



**Republic of the Philippines  
Supreme Court  
Manila**

**SECOND DIVISION**

**GMA NETWORK, INC.,**  
Petitioner,

**G.R. No. 196112**

Present:

- versus -

CARPIO, J., Acting Chief Justice,\*  
Chairperson,  
DEL CASTILLO,  
PEREZ,  
PERLAS-BERNABE, and  
LEONEN,\*\* JJ.

**NATIONAL  
TELECOMMUNICATIONS  
COMMISSION,**  
Respondent.

Promulgated:

FEB 26 2014 *HM Cabalag Projecto*

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**DECISION**

**PERLAS-BERNABE, J.:**

Assailed in this petition for review on *certiorari*<sup>1</sup> are the Decision<sup>2</sup> dated October 12, 2010 and a Resolution<sup>3</sup> dated March 9, 2011 of the Court of Appeals (CA) in CA-G.R. SP No. 112437 which affirmed the Orders dated May 25, 2009<sup>4</sup> and January 8, 2010<sup>5</sup> of respondent National Telecommunications Commission in BMC Case No. 93-538, imposing a fine against petitioner GMA Network, Inc. for operating a radio station with an expired provisional authority.

\* Designated Acting Chief Justice per Special Order No. 1644 dated February 25, 2014.

\*\* Designated Acting Member per Special Order No. 1643 dated February 25, 2014.

<sup>1</sup> *Rollo*, pp. 3-46.

<sup>2</sup> *Id.* at 52-65. Penned by Associate Justice Hakim S. Abdulwahid, with Associate Justices Ricardo R. Rosario and Samuel H. Gaerlan, concurring.

<sup>3</sup> *Id.* at 67-68.

<sup>4</sup> *Id.* at 96-100. Signed by Commissioner Ruel V. Canobas and Deputy Commissioners Jaime M. Fortes, Jr. and Douglas Michael N. Mallillin.

<sup>5</sup> *Id.* at 110-115. Signed by Commissioner Gamaliel A. Cordoba and Deputy Commissioners Jaime M. Fortes, Jr. and Douglas Michael N. Mallillin.

## The Facts

Petitioner GMA Network, Inc. (GMA), formerly known as Republic Broadcasting System, Inc., is a Filipino-owned domestic corporation engaged in the business of radio and television broadcasting, which has been granted a legislative franchise to construct, install, operate and maintain radio and television broadcasting stations in the Philippines for a period of 25 years under Republic Act No. (RA) 7252,<sup>6</sup> enacted on March 20, 1992.<sup>7</sup>

On the other hand, respondent National Telecommunications Commission (NTC) is a government agency which, under Executive Order No. (EO) 546<sup>8</sup> dated July 23, 1979, has been authorized to, *inter alia*, (a) “[i]ssue Certificate[s] of Public Convenience for the operation of communications utilities and services, radio communications systems, wire or wireless telephone or telegraph systems, radio and television broadcasting system and other similar public utilities,” and (b) “[g]rant permits for the use of radio frequencies for wireless telephone and telegraph systems and radio communication systems including amateur radio stations and radio and television broadcasting systems.”<sup>9</sup>

GMA, by virtue of its legislative franchise, filed with the NTC an application for the issuance of a Certificate of Public Convenience (CPC) to install, operate and maintain a 5-kilowatt amplitude modulation (AM) radio station in Puerto Princesa City, Palawan, docketed as BMC Case No. 93-538. Pending approval, the NTC issued an Order<sup>10</sup> dated January 14, 1997, provisionally authorizing GMA to install, operate and maintain said radio station. The provisional authority (PA) was valid for 18 months from date, or until July 14, 1998, and expressly stated that it may be “subject to amendment, alteration, suspension, revocation or cancellation when public welfare, morals and national security so requires or when grantee operates beyond its authorization granted.” As manifested in its Compliance<sup>11</sup> dated January 27, 1997, GMA accepted the terms and conditions stated in the PA.

GMA failed to renew its PA upon its expiration on July 14, 1998. Nevertheless, it continued its broadcast operations on the basis of temporary permits issued by the NTC, the first of which, numbered BSD-0356-98, was issued on April 14, 1998 for the period April 2, 1998 to April 1,

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<sup>6</sup> Entitled “AN ACT GRANTING THE REPUBLIC BROADCASTING SYSTEM, INC. A FRANCHISE TO CONSTRUCT, INSTALL, OPERATE AND MAINTAIN RADIO AND TELEVISION BROADCASTING STATIONS IN THE PHILIPPINES.”

<sup>7</sup> *Rollo*, p. 167.

<sup>8</sup> Entitled “CREATING A MINISTRY OF PUBLIC WORKS AND A MINISTRY OF TRANSPORTATION AND COMMUNICATIONS.”

<sup>9</sup> Section 15 of EO 546 dated July 23, 1979.

<sup>10</sup> *Rollo*, pp. 69-78. Signed by Commissioner Simeon L. Kintanar.

<sup>11</sup> *Id.* at 79.

2001,<sup>12</sup> and the second, numbered BSD-0195-2001, on May 21, 2001 for the period April 2, 2001 to April 1, 2004.<sup>13</sup>

On September 13, 2002, some four (4) years after the expiration of its PA, GMA filed with the NTC an *Ex-Parte* Motion for Issuance of Certificate of Public Convenience<sup>14</sup> (*Ex-Parte* Motion), claiming: (a) full compliance with the terms and conditions of its PA; and (b) its current operation of said radio station by virtue of temporary permit number BSD-0195-2001. Meanwhile, GMA continued to operate its radio station on the strength of NTC-issued temporary permits, the third of which, numbered BSD-0302-2004, was issued on June 23, 2004 for the period April 2, 2004 to April 1, 2007,<sup>15</sup> and the fourth, numbered BSD-0197-2007, on March 27, 2007 for the period April 2, 2007 to April 1, 2010.<sup>16</sup>

In an Order<sup>17</sup> dated February 26, 2009, the NTC set the *Ex-Parte* Motion for clarificatory hearing and also directed GMA to submit a written explanation (within 10 days from receipt) why it should not be administratively sanctioned for the motion's late filing and for operating its radio station with an expired PA.

In its Compliance<sup>18</sup> dated March 12, 2009, GMA explained that its failure to timely renew its PA was without deliberate intent but by mere inadvertence caused by the confusion in the turn-over of the custody of its documents from its previous lawyer, and that it immediately filed the *Ex-Parte* Motion upon discovering its omission. Further, it alleged that notwithstanding the non-renewal of its PA, it had fully complied with the terms and conditions thereof, and that its continued operation was actually authorized by the NTC by virtue of the four (4) temporary permits covering the period 1998 to 2010. Finally, invoking the 60-day prescriptive period under Section 28 of Commonwealth Act No. 146,<sup>19</sup> as amended, otherwise known as the "Public Service Act" (Public Service Act), it argued that the NTC could no longer sanction the late filing of its *Ex-Parte* Motion considering the lapse of more than six (6) years from its filing on September 13, 2002.<sup>20</sup>

In an Order<sup>21</sup> dated May 25, 2009, the NTC renewed GMA's PA for three (3) years, or until July 14, 2012, but, pursuant to Section 21 of the

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<sup>12</sup> Id. at 80.

<sup>13</sup> Id. at 81.

<sup>14</sup> Id. at 84-85.

<sup>15</sup> Id. at 82.

<sup>16</sup> Id. at 83.

<sup>17</sup> Id. at 86-87.

<sup>18</sup> Id. at 88-91.

<sup>19</sup> Entitled the "AN ACT TO REORGANIZE THE PUBLIC SERVICE COMMISSION, PRESCRIBE ITS POWERS AND DUTIES, DEFINE AND REGULATE PUBLIC SERVICES, PROVIDE AND FIX THE RATES AND QUOTA OF EXPENSES TO BE PAID BY THE SAME, AND FOR OTHER PURPOSES."

<sup>20</sup> *Rollo*, pp. 54-55.

<sup>21</sup> Id. at 96- 100.

Public Service Act, imposed upon it a fine of ₱152,100.00 for operating its radio station with an expired PA from July 14, 1998 to September 13, 2002, or for 1521 days (the fine having been pegged at the rate of ₱100 per day).

Consequently, GMA filed a Motion for Partial Reconsideration<sup>22</sup> from the imposition of the aforesaid fine, but the NTC, in an Order<sup>23</sup> dated January 8, 2010, merely reduced its amount to ₱76,050.00. Dissatisfied, GMA elevated the matter to the CA,<sup>24</sup> contending that: (a) the 60-day prescriptive period provided under Section 28 of the Public Service Act already barred the NTC from imposing said fine; (b) the fine imposed amounts to more than ₱25,000.00 and, hence, contrary to the policy embodied in Section 23 of the Public Service Act; and (c) the imposition of said fine was improper considering that the NTC had already authorized it to operate its radio station through temporary permits

### **The CA Ruling**

In a Decision<sup>25</sup> dated October 12, 2010, the CA dismissed the appeal, finding no merit in GMA's contention that the violation committed had already prescribed pursuant to Section 28 of the Public Service Act. Citing the 1962 case of *Sambrano v. PSC and Phil. Rabbit Bus Lines, Inc.*<sup>26</sup> (*Sambrano*), it held that the abovementioned 60-day prescriptive period is only available as a defense in criminal proceedings, and not to those which are administrative in character.<sup>27</sup> Hence, since the assailed fine was imposed by the NTC to administratively sanction GMA for its non-compliance with the conditions of its PA pursuant to Section 21 of the Public Service Act,<sup>28</sup> the 60-day prescriptive period cannot be raised by GMA as a defense. Further, the CA found that the NTC's imposition of the assailed fine at the reduced rate of ₱50.00 per day was well within the limit of Section 21 of the Public Service Act, noting too that the fine was, at best, minimal and conservative in light of the duration of GMA violation.<sup>29</sup> It appears though that the CA did not address GMA's argument anent the fact that its continued operation was based on temporary permits issued by the NTC.

Feeling aggrieved, GMA moved for reconsideration which was, however, denied in a Resolution<sup>30</sup> dated March 9, 2011, hence, this petition.

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<sup>22</sup> Id. at 101-109.

<sup>23</sup> Id. at 110-115.

<sup>24</sup> Id. at 116-141.

<sup>25</sup> Id. at 52-65.

<sup>26</sup> 116 Phil. 552 (1962).

<sup>27</sup> *Rollo*, p. 59.

<sup>28</sup> Id. at 60.

<sup>29</sup> Id. at 63.

<sup>30</sup> Id. at 67-68.

### The Issue Before the Court

The essential issue in this case is whether or not the CA erred in upholding the ₱76,050.00 fine imposed by the NTC upon GMA.

### The Court's Ruling

The petition lacks merit.

#### A. *Prescriptibility*

While it was clearly established that GMA violated the terms and conditions of its PA when it continued to operate its radio station despite the PA's expiration,<sup>31</sup> it, however, invokes the 60-day prescriptive period under Section 28 of the Public Service Act which states that:

Section 28. **Violations of the orders, decisions, and regulations of the Commission and the terms and conditions of any certificates issued by the Commission shall prescribe after sixty days** and violations of the provisions of this Act shall prescribe after one hundred and eighty days. (Emphasis and underscoring supplied)

It asseverates that the NTC's attempt to penalize it for supposedly operating with an expired PA should be deemed barred by the afore-cited limitation since the NTC's action came only after the lapse of almost 10 years from the time its alleged violation took place – that is, after the subject PA expired on July 14, 1998.<sup>32</sup>

The Court disagrees.

The NTC's authority to impose fines for a public service utility's violation or failure to comply with the terms and conditions of any certificate/s issued by it is expressly sanctioned under Section 21 of the Public Service Act which reads as follows:

Section 21. **Every public service violating or failing to comply with the terms and conditions of any certificate or any orders, decisions or regulations of the Commission shall be subject to a fine of not exceeding two hundred pesos per day for every day during which such default or violation continues; and the Commission is hereby**

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<sup>31</sup> The NTC's Order dated January 14, 1997 granting its PA provides that:

10. Applicant-Grantee shall secure with this Commission permit and licenses for its equipments, facilities and operations and shall x x x have at all times valid permits and licenses to cover its equipment, facilities and operations. (Id. at 75.)

<sup>32</sup> Id. at 260.

**authorized or empowered to impose such fine, after due notice and hearing.**

The fines so imposed shall be paid to the Government of the Philippines through the Commission, and failure to pay the fine in any case within the time specified in the order or decision of the Commission shall be deemed good and sufficient reason for the suspension of the certificate of said public service until payment shall be made. The remedy provided in this section shall not be a bar to, or affect any other remedy provided in this Act but shall be cumulative and additional to such remedy or remedies. (Emphasis supplied)

In *Globe Telecom, Inc. v. NTC*,<sup>33</sup> the Court intimated that the NTC's imposition of a fine pursuant to Section 21 of the Public Service Act is made in an **administrative** proceeding, and thus, must comply with the requirements of notice and hearing. Also, in the same case, the Court classified the fine imposed under the same provision to be one which is **regulatory and punitive** in character, *viz.*:<sup>34</sup>

Section 21 requires notice and hearing because fine is a sanction, **regulatory and even punitive in character**. Indeed, the requirement is the essence of due process. Notice and hearing are the bulwark of **administrative due process**, the right to which is among the primary rights that must be respected even in **administrative proceedings**. The right is guaranteed by the Constitution itself and does not need legislative enactment. The statutory affirmation of the requirement serves merely to enhance the fundamental precept. The right to notice and hearing is essential to due process and its non-observance will, as a rule, invalidate the **administrative proceedings**.

In citing Section 21 as the basis of the fine, NTC effectively concedes the necessity of prior notice and hearing. Yet the agency contends that the sanction was justified by arguing that when it took cognizance of Smart's complaint for interconnection, "it may very well look into the issue of whether the parties had the requisite authority to operate such services." As a result, both parties were sufficiently notified that this was a matter that NTC could look into in the course of the proceedings. The parties subsequently attended at least five hearings presided by NTC.

That particular argument of the NTC has been previously disposed of. But it is essential to emphasize the need for a hearing before a fine may be imposed, as it is clearly a punitive measure undertaken by an administrative agency in the exercise of its quasi-judicial functions. Inherently, notice and hearing are indispensable for the valid exercise by an administrative agency of its quasi-judicial functions. (Emphases and underscoring supplied; citations omitted)

In this relation, the Court, in *Sambrano*, ruled that the 60-day prescriptive period provided under Section 28 of the Public Service Act **can be availed of as defenses only in criminal proceedings filed under Chapter IV thereof, and not in proceedings that pertain to the**

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<sup>33</sup> 479 Phil. 1 (2004).

<sup>34</sup> Id. at 38-39.

**regulatory or administrative aspects of a public service utility's observance of the terms and conditions of his permit to operate, viz.:**<sup>35</sup>

This Court has already held, in *Collector of Internal Revenue et al. vs. Buan*, G. R. L-11438; and *Sambrano v. Public Service Commission*, G.R. L-11439 and L-11542, decided on July 31, 1958, that **the 60-day prescriptive period fixed by section 28 of the Public Service Law is available as a defense only in criminal or penal proceedings filed under Chapter IV of the Act.** Consequently, the Public Service Commission is not barred from receiving evidence of the prescribed violations for the purpose of determining whether an operator has or has not faithfully kept the conditions of his certificate of permit, whether he failed or not to render the services he is required to furnish to the customers, and whether or not the infractions are sufficient cause to cancel or modify the certificate. Proceedings of this kind are held primarily to ensure adequate and efficient service as well as to protect the public against the operator's malfeasances or abuses; they are not penal in character. True, the cancellation of the certificate may mean for an operator actual financial hardship; yet the latter is merely incidental to the protection of the traveling public. Hence, in refusing to admit evidence of prescribed violations as part of the complainant's case against the Philippine Rabbit Lines for a modification or cancellation of the latter's permit, we hold that the Commission committed error.

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The order appealed from is modified in the sense that the respondent Commission shall admit evidence of violations committed by the respondent Philippine Rabbit Bus Lines, Inc., even if no complaint against such violations were filed within 60 days from their commission. x x x. (Emphasis supplied)

It is well to note that the criminal proceedings under Chapter IV of the Public Service Act, as mentioned in the *Sambrano* ruling, pertain to those found under Sections 23, 24, 25, and 26<sup>36</sup> thereof as these provisions pertain

<sup>35</sup> *Sambrano v. PSC and Phil. Rabbit Bus Lines, Inc.*, supra note 26, at 554-555.

<sup>36</sup> Sections 23, 24, 25, and 26, Chapter IV of the Public Service Act provide:

Section 23. Any public service corporation that shall perform, commit, or do any act or thing forbidden or prohibited or shall neglect, fail or omit to do or perform any act or thing herein to be done or performed, shall be punished by a fine not exceeding twenty-five thousand pesos, or by imprisonment not exceeding five years, or both, **in the discretion of the court.**

Section 24. Any person who shall knowingly and willfully perform, commit, or do, or participate in performing, committing, or doing, or who shall knowingly and willfully cause, participate, or join with others in causing any public service corporation or company to do, perform or commit, or who shall advise, solicit, persuade, or knowingly and willfully instruct, direct, or order any officer, agent, or employee of any public service corporation or company to perform, commit, or do any act or thing forbidden or prohibited by this Act, shall be punished by a fine not exceeding two thousand pesos, or imprisonment not exceeding two years, or both, **in the discretion of the court:** Provided, however, that for operating a private passenger automobile as a public service without having a certificate of public convenience for the same the offender shall be subject to the penalties provided for in section sixty-seven (j) of Act numbered thirty-nine hundred an ninety-two.

Section 25. Any person who shall knowingly and willfully neglect, fail, or omit to do or perform, or who shall knowingly and willfully cause or join or participate with others in causing any public service corporation or company to neglect, fail or omit to do or perform, or who shall advise, solicit, or persuade, or knowingly and willfully instruct, direct, or order any officer, agent, or employee of any

to fines imposed “in the discretion of the court” – which means they are imposed in criminal court proceedings – as contradistinguished from Section 21 which may be imposed by the NTC (then, by the Public Service Commission), after due notice and hearing,

In view of the foregoing, the Court thus finds GMA’s reliance on the 60-day prescriptive period under Section 28 of the Public Service Act to be misplaced considering that the fine it assails was imposed in an administrative and not a criminal proceeding. Akin to the action taken by the Public Service Commission in the *Sambrano* case, the fine imposed by the NTC was made in line with its authority to enforce the rules and regulations concerning the conduct and operation of GMA as a public service utility, which was particularly meted out to ensure its compliance with the terms and conditions of its PA. There being no cogent reason to depart from established jurisprudence on the matter, the Court therefore holds that the NTC’s action in this case had not been barred under the parameters of Section 28 of the Public Service Act.

### ***B. Unconscionability***

Granting that the NTC was not time-barred to impose the fine, GMA asserts that the amount so imposed (*i.e.*, ₱76,050.00 in total, at the reduced rate of ₱50.00 per day for 1,521 days) is unconscionable as it contravenes Section 23 of the Public Service Act which states that:

Section 23. Any public service corporation that shall perform, commit or do any act or thing forbidden or prohibited or shall neglect, fail or omit to do or perform any act or thing herein to be done or performed, shall be punished by **a fine not exceeding twenty-five thousand pesos**, or by imprisonment not exceeding five years, or both, **in the discretion of the court**.

The argument is untenable.

The applicable provision is Section 21 of the Public Service Act as it specifically governs the NTC’s imposition of a fine not exceeding ₱200.00 per day for every day during which the public service utility’s violation or non-compliance with the terms and conditions of the certificate/s issued by

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public service corporation or company to neglect, fail, or omit to do any act or thing required to be done by this Act, shall be punished by a fine not exceeding two thousand pesos or by imprisonment not exceeding two years, or both, **in the discretion of the court**.

Section 26. Any person who shall destroy, injure, or interfere with any apparatus or appliance owned or operated by to in charge of the Commission or its agents, shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding one thousand pesos or imprisonment not exceeding six months, or both **in the discretion of the court**.

Any public service permitting the destruction, injury to, or interference with, any such apparatus or appliances shall forfeit a sum not exceeding four thousand pesos for each offense. (Emphases supplied)



the NTC continues. On the other hand, Section 23 of the Public Service Act deals with a public service corporation's performance, commission or doing of any forbidden or prohibited act under the same law, as well as its neglect, failure or omission to do or perform an act or thing required thereunder. As earlier mentioned, the proceedings under Section 23 pertain to criminal proceedings conducted in court, whereby the fine imposed, if so determined, is made in the court's discretion, whereas Section 21 pertains to administrative proceedings conducted by the NTC on the grounds stated thereunder. As the present case evidently involves the latter violation, Section 21 and not Section 23 of the Public Service Act applies. Thus, finding that the fine imposed by the NTC at the reduced rate of ₱50.00 per day is consistent with the ₱200.00 per day limitation under Section 21 of the Public Service Act, the fine of ₱76,500.00 for GMA's failure to comply with the terms and conditions of its PA for a period of 1,521 days was proper. The conscionability of the amount imposed should not be at issue as it is the law itself which had provided the allowable threshold for the amount therefor.

***C. Effect of Temporary Permits***

Lastly, GMA avers that it cannot be said to have operated its radio station illegally and without authority from the NTC because the latter had successively issued temporary permits which encompass the period during which GMA allegedly operated the same station on an expired PA. The temporary permits expressly state:

REPUBLIC BROADCASTING SYSTEM, INC.

is hereby granted a Temporary Permit to operate a BROADCASTING STATION located at Brgy. San Pedro, Puerto Princesa, Palawan.

GMA argues, therefore, that having been authorized to operate by the NTC itself through the latter's continued issuance of temporary permits, the imposition of the fine becomes highly iniquitous if not legally unfounded.<sup>37</sup>

The Court finds no merit in this contention.

GMA cannot rely on the temporary permits to justify its continued operation on an expired PA. As the NTC itself discloses, a temporary permit is not intended to be a substitute for a PA which must be constantly renewed despite the issuance of a temporary permit. As clarified by the NTC itself in its Comment:<sup>38</sup>

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<sup>37</sup> See *rollo*, pp. 269-271.

<sup>38</sup> See Comment; *id.* at 333.

[A] **P.A. refers to an authority given to an entity qualified to operate a public utility for a limited period during the pendency of its application for, or before the issuance of its Certificate of Public Convenience (CPC).** It has a general scope because it is akin to a provisional CPC in that it gives a public utility provider power to operate as such and be bound by the laws and rules governing public utilities, pending the issuance of its actual CPC.

On the other hand, a [t]emporary [p]ermit is a document containing the call sign, authorized power, frequency/channel, class station, hours of operation, points of communication and equipment particulars granted to an authorized public utility. Its scope is more specific than a P.A. because it contains details and specifications under which a public utility x x x should operate x x x pursuant to a previously updated P.A. (Emphases and underscoring supplied)

As may be gleaned from the NTC's statement, the operational validity of a temporary permit flows only from "a previously updated PA." This means that there should be an effective PA before a temporary permit is issued. The latter is a specific issuance which proceeds from a pre-requisite PA. While GMA may have been able to secure the successive issuance of temporary permits from the NTC to cover even the PA's expired period, this does not detract from the apparent irregularity of the procedure. The fact remains that GMA operated its radio station between the time that its PA expired on July 14, 1998 and the application for its renewal was filed on April 13, 2002. Without an updated PA therefor, GMA should not have been issued temporary permits.

GMA must be reminded that the NTC, insofar as the regulation of the telecommunications industry is concerned, has exclusive jurisdiction to "establish and prescribe rules, regulations, standards and specifications in all cases related to the issued Certificate of Public Convenience and administer and enforce the same."<sup>39</sup> As such, and considering further its expertise on the matter, its interpretation of the rules and regulations it itself promulgates are traditionally accorded by the Court with great weight and respect. As enunciated in *Eastern Telecommunications Phils., Inc. v. International Communication Corporation*:<sup>40</sup>

The NTC, being the government agency entrusted with the regulation of activities coming under its special and technical forte, and possessing the necessary rule-making power to implement its objectives, is in the best position to interpret its own rules, regulations and guidelines. The Court has **consistently yielded and accorded great respect** to the interpretation by administrative agencies of their own rules unless there is an error of law, abuse of power, lack of jurisdiction or grave abuse of discretion clearly conflicting with the letter and spirit of the law. (Emphases and underscoring supplied)

<sup>39</sup> See Section 15 of EO 546 dated July 23, 1979.

<sup>40</sup> G.R. No. 135992, January 31, 2006, 481 SCRA 163, 166-167.

Equally significant is the principle that the State cannot be put in estoppel by the mistakes or errors of its officials or agents.<sup>41</sup> Hence, whatever irregularity had attended the issuance of the temporary permits in this case does not render correct what appears to be erroneous procedure. The NTC itself recognizes this when it stated in its Comment that:<sup>42</sup>


Technically speaking, [GMA] should not have been issued a Temporary Permit. The Temporary Permits relied upon by [GMA] were issued to it on the assumption that its P.A. was up to date. Had [NTC] known that [GMA] had an expired P.A., it would not have granted [GMA] a Temporary Permit to operate its subject radio broadcasting station. Before [GMA] could legally operate its subject radio station, it should have both an updated P.A. and a Temporary Permit for such purpose.

Verily, the Court agrees with the NTC's submission that although GMA was granted numerous temporary permits, it does not remove the fact that it was operating on an expired PA, which infraction is subject to the penalty of fine under Section 21 of the Public Service Act.<sup>43</sup> The Court, however, expresses that the NTC should be more circumspect with the enforcement of its internal procedures if only to prevent any future incident similar to the present case. The ideal of public accountability befittingly demands that administrative agencies, such as the NTC, devise appropriate governance systems to ensure that its rules and regulations are followed and complied, and deviations therefrom deterred and quelled. Truth be told, it is through an honest and effective bureaucracy that the government gains the people's trust and deference.

All told, the fine against GMA in the amount of ₱76,500.00 for its failure to comply with the terms and conditions of its PA stands, without prejudice to any separate administrative proceeding which may be initiated against any public officer responsible for the aforementioned irregularity.

**WHEREFORE**, the petition is **DENIED**.

**SO ORDERED**.

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

<sup>41</sup> *Republic of the Phils. v. CA*, 361 Phil. 319, 329 (1999).

<sup>42</sup> See Comment; *rollo*, p. 334.

<sup>43</sup> *Id.* at 335.

**WE CONCUR:**



**ANTONIO T. CARPIO**

Acting Chief Justice  
Chairperson



**MARIANO C. DEL CASTILLO**

Associate Justice



**JOSE PORTUGAL PEREZ**

Associate Justice



**MARVIC MARIO VICTOR F. LEONEN**

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's Division.



**ANTONIO T. CARPIO**

Acting Chief Justice