempting such grantee from the  
22 requirement of securing a certificate from this [Commission]  
23 **ADMINISTRATIVE AGENCY**, as well as concerns at present existing expressly  
24 exempted from the jurisdiction of the [Commission] **ADMINISTRATIVE**  
25 **AGENCY**, either totally or in part, by the provisions of section thirteen of this  
26 Act."

27

28 SEC. 11. Section 19 of Commonwealth Act No. 146, as amended, is  
29 hereby amended to read as follows:

30 "SEC. 19. *Unlawful acts.* – It shall be unlawful for any public service:

31 (a) "To provide or maintain any service that is unsafe, improper, or inadequate, or  
32 withhold or refuse any service which can reasonably be demanded and  
33 furnished, as found and determined by the [Commission] **ADMINISTRATIVE**  
34 **AGENCY** in a final order which shall be conclusive and shall take effect in  
35 accordance with this Act, upon appeal or otherwise.

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

13 (c)To refuse or neglect, when requested by the [Director of Posts] **POSTMASTER**  
14 **GENERAL** or his authorized representative, to carry public mail on the regular  
15 trips of any public land transportation service maintained or operated by any  
16 such public service, upon such terms and conditions and for a consideration in  
17 such amounts as may be agreed upon between the [Director of Posts]  
18 **POSTMASTER GENERAL** and the public service carrier of fixed by the  
19 [Commission] **ADMINISTRATIVE AGENCY** in the absence of an agreement  
20 between the [Director of Posts] **POSTMASTER GENERAL** and the carrier. In  
21 case the [Director of Posts] **POSTMASTER GENERAL** and the public service  
22 carrier are unable to agree on the amount of the compensation to be paid for  
23 the carriage of the mail, the [Director of Posts] **POSTMASTER GENERAL** shall  
24 forthwith request the [Commission] **ADMINISTRATIVE AGENCY** to fix a [just  
25 and reasonable] **PRUDENT AND EFFICIENT** compensation for such carriage  
26 and the same shall be promptly fixed by the [Commission] **ADMINISTRATIVE**  
27 **AGENCY** in accordance with section sixteen (**16**) of this Act.

28 "**(D) TO REFUSE OR NEGLECT, WHEN REQUESTED BY THE**  
29 **ADMINISTRATIVE AGENCY TO URGENTLY USE, DELIVER OR RENDER**  
30 **THE PUBLIC SERVICE FOR THE PURPOSE OF AVOIDING FURTHER LOSS**  
31 **ON HUMAN, MATERIAL, ECONOMIC, OR ENVIRONMENT DURING A**  
32 **STATE OF CALAMITY."**

33

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

1 "SEC. 20. *Acts requiring the approval of the [Commission] ADMINISTRATIVE*  
2 **AGENCY.** – Subject to established limitations and exceptions and saving  
3 provisions to the contrary, it shall be unlawful for any public service or for the  
4 owner, lessee or operator thereof, without the approval and authorization of the  
5 [Commission] **ADMINISTRATIVE AGENCY** previously had-

6 "(a) To adopt, establish, fix, impose, maintain, or collect or carry into effect any  
7 individual or joint rates, commutation, mileage or other special rate, toll, fare,  
8 charge, classification or itinerary. The [Commission] **ADMINISTRATIVE**  
9 **AGENCY** shall approve only those that are [just and reasonable] **PRUDENT**  
10 **AND EFFICIENT** and not any that are unjustly discriminatory or unduly  
11 preferential, only upon reasonable notice to the public services and other parties  
12 concerned, giving them a reasonable opportunity to be heard, and the burden of  
13 the proof to show that the proposed rates or regulation are [just and reasonable]  
14 **PRUDENT AND EFFICIENT** shall be upon the public service proposing the  
15 same.

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

28 **FOR APPLICATIONS WITH COMPLETE DOCUMENTATION PENDING**  
29 **WITH THE ADMINISTRATIVE AGENCY AT THE TIME OF THE**  
30 **EFFECTIVITY OF THIS ACT, THE ADMINISTRATIVE AGENCY SHALL**  
31 **DECIDE ON SUCH APPLICATIONS WITHIN SIX (6) MONTHS**  
32 **FROM THE EFFECTIVITY OF THIS ACT. FAILURE TO DECIDE WITHIN**  
33 **THE SAID PERIOD SHALL DEEM THE APPLICATION APPROVED.**

34 "**THE ADMINISTRATIVE AGENCY MAY ISSUE REGULATIONS**  
35 **PRESCRIBING A SHORTER PERIOD THAN THAT PROVIDED IN THE**  
36 **PRECEEDING PARAGRAPHS ONLY IN CASES OF EMERGENCY, AS MAY**

1   **BE CERTIFIED BY SUCH ADMINISTRATIVE AGENCY, REQUIRING THE**  
2   **INSTALLATION, CONSTRUCTION OR MAINTENANCE OF UNITS,**  
3   **FACILITIES OR EQUIPMENT.**

4   "xxx

5   "(e) [Hereafter to issue any stock or stock certificates representing an increase  
6   of capital; or] **TO** issue any share of stock without par value[; or issue any bonds  
7   or other evidence of indebtedness payable in more than one year from the date  
8   of issuance thereof,]: *Provided*, That it shall be the duty of the [Commission]  
9   **ADMINISTRATIVE AGENCY**, after hearing, to approve any such issue  
10   [maturing in more than one year from the date thereof,] when satisfied that the  
11   same is to be made in accordance with law [, and the purpose of such issue be  
12   approved by the Commission].

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

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

1 FOR APPROVAL OF THE SALE, ALIENATION, MORTGAGE,  
2 ENCUMBRANCE OR LEASE WILL BE REQUIRED ONLY FOR PROPERTIES  
3 OF THE PUBLIC SERVICE THAT ARE USED AND USEFUL IN THE  
4 DELIVERY OF THE REQUIRED PUBLIC SERVICE."

5 "x x x

6 "(i) To sell, alienate or in any manner transfer shares of its capital stock to any  
7 alien if the result of that sale, alienation, or transfer in itself or in connection with  
8 another previous sale shall be the reduction to less than sixty (**60**) per cent[um]  
9 of the capital stock belonging to Philippine [citizens] **NATIONALS IN THE**  
10 **OPERATION OF A PUBLIC UTILITY AS REQUIRED BY THE**  
11 **CONSTITUTION.** Such sale, alienation or transfer shall be void and of no effect  
12 and shall be sufficient cause for ordering the cancellation of the certificate.

13 "x x x"

14

15 SEC. 13. Section 21 of Commonwealth Act No. 146, as amended, is  
16 hereby amended to read as follows:

17 "SEC. 21. **IN THE ABSENCE OF ANY SPECIFIC FINE OR PENALTY,**  
18 **IMPOSED UNDER THE CHARTER OF THE ADMINISTRATIVE AGENCY OR**  
19 **THE SPECIAL LAWS GOVERNING THE PARTICULAR PUBLIC SERVICE,**  
20 **EVERY** [Every] public service violating or failing to comply with the terms and  
21 conditions of any certificate or any order[s], decision[s] or regulation[s] of the  
22 [Commission] **ADMINISTRATIVE AGENCY** shall be subject to a fine **OF NOT**  
23 **LOWER THAN FIVE THOUSAND PESOS (PHP5,000.00) BUT NOT**  
24 **EXCEEDING TWO MILLION PESOS (PHP2,000,000.00)** [of not exceeding  
25 two hundred pesos] per day for every day during which such default or violation  
26 continues[:], **OR DIVESTMENT, OR BOTH;** and the [Commission]  
27 **ADMINISTRATIVE AGENCY** is hereby authorized and empowered to impose  
28 such fine, **OR ORDER DIVESTMENT**, after due notice and hearing[.]:  
29 **PROVIDED, THAT SHOULD A LESSER FINE OR PENALTY BE IMPOSED**  
30 **UNDER THE CHARTER OF THE ADMINISTRATIVE AGENCY OR THE**  
31 **SPECIAL LAW GOVERNING THE PUBLIC SERVICE, THE AMOUNT OF**  
32 **FINE OR PENALTY PROVIDED FOR UNDER THIS SECTION SHALL**  
33 **APPLY.**

34

35 **IN CASES WHERE RATES COLLECTED BY THE PUBLIC SERVICE EXCEED**  
36 **THE RATES AUTHORIZED BY THE ADMINISTRATIVE AGENCY, THE**

1   **ADMINISTRATIVE AGENCY MAY ORDER A REFUND TO CONSUMERS IN**  
2   **LIEU OF OR IN ADDITION TO THE FINE OR PENALTY IMPOSED UNDER**  
3   **THIS ACT OR THE SPECIAL LAWS GOVERNING THE PUBLIC SERVICE.**

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

16

17       Sec. 14. Section 22 of Commonwealth Act No. 146, as amended, is hereby  
18   amended to read as follows:

19   SEC. 22. Observance of the orders, decisions, and regulations of the  
20   [Commission] **ADMINISTRATIVE AGENCY** and of the terms and conditions of  
21   any certificate may also be enforced by *mandamus* or injunction in appropriate  
22   cases, or by action to compel the specific performance of the orders, decisions,  
23   and regulations so made, or of the duties imposed by law upon such public  
24   service: *Provided*, That the [Commission] **ADMINISTRATIVE AGENCY** may  
25   compromise any case that may arise under this Act in such manner and for such  
26   amount as it may deem just and reasonable.

27

28       Sec. 15. Section 23 of Commonwealth Act No. 146, as amended, is hereby  
29   amended to read as follows:

30   "SEC. 23. Any public service corporation that shall perform, commit, or do any  
31   act or thing herein forbidden or prohibited or shall neglect, fail or omit to do or  
32   perform any act or thing herein required to be done or performed, shall be  
33   punished by a fine not exceeding [twenty-five thousand pesos] **TWO MILLION**  
34   **PESOS (PHP2,000,000.00)**, or by imprisonment [not exceeding five years] **OF**  
35   **NOT LOWER THAN SIX (6) YEARS AND ONE (1) DAY TO TWELVE (12)**  
36   **YEARS**, or both, at the discretion of the court."

1           Sec. 16. Section 24 of Commonwealth Act No. 146, as amended, is hereby  
2 amended to read as follows:

3       "SEC. 24. Any person who shall knowingly and willfully perform, commit, or do,  
4 or participate in performing, committing, or doing, or who shall knowingly and  
5 willfully cause, participate, or join with others in causing any public service  
6 corporation or company to do, perform or commit, or who shall advice, solicit,  
7 persuade, or knowingly and willfully instruct, direct, or order any officer, agent,  
8 or employee of any public service corporation or company to perform, commit, or  
9 do any act or thing forbidden or prohibited by this Act, shall be punished by a  
10 fine not exceeding [two thousand pesos] **TWO MILLION PESOS**  
11 **(PHP2,000,000.00)**, or imprisonment [not exceeding two years] **OF NOT**  
12 **LOWER THAN SIX (6) YEARS AND ONE (1) DAY TO TWELVE (12)**  
13 **YEARS**, or both, at the discretion of the court[: *Provided, however,* That for  
14 operating a private passenger automobile as a public service without having a  
15 certificate of public convenience for the same, the offender shall be subject to  
16 the penalties provided for in section sixty seven (j) of Act Numbered Thirty-nine  
17 hundred and ninety-two]."

18

19           Sec. 17. Section 25 of Commonwealth Act No. 146, as amended, is hereby  
20 amended to read as follows:

21       "SEC. 25. Any person who shall knowingly and willfully neglect, fail, or omit to do  
22 or perform, or who shall knowingly and willfully cause or join or participate with  
23 others in causing any public service corporation or company to neglect, fail, or  
24 omit to do or perform, or who shall advise, solicit, or persuade, or knowingly and  
25 willfully instruct, direct, or order any officer, agent, or employee of any public  
26 service corporation or company to neglect, fail, or omit to do any act or thing  
27 required to be done by this Act, shall be punished by a fine not exceeding [two  
28 thousand pesos] **TWO MILLION PESOS (PHP2,000,000.00)** or by  
29 imprisonment [not exceeding two years] **OF NOT LOWER THAN SIX (6)**  
30 **YEARS AND ONE (1) DAY TO TWELVE (12) YEARS**, or both, at the  
31 discretion of the court."

32

33           Sec. 18. Section 26 of Commonwealth Act No. 146, as amended, is hereby  
34 amended to read as follows:

35       "SEC. 26. Any person who shall destroy, injure, or interfere with any apparatus  
36 or appliance owned or operated by or in charge of the [Commission]

1       **ADMINISTRATIVE AGENCY** or its agents, shall be deemed guilty of a  
2       misdemeanor and upon conviction shall be punished by a fine [not exceeding  
3       one thousand pesos] **OF THE AMOUNT EQUIVALENT TO THE ACTUAL**  
4       **MARKET VALUE OF THE APPARATUS OR APPLIANCE DESTROYED OR**  
5       **INJURED PLUS A FINE NOT EXCEEDING TWO MILLION PESOS**  
6       **(PHP2,000,000.00)** or imprisonment [not exceeding six months] **OF NOT**  
7       **LOWER THAN SIX (6) YEARS AND ONE (1) DAY TO TWELVE (12)**  
8       **YEARS**, or both at the discretion of the court.

9       [Any public service permitting the destruction, injury to, or interference with, any  
10      such apparatus or appliances shall forfeit a sum not exceeding four thousand  
11      pesos for each offense.]"

12

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

15       SEC. 27. This Act shall not have the effect to release or waive any right of action  
16      by the [Commission] **ADMINISTRATIVE AGENCY** or by any person for any  
17      right, penalty, or forfeiture which may have arisen or which may arise, under any  
18      of the laws of the Philippines, and any penalty or forfeiture enforceable under  
19      this Act shall not be a bar to or affect a recovery for a right, or affect or bar any  
20      criminal proceedings against any public service or person or persons operating  
21      such public service, its officers, directors, agents, or employees.

22

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

25       "SEC. 28. Violations of the orders, decisions, and regulations of the  
26      **ADMINISTRATIVE AGENCY** [Commission] and of the terms and conditions of  
27      any **FRANCHISES**, certificates, **CONCESSIONS**, **OR ANY FORM OF**  
28      **AUTHORIZATION FOR THE OPERATION OF A PUBLIC SERVICE** issued by  
29      the **ADMINISTRATIVE AGENCY** [Commission shall prescribe after sixty days],  
30      and violations of the provisions of this Act shall prescribe [after one hundred and  
31      eighty days] **IN ACCORDANCE WITH ACT NO. 3326, ENTITLED "AN ACT**  
32      **TO ESTABLISH PERIODS OF PRESCRIPTION FOR VIOLATION**  
33      **PENALIZED BY SPECIAL ACTS AND MUNICIPAL ORDINANCES AND TO**  
34      **PROVIDE WHEN PRESCRIPTION SHALL BEGIN TO RUN," AS**  
35      **AMENDED.**"

36

1           SEC. 21. Section 29 of Commonwealth Act No. 146, as amended, is  
2 hereby amended to read as follows:  
3 "SEC. 29. All hearing and investigations before the [Commission]  
4 **ADMINISTRATIVE AGENCY** shall be governed by rules adopted by the  
5 [Commission] **ADMINISTRATIVE AGENCY**, and in the conduct thereof the  
6 [Commission] **ADMINISTRATIVE AGENCY** shall not be bound by the technical  
7 rules of legal evidence: *Provided*, That the [Public Service Commissioner or  
8 Deputy Commissioner] **HEARING OFFICER** may summarily punish for  
9 contempt by a fine not exceeding **TWO THOUSAND PESOS (PHP2,000.00)**  
10 [two hundred pesos] or by imprisonment not exceeding ten days, or both, any  
11 person guilty of misconduct in the presence of the [Commissioner or Deputy  
12 Commissioner] **HEARING OFFICER** or so near the same as to interrupt the  
13 hearing or session or any proceedings before them, including cases in which a  
14 person present at a hearing, session, or investigation held by [either of] the  
15 [Commissioner] **THE HEARING OFFICER** refuses to be sworn as a witness or  
16 to answer as such when lawfully required to do so. To enforce the provisions of  
17 this section, the [Commission] **ADMINISTRATIVE AGENCY** may, if necessary,  
18 request the assistance of the municipal or city police for the execution of any  
19 order made for said purpose."

20  
21           SEC. 22. Section 30 of Commonwealth Act No. 146, as amended, is  
22 hereby amended to read as follows:

23 SEC. 30. (a) The [Commission] **ADMINISTRATIVE AGENCY** may issue  
24 subpoenas and subpoenas *duces tecum*, for witnesses in any matter or inquiry  
25 pending before the [Commission] **ADMINISTRATIVE AGENCY** and require the  
26 production of all books, papers, tariffs, contracts, agreements, and all other  
27 documents, which the [Commission] **ADMINISTRATIVE AGENCY** may deem  
28 necessary in any proceeding. Such process shall be issued under the seal of the  
29 [Commission] **ADMINISTRATIVE AGENCY**, signed by one of the  
30 [Commissioners or by the secretary] **HEARING OFFICER**, and may be served  
31 by any person of full age, or by registered mail. [In case of] [d]Disobedience [to  
32 such] **to or failure to comply with such** subpoena, **shall constitute**  
33 **indirect contempt, and may be instituted IN THE MANNER AS**  
34 **PROVIDED IN THE RULES OF COURT before the appropriate Court.** [the  
35 Commission may invoke the aid of the Supreme Court, or of any Court of First  
36 Instance of the Philippines in requiring the attendance and testimony of

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

10     (b) Any person who shall neglect or refuse to answer any lawful inquiry or  
11    produce before the [Commission] **ADMINISTRATIVE AGENCY** books, papers,  
12    tariffs, contracts, agreements, and documents or other things called for by said  
13    [Commission] **ADMINISTRATIVE AGENCY**, if in his power to do so, in  
14    obedience to the subpoena or lawful inquiry of the [Commission]  
15    **ADMINISTRATIVE AGENCY** upon conviction thereof by a court of competent  
16    jurisdiction, shall be punished by a fine not exceeding [five] **THIRTY** thousand  
17    pesos (**PHP30,000.00**) or by imprisonment not exceeding **SIX (6) MONTHS**  
18    [one year], or both, in the discretion of the court.

19     (c) The [Commissioner and Deputy Commissioner,] **OFFICIALS AND HEARING**  
20    **OFFICERS OF THE** [the chiefs of divisions, the attorneys of the Commission]  
21    **ADMINISTRATIVE AGENCY**, [and the deputy secretaries] shall have the  
22    power to administer oaths in all matters under the jurisdiction of the  
23    [Commission] **ADMINISTRATIVE AGENCY**.

24     (d) Any person who shall testify falsely or make any false affidavit or oath before  
25    the [Commission] **ADMINISTRATIVE AGENCY** or before any of its members  
26    shall be guilty of perjury, and upon conviction thereof in a court of competent  
27    jurisdiction, shall be punished as provided by law.

28     (e) Witnesses appearing before the [Commission] **ADMINISTRATIVE AGENCY**  
29    in obedience to subpoena or subpoena *duces tecum*, shall be entitled to receive  
30    the same fees and mileage as witnesses attending **REGIONAL TRIAL COURTS**  
31    [Courts of First Instance] in civil cases.

32     (f) Any person who shall obstruct the [Commission] **ADMINISTRATIVE**  
33    **AGENCY** or either of the [Commissioners] **HEARING OFFICERS** while engaged  
34    in the discharge of official duties, or who shall conduct himself in a rude,  
35    disrespectful or disorderly manner before the [Commission] **ADMINISTRATIVE**  
36    **AGENCY** either of the [Commissioners] **HEARING OFFICERS**, while engaged

1 in the discharge of official duties, or shall orally or in writing be disrespectful to,  
2 offend or insult either of the [Commissioners] **HEARING OFFICERS** on  
3 occasion or by reason of the performance of his official duties, upon conviction  
4 thereof by a court of competent jurisdiction, shall be punished for each offense  
5 by a fine not exceeding **THIRTY THOUSAND PESOS (PHP30,000.00)** [one  
6 thousand pesos], or by imprisonment not exceeding six **(6)** months, or both, in  
7 the discretion of the Court.

8

9 SEC. 23. Section 31 of Commonwealth Act No. 146, as amended, is  
10 hereby amended to read as follows:

11 "SEC. 31. No person shall be excused from testifying or from producing any  
12 book, document, or paper in any investigation or inquiry by or upon the hearing  
13 before the [Commission] **ADMINISTRATIVE AGENCY**, when ordered so to do  
14 by said [Commission] **ADMINISTRATIVE AGENCY**, except when the testimony  
15 or evidence required of him may tend to incriminate him. Without the consent of  
16 the interested part, no member or employee of the [Commission]  
17 **ADMINISTRATIVE AGENCY** shall be compelled or permitted to give testimony  
18 in any civil suit to which the [Commission] **ADMINISTRATIVE AGENCY** is not a  
19 party, with regard to secrets obtained by him in the discharge of his official  
20 duty."

21

22 SEC. 24. Section 32 of Commonwealth Act No. 146, as amended, is  
23 hereby amended to read as follows:

24 "SEC. 32. The [Commission] **ADMINISTRATIVE AGENCY** may, in any  
25 investigation or hearing, by its order in writing, cause the deposition of witnesses  
26 residing within or without the Philippines to be taken in the manner **AND**  
27 **UNDER THE CONDITIONS** prescribed by the Rules of Court. Where witnesses  
28 reside in places distant from Manila and it would be inconvenient and expensive  
29 for them to appear personally before the [Commission] **ADMINISTRATIVE**  
30 **AGENCY.** [t]The [Commission] **ADMINISTRATIVE AGENCY** may, by proper  
31 order, commission any clerk of the **REGIONAL TRIAL COURT** [Court of First  
32 Instance, municipal judge or justice of the peace] of the Philippines to take the  
33 deposition of witnesses in any case pending before the [Commission]  
34 **ADMINISTRATIVE AGENCY.** It shall be the duty of the official so  
35 commissioned, to designate promptly a date or dates for the taking of such  
36 deposition, giving timely notice to the parties, and on said date to proceed to

1 take the deposition, reducing it to writing. After the depositions have been  
2 taken, the official so commissioned shall certify to the depositions taken and  
3 forward them as soon as possible to the [Commission] **ADMINISTRATIVE**  
4 **AGENCY.** It shall be the duty of the respective parties to furnish stenographers  
5 for taking and transcribing the testimony taken. [In case there are no  
6 stenographers available, the testimony shall be taken in longhand by such  
7 person as the clerk of court, the municipal judge or justice of the peace may  
8 designate. The Commission may also commission a notary public to take the  
9 depositions in the same manner herein provided.]  
10 "The [Commission] **ADMINISTRATIVE AGENCY** may also, by proper order,  
11 authorize any of the attorneys of the legal division or division chiefs of the  
12 [Commission] **ADMINISTRATIVE AGENCY**, if they be lawyers, to hear and  
13 investigate any case filed with the [Commission] **ADMINISTRATIVE AGENCY**  
14 and in connection therewith to receive such evidence as may be material thereto.  
15 At the conclusion of the hearing or investigation, the attorney or division chief so  
16 authorized shall submit the evidence received by him to the [Commission]  
17 **ADMINISTRATIVE AGENCY** to enable the latter to render its decision."

18  
19 SEC. 25. Section 33 of Commonwealth Act No. 146, as amended, is  
20 hereby amended to read as follows:  
21 "SEC. 33. Every order made by the [Commission] **ADMINISTRATIVE AGENCY**  
22 shall be served upon the person or public service affected thereby, within ten  
23 (**10**) days from the time said order is filed, by personal delivery or by ordinary  
24 mail, upon the attorney of record, or in case there be no attorney of record,  
25 upon the party interested; and in case such certified copy is sent by registered  
26 mail, the registry mail receipt shall be *prima facie* evidence of the receipt of such  
27 order by the public service in due course of mail. All orders of the [Commission]  
28 **ADMINISTRATIVE AGENCY** to continue an existing service or prescribing  
29 rates to be charged shall be immediately operative; all other orders shall become  
30 effective upon the dates specified therein: *Provided, however,* That orders,  
31 resolutions or decisions in controverted matters and not referring to the  
32 continuance of an existing service or prescribing rates to be charged shall not be  
33 effective unless otherwise provided by the [Commission] **ADMINISTRATIVE**  
34 **AGENCY**, and shall take effect thirty (**30**) days after notice to the parties."

35

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

3 "SEC. 34. Any interested party may request the reconsideration of any order,  
4 ruling, or decision of the [Commission] **ADMINISTRATIVE AGENCY** by the  
5 rules by means of a petition filed not later than fifteen **(15)** days after the date  
6 of the notice of the order, ruling or decision in question. The grounds on which  
7 the request for reconsideration is based shall be clearly and specifically stated in  
8 the petition. Copies of said petition shall be served on all parties interested in the  
9 matter. It shall be the duty of the [Commission] **ADMINISTRATIVE AGENCY**  
10 to call a hearing on said petition immediately, with notice to the parties, and  
11 after hearing to decide the same promptly, either denying the petition or  
12 revoking or modifying the order, ruling or decision under consideration."

13

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

16 "SEC. 35. **ANY ORDER, RULING, OR DECISION OF THE**  
17 **ADMINISTRATIVE AGENCY MAY BE APPEALED IN THE MANNER AND**  
18 **WITHIN THE PERIOD PRESCRIBED UNDER THE RULES OF COURT AND**  
19 **OTHER PERTINENT LAWS.** [The Supreme Court is hereby given jurisdiction to  
20 review any order, ruling, or decision of the Commission and to modify or set  
21 aside such order, ruling, or decision when it clearly appears that there was no  
22 evidence before the Commission to support reasonably such order, ruling, or  
23 decision, or that the same is contrary to law, or that it was without the  
24 jurisdiction of the Commission. The evidence presented to the Commission,  
25 together with the record of the proceedings before the Commission, shall be  
26 certified by the secretary of the Commission to the Supreme Court. Any order,  
27 ruling, or decision of the Commission may likewise be reviewed by the Supreme  
28 Court upon a writ of certiorari in proper cases. The procedure for review, except  
29 as herein provided, shall be prescribed by rules of the Supreme Court.]

30

31 SEC. 28. Section 36 of Commonwealth Act No. 146, as amended, is  
32 hereby amended to read as follows:

33 "SEC. 36. Any order, ruling, or decision of the [Commission] **ADMINISTRATIVE**  
34 **AGENCY** may be reviewed on the application of any person or public service  
35 affected thereby, by certiorari in appropriate cases, or by petition, to be known  
36 as Petition for Review, which shall be filed within thirty **(30)** days from

1 notification of such order, ruling, or decision or, in case a petition for the  
2 reconsideration of such order, ruling or decision is filed in accordance with the  
3 preceding section and the same is denied, it shall be filed within fifteen **(15)**  
4 days after notice of the order denying reconsideration. Said petition shall be  
5 placed on file in the office of the clerk of the Supreme Court who shall furnish  
6 copies thereof to the [Secretary of the Commission] **ADMINISTRATIVE**  
7 **AGENCY** and other parties interested."

8

9 SEC. 29. Section 37 of Commonwealth Act No. 146, as amended, is  
10 hereby amended to read as follows:

11 "SEC. 37. The institution of a writ of certiorari or other special remedies in the  
12 Supreme Court shall in no case supersede or stay any order, ruling or decision of  
13 the [Commission] **ADMINISTRATIVE AGENCY**, unless the Supreme Court shall  
14 so direct, and the appellant may be required by the Supreme Court to give bond  
15 in such form and of such amount as may be deemed proper."

16

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

19 "SEC 38. The chief of the legal division or any other attorneys of the  
20 [Commission] **ADMINISTRATIVE AGENCY** shall represent the same in all  
21 judicial proceedings. It shall be the duty of the Solicitor General to represent the  
22 [Commission] **ADMINISTRATIVE AGENCY** in any judicial proceeding if, for  
23 special reasons, the Commissioner shall request his intervention."

24

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

27 "SEC. 39. Any proceeding in any court of the Philippines directly affecting an[d]  
28 order of the [Commission] **ADMINISTRATIVE AGENCY** or to which the  
29 [Commission] **ADMINISTRATIVE AGENCY** is a party, shall have preference  
30 over all other civil proceedings pending in such court, except election cases."

31

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

34 "SEC. 40. [The Commission is authorized and ordered to charge and collect from  
35 any public service or applicant, as the case may be, the following fees as  
36 reimbursement of its expenses in the authorization, supervision and/or regulation

1 of public services:] ***ADMINISTRATIVE FEES AND CHARGES.*** -  
2 **Administrative Agencies may collect from any public service or public**  
3 **utility reasonable fees and charges, and impose appropriate penalties**  
4 **and fines as provided by law: *Provided*, That such FEES, CHARGES,**  
5 **penalties and fines may be adjusted to its present value every five (5)**  
6 **years using the Consumer Price Index (CPI) as published by the**  
7 **Philippine Statistics Authority (PSA).**

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

9 "x x x

10 Aside from the appropriations for the Commission under the annual General  
11 Appropriation Act, any unexpended balance of the fees collected by the  
12 Commission under this section shall be constituted x x x and other expenses  
13 necessary for efficient administration and effective supervision and regulation of  
14 public services.]

15

16 SEC. 33. *Interpretation.* - This Act shall be subject to and consistent with  
17 the regulatory powers of the State to promote public interest in Article IX-C,  
18 Section 4 and Article XII, Section 17 of the Constitution.

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

27 No franchise, certificate, concession, or authorization granted by the  
28 appropriate Administrative Agencies under Section 7 of this Act shall be (a)  
29 exclusive in character, (b) for a longer period than fifty (50) years: *Provided*,  
30 That if a public service has maintained an exemplary record in the delivery of  
31 services, and has made substantial investments on infrastructure, technology or  
32 equipment for its operations, such performance and size of investment shall be  
33 taken, and the application for renewal of the franchise, certificate, concession or  
34 authorization of the public service shall be given priority by the appropriate  
35 Administrative Agencies; and (c) granted except under the condition that it shall

1      be subject to amendment, alteration, or repeal by Congress when the public  
2      interest so requires.

3

4            SEC. 34. *Non-Impairment of Existing Agreements.* – The application and  
5      implementation of the pertinent provisions of this Act shall not impair vested  
6      rights or obligations of contracts. Current and subsisting concession agreements  
7      and other similar contracts of juridical persons with government agencies or  
8      government-owned and –controlled corporations covering activities hereunder  
9      classified as public utilities shall remain valid and in force in accordance with the  
10     existing terms and conditions the parties agreed to thereunder until the  
11     expiration or termination thereof.

12

13            SEC. 35. *Suppletory Application of Commonwealth Act No. 146.* -  
14      Commonwealth Act No. 146, as amended, shall be construed as a general law  
15      that shall apply suppletorily to special laws or existing sector-specific laws  
16      governing public services, except for Section 13 (d) of Commonwealth Act No.  
17      146, as amended, under by Section 5 of this Act.

18

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

22

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

30

31            SEC. 38. *Performance Audit.* – Administrative agencies shall conduct a  
32      performance audit every three (3) years by an independent evaluation team to  
33      ensure the quality of services provided to the public and the ability of manpower  
34      and system resources of the public service provider to immediately respond to  
35      emergency cases. Metrics for various types of services must be established to  
36      sustain reliability, security, and safety of the public.

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

5

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

9

10          SEC. 41. *Repealing Clause.* - All laws, decrees, orders, rules and  
11 regulations or other issuances or parts thereof, including Commonwealth Act No.  
12 146 or the Public Service Act, as amended, inconsistent with the provisions of  
13 this Act are hereby repealed or modified accordingly. This includes:

14 (a) Republic Act No. 6957 entitled "An Act Authorizing the Financing,  
15 Construction, Operation, and Maintenance of Infrastructure Projects by the  
16 Private Sector, and for other purposes," as amended, on the limitation of foreign  
17 investment in a facility operator where a public utility franchise is required;

18 (b) Republic Act No. 9295, otherwise known as the Domestic Shipping  
19 Development Act of 2004, as amended, on the limitation of foreign investment in  
20 Domestic Ship Operator, Domestic Ship Owner, Ship Builder, Ship Repairer, and  
21 such other provisions therein inconsistent with this Act;

22 (c) Republic Act No. 9497, otherwise known as the Civil Aviation Authority of the  
23 Philippines Act of 2008, as amended, on the limitation of foreign investment in  
24 relation to the registration of aircraft and restriction on the issuance of permits  
25 and authority, and such other provisions therein inconsistent with this Act;

26 (d) Republic Act No. 776, otherwise known as the Civil Aeronautics Act of the  
27 Philippines, as amended, on the limitation on foreign investments in relation to  
28 the registration of the aircraft, issuance of permits and authority, and such other  
29 provisions therein inconsistent with this Act;

30 (e) Presidential Decree No. 1112, otherwise known as the "Toll Operation  
31 Decree," as amended, on the limitation on contracts for the construction,  
32 operation and maintenance of toll facilities only to citizens of the Philippines and  
33 such other provisions therein inconsistent with this Act;

34 (f) Republic Act No. 9136, otherwise known as the EPIRA law, as amended,  
35 except the provisions and clauses on Cross Ownership, Market Power Abuse, and  
36 Anti-Competitive Behavior;

- 1       (g) Executive Order No. 202 Series of 1987, entitled "Creating the Land  
2 Transportation Franchising and Regulatory Board," as amended and the  
3 Administrative Code of 1987, as amended;
- 4       (h) Presidential Decree No. 857, otherwise known as the "Revised Charter of the  
5 Philippine Port Authority," as amended;
- 6       (i) Republic Act No. 6234, otherwise known as the "Creation of the Metropolitan  
7 Waterworks and Sewerage System" (MWSS), as amended;
- 8       (j) Presidential Decree No. 198, otherwise known as the "Provincial Water  
9 Utilities Act of 1973," as amended;
- 10      (k) Department of Transportation Department Order No. 2018-13 on the  
11 classification of the Transport Network Companies and Transportation Network  
12 Vehicles Service as public utilities; and
- 13      (l) Republic Act No. 7925, otherwise known as the "Public Telecommunications  
14 Policy Act of the Philippines," on the classification of all telecommunications  
15 entities as public utilities.

16

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

*Approved,*