



Republic of the Philippines
Supreme Court
Manila

EN BANC

**BAYYO ASSOCIATION, INC.
and ANSELMO D. PERWEG,
in his capacity as PRESIDENT
OF THE ASSOCIATION,**

Petitioners,

- versus -

**SECRETARY ARTHUR P.
TUGADE, SECRETARY
CARLOS S. DOMINGUEZ,
SECRETARY WENDEL ELIOT
AVISADO, and ATTY. MARTIN
B. DELGRA,**

Respondents.

G.R. No. 254001

Present:

**GESMUNDO, C.J.,
LEONEN,
CAGUIOA,
HERNANDO,
LAZARO-JAVIER,
INTING,
ZALAMEDA,
LOPEZ, M.
GAERLAN,
ROSARIO,
LOPEZ, J.
DIMAAMPAO,
MARQUEZ,
KHO, JR., and
SINGH, JJ.**

Promulgated:

July 11, 2023

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DECISION

SINGH, J.:

Before the Court is a Petition for *Certiorari* and Prohibition¹ under Rule 65 of the Rules of Court filed by Bayyo Association, Inc. (**Bayyo**) and Anselmo D. Perweg (**Perweg**), in his capacity as President of Bayyo (collectively, the **petitioners**), which seeks to nullify paragraph 5.2 of Department Order (**DO**) No. 2017-011,² dated June 19, 2017, issued by the Department of Transportation (**DOTr**), for being an invalid delegation of

¹ *Rollo*, pp. 3-32.

² Omnibus Guidelines on the Planning and Identification of Public Road Transportation Services and Franchise Issuance.

legislative power and for violating the due process and equal protection clauses of the Constitution.

The Facts

On June 19, 2017, the DOTr issued DO No. 2017-011, otherwise known as the "Public Utility Vehicle Modernization Program" (PUVMP), pursuant to the national government policy to authorize and promote safe, reliable, efficient, and environment-friendly Public Utility Vehicles (PUVs), as ordained in Executive Order (EO) No. 125,³ as amended by EO No. 125-A,⁴ and EO No. 202.⁵

DO No. 2017-011 sets out new vehicle specifications, franchise issue procedures, and practices for all PUVs, which include public utility buses (PUBs), mini-buses, public utility jeepneys (PUJs), utility vehicle (UV) express services, Filcab services, school services, taxi services, transportation network vehicle services (TNVS), tourist transport services, and shuttle services.

At the core of the present controversy is paragraph 5.2 of DO No. 2017-011, which reads:

5.2 Modernization of Public Transport Services

To modernize existing transport services, brand new and environmentally-friendly units shall be promoted and be given priority in the allocation of CPCs and deployment, based on route categories.

Relative thereto, the following requirements shall be adopted;

- 5.2.1 Environmentally-friendly units are vehicles that use an electric drive and/or a combustion engine that complies with Euro IV or better emission standards as prescribed by the DENR to reduce greenhouse gas emissions, toxic fumes, particulate matter, and other forms of air pollution;
- 5.2.2 The LTFRB shall issue a Memorandum Circular to provide for modernization program for all PUVs, establishing the age limit of each classification based on the year of the oldest major component (*i.e.* chassis and engine/motor) of the

³ Entitled "REORGANIZING THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS DEFINING ITS POWERS AND FUNCTIONS AND FOR OTHER PURPOSE," approved on January 30, 1987.

⁴ Entitled "AMENDING EXECUTIVE ORDER NO. 125, ENTITLED "REORGANIZING THE MINISTRY OF TRANSPORTATION AND COMMUNICATIONS, DEFINING ITS POWERS AND FUNCTIONS, AND FOR OTHER PURPOSES," approved on April 13, 1987.

⁵ Entitled "CREATING THE LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD," approved on June 19, 1987.

vehicle and not the initial year of registration or the year of importation; and

- 5.2.3 Refurbished and/or rebuilt vehicles shall pass the type approval system test and issued a Certificate of Compliance with Emission Standards (CCES) as a condition to initial registration by the LTO and to the roadworthiness test of the LTO-Motor Vehicle Inspection System for renewal of registration. Refurbished and/or rebuilt PUBs, even with new engines or motors, shall not be allowed to substitute for phased-out units. (Emphasis in the original)

Bayyo, representing itself as an association consisting of 430 jeepney operators and drivers registered with the Securities and Exchange Commission (SEC) and operating in various routes in Metro Manila, now comes before the Court to have paragraph 5.2 of DO No. 2017-011 declared unconstitutional.

The Arguments of the Petitioners

Procedural Matters

The petitioners maintain that they have the requisite legal standing to file the Petition as citizens and taxpayers who will allegedly be denied their fundamental rights by reason of the implementation of DO No. 2017-011. Bayyo also asserts its standing as a legitimate association of jeepney operators and drivers operating in different parts of Metro Manila, whose members have suffered and continue to suffer the brunt of the said administrative issuance.⁶

Nonetheless, the petitioners invoke the relaxation of the rule on standing, as the issues at hand are of transcendental importance with far-reaching implications. They aver that DO No. 2017-011 has serious repercussions on the country's transport industry concerning the health, safety, and well-being of jeepney drivers and operators and the commuting public.⁷

The petitioners further insist on the justiciability of the issues in this case, claiming that DO No. 2017-011 palpably contravenes the Constitution. They reason that dismissing the case would diminish the Court into a reactive branch of the government, contrary to the framers' vision of a proactive

⁶ *Rollo*, p. 11.

⁷ *Id.* at 12-13.



judiciary which is vigilant in its duty to maintain the supremacy of the Constitution.⁸

Substantive Issues

The petitioners argue that DO No. 2017-011 is an invalid delegation of legislative power. They claim that there is nothing under EO No. 125, as amended by EO No. 125-A, and EO No. 202 which serves as basis for empowering the DOTr to direct and compel PUJ drivers and operators to modernize their PUJs.⁹

Further, the petitioners contend that paragraph 5.2 of DO No. 2017-011 is unconstitutional for being violative of the due process and equal protection clauses of the Constitution.

According to the petitioners, the said provision entails the phaseout and replacement of old PUVs with brand new and environment-friendly units and, while sub-paragraph 5.2.3 of DO No. 2017-11 expressly allows refurbishment and/or rebuilding of PUVs, the same will allegedly not apply to PUJs. To support this claim, the petitioners rely on the news article published by the Business Mirror, wherein DOTr Assistant Secretary Mark Richmond de Leon (**ASEC de Leon**) was quoted as saying that the PUVMP envisions a “holistic rehabilitation” and not merely refurbishment and/or rebuilding of PUVs.¹⁰

Thus, the petitioners posit that the phaseout policy for the traditional PUJs is discriminatory, as it unnecessarily distinguishes between the traditional PUJs, on the one hand, and other PUVs, such as PUBs or UV Express, on the other. Among other things, they consider this policy as not germane to DO No. 2017-011’s declared purpose of making all PUVs environment-friendly for the health, safety, and well-being of the commuting public.

It is also the petitioners’ position that DO No. 2017-011 is confiscatory since paragraph 5.2 compels PUJ drivers and operators to replace their units with environment-friendly units with government subsidy of a mere ₱80,000.00 (increased to ₱130,000.00), but leaves them for seven years to pay the purchase price of the new unit valued at ₱2.1 million, inclusive of interest. They claim that this is tantamount to confiscation in as much as there is a glaring disproportion between the value of the phased out jeepney and the value of the equity advanced by the government, which is a pittance. Further,

⁸ Id. at 11-12.

⁹ Id. at 14-16.

¹⁰ Id. at 20-21.



the arrangement will force the drivers and operators to perpetual indebtedness and servitude to make ends meet.¹¹

In this regard, the petitioners further claim that paragraph 5.2 of DO No. 2017-011 is violative of their right to earn a living and to pursue a lawful calling and profession. Considering that the replacement of their jeepneys will unnecessarily expose them to the quagmire of indebtedness, the petitioners claim that drivers and operators of PUJs will be forced out of their chosen calling and profession and will be deprived of their source of livelihood.¹²

Finally, the petitioners claim that DO No. 2017-011 violates the “Filipino First” Policy since most, if not all, of the brand-new modern PUJs approved by the Land Transportation Franchising and Regulatory Board have been sourced from foreign manufacturers or suppliers. They allege that the respondents have failed or refused to tap local manufacturers or re-builders which can supply or refurbish compliant PUJs at a more affordable price.¹³

The Arguments of the Respondents

Procedural Matters

The respondents argue that the Petition should be dismissed for violation of the rule on hierarchy of courts and for failure to present a purely legal question before the Court. They point out that the petitioners’ factual submissions are without evidentiary support, which could have been remedied had they adhered to the aforementioned rule.¹⁴

While the respondents admit that the rule on hierarchy of courts is not inflexible and admits of some exceptions, none of these exists in this case. The respondents contend that the petitioners failed to substantiate their claim that the Petition involves a constitutional issue of “transcendental importance,” which is prejudicial to the well-being of thousands of drivers and operators.¹⁵

The respondents likewise asseverate that the Petition failed to satisfy the requisites for judicial review. They allege that the Petition does not present actual facts from which the Court can conclude that paragraph 5.2 of DO No. 2017-011 is unconstitutional, and there is no showing that the

¹¹ Id. at 21-22.

¹² Id. at 23-27.

¹³ Id. at 27-29.

¹⁴ Id. at 81-88, Comment.

¹⁵ Id.



petitioners are in actual or immediate danger of sustaining direct injury as a result of the issuance's enforcement. Thus, the petitioners are not entitled to the relief they are seeking.¹⁶

Substantive Issues

Regardless of the above procedural infirmities, the respondents maintain that the Petition should be dismissed for lack of merit.

Contrary to the petitioners' claim, the respondents aver that DO No. 2017-011 is not an invalid delegation of legislative power, as it was issued pursuant to EO No. 125 and EO No. 202. They maintain that the mandate and objectives of the DOTr under EO No. 125 meet the requirements for valid delegation, as they provide limitations in the DOTr's power to formulate and recommend national policies and guidelines.¹⁷

The respondents likewise assert that DO No. 2017-011 does not violate the equal protection clause of the constitution because it requires all covered PUVs, without any distinction, to meet the required standards in the PUVMP. They also emphasize that paragraph 5.2 of DO No. 2017-011 does not prohibit the refurbishment or rebuilding of PUJs, as there is nothing in the text of the provision that supports the contrary claim of the petitioners.¹⁸

Anent the petitioners' assertion that DO No. 2017-011 is confiscatory as it requires PUJ operators and drivers to give up their traditional PUJs and provides them with a measly subsidy, the respondents discredit the same and contend that the average scrap value of the traditional PUJs is less than the subsidy. They add that the rate of return of the brand new modern PUJs is relatively higher than that of the traditional PUJs.¹⁹

The respondents also dispute the petitioners' contention that DO No. 2017-011 violates their rights against involuntary servitude, to pursue a lawful profession and calling, and to earn a living. While they admit that PUJ operators and drivers have a right to earn a living, such right is not absolute considering that their source of livelihood is public transportation, which by its nature is subject to government regulation.²⁰

Lastly, the respondents belie the petitioners' claim that DO No. 2017-011 violates the "Filipino First" Policy, claiming that the choice of

¹⁶ Id. at 88-98.

¹⁷ Id. at 98-103.

¹⁸ Id. at 103-118.

¹⁹ Id. at 118-120.

²⁰ Id. at 120-123.



manufacturers and assemblers is open to both local and foreign entities and involves an accreditation process to verify compliance with technical specifications. They attest that as of August 15, 2021, there are 42 accredited manufacturers and assemblers, of which 12 have manufacturing sites in the country and are employing local personnel.²¹

The Issues

Based on the foregoing disquisitions, the issues for the Court's resolution are summarized, as follows:

- (1) Is the Petition procedurally infirm?
- (2) Is paragraph 5.2 of DO No. 2017-011 unconstitutional?

The Ruling of the Court

The Petition is dismissed for being procedurally infirm.

A petition for certiorari and prohibition is a proper remedy to raise constitutional questions

The petitioners seek to declare as unconstitutional paragraph 5.2 of DO No. 2017-011, and for this purpose, they availed of the remedies of *certiorari* and prohibition under Rule 65 of the Rules of Court.

The Court's power of judicial review is anchored on Section 1, Article VIII, of the Constitution:

Section 1. The judicial power shall be vested in one Supreme Court and in such lower courts as may be established by law. Judicial power includes the duty of the courts of justice to settle actual controversies involving rights which are legally demandable and enforceable, and to determine whether or not there has been a grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government.

Thus, judicial power includes the duty of the courts of justice not only "to settle actual controversies involving rights which are legally demandable and enforceable," but also "to determine whether or not there has been a grave

²¹ Id. at 123-124.



abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government.”²²

It has long been settled that under the Court’s expanded jurisdiction, the writs of *certiorari* and prohibition are appropriate remedies to raise constitutional issues and to review and/or prohibit or nullify, on the ground of grave abuse of discretion, any act of any branch or instrumentality of the government involving the exercise of discretion on the part of the government, even if the latter does not exercise judicial, quasi-judicial or ministerial functions.²³

Simply put, courts may correct, undo, or enjoin an act of a governmental instrumentality through *certiorari* or prohibition upon showing of grave abuse of discretion amounting to lack or excess of jurisdiction and when delineations of authority were exceeded.²⁴

In *Araullo v. Aquino III*,²⁵ the Court clarified that the special civil actions of *certiorari* and prohibition are appropriate remedies to assail the constitutionality of the Disbursement Acceleration Program (DAP) of the executive and all other issuances implementing the DAP. The Court ruled:

With respect to the Court, however, the remedies of *certiorari* and prohibition are necessarily broader in scope and reach, and the writ of *certiorari* or prohibition may be issued to correct errors of jurisdiction committed not only by a tribunal, corporation, board or officer exercising judicial, quasi-judicial or ministerial functions but also to set right, undo and restrain any act of grave abuse of discretion amounting to lack or excess of jurisdiction by any branch or instrumentality of the Government, even if the latter does not exercise judicial, quasi-judicial or ministerial functions. This application is expressly authorized by the text of the second paragraph of Section 1, *supra*.

Thus, petitions for *certiorari* and prohibition are appropriate remedies to raise constitutional issues and to review and/or prohibit or nullify the acts of legislative and executive officials.

Necessarily, in discharging its duty under Section 1, *supra*, to set right and undo any act of grave abuse of discretion amounting to lack or excess of jurisdiction by any branch or instrumentality of the Government, the Court is not at all precluded from making the inquiry provided the challenge was properly brought by interested or affected parties. The Court has been thereby entrusted expressly or by necessary implication with both

²² *Council of Teachers and Staff of Colleges and Universities of the Philippines v. Secretary of Education*, 841 Phil. 724, 784 (2018).

²³ *Agcaoili, Jr. v. Fariñas*, 835 Phil. 405, 435 (2018); *Villanueva v. Judicial and Bar Council*, 757 Phil. 534, 544 (2015); *Jardaleza v. Sereno*, 741 Phil. 460, 491 (2014), citing *Araullo v. Aquino*, 737 Phil. 457, 531 (2014).

²⁴ *Anti-Trapo Movement of the Philippines v. Land Transportation Office*, G.R. No. 231540, June 27, 2022.

²⁵ *Supra* note 23.

the duty and the obligation of determining, in appropriate cases, the validity of any assailed legislative or executive action. This entrustment is consistent with the republican system of checks and balances.²⁶

The foregoing pronouncement was echoed in *Inmates of the New Bilibid Prison v. De Lima*,²⁷ where the Court, *via* a petition for *certiorari* and prohibition, passed upon the constitutionality of the implementing rules issued by the DOJ to the statutory amendments on the computation of good conduct time allowance under Republic Act (RA) No. 10592.²⁸

In *DENR Employees Union v. Abad*,²⁹ the Court likewise held that a petition for prohibition under Rule 65 of the Rules of Court is the proper remedy to determine whether the Secretary of the Department of Budget and Management committed grave abuse of discretion in issuing Budget Circular No. 2011-5. It stressed that its judicial power under Article VIII, Section 1 of the Constitution is broad enough to include the determination of whether or not there has been a grave abuse of discretion amounting to lack or excess of jurisdiction on the part of any branch or instrumentality of the Government even in their exercise of legislative and quasi-legislative functions.

In *Bureau of Customs Employees Association v. Biazon*,³⁰ the Court declared that the expanded *certiorari* jurisdiction of the Court was properly invoked *via* a petition for *certiorari*, prohibition, and injunction under Rule 65 of the Rules of Court, to challenge the administrative issuances of the Department of Finance and the Bureau of Customs relating to policies on the payment of overtime work rendered by personnel of the Bureau of Customs.

Thus, it is settled that if any governmental branch or instrumentality is shown to have gravely abused its discretion amounting to lack or excess of jurisdiction, and has overstepped the delimitations of its powers, courts may “set right, undo, or restrain” such act by way of *certiorari* and prohibition.³¹

In line with the Court’s consistent ruling, the petitioners correctly availed of the special civil action of *certiorari* and prohibition, under Rule 65 of the Rules of Court, in assailing the constitutionality of paragraph 5.2 of DO No. 2017-011.

²⁶ Id. at 531.

²⁷ 854 Phil. 675 (2019).

²⁸ Entitled “AN ACT AMENDING ARTICLES 29, 94, 97, 98 AND 99 OF ACT NO. 3815, AS AMENDED, OTHERWISE KNOWN AS THE REVISED PENAL CODE,” approved on May 29, 2013.

²⁹ G.R. No. 204152, January 19, 2021.

³⁰ G.R. No. 205836, July 12, 2022.

³¹ *COURAGE v. Abad*, G.R. No. 200418, November 10, 2020.



The petitioners lack legal standing

Notwithstanding the propriety of the legal vehicle employed, the Court cannot exercise its power of judicial review, even under its expanded jurisdiction, when the requisites for the exercise thereof are not satisfied.³² The prevailing rule in constitutional litigation is that no question involving the constitutionality or validity of a law or governmental act may be heard and decided by the Court unless there is compliance with the legal requisites for judicial inquiry, *i.e.*, (a) there must be an actual case or controversy calling for the exercise of judicial power; (b) the person challenging the act must have the standing to question the validity of the subject act or issuance; (c) the question of constitutionality must be raised at the earliest opportunity; and (d) the issue of constitutionality must be the very *lis mota* of the case.³³

The Court finds that the petitioners do not possess the requisite legal standing to file this suit.

The requirement of *locus standi* pertains to a party's personal and substantial interest in the case arising from the direct injury they sustained, or will sustain, as a result of the challenged governmental action.³⁴ "Interest" in this context means material interest, and not mere incidental interest.³⁵

Concomitantly, the question in standing is whether the parties have alleged such a personal stake in the outcome of the controversy as to assure that concrete adverseness which sharpens the presentation of issues upon which the Court so largely depends for illumination of difficult constitutional questions.³⁶ Thus, as a general rule, a party is not permitted to raise a matter in which he or she has no personal interest.³⁷

In this jurisdiction, the Court has recognized the third-party standing of an association to sue on behalf of its members. In *Executive Secretary v. Court of Appeals*,³⁸ the Court discussed:

The modern view is that an association has standing to complain of injuries to its members. This view fuses the legal identity of an association with that of its members. An association has standing to file suit for its workers despite its lack of direct interest if its members are affected by the action. An organization has standing to assert the concerns of its constituents.

³² *Private Hospitals Association v. Medialdea*, 842 Phil. 747, 781 (2018).

³³ *Province of Camarines Sur v. COA*, G.R. No. 227926, March 10, 2020, 935 SCRA 126, 146, citing *Samahan ng mga Progresibong Kabalaan (SPARK) v. Quezon City*, 815 Phil. 1067, 1089-1090 (2017).

³⁴ *KMP v. Aurora Pacific Economic Zone and Freeport Authority*, G.R. No. 198688, November 24, 2020.

³⁵ *Id.*

³⁶ *Agan, Jr. v. Phil. International Air Terminals Co., Inc.*, 450 Phil. 744, 802 (2003).

³⁷ *Calleja v. Executive Secretary*, G.R. No. 252578, December 7, 2021.

³⁸ 473 Phil. 27 (2004).



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x x x We note that, under its Articles of Incorporation, the respondent was organized x x x to act as the representative of any individual, company, entity or association on matters related to the manpower recruitment industry, and to perform other acts and activities necessary to accomplish the purposes embodied therein. The respondent is, thus, the appropriate party to assert the rights of its members, because it and its members are in every practical sense identical x x x. The respondent [association] is but the medium through which its individual members seek to make more effective the expression of their voices and the redress of their grievances.³⁹

It bears emphasis, however, that while an association is endowed with standing to institute actions on behalf of its members, it must establish who their members are, and that it has been duly authorized by its members to represent them or sue on their behalf.⁴⁰

In assailing paragraph 5 of DO No. 2017-011, Bayyo principally invokes its standing as a legitimate association of jeepney operators and drivers in the different parts of Metro Manila. It asserts that DO No. 2017-011 violates the rights of its members to pursue a lawful profession and calling and to earn a living.

At the outset, Bayyo did not submit any proof to support its claim that it is a legitimate association of PUJ operators and drivers. While it attached a Certificate of Registration issued by the SEC, the same merely proves its registration as an association, but does not establish that its members are indeed PUJ operators and drivers. Accordingly, due to the absence of Bayyo's Articles of Incorporation and By-Laws or any other competent proof, the Court cannot ascertain its legal standing as an association of PUJ operators and drivers.

Even if such were not the case, Bayyo still failed to establish who its members are and that it has been duly authorized by said members to institute the Petition.

In *The Provincial Bus Operators Assn. of the Phils. v. DOLE (Provincial Bus Operators)*,⁴¹ the Court clarified that it is insufficient to simply allege that the petitioners therein are associations that represent their

³⁹ Id. at 50-51.

⁴⁰ *The Provincial Bus Operators Assn of the Phils. v. DOLE*, 836 Phil. 205 (2018).

⁴¹ Id.



members. The associations must establish who their members are and that their members authorized them to sue on their behalf:

As declared at the outset, petitioners in this case do not have standing to bring this suit. **As associations, they failed to establish who their members are and if these members allowed them to sue on their behalf.** While alleging that they are composed of public utility bus operators who will be directly injured by the implementation of Department Order No. 118-12 and Memorandum Circular No. 2012-001, **petitioners did not present any proof, such as board resolutions of their alleged members or their own articles of incorporation authorizing them to act as their members' representatives in suits involving their members' individual rights.**⁴² (Emphasis supplied)

In *Private Hospitals Association v. Medialdea*,⁴³ the Court echoed the pronouncement in *Provincial Bus Operators*, and held that the association cannot benefit from third-party standing for failing to prove that it was authorized by the members to institute the case. It ruled that while the association successfully identified its members, being the sole national organization of purely privately owned clinics, hospitals, or other health facilities in the Philippines, it nonetheless failed to demonstrate that ample authority had been extended to it by its members to file the action.

Similarly, in *Alliance of Non-Life Insurance Workers of the Philippines v. Mendoza*,⁴⁴ the Court dismissed the case for failure of the petitioners therein to establish standing as associations suing on behalf of their members. The Court noted that while the petitioners presented their respective Certificates of Incorporation, there was no showing that they were authorized to represent their members in the protection of their insurance business. They likewise failed to present proof that their members will be directly injured by the enactment of the assailed administrative issuance.

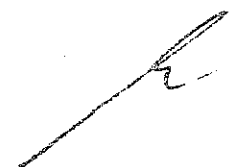
Thus, it is evident from the foregoing pronouncements of the Court that to invoke third-party standing, an association must establish the identity of its members and present proof of its authority to bring the suit for and on their behalf.

While Bayyo submitted a Secretary's Certificate, the same only proves the authority of its President to file the Petition on behalf of the association, not its members. The same is insufficient to establish that Bayyo or its President, Perweg, were specifically authorized by the members to institute the present action.

⁴² Id. at 257.

⁴³ Supra note 32.

⁴⁴ G.R. No. 206159, August 26, 2020.



As regards Perweg, he likewise cannot invoke standing as a citizen and taxpayer to file the Petition.

When suing as a concerned citizen, it must be established that one has suffered some actual or threatened injury as a result of the allegedly illegal conduct of the government; the injury is fairly traceable to the challenged action; and the injury is likely to be redressed by a favorable action.⁴⁵ Further the person complaining must allege that he or she has been or is about to be denied some right or privilege to which he or she is lawfully entitled or that he or she is about to be subjected to some burdens or penalties by reason of the statute or act complained of.⁴⁶

Here, Perweg's invocation of standing as a citizen deserves no credence, as it was not established that he is either a PUJ operator or driver. Hence, he does not stand to suffer any real and apparent injury or threat attributable to the implementation of DO No. 2017-011 so as to demonstrate standing as a citizen.

As for taxpayers' suits, these are predicated on an allegation that public funds are illegally disbursed or that public money is being deflected to any improper purpose, or that public funds are wasted through the enforcement of an invalid or unconstitutional law.⁴⁷

In *Mamba v. Lara*,⁴⁸ the Court discussed the requirements of a taxpayer's suit:

A taxpayer is allowed to sue where there is a claim that public funds are illegally disbursed, or that the public money is being deflected to any improper purpose, or that there is wastage of public funds through the enforcement of an invalid or unconstitutional law. A person suing as a taxpayer, however, must show that the act complained of directly involves the illegal disbursement of public funds derived from taxation. He must also prove that he has sufficient interest in preventing the illegal expenditure of money raised by taxation and that he will sustain a direct injury because of the enforcement of the questioned statute or contract. In other words, for a taxpayer's suit to prosper, two requisites must be met: **(1) public funds derived from taxation are disbursed by a political subdivision or instrumentality and in doing so, a law is violated or some irregularity is committed and (2) the petitioner is directly affected by the alleged act.**⁴⁹ (Emphasis supplied; citations omitted)

⁴⁵ *Automotive Industry Workers Alliance v. Romulo*, 489 Phil. 710, 718 (2005).

⁴⁶ *Council of Teachers and Staff of Colleges and Universities of the Philippines v. Secretary of Education*, supra note 22, at 787.

⁴⁷ Id. at 788.

⁴⁸ 623 Phil. 63 (2009).

⁴⁹ Id. at 76-77.



Thus, a taxpayer's suit is allowed only when the petitioner has demonstrated the direct correlation of the act complained of and the disbursement of public funds in contravention of law or the Constitution, or has shown that the case involves the exercise of the spending or taxing power of Congress.⁵⁰

Here, the petitioners cannot invoke standing as taxpayers considering that paragraph 5.2 of DO No. 2017-011 does not involve the disbursement of public funds. More glaringly, a closer examination of the Petition reveals that there is no allegation of any illegal expenditure of public funds. Thus, the case cannot qualify as a taxpayer's suit.

The petitioners violated the principle of hierarchy of courts

The respondents correctly point out that the Petition was filed in violation of the doctrine of hierarchy of courts.

Under the doctrine of hierarchy of courts, "recourse must first be made to the lower-ranked court exercising concurrent jurisdiction with a higher court." Thus, a petition must first be brought before the lowest court with jurisdiction and then appealed until it reaches this Court. This concurrent jurisdiction does not give the party discretion on where to file a petition, as non-compliance with this requirement is a ground for dismissal.⁵¹ Nevertheless, the Court has recognized several exceptions to the rule on hierarchy of courts.

In *The Diocese of Bacolod v. COMELEC*,⁵² the Court enumerated instances where direct resort to the Court is allowed: (a) when there are genuine issues of constitutionality that must be addressed at the most immediate time; (b) when the issues involved are of transcendental importance; (c) in cases of first impression; (d) the constitutional issues raised are better decided by the Supreme Court; (e) the time element or exigency in certain situations; (f) the filed petition reviews an act of a constitutional organ; (g) when there is no other plain, speedy, and adequate remedy in the ordinary course of law; (h) the petition includes questions that are dictated by public welfare and the advancement of public policy, or demanded by the broader interest of justice, or the orders complained of were found to be patent nullities, or the appeal was considered as clearly an inappropriate remedy.

⁵⁰ *Roy III v. Herbosa*, 800 Phil. 459 (2016), citing *Automotive Industry Workers Alliance v. Romulo*, supra note 45 at 719.

⁵¹ *Yaphockun v. Professional Regulation Commission*, G.R. Nos. 213314 & 214432, March 23, 2021; *KMP v. Aurora Pacific Economic Zone and Freeport Authority*, supra note 34.

⁵² 751 Phil. 301 (2015).



In this case, the petitioners assert that direct resort to the Court is justified, as the case involves constitutional issues of transcendental importance affecting the rights of jeepney drivers and operators to pursue a lawful calling and profession and the right to earn a living. They likewise allege that paragraph 5.2 of DO No. 2017-011 is confiscatory and discriminatory.

The foregoing assertions fail to impress.

The doctrine of hierarchy of courts dictates that direct recourse to the Court is allowed only to resolve questions of law, notwithstanding the invocation of paramount or transcendental importance of the action. This doctrine is not mere policy, rather, it is a constitutional filtering mechanism designed to enable the Court to focus on the more fundamental and essential tasks assigned to it by the highest law of the land.⁵³

In *Gios-Samar v. DOTC*,⁵⁴ the Court clarified that allegation of “special and important reasons” as an exception to the doctrine of hierarchy of courts, applies only to cases with **purely legal issues**:

Strict observance of the doctrine of hierarchy of courts should not be a matter of mere policy. It is a constitutional imperative given (1) the structure of our judicial system and (2) the requirements of due process.

First. The doctrine of hierarchy of courts recognizes the various levels of courts in the country as they are established under the Constitution and by law, their ranking and effect of their rulings in relation with one another, and how these different levels of court interact with one another. It determines the venues of appeals and the appropriate forum for the Issuance of extraordinary writs.

x x x x

Second. Strict adherence to the doctrine of hierarchy of courts also proceeds from considerations of due process. While the term “due process of law” evades exact and concrete definition, this Court, in one of its earliest decisions, referred to it as a law which hears before it condemns which proceeds upon inquiry and renders judgment only after trial. It means that every citizen shall hold his life, liberty, property, and immunities under the protection of the general rules which govern society. Under the present Rules of Court, which governs our judicial proceedings, warring factual allegations of parties are settled through presentation of evidence. Evidence is the means of ascertaining, in a judicial proceeding, the truth respecting a matter of fact: As earlier demonstrated, the Court cannot accept evidence *in the first instance*. By directly filing a case before the Court, litigants necessarily deprive themselves of the

⁵³ *Gios-Samar v. DOTC*, 849 Phil. 120 (2019).

⁵⁴ *Id.* at 131-132.



opportunity to completely pursue or defend their causes of actions. Their right to due process is effectively undermined by their own doing.⁵⁵

Thus, the decisive factor is not the invocation of special and important reasons, but the nature of the question raised in the petition. Notably, in a long line of cases where exceptions to the hierarchy of courts were allowed, there were clear factual parameters, enabling this Court to resolve the cases without needing further information and clarifying disputed facts.⁵⁶

In *Kilusang Magbubukid ng Pilipinas v. Aurora Pacific Economic Zone and Freeport Authority*,⁵⁷ the Court emphasized that transcendental importance is not an exception to justiciability and the facts constituting the violation must first be complete, undisputed and established before the trial courts, which are equipped to receive and assess evidence:

This Court is not a trier of facts. Whether in its original or appellate jurisdiction, this Court is not equipped to receive and weigh evidence in the first instance. **When litigants bypass the hierarchy of courts, the facts they claim before this Court are incomplete and disputed.**

Bypassing the judicial hierarchy requires more than just raising issues of transcendental importance. Without first resolving the factual disputes, it will remain unclear if there was a direct injury, or if there was factual concreteness and adversariness to enable this Court to determine the parties' rights and obligations. **Transcendental importance is no excuse for not meeting the demands of justiciability.**⁵⁸ (Emphasis supplied; citation omitted)

Similarly, in *Pangilinan v. Cayetano*,⁵⁹ the Court explained that a party invoking transcendental importance must clearly show why the Court must exercise its power of judicial review, including the facts constituting the actual case or controversy in question:

Transcendental importance is often invoked in instances when the petitioners fail to establish standing in accordance with customary requirements. However, its general invocation cannot negate the requirement of *locus standi*. Facts must be undisputed, only legal issues must be present, and proper and sufficient justifications why this Court should not simply stay its hand must be clear.⁶⁰

Thus, without clear and specific allegations of facts, the Court cannot rule on the rights and obligations of the parties. The invocation of an

⁵⁵ Id. at 178-182.

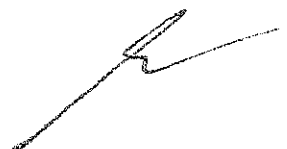
⁵⁶ *KMP v. Aurora Pacific Economic Zone and Freeport Authority*, supra note 34.

⁵⁷ Id.

⁵⁸ Id.

⁵⁹ G.R. No. 238875, March 16, 2021.

⁶⁰ Id.



exception to the doctrine of hierarchy of courts does not do away with a petition's infirmities. This is more apparent in petitions which require resolution of factual issues that are indispensable for the cases' proper disposition,⁶¹ such as in this case.

Here, the petitioners argue that the assailed DO No. 2017-011 is confiscatory, discriminatory, and violative of the rights of jeepney drivers and operators, as it allegedly compels PUJ operators and drivers to modernize their PUJs by phasing out their old units, in exchange for brand new and environment friendly units, with prices ranging from ₱1.6 Million to ₱2.1 Million. As a result, the PUJ operators will be forced to incur unnecessary debts to acquire new units. This will allegedly exclude drivers and operators of public jeepneys from their chosen calling and profession and deprive them of their source of livelihood.

As can be readily seen from the foregoing averments, the issues raised by the petitioners are not purely legal.

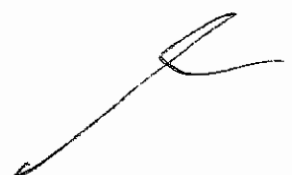
The determination of whether DO No. 2017-011 is confiscatory, anti-poor, and deprives PUJ operators and drivers of their source of livelihood, as well as the purported financial impact of the modernization program on PUJ operators and drivers, including, among others, the cost of modernizing jeepneys, the loans and debts that will be obtained by PUJ operators and drivers to purchase the units, and the alleged losses in the daily income that will be sustained by the PUJ operators and drivers as a result of the implementation of DO No. 2017-011, are all factual questions which entail the reception and evaluation of evidence.

The Court cannot simply rely on the bare and unsubstantiated allegations of the petitioners as to the supposed adverse effects of the assailed DO No. 2017-011 on the livelihood of PUJ operators and drivers. These factual issues should have been first brought before the proper trial courts or the Court of Appeals, both of which are specially equipped to try and resolve factual questions.

As a matter of fact, in *Evangelista v. DOTr*,⁶² the Court dismissed outright the petition for *certiorari* and prohibition filed by an association of PUJ drivers and operators also questioning the constitutionality of DO No. 2017-011, for violation of the doctrine of hierarchy of Courts. The Court pronounced therein that although the petitioners alleged, *inter alia*, that DO No. 2017-011 is anti-poor, oppressive, untimely, and a restraint in trade, these

⁶¹ *KMP v. Aurora Pacific Economic Zone and Freeport Authority*, supra note 34.

⁶² G.R. No. 244614, December 9, 2020.



asseverations do not automatically excuse the parties from the observance of the hierarchy of courts.

It is well to remember that the Court is not a trier of facts. Whether in its original or appellate jurisdiction, this Court is not equipped to receive and weigh evidence in the first instance. When litigants bypass the hierarchy of courts, the facts they claim before the Court are incomplete and disputed. Bypassing the judicial hierarchy requires more than just raising issues of transcendental importance. Without first resolving the factual disputes, it will remain unclear if there was a direct injury, or if there was factual concreteness and adversariness to enable this Court to determine the parties' rights and obligations. Transcendental importance is no excuse for not meeting the demands of justiciability.⁶³

In view of the petitioners' lack of legal standing and their disregard of the doctrine of hierarchy of courts, the Court will not delve into the merits of the substantive arguments raised.

WHEREFORE, the Petition for *Certiorari* and Prohibition is **DISMISSED.**

SO ORDERED.



MARIA FILOMENA D. SINGH
Associate Justice

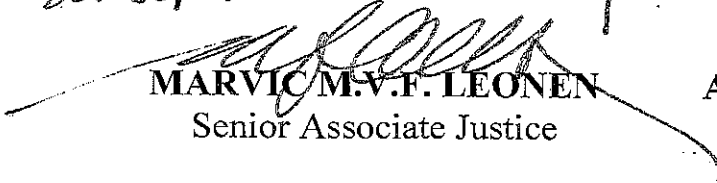
WE CONCUR:

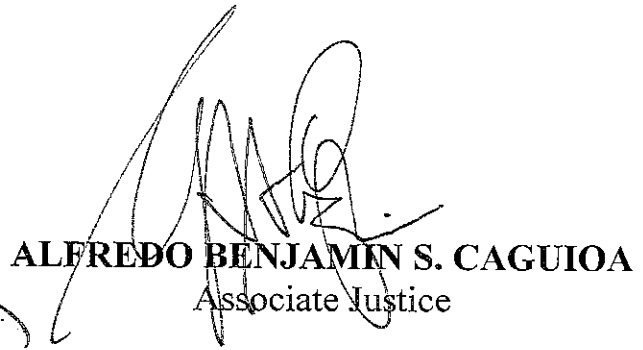


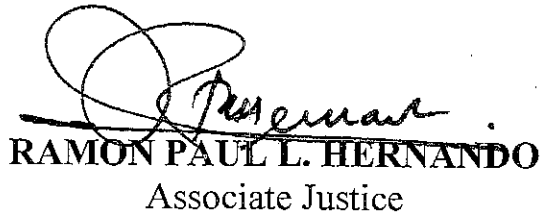
ALEXANDER G. GESMUNDO
Chief Justice

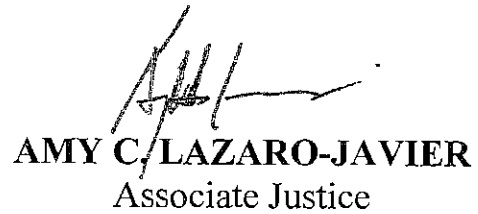
⁶³ *KMP v. Aurora Pacific Economic Zone and Freeport Authority*, supra note 34.

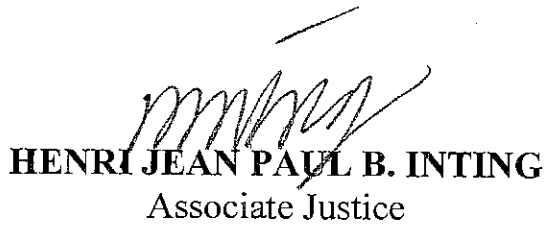
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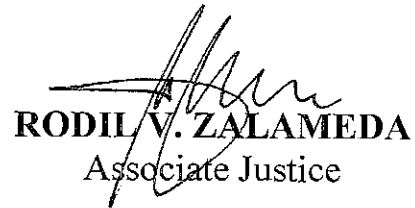

MARVIC M.V.F. LEONEN
Senior Associate Justice

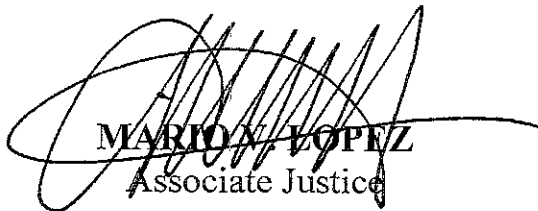

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

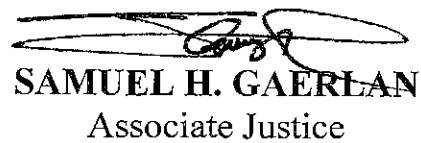

RAMON PAUL L. HERNANDO
Associate Justice

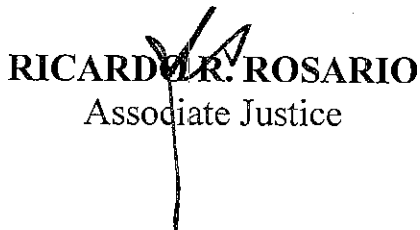

AMY C. LAZARO-JAVIER
Associate Justice


HENRI JEAN PAUL B. INTING
Associate Justice



RODIL V. ZALAMEDA
Associate Justice

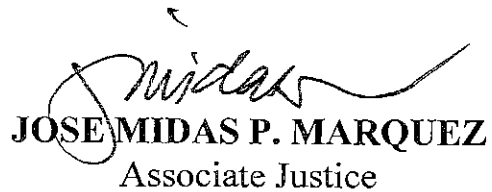

MARION LOPEZ
Associate Justice


SAMUEL H. GAERLAN
Associate Justice


RICARDO R. ROSARIO
Associate Justice


JHOSEP Y. LOPEZ
Associate Justice

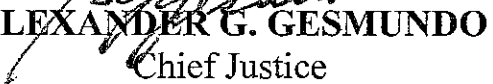

JAFAR B. DIMAAMPAO
Associate Justice


JOSE MIDAS P. MARQUEZ
Associate Justice


ANTONIO T. KHO, JR.
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court.



ALEXANDER G. GESMUNDO
Chief Justice