

***“Puerto Rico Public Service Act”***

Act No. 109 of June 28, 1962, as amended

(Contains amendments incorporated by:

Act No. 7 of April 17, 1963  
Act No. 15 of June 11, 1965  
Act No. 30 of May 1, 1968  
Act No. 60 of June 23, 1969  
Act No. 97 of June 27, 1969  
Act No. 119 of June 28, 1969  
Act No. 21 of June 20, 1970  
Act No. 60 of May 31, 1972  
Act No. 84 of May 31, 1972  
Act No. 95 of June 9, 1972  
Act No. 2 of June 15, 1973  
Act No. 14 of July 7, 1973  
Act No. 102 of June 27, 1974  
Act No. 103 of June 27, 1974  
Act No. 104 of June 27, 1974  
Act No. 196 of July 23, 1974  
Act No. 262 of July 30, 1974  
Act No. 263 of July 30, 1974  
Act No. 16 of August 9, 1974  
Act No. 129 of June 30, 1975  
Act No. 46 of June 7, 1977  
Act No. 98 of June 22, 1977  
Act No. 193 of July 26, 1979  
Act No. 120 of June 12, 1980  
Act No. 24 of May 15, 1986  
Act No. 27 of May 24, 1986  
Act No. 89 of July 9, 1986  
Act No. 62 of July 5, 1988  
Act No. 6 of November 29, 1989  
Act No. 9 of June 4, 1990  
Act No. 50 of August 22, 1990  
Act No. 63 of August 23, 1990  
Act No. 7 of November 27, 1990  
Act No. 1 of March 6, 1991  
Ley Núm. 1 de 6 de Marzo de 1991  
Act No. 68 of August 9, 1993  
Act No. 95 of August 19, 1994  
Act No. 32 of April 30, 1996

Act No. 217 of September 12, 1996  
Act No. 50 of July 25, 1997  
Act No. 67 of April 21, 1998  
Act No. 232 of August 12, 1998  
Act No. 268 of August 17, 1999  
Act No. 115 of July 6, 2000  
Act No. 219 of August 29, 2002  
Act No. 282 of December 19, 2002  
Act No. 212 of August 28, 2003  
Act No. 141 of August 2, 2006)

(Amendments non-incorporated:  
Act No. 179 of December 16, 2009  
Act No. 80 of July 16, 2010  
Act No. 241 of December 30, 2010)

To provide for the regulation of public-service companies and private or common carriers and for the granting of authorizations of a public or quasi-public character, and prescribing penalties for violations of this act.

*Be it enacted by the Legislature of Puerto Rico:*

## CHAPTER I. — TERMINOLOGY AND GENERAL PROVISIONS

### **Section 1. — Short Title.** (27 L.P.R.A. § 1001)

The short title of this Act shall be the "Puerto Rico Public Service Act".

### **Section 2. — Terminology.** (27 L.P.R.A. § 1002)

For the purposes of this Act, unless a different meaning clearly appears from the context:

(a) *Corporation.* — Includes a corporation, cooperative, community, trust, and any other form of association or incorporation even if not having juridic personality independently of its members.

(b) *Person.* — Includes an individual, partnership, enterprise, association or corporation. It likewise includes lessees, trustees and judicial administrators or receivers of a person.

(c) *Public service company.* — Includes any public carrier, conduit conveyance enterprise, gas company, electric power company, telephone company, graving dock company, transportation broker, dock operator, warehouse company, toll bridge company, nuclear power company, packaging company, sales, repair and reconstruction of liquid petroleum gas cylinders, service and sale of meters for taxis and other public vehicles companies, and moving companies that are offering to render or rendering their services or offering to deliver

or delivering products for pay, to the public in general or to a part thereof, in Puerto Rico. It does not include persons rendering service for their exclusive use or that of their tenants.

(d) *Public carrier*. — Includes every:

- (1) Railroad enterprise.
- (2) Public vehicle enterprise.
- (3) Taxi enterprise, except those taxicabs regulated by the Puerto Rico Tourist Ground Transportation Act.
- (4) Motor vehicle freight transportation enterprise.
- (5) Marine transportation enterprise.
- (6) Air transportation enterprise.
- (7) Lease vehicle enterprise offered to render, or that renders transportation of cargo or passengers for pay, to the general public or part thereof. The term shall apply to public contract carriers.

(e) *Railroad enterprise*. — Includes any person who owns, controls, operates, or manages any railroad, and shall be governed by the legal provisions existing before the approval of this Act and which are not in conflict herewith.

(f) *Public vehicle enterprise*. — Includes any person who owns, controls, operates or manages any motor vehicle used for the transportation of passengers and baggage incidental to the transportation thereof, regardless of its capacity and whether or not such transportation is carried out between fixed or irregular terminals, as a public carrier. This does not include taxi or tour enterprises.

(g) *Taxicab enterprise*. — Includes any person who as a public carrier owns, controls, operates or manages any motor vehicle of a capacity not over seven (7) passengers, used for the transportation of passengers and of baggage incidental to the transportation thereof, over any public thoroughfare, [with the exception of] taxicabs regulated by the Puerto Rico Tourist Ground Transportation Act, [23 L.P.R.A. §§ 6754-6847].

(h) *Motor vehicle freight transportation enterprise*. — Includes any person who, as a public carrier, owns, controls, operates, or manages any motor vehicle used for the transportation of freight over any public overland highway, regardless of whether or not such transportation is carried out between fixed terminals or through regular or irregular routes.

(i) *Marine transportation enterprise*. — Includes any person who, as a public carrier, owns, controls, operates or manages any kind of watercraft used for the transportation of passengers or property by water between points in Puerto Rico.

(j) *Air transportation enterprise*. — Includes any person who, as a public carrier, owns, controls, operates or manages any kind of vehicle used for the transportation by air of passengers or property between points in Puerto Rico.

(k) *Tour enterprise*. — Includes any person who, as a public carrier, owns, controls, operates or manages any kind of watercraft or motor vehicle used for the transportation of passengers and baggage incidental to the transportation thereof, by water or air, between points in Puerto Rico, for the purpose of sight-seeing interesting, picturesque or historic places, regardless of whether or not such transportation is carried out between fixed terminals or through regular or irregular routes.

(l) *Drive yourself or car rental enterprise*. — Includes any person who owns, controls, operates or manages motor vehicles for rent to be leased and driven by the lessees themselves or by those whom they may designate.

(m) *Private carrier*. — Includes any person, except public carriers, engaged, for pay under individual contract or agreement, in the transportation of passengers or property in motor vehicles or watercraft between points in Puerto Rico even when said transportation is carried out incidental to the operation of any other business or activity whether or not for profit.

(n) *Conveyance of passengers*. — Includes all service connected with the safety, comfort or convenience of the person transported to his destination, and the receipt, transportation and delivery of his baggage.

(o) *Transportation of property*. — Includes all service connected with the transportation of property or freight, including the receipt, delivery, hauling, transfer, deflecting, carrying, ventilation, refrigeration, freezing, stowing, storing and handling thereof.

(p) *Conduit conveyance enterprise*. — Includes any person who owns, controls, operates or manages, as a public service company, any pipeline in Puerto Rico used in relation with or to facilitate the transmission, storage, distribution or delivery of any product through such pipeline.

(q) *Gas enterprise*. — Includes any person who owns, controls, operates or manages as a public service company any plant or business in Puerto Rico for the importing, production, generation, transmission, delivery, supply or distribution of natural, processed or derived gas, or any liquid susceptible to be converted into gas and distributed by pipelines, cylinders or any type of container for residential, commercial and industrial purposes. It being understood that gas "production" and "import" enterprises are, among others, those refineries, import companies, distribution-wholesale companies and/or seaport terminals engaged in the importing, production, processing, traffic, storage, distribution or sale of liquefied petroleum gas or any other mixture of hydrocarbons known as refinery gas, regardless of whether they sell or serve their product to a limited number of persons and/or wholesalers.

(r) *Electric energy enterprise*. — Includes any person who owns, controls, operates or manages, as a public service company, any plant for the production, generation, transmission, delivery or supply of electricity for lighting, heating, or power.

(s) *Telegraph enterprise*. — Includes any person who owns, controls, operates or manages, as a public service company, any plant used for telegraphic communication, whether wired or wireless.

(t) *Plant*. — Includes all real or personal property owned, controlled, operated or managed in relation with or to facilitate the business in which the public service company or private carrier is engaged.

(u) *Dry dock enterprise*. — Includes any person who owns, controls, operates or manages, as a public service company, any dry dock.

(v) *Transportation broker*. — Includes any person, except travel bureaus and those included within the term public carrier and bona fide employees or agents of such public carriers, who, as principal or agent, engages in the sale or offering for sale of any kind of transportation subject to the jurisdiction of the Commission, or undertakes negotiations, or offers through solicitation, advertisement or otherwise, to sell, provide, furnish, or contract or arrange for, transportation.

(w) *Dock operator*. — Includes any person who owns, controls, operates or manages any dock, pier, slip or structure used by vessels in relation with or to facilitate the incoming or outgoing of passengers and the loading or unloading of property.

(x) *Warehouser*. — Includes any person, except dock operators, who owns, controls, operates or manages, as a public service company, any warehouse, building or structure where property is stored in relation with or to facilitate the transportation of property by public or private carriers, or where property is stored by the general public.

(y) *Toll-bridge enterprise*. — Includes any person who owns, controls, operates or manages, as a public service company, any kind of bridge, equipment or facilities in Puerto Rico, used in relation with or to facilitate the passing of vehicles, persons or property.

(z) *Nuclear power enterprise*. — Includes any person who owns, controls, operates or manages, as a public service company, any plant or factory in Puerto Rico for the production, generation, transmission, delivery or supply of electricity, steam, fuel or other power of whatever nature for any purpose, from all power generating sources, such as isotopes and other nuclear substances, as well as for the sale of the derivatives of the nuclear splitting.

(aa) *Service*. — Is used in this Act in its broadest sense, and includes any act performed and anything furnished or delivered and all equipment used or furnished by any public service company or private carrier in the fulfillment of its service and duties for its patrons, employees and for the public. It also includes the interchange of equipment between two or more public service companies or private carriers.

(bb) *Equipment*. — Includes all the plant, property and equipment of a public service company or of a public carrier, and any and each one of the means, apparatus and utensils which are the property of, are used, managed, controlled or supplied in connection with the business of any public service company or private carrier.

(cc) *Tariffs*. — Is used in its broadest sense and includes tariffs, charges, toll fees, prices or compensation. The use of any such terms, singly or jointly with one or more of them does not have the purpose of excluding the others.

(dd) *Authorization*. — Includes certificate of public convenience and necessity, license, permit, franchise, concession, power, right, privilege and temporary permit of any kind, issued by the Commission or by the extinct Executive Council. The use of any of these terms by itself or together with one or more of them does not exclude the others.

(ee) *Commission*. — Means the Public Service Commission of Puerto Rico.

(ff) *Officer*. — Includes the owner, manager, director, president, secretary, treasurer or other officer, agent or employee of any public service company or private carrier.

(gg) *Rule*. — Means any ruling, regulation, standard, declaration of policy of general application, or general order having force of law, including any amendment or repeal thereof, issued by the Commission to put into effect, construe or make specific the legislation enforced or administered by said Commission. Said term does not include bylaws or regulations for the internal administration of the Commission which do not affect private rights or interests.

(hh) *Practices*. — Includes the practices, classifications, classes or items, rules and regulations of public service companies or private carriers.

(ii) *Evidence of indebtedness*. — Includes stock, notes, trust certificates, bonds and other securities of whatever nature.

(jj) *For pay*. — Includes any remuneration paid, promised or due, directly or indirectly.

(kk) *Motor vehicle*. — Shall mean any vehicle propelled by power other than muscular over water, land or rails or through air, including heavy motor vehicles, as defined in the Puerto Rico Vehicle and Traffic Act [9 L.P.R.A. §§ 5001 et seq.], except the following vehicles:

- (1) Traction machine.
- (2) Rollers.
- (3) Tractors used exclusively for agricultural purposes.
- (4) Power shovels.
- (5) Deep well drilling machines.
- (6) Small wheeled vehicles used in factories, warehouses and railroad stations.

(ll) *Moving enterprise*. — Includes any natural or artificial person who owns, controls, operates or manages as a public utility any structure, premise or facility to carry out business deals, to provide, furnish or contract for the transportation of household goods, furniture, household tools or new or used personal effects not intended for resale, including the packing when the parties so agree by contract.

(mm) Private vehicle enterprise engaged in commerce. Includes any person who is not a public carrier or a contract carrier, and who transports in a motor vehicle, goods, freight or products of which he is the owner, lessee or depositary for the purpose of sale, rent or lease. This definition includes any person who uses a motor vehicle:

- (1) With a gross weight of ten thousand (10,000) pounds or more; or
- (2) to transport hazardous materials, as defined by the regulations adopted by the Commission, or
- (3) to transport ten (10) passengers or more, including the driver, who is carrying out any commercial activity other than the transportation of passengers.

(nn) *Tourist transport*. — Includes every person who, without being a public carrier or carrier under contract, transports passengers in tourist areas, and who transports said passengers with or without pay in a private vehicle whether they are their guests or tenants or not, even when said transporting is carried out incidentally to the operation of any other profitable or non profitable business or activity.

(oo) *Enterprise for the service and sale of taxi meters*. — Includes any person who, as the principal or agent, controls, exploits or administrates any business in Puerto Rico engaged in rendering the service of providing, supplying, selling, or offering to sell, install, repair, adjust or seal meters in taxis and other public vehicles. For purposes of this Act, it shall be understood that a meter includes all the accessories and equipment used for its operation.

(pp) *Enterprise for the bottling, sale, repair and reconstruction of liquid petroleum gas cylinders*. — Includes any person who as the principal or agent thereof controls, exploits or administers any business in Puerto Rico engaged in rendering the service of providing, supplying, distributing, selling or offering to sell, manufacture, repair or reconstruct gas cylinders for the bottling of petroleum liquid gas. For purposes of this Act, it shall be understood that the bottling or cylinder includes the cylinder and all the accessories or equipment needed for the operation thereof.

### **Section 3. — Exemption from regulations by Commission. (27 L.P.R.A. § 1003)**

The public corporations and government instrumentalities which render services regulated by this Act shall or shall not remain subject to the provisions herein, as provided in the statute creating each one of them, except as provided in this Act in relation with municipal properties.

## CHAPTER II. — ORGANIZATION OF THE COMMISSION

### **Section 4. — Name and Seal of the Commission.** (27 L.P.R.A. § 1051)

The agency in charge of enforcing this Act shall be known as the Public Service Commission of Puerto Rico. All orders and authorizations shall be issued in the name of the Public Service Commission of Puerto Rico, and all proceedings instituted by the Commission shall be in the name of the Commonwealth of Puerto Rico. It shall have an official seal with the words "Public Service Commission of Puerto Rico" and of such design as the Commission may prescribe. With it the Commission shall authenticate its proceedings, and the courts shall take official notice thereof.

### **Section 5. — Composition of the Commission.** (27 L.P.R.A. § 1052)

(a) The Commission shall be composed of seven (7) public service commissioners appointed by the Governor with the advice and consent of the Senate, of which one shall be its chairman.

The Chairman shall have discretion to allocate working areas in the adjudicative phase as well as the quasi-legislative and/or operational phase of the agency, to one or more associate commissioners.

The Commission shall operate in full, or at the discretion of the Chairman, divided into chambers composed of two (2) commissioners, who may operate and adjudicate cases apart from each other. Except as provided in Section 6, in the case of a tied vote as well as [in] those cases in which the Chairman may exercise his[/her] discretion to be part of a chamber, each chamber may definitely resolve the cases before its consideration through the signature of both commissioners on the resolutions and/or orders, without the need of any further procedure.

The Chairman, at his/her discretion, or by petition of any of the commissioners that compose one of the chambers, may remove any case from one chamber to the Commission in full.

(b) The members of the Commission shall be citizens of the United States and of the Commonwealth. No member of the Commission who is appointed by the Governor pursuant to the terms of this Act shall hold any other remunerated office or position, or engage in any business, or practice any profession, or hold any position, or serve in or under any political party committee, but shall devote all his time to the duties of his office. No Commissioner shall have any direct or indirect interest in public service companies or private carriers subject to the jurisdiction of the Commission, or in entities within or outside of Puerto Rico affiliated with or interested in such public service companies or private carriers, and if he, voluntarily, acquired any interest, his office shall become vacant ipso facto; or if he acquired an interest in any other manner which is not voluntary, he shall, within a period of not more than one hundred and eighty (180) days after the date on which he may convey his title thereto, rid himself of such interest; and should he fail to do so, his office shall become vacant. No Commissioner or employee of the Commission may, after severance from service, represent any person or entity whatsoever before the Commission in any case in which he has intervened while in the service of the Commission.

(c) The Commissioners first appointed pursuant to this Act shall hold office for terms of two (2), three (3) and four (4) years, respectively. The term for each one shall be fixed by the Governor, but their successors shall be appointed for a term of four (4) years. Any person chosen to fill a vacancy shall be appointed only for the unexpired term of the Commissioner whom he succeeds. Vacancies occurring in the Commission shall in no way whatsoever impair the right of the remaining Commissioners to perform all the duties thereof, subject to the provisions of Section 6. Upon expiration of the term of any Commissioner, he may continue to hold office until his successor is appointed and has qualified.

(d) Commissioners shall receive salaries or per diems as prescribed by law.

(e) The Chairman of the Commission shall be the executive officer thereof. He may designate an Associate Commissioner to act as Chairman in his absence.

(f) Upon the taking effect of this act, the incumbents of the present Commission shall continue to hold office at the same salaries and per diems they are now receiving, until the Commissioners provided by Section 5(a) of this Act are appointed and qualify according to the provisions of this section.

**Section 6. — Quorum.** (27 L.P.R.A. § 1053)

Three (3) members of the Commission shall constitute a quorum for one session of the full Commission. Two (2) Commissioners shall constitute a quorum to take a decision when the Commission is divided into chambers. The Chairman shall be part of any of the two chambers to decide a tie vote that may arise in the decision of any matter of which a chamber may take cognizance, and, in his discretion, he may be part of a chamber in the decision of any other business.

**Section 7. — Delegation of Functions.** (27 L.P.R.A. § 1054)

(a) The Commission or its Chairman may, by order, assign or refer any matter to one or more Commissioners or to one or more employees or examiners, who shall be designated in said order, and who shall be empowered as stated in subsection (c) of this section.

(b) Any person aggrieved by any action taken in accordance with any order assigning or referring, may file a petition for review with the Commission within such time and in such manner as the Commission may by regulation prescribe. If the petition is granted, the Commission may reaffirm, modify, or leave without effect such action, or may order that a new hearing be held.

(c) Examiners shall have authority to:

- (1) Administer oaths and take depositions;
- (2) issue summonses;
- (3) receive and pass upon pertinent evidence;
- (4) take or cause to be taken depositions;
- (5) regulate the course of the hearing;
- (6) hold conferences to simplify matters upon consent of the parties (to this end the Commission's Bureau of Legal Matters shall be deemed a party);
- (7) dispose of suit processes or similar matters, and
- (8) recommend decisions.

(d) Any Commissioner or employee of the Commission designated to preside over a hearing or inquiry shall have the same powers provided for examiners in subsection (c) of this section.

(e) The following powers and duties shall be delegated to the directors of the regional offices:

- (1) Granting of extensions for inspection.
- (2) Authorization of license plate reinstatement.
- (3) Authorization of applications to render ineffective substitutions, exchanges, or any other procedure delegated to the regional offices.
- (4) Approval of the substitution of vehicles within the authorized term.
- (5) Issue and renewal of operator's licenses within the established parameters.
- (6) Authorize the exchange of routes and vehicles.
- (7) Renewal of authorizations filed on time.
- (8) Issue provisional permits to:
  - (A) Operate vehicles to transport workers.
  - (B) Operate substitute vehicles.
  - (C) Operate vehicles with PD, HD, or RD license plates.
- (9) Take of certificates of improvements to rental vehicles [sic].
- (10) Taking of oaths.
- (11) Issuance of summons.
- (12) Imposition of administrative fines within the established parameters.
- (13) Issue authorizations to change license plates.
- (14) Authorize the transfer of authorizations and/or units and ratify the substitutions and reinstatement of license plates within the term of one year from the authorization date, and any others that the Commission may deem necessary and convenient from time to time in order to expedite the procedures in the Public Service Commission. Provided, That the directors of the regional offices shall not authorize any transfer of authorizations or units in those cases established through regulations by the Commission or when the documents filed by the applicant show any irregularity on their face.

The Public Service Commission shall adopt the rules needed to exercise the powers conferred herein.

Any person injured by actions carried out pursuant to the provisions of this section may present a request for reconsideration to the Commission within the term prescribed in the Public Service Commission Rules of Procedure in force. Should the reconsideration be granted, the Commission may ratify, modify, or render ineffective such action, or order a public hearing to be held.

**Section 8. — Duties of the Secretary.** (27 L.P.R.A. § 1055)

The Commission shall have a Secretary to be appointed by it. It shall be his duty to keep the files of the Commission and a full and true record of all proceedings thereof. He shall be the custodian of the minutes and proceedings of the Commission, and shall file and preserve all documents which may be entrusted to him, processing same as the Commission may direct.

Under the direction of the Chairman, the Secretary shall give notice of all determinations, rulings and orders of the Commission. He shall prepare for service such documents and notices as may be required of him by the Commission, and shall perform such other duties as the Commission may prescribe. He shall have power to administer oaths in all proceedings before the Commission.

The Chairman shall designate the Secretary or any other employee to act as disbursing officer and collector of the Commission with respect to requisitions, disbursements and collections. Before entering upon the duties of his office, he shall give a bond in favor of the Commonwealth of Puerto Rico in the sum of ten thousand dollars (\$10,000), conditioned on the faithful performance of his official duties. The premiums of such bond shall be paid from the funds appropriated to the Commission.

The Commission shall also have an Assistant Secretary who shall be appointed by the Chairman. It shall be his duty to perform the duties of the Secretary in his absence, and such other duties as the Chairman may determine. The Assistant Secretary, like the Secretary, shall have power to administer oaths in any proceeding before the Commission.

**Section 9. — Personnel.** (27 L.P.R.A. § 1056)

The Chairman shall appoint the experts, examiners, clerks, and other employees that may be necessary. The compensation of the examiners and experts shall be fixed by the Commission. All other employees of the Commission shall be subject to the provisions of the Personnel Act, No. 345, approved May 12, 1947.

**Section 10. — Filing and Inspection Fees.** (27 L.P.R.A. § 1057)

Within the term of sixty (60) days counting from the effective date of this act, the Commission shall issue an order fixing the fees that it shall collect for the inspection of vehicles, sites and enterprises, and for the filing of authorization applications. In no case will the inspection and filing fees exceed twenty-five dollars (\$25) and five hundred dollars (\$500), respectively. The inspection and filing fees shall be established through regulations approved pursuant to Act No. 170 of August 12, 1988, as amended [3 L.P.R.A. §§ 2101 et seq.]. The collections officer shall keep a record of the fees collected and will deliver them to the Secretary of the Treasury.

**Section 11. — Principal Office.** (27 L.P.R.A. § 1058)

The principal office of the Commission shall be in the Capital of Puerto Rico.

**Section 12. — Meetings.** (27 L.P.R.A. § 1059)

The Commission shall hold regular meetings at regular intervals at least twice a month in its offices, and may hold special meetings at any time and place in Puerto Rico.

**Section 13. — Printing of Decisions.** (27 L.P.R.A. § 1060)

In the year following the taking effect of this act, and in succeeding years, the Commission shall cause to be printed all decisions issued by it and deemed of interest in reference to the construction of the public service law and regulations. These shall be available for sale at a price sufficient to cover printing and distribution expenses. Revenues from this source shall be delivered to the Secretary of the Treasury. The copies of the decisions shall be available in the Commission's Office for examination and study, free of charge.

**CHAPTER III. — POWERS AND DUTIES OF THE COMMISSION**

**Section 14. — General Powers.** (27 L.P.R.A. § 1101)

(a) The Commission is hereby empowered to grant all authorizations of [a] public nature for whose granting no other legal procedure has been fixed, including the right to use or cross public highways or public water riverbeds at grade, above grade or below grade, and to regulate public service companies and contract carriers, including the assignment of public vehicles which will use parking lots (terminals) which are provided for passenger carriers by municipal legislatures or by the Department of Transportation and Public Works, who shall keep the Commission informed of the existing or proposed parking lots (terminals) in order for the Commission to be able to discharge that function, taking into consideration factors such as public peace, cooperation between carriers, and between these and the public, the parking lot (terminal) vehicle capacity and the facilities it provides for public service, among others.

The Commission shall be empowered to regulate the private vehicle enterprises engaged in business. Any regulation that is established for these private vehicle enterprises engaged in business shall only cover the aspect related to their safety.

In granting authorization for public transportation, the Commission shall consider the transportation plan prepared by the Secretary of the Department of Transportation and Public Works and approved by the Governor as one of the criteria of necessity and convenience, as provided by Act No. 74 of June 23, 1965, as amended [9 L.P.R.A. §§ 2001 et seq.].

(b) The Commission shall be further empowered to impose administrative fines and other administrative sanctions under this Act, to carry out investigations and interventions, to require any type of information that may be necessary for the proper fulfillment of its powers, to direct or request from the courts, through the public interest attorneys, that they order the cessation of activities or acts under Section 51, Section 51-A or of any other provision of this Act; to impose and order the payment of costs, expenses, and lawyer fees; as well as the payment of expenses and fees for professional and advisory services, incurred in the investigations, hearings, and proceedings before the Commission, and to order that any such act be performed in compliance of the provisions of this Act.

(c) The powers and faculties provided in clauses (a) and (b) of this section shall be enforceable not only with regard to public service companies, contract carriers, private vehicle companies engaged in commerce, persons engaged in tourist transport, as defined in this Act, and entities acting as public service companies or contract carriers, but also with respect to:

- (1) Every person or entity who violates the provision of this Act.
- (2) Every person or entity whose actions affect or may affect the rendering of any public service.
- (3) Every person or entity who carries out any activity for which it is necessary to obtain an authorization or endorsement from the Commission.
- (4) Every person or entity whose actions or omissions may be damaging to the activities, resources or interests with regard to which the Commission has powers of regulation, supervision or surveillance.

**Section 15. — Detailed and Permanent Inventory.** (27 L.P.R.A. § 1102)

The Commission may require any public service company or private carrier to make and keep a continuing detailed and exact record of all useful property used for the public service rendered thereby, and it may require, further, that the said public service company or private carrier keep its books, accounts, and records so as to at all times show the original cost of said physical property, as well as the reserves accumulated for paying for the withdrawal or replacement thereof.

**Section 16. — New Rates or Charges; Suspension.** (27 L.P.R.A. § 1103)

- (a) A petition shall be filed before the Commission for the approval of all new rates or rate modifications. The Commission shall publish a notice of the petition in the press of the country, and offer to all the parties affected an adequate opportunity to be heard in the proceedings carried out, to determine if the petition is approved or not. The rate petitioned shall not be in force during the lapse of such proceedings. The Commission may prescribe the order as it may deem proper as if it were a proceeding originated pursuant to Section 17.
- (b) The Commission, on determining or prescribing fair and reasonable rates, shall be empowered to consider among other things, the grade of efficiency, fitness and adequacy of the available facilities and of the services rendered. It may also consider the value of such services to the public and the potentiality of a public service company to improve said facilities and services. As stipulated in subsection (a) of this section, the Commission shall grant a fair and reasonable profit based on the fair and reasonable rate determined and prescribed for a public service company.
- (c) In any rate proceeding, the *onus probandi* shall rest upon the public service company or private carrier concerned.

**Section 17. — Power to Prescribe Fair and Reasonable Rates.** (27 L.P.R.A. § 1104)

- (a) Whenever the Commission shall determine that any rate infringes any provision of this Act, or is unreasonable, it shall determine and prescribe the fair and reasonable rate to be charged. In establishing the rates for common carriers, the Commission does not have to consider the latter individually, but it may base its findings on the general situation of the regulated activity.
- (b) Whenever the Commission shall determine that any minimum rate of any private carrier is incompatible with the public interest, and offers advantages or undue preferences to such

private carrier as in competition with any motor vehicle freight transportation enterprise or other common carrier, or otherwise jeopardizes the stability of the transportation system in Puerto Rico, the Commission may prescribe such fair and reasonable minimum rates as in its judgment may be necessary or desirable, according to the provisions of this Act. In order to reach a decision, the Commission shall give due consideration to the expenses incurred by said carrier in the rendering of its services, to the effect that such minimum rate will have on the volume of business of said carrier, and to the necessity of promoting in Puerto Rico a safe, suitable, efficient and economic transportation system, free from unfair or destructive competitive practices.

(c) The Commission shall give an opportunity to be heard to all such parties that might be affected by its findings under clauses (a) and (b).

**Section 18. — Establishment of Standards for Service and Equipment — Insurance.**  
(27 L.P.R.A. § 1105)

(a) The Commission, after giving the affected parties an opportunity to be heard through their participation in quasi-legislative hearings or in writing, may establish service standards and determine the equipment to be used therefor by the public service companies which are reasonable and necessary for the safety, comfort or convenience of its patrons, employees and the public, in the rendering, accounting and evaluating of their services. After granting the parties the opportunity to be heard through their participation in quasi-legislative hearings or in writing, the Commission may also require public service companies to make all such repairs, changes, alterations, additions, extensions and improvements in and about their equipment and service as may be reasonable, necessary and proper for the safety, comfort, convenience and service of its patrons, employees and the public, as well as for rendering and the accounting of its services. The regulation of car rental enterprises shall include the inspection of their vehicles, the fixing of liability insurance, any and all regulations pertaining to the signage of rented cars, and the prohibition of the use of stickers, drawings, signs or stamps which identify the rental nature of said vehicles, and any other regulation the Commission deems necessary pursuant to Sections 14 and 21 of this Act [27 L.P.R.A. §§ 1101 and 1108].

(b) The Commission may require public service companies to file insurance policies or copies thereof, or to post bonds, or to qualify as self-insurers, for such amounts as the Commission may consider reasonably necessary to guarantee payment within the limits required by any final judgment obtained against the company or carrier in question, for any damages caused to any person or property as the result of the negligent or culpable acts or omissions of the company or carrier. This provision shall not apply to public vehicles (P) or public owners (PO).

(c) The Commission shall have the same authority as provided in clauses (a) and (b) of this section with regard to private carriers, except that it may not require them to carry out improvements or extensions to the service or to increase their properties.

**Section 19. — Provisional Rates.** (27 L.P.R.A. § 1106)

(a) In any proceeding involving the reasonableness of the rates of any public service company the Commission may, after giving to the parties concerned an adequate opportunity to be heard, in those cases where, in its judgment, such action is required for the public benefit, fix provisional rates which shall be put into effect by the public service company concerned, during the time necessary for the determination of the rates that must be finally authorized or prescribed. When in its judgment the conditions which prevail in an enterprise are such as to require immediate action, the Commission may waive the requisite of hearing, and make its findings in accordance with the information available.

(b) The provisional rates thus prescribed shall be in effect until final resolution of the rate proceeding. If after the fixing of rates, the Commission or the court of review finds that the provisional rates fixed by the Commission are not just and reasonable it shall permit the public service company concerned to recover through a temporary increase on the definite rates, the sum representing the difference between the gross income obtained by reason of the temporary rates and the gross income which would have been obtained had just and reasonable provisional rates been fixed.

**Section 20. — Determination of Damages.** (27 L.P.R.A. § 1107)

(a) When the Commission, after a hearing, determines that any rate collected, act done or omitted, or practice put into effect, has violated any order, or is unfair or unreasonable, or establishes unfair or undue preferences, or that the rate collected exceeds the rate filed, published and effective at the time the service was rendered, it may order the public service company or private carrier to pay to the party aggrieved, within a reasonable specified time, for the damages sustained due to the rate, act, omission, or unfair, unreasonable or unlawful practice. The order issued to that effect shall set forth the findings of fact and the amount to be paid.

(b) If the public service company or private carrier does not comply with the aforesaid order for the payment of money within the time fixed, the person to whom such payment is directed to be made may bring action therefor, which action, whatever the amount involved, shall be prosecuted according to Rule 60 of Civil Procedure in force. The order of the Commission shall be prima facie evidence of the facts therein stated, and that the amount awarded is justly due the plaintiff in such suit. The public service company or private carrier sued may not plead as a defense that the service was in fact rendered to plaintiff at the price stipulated in its rate in force at the time payment was made and received.

(c) No reparation shall be awarded by the Commission unless the complaint or petition shall have been filed before it within two years from the time the chose of action arose. Suit for the enforcement of an order for such payment shall be commenced within one year from the date of the order.

(d) No action shall be brought on account of damages or losses to which this section refers until the Commission shall have determined that the rate, act or omission in question was unfair, unreasonable, or unjustly discriminatory or unduly or unreasonably preferential, or in excess of the prices under said rates, and such action shall be restricted to recover such damages as the Commission may have awarded and ordered paid.

(e) As part of the proceedings, the Commission may order defendant to discontinue to charge the rate or to carry out or omit the act or practice the object of the complaint and, to such effect, it may require from plaintiff to deposit in the Secretariat a reasonable sum in harmony with the amount justified by the terms of the complaint and subject to any further determination which the Commission may later make.

**Section 21. — Judicial and Administrative Actions.** (27 L.P.R.A. § 1108)

It shall be the duty of the Commission to require that the Secretary of Justice, on behalf of the Commonwealth of Puerto Rico, [institute] those civil or criminal procedures that may be necessary to enforce the provisions of this Act and the rules approved thereunder. The resources of appeal shall be instituted through the Office of the Solicitor General attached to the Department of Justice. When the action to be instituted is to enjoin and bar public service companies, contract carriers or persons from committing or continuing to commit any act or to punish any acts committed in violation of the provisions of this Act, the same may be instituted by the public interest attorneys of the Commission. In addition to the judicial actions established in this Act, the Commission is hereby empowered to impose administrative penalties and fines for violations of this Act and the rules approved thereunder incurred by public service companies, contract carriers or by any person subject to its provisions. Administrative fines shall not exceed ten thousand dollars (\$10,000) for each violation, it being understood that each day the violation persists shall be deemed as a separate violation up to a maximum of two hundred and fifty thousand dollars (\$250,000). Administrative fines imposed pursuant to this Act shall never exceed five percent (5%) of the gross sales, fifteen percent (15%) of the net income or ten percent (10%) of the net assets of the enterprise or person penalized, whichever is greater, corresponding to the most recent taxable year. In the event a public service company, contract carrier or other person subject to the provisions of this Act shows contumacy in the commission or continuation of actions for which an administrative fine has been imposed or in the commission or continuation of actions in violation of this Act and its regulations, or shows contumacy in obeying any order or resolution issued by the Commission, the latter may, in the exercise of its discretion, impose administrative fines of up to a maximum of fifty thousand dollars (\$50,000) a day, it being understood that every day the violation persists shall be deemed as a separate violation up to a maximum of five hundred thousand dollars (\$500,000) for any of the actions set forth herein. In such cases of contumacy and through the unanimous decision of the Commission, fines may be imposed for up to double the limits on the basis of sales, income or assets established in this Act, up to maximum of five hundred thousand dollars (\$500,000).

**Section 22. — Accounting System.** (27 L.P.R.A. § 1109)

The Commission may provide the accounting system to be used by public service companies and private carriers. It shall also have the right to examine all accounts, records and notations kept by public service companies and private carriers, and may designate any of its officers or employees to examine them. In all proceedings in which the entries in the accounting system are involved, the burden of proof to establish the correctness thereof shall fall to the public service company or private carrier concerned, and the Commission may

suspend any entry until said public service company or private carrier submits proof of its correctness. The Commission shall also have power to require the filing in its office of any information deemed by it necessary. The provisions of this section shall apply to any municipal corporation engaged in rendering or providing to the public any service of the kind and nature rendered or provided by public service companies or private carriers.

**Section 23. — Petitions for Authorizations.** (27 L.P.R.A. § 1110)

(a) Any petition to the Commission shall be granted only when the Commission determines that the granting or approval thereof is necessary or proper for the service, comfort, convenience or safety of the public.

(b) Except as hereinafter provided in this section, no person shall commence to operate as a public service company or private carrier, nor shall continue to operate as such were he already doing so, unless he holds a valid authorization from the Commission for such operations. The Commission may interfere with any person who, without providing himself with a valid authorization, acts as a public service company or private carrier, and may command said person, after granting him an opportunity to be heard, to cease such operations.

(c) If any public service company or private carrier has been operating in good faith on the effective date of this act and has since continued to operate, except for any seasonal nature of its operations or any interruptions in service over which such public service company or private carrier had no control, the Commission shall issue the authorization referred to in subsection (b) of this section, without requiring additional proof of the public necessity and convenience of such operations, and without further proceedings, provided the petition for such authorization is made to the Commission as provided in subsection (d) of this section, and within one hundred and eighty (180) days after this act takes effect. If such circumstances did not exist, the petition for such authorization shall be resolved in accordance with the procedure provided in clauses (e) and (f) of this section, and the authorization shall be granted or denied, as the case may be. It shall be lawful to continue such operations pending resolution of the petition.

(d) All petitions for authorization by the Commission shall be in writing and sworn to, shall be in such form, shall contain such information, and shall be accompanied by such proof of publication or notice to such interested parties, as the Commission may by regulation prescribe. Any person not covered by the provisions of subsection (c) of this section, and operating as a public service company or private carrier on the date this act takes effect, may continue his operations for a term of one hundred and eighty (180) days, on and after that date, without any authorization whatsoever from the Commission. If the said petition for authorization is filed with the Commission within that period of time, the said person may continue his operations as long as the Commission does not pass upon the petition.

(e) If upon examination of a petition under this section the Commission determines that the petitioner is able and willing and in a position adequately to comply with the applicable provisions of this Act and the requirements and rules approved by the Commission, and that present or future public necessity and convenience require or will require the proposed operations to the extent the same are to be authorized, it shall authorize any or all parts of the operations covered by the petition. The Commission shall not grant such authorization to any

public service company or private carrier if it finds, after a hearing, that the said company or private carrier began or continued its operations when authorization was required by this Act to render such specific service.

(f) If after examining any petition filed under this section the Commission cannot arrive at the determinations required by subsection (e) of this section, it shall so notify the petitioner and all persons who may have filed written objections to the granting of the authorization, giving the grounds and reasons for not making the necessary determinations. The petitioner shall then be given a reasonable opportunity to answer such notification. If, after considering the answer, the Commission still cannot make the determination required by subsection (e) of this section, it shall deny the petition.

**Section 24. — Granting Authorizations, Repeals, etc. (27 L.P.R.A. § 1111)**

(a) All authorizations shall be subject to amendment, suspension or repeal by the Commission, and shall so provide when granted. No amendment, suspension or repeal of an authorization granted for the term of one year or more, with the exception of the provision contained in paragraph (a) of section 51, shall be effective without the affected person having had the opportunity of a hearing after due notice and specification of the matters involved, pursuant to the provisions of Section 51. The Commission may stay the operations of an enterprise for violation of this Act or of the rules it may promulgate, even though the violation may have been incurred only by one of the units operated by the enterprise. The suspension or repeal or revocation of a public or private carrier's authorization automatically entails the suspension or repeal or revocation of the licenses granted by the Department of Transportation and Public Works of Puerto Rico.

(b) The Commission may prescribe the terms and conditions of the authorizations it grants. Likewise, it may require the payment of a periodic royalty for exercising the above and prescribing the manner and time in which the payments shall be made.

The fees collected on this account shall be covered into the books of the Secretary of the Department of the Treasury as a special fund separate from any funds received by the Public Service Commission.

The purpose of this special fund is to defray the non-recurring expenses for research and specialized studies, for contracting professional, advisory, non-professional and expert services, for productivity bonuses, for purchasing materials and supplies, and for whatever may be needed to improve the procedures and expedite the legal functions of the Commission so that the funds may be used to strengthen all appropriation items for the operational and functional expenses of the Public Service Commission.

The Commission shall submit to the Office of Management and Budget an annual budget of expenses chargeable to said special fund, which shall be approved before the resources deposited therein are used.

The remaining funds which by June 30 of each fiscal year have not been used or pledged for the purposes of this Act, shall remain in the books of the dependencies for a maximum term of three (3) years. After this term has expired, said funds shall be cancelled taking into consideration any pertinent legal provision. The savings generated by said encumbered and unspent balance shall only be used to defray expenses of a non-recurring nature, that is to say expenses which do not encumber future budgets.

For the purposes of these subsections[sic], the dependencies are hereby authorized to establish an interest-bearing account in the Government Development Bank for Puerto Rico into which the savings resulting at the end of each fiscal year shall be partially or totally covered. Said account shall be governed by the following provisions:

(1) The principal of and interest on the resources covered into the account shall be used by the dependencies to defray expenses of a non-recurring nature. The interest on this account may be used to defray expenses of a recurring nature. To that effect, each dependency shall be responsible for maintaining an appropriate work plan, structured so that the account may provide a sufficient balance to meet the commitments incurred chargeable to said account.

(2) The term of three (3) years established in this subsection shall not apply to the resources thus covered into said account.

(3) In those cases in which the agency lacks a balance generated by the interest on the account, said agency shall defray the commitments contracted against said resources by charging the aforesaid to its own budget.

(4) These resources may not be used for other purposes, unless so provided by law.

(5) The Government Development Bank for Puerto Rico and the Department of the Treasury are hereby authorized to establish the regulations and mechanisms needed for the latter to transfer the surplus of every fiscal year to the accounts corresponding to each dependency and to carry out the purposes of this section.

When granting authorizations for public transportation, the Commission shall consider as one of the criteria of necessity and convenience, the transportation plan drafted by the Secretary of the Department of Transportation and Public Works and approved by the Governor, pursuant to the provisions of Act No. 74 of June 23, 1965, as amended [9 L.P.R.A. §§ 2001 et seq.].

(c) In every authorization granted pursuant to Section 23, the term of duration and the service to be rendered shall be specified. The Commission shall have the discretion to also specify the areas, sites or territories where the service will be rendered. The Commission may impose such reasonable terms, conditions and limitations as public necessity and convenience may demand in the exercise of the privileges granted by the authorization. Provided, That if public convenience and necessity require that the areas to be served by public vehicle enterprises be specified, the Commission shall design the most appropriate procedures, in accordance with the rights of the persons affected, to determine the routes to be served by the public vehicle enterprises that already have authorizations issued by the Commission at the time this determination is taken.

(d) No authorization shall be granted to public carriers to operate simultaneously over the same route or locality as private carriers or vice versa, unless, upon good cause shown, the Commission may determine that such dual operation is required for public necessity and convenience.

(e) The term of one hundred and eighty (180) days fixed in Section 23 of this Act may be extended by the Commission if it considers such extension necessary or desirable for the purpose of fully complying with its duties under this Act. Such term shall not be extended for a period longer than one year counting from the date this act takes effect.

(f) [Repealed. Act No. 16 of August 9, 1974.]

**Section 24-A. — Cable television industries; requirements.** (27 L.P.R.A. § 1111a)

Subject to applicable provisions of federal legislation, every operator of a cable television industry shall design, reserve and offer access to non-commercial channels designated for public or educational use as part of the basic service so that every subscriber has access to these channels. The Commission will not grant any authorization for the operation of cable television industries unless the obligation provided above is complied with, in its entirety, to the satisfaction of the Commission, and the Commission shall record said compliance in the corresponding authorization.

**Section 25. — Alienation or Encumbrance of Authorizations.** (27 L.P.R.A. § 1112)

No authorization shall be alienated or encumbered without the previous approval of the Commission. Nevertheless, in case of death or total and permanent disability of the person who owns, controls, operates or administers a motor vehicle considered to be the "working tool of its owner", as defined by Section 1-109 of Act No. 141 approved July 20, 1960, as amended, the authorization granted to him to that effect by the Commission shall go to his wife, if any, or to his surviving heirs or dependents, as the case may be, who, if, in the judgment of the Commission, are capable, willing and in condition to comply adequately with the applicable provisions of the act and with the requirements and rules approved by the Commission, may operate said vehicle under the authorization previously granted.

**Section 26. — Issuance of Stock or Bonds under Grants; Dividends.** (27 L.P.R.A. § 1113)

No stock or bonds shall be issued by persons to whom authorizations have been granted, except in exchange for actual cash or property appraised by the Commission. No dividends payable in stock or bonds may be declared without the previous approval of the Commission and it shall be so recited in the authorizations.

**Section 27. — Condemnation Provision.** (27 L.P.R.A. § 1114)

All authorizations shall provide for the purchase or condemnation by the Government of Puerto Rico of the properties of the grantee or holder, under the conditions, for the price, and in the manner stipulated to that effect in the authorization.

**Section 28. — Approval by Governor.** (27 L.P.R.A. § 1115)

Authorizations of a public or quasi-public character granted by the Commission shall not be operative until approved by the Governor or by the executive officer to whom he may delegate.

**Section 29. — Existing Authorizations Not Affected.** (27 L.P.R.A. § 1116)

Nothing in this Act shall be construed to violate the provisions of any authorization granted by the former Executive Council and in force. The Commission shall have power, after a hearing, to suspend, amend or repeal such authorizations and shall exercise all rights and powers reserved to the former Executive Council by such authorizations or by law.

**Section 30. — Authorizations Affecting Municipal Corporations.** (27 L.P.R.A. § 1117)

No authorization shall be granted which affects a municipality in the use of its streets or plazas without giving the mayor or municipal legislature affected an adequate opportunity to be heard. The Commission shall have authority, after such hearing, to settle disputes between a municipality and a public service company or private carrier, in relation with the use of the streets and plazas of said municipality. The decision of the Commission shall be final, subject only to the judicial review established by this Act.

**Section 31. — Determination of Value of Property of Public Service Companies and Private Carriers.** (27 L.P.R.A. § 1118)

(a) The Commission shall have power to investigate and determine, for the purposes of this Act, the value of the useful property used by any public service company or private carrier in the rendering of its services. To that effect it shall take into consideration the original cost of the property and depreciation thereof, and if necessary, such other valuation factors as, in its judgment, may bear relation to said value. These provisions shall not be construed to require the Commission to make use of any particular method or basis of valuation in those cases in which the latter deems it necessary and desirable to effectuate a valuation of the property for rating purposes.

(b) The Commission shall also have power to make revaluations of the property of any public service company or private carrier and to inquire into, establish and ascertain the value of new constructions, enlargements and additions thereto.

**Section 32. — Report on Disposal of Evidences of Indebtedness.** (27 L.P.R.A. § 1119)

The Commission may require public service companies or private carriers to report on the disposal and application of the proceeds of all sales or pledges of evidences of indebtedness or other securities.

**Section 33. — Examination of Premises, Books, and Memorials.** (27 L.P.R.A. § 1120)

The Commission may, through its members, agents or employees, enter and examine the premises, equipment and documents of any public service company or private carrier. It shall also have access to and may use any information of record in any instrumentality or political subdivision of the Commonwealth of Puerto Rico.

**Section 34. — General Investigating Powers.** (27 L.P.R.A. § 1121)

(a) The Commission shall, as such, through its individual members, examiners or duly authorized employees, have the powers established in clause (c) of section 7 hereof, including the power to subpoena witnesses, administer oaths, examine witnesses, take testimony, or compel the production of such books, papers and documents, as it may deem necessary and pertinent in any proceeding held by it, and to do all necessary acts in the exercise of its powers and duties. Whenever it shall find it necessary in the public interest, the Commission may refrain itself from giving publicity to the facts or reports obtained in the course of any investigation.

(b) The Commission may compel the public service companies and private carriers concerned to pay the expenses and fees incurred for professional and advisory services in the investigations, hearings or any other proceeding carried out with regard to such public service companies or private carriers.

(c) The Commission may compel any public service company or private carrier to pay, in addition to that established in subsection (b) hereof, any other expense in which the Commission may incur in the investigation of the books, accounts, practices and activities of the company or carrier concerned; any expense incurred in the investigations of the value of the profitable property and the property used by any public service company or private carrier in the rendering of their services.

(d) The Commission shall determine the manner in which and the time when payments shall be made upon previous approval of the accounts submitted by the persons rendering such services, and these payments shall be covered into a special investigation and evaluation fund of the Commission.

**Section 35. — Reports.** (27 L.P.R.A. § 1122)

The Commission may require any public service company, private carrier and other persons subject to its jurisdiction and to this Act, to file before it the reports it may request. Likewise, any person owning or holding a controlling interest in any public service company or private carrier shall be subject to the jurisdiction of the Commission with respect to his relations with said enterprise.

**Section 36. — Rules.** (27 L.P.R.A. § 1123)

The Commission may adopt those rules that are necessary and convenient for the exercise of its powers or for the performance of its duties. Provided, That it may authorize those rules or regulations that shall determine the conduct of the users in those transportation means regulated by the Commission. These rules shall have the force of law once the provisions of Act Number 170 of August 12, 1988, as amended [3 L.P.R.A. §§ 2101 et seq.], known as the "Uniform Administrative Procedures Act", have been complied with.

**Section 37. — Enumeration of Powers Not to Exclude Others.** (27 L.P.R.A. § 1124)

The enumeration of the powers of the Commission made in this chapter does not imply exclusion of any other powers thereof under other provisions of this Act.

**CHAPTER IV. — DUTIES AND LIABILITIES OF PUBLIC-SERVICE COMPANIES AND PRIVATE CARRIERS**

**Section 38. — Public Service Companies.** (27 L.P.R.A. § 1201)

It shall be the duty of every public service company:

(a) *Services and equipment.* — To render its services when reasonably requested and to maintain adequate, efficient, just and reasonable services and equipment necessary to serve and promote the safety, health, comfort and convenience of its patrons and employees and of the public.

(b) *Rates.* — To render and furnish its services, or any portion thereof, for reasonable rates. Any unreasonable rate is illegal.

(c) *Practices.* — To establish, comply with, and put into effect reasonable practices with regard to the services and equipment rendered or to be rendered and their corresponding rates. Any unreasonable practice is illegal.

(d) *Posting and filing of rates, regulations, etc.* —

(1) To submit to the Commission, as it may require through rules for the purpose, and to publish and keep accessible to the public, rate schedules showing the rates and practices in force for any service offered or rendered by said company. Save when otherwise provided in this Act, no public service company shall render any service until after the rate schedules have been submitted, published and taken effect, according to the provisions of this Act and the rules adopted hereunder.

(2) If a common carrier, to file, in addition to the requirements of clause (1) of this subsection, as a part of said rate schedules, the time tables showing the distribution system of vehicles, vessels or other equipment used in the service rendered.

(3) To keep available for public inspection copies of said rate schedules, including time tables, at the places, in the number and manner and of the nature that the Commission may by rules prescribe. The Commission may, in its discretion, allow a public service company to publish and place at the disposal of the public, in addition to said rate schedules, simplified rate schedules. In case of discrepancy between such simplified schedules and those filed in the Commission, the schedules filed and in force shall prevail. The Commission may waive the requirement of the filing of rate schedules by any kind of common carriers, when it shall have promulgated rules or orders applicable to the operations and prescribing the rates of said type of common carriers.

(4) Public service companies which have filed rates in the Commission on the date this act takes effect, shall be governed by them until after modified pursuant to the provisions of this Act.

(5) Public service companies operating in good faith on the date this act takes effect, shall not be bound to file their initial rates before sixty (60) days reckoning from the date their

applications, filed in accordance with clauses (c) and (d) of section 23, are approved by the Commission.

(e) *Not to change rates or time tables without notice.* — Not to make changes in its rates or time tables, unless thirty (30) days' notice is given to the Commission and the public. Said notice shall be served as the Commission may by rule prescribe.

(f) *Filing and approval of writings and agreements.* — To submit to the Commission for approval certified copies of all contracts or other obligations entered into by such public service company with any person or with another public service company in relation with any of its activities under this Act. The Commission may, however, by order or general ruling, exempt any public service company, in whole or in part, from the provisions of this Act.

(g) *Filing of reports.* — To submit annually, on the date and in the manner and form required through order or rule by the Commission, full and accurate information relative to its legal and financial organization.

(h) *Records to be kept in Puerto Rico.* — To keep, in an office within Puerto Rico, all books, accounts, documents, records and notes as may be required by the Commission, and not to remove any of them from Puerto Rico except in accordance with such terms and conditions as may be prescribed by the Commission.

(i) *Reports on transfer of evidences of indebtedness.* — To report, as required by the Commission, on the disposal and application of the proceeds of all transfers of evidences of indebtedness and other securities as well as any pledges thereof. These reports shall be made under oath by the officer of the company having knowledge of the matter, and in such form and detail as the Commission may require.

(j) *Specific duties of common carriers with regard to additions and substitution of equipment.* — If a common carrier, not to add or substitute any equipment to be used in the conveyance of passengers or property, without the previous authorization of the Commission.

(k) *Distribution of freight equipment without discrimination.* — If a common carrier engaged in the transportation of freight or property, which at any given time may lack sufficient facilities to meet the demand for transportation of such freight or property, it shall distribute all available facilities equitably among the several applicants therefor, without unfair discrimination as between shippers or localities. But it may always give preference to the supply of facilities for the shipment of perishable goods.

(l) *Verification of meters and measures.* — If a public service company or municipal corporation furnishing its service or product by meter or other similar measurement, to provide, keep and maintain in its premises suitable and proper equipment so that the Commission may verify and test the accuracy of the meters. Such verification or testing shall be made officially or upon written request of the user, and in his presence, if he shall so desire. If the meter so verified shall be found to be correct within the tolerances the Commission may fix for such meters, the user who has requested the inspection shall pay a reasonable fee, to be fixed by the Commission, which shall be sufficient to cover the cost of such testing. But, if not so found, the cost of the testing shall be paid by the municipal corporation or public service company concerned.

(m) *Reports on accidents and deaths.* — To give immediate notice and furnish reports to the Commission on the happening of any accident in connection with the service rendered wherein any person shall have been killed or injured. Such report shall not be open for public

inspection, except by order of the Commission. Neither shall such report be admitted in evidence for any purpose in any suit or action for damages arising for any matter mentioned therein.

(n) *Cessation of service.* — It may not discontinue, reduce, or impair the service it renders to a community without first obtaining a certificate from the Commission to the effect that such action shall not adversely affect public necessity and convenience. A taxicab enterprise, except tourist taxicab enterprises regulated by the Puerto Rico Tourist Ground Transportation Act, or public vehicle enterprise operating a single vehicle, a ticket agency or a transportation broker may cease operations without obtaining such a certificate from the Commission. Said taxicab enterprise, except tourist taxicab enterprises regulated by the Puerto Rico Tourist Ground Transportation Act, or public vehicle enterprise, ticket agency or transportation broker shall, however, surrender to the Commission the authorization granted to it by the latter within thirty (30) days following the cease of operations.

(o) *To obey orders and rules of Commission.* — Must abide by the orders and rules issued or adopted by the Commission in the exercise of the powers conferred on it by this Act. The holder of any authorization shall be liable for noncompliance with any orders or rules through the action or commission of its officers.

**Section 39. — Private carriers.** (27 L.P.R.A. § 1202)

It shall be the duty of every private carrier:

(a) *Rates.* — To fix and abide by reasonable minimum rates for any service rendered or to be rendered in the conveyance of passengers or property or in relation therewith, and to fix and abide by reasonable practices to be applied in connection with said rates. Every private carrier shall submit to the Commission and shall publish and keep available to the public, in the form and manner required by the Commission, both the schedules of the minimum rates charged and collected by said carrier for the conveyance of passengers or property in Puerto Rico and any practice affecting such rates.

(b) *Date for filing initial rates by certain private carriers.* — Those private carriers operating in good faith on the date this act takes effect, shall not be bound to file their initial rates, referred to in subsection (a) of this section, before sixty (60) days, reckoning from the date their applications, filed pursuant to clauses (c) and (d) of Section 23, are approved by the Commission.

(c) *Application of Certain Provisions of Section 6 to Private Carriers.* — The provisions of clauses (f), (g), (h), (i), (j), (m) and (o) of Section 38 shall also be applied to private carriers. Private carriers ceasing in their operations shall deliver to the Commission, within thirty (30) days of said cessation, the documents embodying the authorization granted by the Commission.

CHAPTER V. — PRACTICE AND PROCEDURE BEFORE THE COMMISSION,  
JUDICIAL REVIEW

**Section 40. — Public Hearings; Self-incrimination; Perjury.** (27 L.P.R.A. § 1251)

(a) All hearings before the Commission shall be public. Hearings, investigations or other proceedings by the Commission shall be governed by the provisions of Section 49 and such rules as the Commission may prescribe. The parties may appear before the Commission by themselves or assisted by counsel.

(b) No person shall be excused from testifying or from producing any books, documents or other evidence in any investigation or hearing before the Commission, when ordered to do so, on the ground that it may incriminate him or may put him in jeopardy of penalty or forfeiture of any legal right. But no person who has invoked his right against self-incrimination shall be prosecuted, punished or subjected to any penalty or forfeiture of any legal right by reason or on account of any matter regarding which he is compelled to testify or to produce documentary or other evidence. No person so testifying shall, however, be exempt from prosecution or punishment for perjury committed in so testifying.

**Section 41. — Subpoenas; Costs; Witnesses.** (27 L.P.R.A. § 1252)

(a) All subpoenas issued by the Commission shall be under its seal, and shall be signed by a Commissioner, by the presiding officer or by the Secretary, and shall be personally served by an[y] adult.

(b) Each witness required to appear before the Commission shall receive for his appearance the compensation and per diem accorded by law to witnesses in judicial proceedings, which shall be paid by the party on whose request the subpoena was issued, or by the Commission, as the case may be. Payments made for this reason shall follow the procedure set for payment of other expenses of the Commission.

(c) The fees for serving a subpoena shall be the same as those paid for similar services in the Court of First Instance. The fees, expenses and costs of or in connection with any hearing, may be taxed by the Commission against any of the parties involved, or apportioned between them. But no such imposition shall be made before the Commission shall have issued rules of general application regarding same.

**Section 42. — Contempt; Refusal to Act.** (27 L.P.R.A. § 1253)

If any individual subpoenaed to appear before the Commission shall fail to obey such subpoena, or if, upon appearing before the Commission, he shall refuse to be sworn, or shall refuse affirmation to be examined, or to answer any relevant question, or to produce any relevant document when ordered so to do, the Commission may invoke the assistance of the Court of First Instance to enforce such appearance, testimony, or production of documents. Said court shall, on good cause shown, command any person to appear before the Commission and produce documents or give testimony anent the matter at issue. Failure to obey such order of the court may be punished as contempt by said court. Any person who shall fail or refuse to appear and give testimony, or who shall neglect to comply with any

lawful request, or shall refuse to produce books, papers and documents, if it is in his power to do so, in compliance with a subpoena or lawful requirement of the Commission, or any individual who may act in a disorderly and disrespectful manner before the Commission or before any of its members or examiners presiding at the hearing or investigation, shall be guilty of a misdemeanor and upon conviction punished by a fine of not more than one thousand dollars (\$1,000), or by imprisonment for a term of not more than twenty (20) days, or both.

**Section 43. — Contempt for Concealment.** (27 L.P.R.A. § 1254)

If any officer of a public service company or private carrier, being a party to a proceeding before the Commission, shall absent himself from the jurisdiction of Puerto Rico or hide himself for the purpose of avoiding service of a subpoena, or shall remove relevant documents from Puerto Rico for the purpose of preventing their examination by the Commission, or shall destroy or conceal any such documents for such purpose, he shall be guilty of contempt, and the Court of First Instance may impose on him a fine of not more than one hundred dollars (\$100), or one-day imprisonment in jail for each day during the continuance of such refusal, neglect, concealment or removal, provided the jail term does not exceed a total of six (6) months. If the court shall find that the neglect, refusal or concealment, or the removal or destruction of the documents by such officer has been caused by the advice or with the consent of such public service company or private carrier, or in any way aided or abetted by said company or private carrier, then, in default of payment of said fine by the person in contempt, the same shall be paid by said public service company or private carrier, and may be recovered therefrom by an action, in the name of the Commonwealth of Puerto Rico, in the said court, in the same manner as other fines and penalties.

**Section 44. — Depositions.** (27 L.P.R.A. § 1255)

The testimony of any person may be taken by deposition before any Commissioner or notary public or other person authorized to administer oaths, upon motion filed by the party requesting the deposition and upon notice thereof given in accordance with the rulings of the Commission.

**Section 45. — Complaints to Commission.** (27 L.P.R.A. § 1256)

Any person or government instrumentality complaining of anything done or about to be done, omitted or about to be omitted, by any public service company or private carrier, or any grantee, in violation of any requirement or provision of this Act, or of any ruling or legal order of the Commission, may appear before the Commission upon written petition thereto, pursuant to the rules approved by the Commission.

**Section 46. — Action on Complaint.** (27 L.P.R.A. § 1257)

If such public service company or private carrier, within the time set by the Commission through written notice served by mail, shall satisfy the complaint, the Commission shall dismiss the petition, but said company or private carrier shall be relieved from liability only as to the specific matter complained of. If such company or private carrier shall not satisfy the complaint within the time specified, and the Commission shall find that there is reasonable ground for investigating said complaint, it shall be the duty of the Commission to do so in such manner as it may deem appropriate.

**Section 47. — Hearing on Motion.** (27 L.P.R.A. § 1258)

The Commission may, also, upon its own motion, and upon such notice as it may deem reasonable, institute any similar investigation and fix a time and place for a hearing with the same effect as though complaint had been made as aforesaid and satisfaction thereof refused.

**Section 48. — *Onus Probandi*.** (27 L.P.R.A. § 1259)

Where a hearing is had upon the violation of any provision of this Act or of any ruling or order of the Commission, the onus probandi shall be upon the public service company, private carrier, or person concerned.

**Section 49. — Procedure for Hearings.** (27 L.P.R.A. § 1260)

(a) Every hearing or investigation shall be instituted upon order of the Commission. The order shall give timely notice of:

- (1) The time when and the place where it will be held.
- (2) The legal authority by virtue of which it is held.
- (3) The findings of fact and issues of law on which the Commission wishes to receive evidence or listen to reports.

Such order shall be served in the manner provided in this Act.

The order may be amended on motion or on petition of a party or of an intervener, filed pursuant to the rules of the Commission. Intervention in the proceedings shall be given to those persons who might be adversely affected, if the petition in question is pronounced in order, provided such persons file a motion to intervene in accordance with the rulings of the Commission.

(b) Every hearing or investigation held by the Commission shall be presided over by one or more Commissioners, examiners or employees of the Commission, who shall have the powers provided in sections 7 (c) and 34 of this Act.

(c) All parties to a hearing or investigation shall have the right to present their case or defense through oral or written evidence, to submit proof of rebuttal, and to conduct such cross-examinations as may be necessary to a complete and true disclosure of the facts. In cases about the adoption of rules or the fixing of rates, or in such other cases as the Commission may consider it desirable or practicable, the latter may adopt procedures for the presentation in writing of all or part of the evidence.

(d) The Commission is authorized to make rules for its proceedings.

**Section 50. — Procedure for Approval of Rules.** (27 L.P.R.A. § 1261)

(a) At any time that the Commission shall desire to issue a rule it shall notify its purpose to do so by serving notice upon all persons to whom the rule shall be applied, either personally or by mail or, when the number of persons exceeds fifty [(50)], by publication in a newspaper of general circulation in Puerto Rico on two different dates. The notice shall include all such matters as the Commission may establish by rule. This subsection shall not apply in those cases in which the Commission shall find that there is good cause for which the notice and the public procedure are impracticable, unnecessary, or counter to the public interest, in which cases the Commission shall make the finding and a brief statement of the reasons therefor in the rules to be issued by it. No notice whatsoever shall be required prior to the issuance of interpretations of general application or of general orders having the force of law. Such statements and interpretations of general application, and rules of procedure, shall be made available to the public upon issue and shall be published annually.

(b) Upon service of the notice required by this section, the Commission shall give all interested persons the opportunity to participate in the procedure for the adoption of the rule, through the filing, in writing, of their viewpoints, data, or arguments, with or without the opportunity to express same verbally. After considering all relevant matters presented, the Commission shall incorporate into any rule adopted by it a brief general statement about its grounds and purposes. In those cases where this Act requires that the opportunity of a previous hearing be granted for the adoption of a rule, the procedure provided in Section 49 shall be followed instead of the provisions of this subsection.

(c) The publication or notice required by any substantive rule other than one granting or acknowledging an exemption or eliminating a restriction, shall be carried out not less than thirty (30) days in advance of the date on which the rule is to take effect, except where the Commission otherwise provides upon determining that there is good cause therefor, which shall be set forth at the time the rule is published.

(d) All interested persons shall have the right to request of the Commission that a rule be issued, amended, or repealed.

**Section 51. — Amendment, Suspension and Revocation of Decisions and Authorizations.** (27 L.P.R.A. § 1262)

(a) The Commission may, after a hearing, suspend, amend or revoke any decision, order or final authorization, within thirty (30) days from the date of issuance, provided that in so doing it sets forth in writing the reasons it has had therefor.

(b) Any authorization may be revoked for the following reasons:

- (1) False statements knowingly made in the petition or in any written statement of the facts, filed in connection with said petition.
- (2) The voluntary or repeated failure to operate the service as substantially specified in the authorization.
- (3) The voluntary violation of or noncompliance with any provision of this Act or of any ruling of the Commission.

(4) The violation of or noncompliance with any order to cease or to desist issued by the Commission under the provisions of this section.

(c) Whenever any person: (1) has failed to operate the service substantially as specified in the authorization, or (2) has violated or not complied with any of the provisions of this Act, or (3) has violated or failed to comply with any ruling of the Commission, or (4) has refused to serve any person on the grounds of race, color, sex, birth, origin, social condition, political affiliation or religious creed, the Commission may direct such person to cease in and desist from such behavior.

(d) Before revoking an authorization under the provisions of subsection (c), or issuing an order to cease and desist under the provisions of this subsection, the Commission shall serve notice upon the affected person with an order to show cause for which an order of revocation or to cease and desist must not be issued. The order to show cause shall contain a statement of all matters regarding which the Commission is conducting inquiries, and the same shall require that the affected person appear before the Commission on the date and place therein set forth to offer evidence on the matters specified in the order. The date fixed for the appearance shall not be sooner than ten (10) days counting from the date of notice, except in cases where danger to life or property is involved, when a shorter period may be provided in the order. Whenever the Commission shall determine, after due hearing, or after waiver thereof, that an order of revocation or an order to cease and desist should be issued, it shall do so jointly with a statement of its finding and the grounds therefor, specifying the effective date thereof. Notice of said order shall be served on the affected person.

(e) The right of a public service company or private carrier to operate a vehicle may be suspended without previous notice for a temporary period not to exceed sixty (60) days whenever the Commission may deem the operation of such vehicle dangerous to public health or safety.

**Section 51-A. — Special Procedure.** (27 L.P.R.A. § 1262a)

(a) Any duly authorized official or agent of the Public Service Commission may present before any judge of the Court of First Instance of Puerto Rico a sworn petition alleging that the public service company or entity acting as such, as referred to in the petition, is not complying with the provisions of this Act and/or the rules and regulations approved thereunder, or with any act, rule, and regulation relative to the protection of the life, health, safety, and welfare of the general public, setting forth acts or omissions that constituted said violation and naming the persons held responsible therefor. The court shall issue a provisional order addressed to said persons requiring them, under contempt of court, to stop all activity with regard to the conditions set forth in the petition, until the right thereto is judicially settled.

(b) In the provisional order there shall be fixed the date of the hearing which shall be held within the ten (10) days following the filing of the petition and the defendant shall be notified that in said hearing he may appear in person or represented by an attorney, to challenge the charges made against him and that a permanent order may be issued against him, should he fail to appear.

(c) Said order shall be executed in the same manner as done in summons for first appearance in cases of eviction. To execute said order there may be used the service of any marshal of

the courts of Puerto Rico or of any member of the Commonwealth Police. A copy of the order and a copy of the sworn petition shall be delivered to the defendant. Both documents shall bear the seal of the court.

(d) The defendant shall not be bound to file any written brief in reply to the petition, but may present any proper defense. Whenever a dispute as to the facts arises, the court shall make an ocular inspection, if deemed convenient or if requested by any of the parties in interest during the hearing.

(e) The decision which shall be in writing may decree the permanent cessation of the acts alleged in the petition or rendering temporarily or [indefinitely] without effect the provisional order.

(f) The final decision may be appealed or reviewed before the corresponding court of higher jurisdiction. Where no provision therefor is made herein, the Rules of Civil Procedure shall govern in such appeals or reviews.

(g) The provisional order may be rendered ineffective by the court before the holding of the hearing when the petitioner or any other agent or duly authorized representative of the Public Service Commission so requests after having been convinced that the omissions have been corrected or the acts constituting the violation charged in the petition have been finally suspended.

(h) Any person who violates the terms of a permanent or provisional order under the present special procedure shall be guilty of contempt of court and shall be punished by the issuing court by a fine of not less than fifty dollars (\$50) nor more than ten thousand dollars (\$10,000) or by imprisonment in jail for a term which shall not exceed three (3) months.

**Section 52. — Reconsideration.** (27 L.P.R.A. § 1263)

Any person adversely affected by a decision of the Commission in any proceeding to which said person is a party, may apply for its reconsideration within the term of fifteen (15) days after service of notice of said decision. When notice is given by mail, the day it was put in the mail, certified by the secretary, shall be the date of the notice. The application for reconsideration shall not excuse any person from complying with or obeying any decision of the Commission, nor shall in any manner whatsoever serve to suspend or postpone the taking effect thereof, unless by a special order of the Commission. The filing of an application for reconsideration shall not be a prerequisite for the judicial review of any order or decision, except in such cases where the party seeking the review does so on the grounds that there are findings of fact or issues of law which the Commission did not have the opportunity to consider. In application for reconsideration the grounds upon which the application is based shall be specifically set forth. The Commission shall have power to grant or refuse the reconsideration, or to suspend, amend or revoke its order or decision without holding a new hearing. The decision granting or refusing the application for reconsideration shall be made within the term of thirty (30) days counting from the date of the filing thereof. If a new hearing is ordered, the Commission shall not receive therein any other evidence except: (1) material evidence recently discovered and which could not be obtained by the exercise of reasonable diligence for use in the previous hearing; (2) evidence which has remained available only after the date on which evidence was originally introduced[, or] (3) evidence which the Commission understands should have been received in the original proceedings. If

the new hearing were granted, the Commission shall resolve thereupon within the term of thirty (30) days from the date the case is submitted. Any order, decision or requirement issued after a new hearing, suspending or amending an original order or decision, shall be subject to the same provisions regarding its reconsideration as the original order or decision.

**Section 53. — Notice of Decisions.** (27 L.P.R.A. § 1264)

Notice of all decisions of the Commission shall be served upon the person or persons affected in the manner provided by law for the notification of a summons, or shall be served by registered mail or first-class mail, postage prepaid. Whenever the number of persons to be notified in a proceeding exceeds fifty (50), the notice may be given by publishing same in a newspaper of general circulation in Puerto Rico on at least two different dates.

**Section 54. — Notifications of Orders to Counsel.** (27 L.P.R.A. § 1265)

In all cases where a party to the proceeding is represented by counsel, notice of all documents, orders, decisions and requirements may be served upon such counsel.

**Section 55. — Decisions Reviewed.** (27 L.P.R.A. § 1266)

(a) Any party to a proceeding under this Act who may be adversely affected by the final order of the Commission, may, within thirty (30) days after the date notice of such decision was served upon him, file a petition for review in the Court of First Instance of Puerto Rico, San Juan Part, for the latter to determine the lawfulness of the decision and pleading for the same to be modified or rendered ineffective in whole or in part. The petition for review shall be filed and presented in conformity with such rules applicable to remedies for the review of administrative decisions, in force in the Court of First Instance of Puerto Rico, San Juan Part, as are not in conflict with the provisions of this Act.

The granting of a petition for review shall be discretionary with the court. The findings of the Commission with regard to the facts, if supported by substantial evidence, shall be conclusive.

(b) The cost of transcribing, preparing and certifying the administrative record shall be paid to the Commission by the petitioner for review. The Commission may, by ruling, provide for the compensation to be paid to the persons preparing the administrative record. The Commission shall not be bound to certify and transmit the administrative record to the court until the petitioner shall have first deposited in the Secretariat of the Commission the total cost of the preparation, transcription and certification of such record, except in cases of insolvency duly proved before the Commission.

**Section 56. — Scope of Review by Court of First Instance.** (27 L.P.R.A. § 1267)

If after examining the administrative record, the court shall find that the decision appealed from is reasonable and in conformity with law, it shall enter a decree dismissing the petition for review and affirming the decision of the Commission. If, on the contrary, the court shall find that the decision is unreasonable or is based upon insufficient evidence which materially

affects same, or is otherwise contrary to law, it shall then enter a final decree revoking the decision or, in its discretion, it may remand the record to the Commission, with directions to reconsider the matter and make such decision as shall be reasonable and in conformity with law. In case the court shall reverse an order of the Commission dismissing a complaint, after an investigation and hearing before the Commission, it shall remand the administrative record of the proceeding to the Commission, with directions to reinstate the complaint, proceed to hold another hearing or make another investigation, and make such decision as shall be reasonable and in conformity with law. In issuing final decree in any petition for review the court shall have power to tax costs against petitioner.

**Section 57. — Order to Stay under Petition for Review.** (27 L.P.R.A. § 1268)

The filing of a petition for review of a decision of the Commission, or the granting of such petition by the Court of First Instance, shall in no case cause the effect of a stay of the decision except where, at the instance of a party, the court so directs, upon determination that the petitioner would sustain irreparable damages should such stay be not granted, and after the giving of bond, when so directed by the court, in the amount thereby fixed. In rate cases, the bond shall be to reimburse all persons affected by the stay of the execution of the Commission's decision, in any such sum as may have been collected by the public service company or private carrier during the stay period in excess of the amount provided or authorized by the Commission, in case the order or decision of the Commission were finally confirmed. The petition for stay referred to in this section shall not be granted ex parte.

**Section 58. — Intervention in Court of First Instance.** (27 L.P.R.A. § 1269)

The intervention of any person in any proceeding seeking review of a decision of the Commission shall be governed by the rules of the court, but each party to the action or proceeding before the Commission may appear in the petition for review, through the filing of an order to appear, within twenty (20) days counting from the date of the filing of the petition for review in the court.

**Section 59. — Basis for Review.** (27 L.P.R.A. § 1270)

The review shall be on the basis of the administrative record of the proceeding before the Commission and certified by the Secretary thereof. Should any of the parties convince the court that new evidence has been discovered, after the hearing before the Commission, which could not have been obtained by the exercise of reasonable diligence, for use in said hearing, and which will materially affect the merits of the case, the court may return the evidence and record to the Commission for the receipt of the subsequent evidence discovered. The Commission may modify its findings of fact as a result of the additional evidence thus introduced, and shall file with the court the new or modified findings, which, if supported by substantial evidence, shall be conclusive, as well as its recommendation, if any, for the modification of or to render ineffective the original decision. Judgments rendered by the Court of First Instance in these cases shall be reviewable by the Supreme Court of Puerto Rico.

**Section 60. — Effective Date of Rules and Decisions.** (27 L.P.R.A. § 1271)

The Commission's decisions revoking, suspending, modifying, or cancelling authorizations, or requiring a reduction in rates, or prescribing rules, shall not take effect until after thirty (30) days from the date of issuance of such rules or decisions, except where the Commission may find that there is good cause for them to become effective sooner and sets forth said cause.

**Section 61. — Action to Enforce Compliance and Prevent Violations.** (27 L.P.R.A. § 1272)

Whenever the Commission shall believe that any public service company, private carrier, or person is violating or about to violate, or will refuse to comply with any legal provision, ruling or decision of the Commission, or any final judgment rendered, the Commission may, through the Secretary of Justice, institute in the Court of First Instance, on behalf of the Commonwealth of Puerto Rico, the proper legal action to prevent such violations or to enforce compliance. This same power is granted to the Secretary of Justice for him to institute *motu proprio* the proper action to prevent such violations or noncompliance. The Court of First Instance is hereby vested with exclusive jurisdiction to hear and decide on such actions.

**Section 62. — Penalty for Violations.** (27 L.P.R.A. § 1273)

Any person, public service company, or private carrier who shall willfully violate any provision of this Act, or omit, neglect or refuse to obey, observe and comply with any ruling or decision of the Commission, or fail to comply with any judgment of any court; or who shall incite or abet the violation, omission, or neglect of, or the failure or refusal to comply with, the provisions of this Act, shall be guilty of a misdemeanor. If this Act does not expressly provide a penalty for said offense, the same shall be punished by a fine of not less than fifty dollars (\$50) nor more than one thousand dollars (\$1,000), or by imprisonment for a term of not less than one (1) month nor more than twelve (12) months, or both, [at] the discretion of the court. Subsequent convictions of the same offense shall be punished by a fine of not less than one hundred dollars (\$100) nor more than two thousand dollars (\$2,000), or by imprisonment for a term of not less than three (3) months nor more than eighteen (18) months, or both, [at] the discretion of the court.

Any person who violates any provision of the regulations governing the carrying of gas through pipelines shall be punished by a fine which shall not exceed one thousand dollars (\$1,000) for each day in which the violation prevails. However, the maximum penalty shall not exceed two hundred thousand dollars (\$200,000) for any series of violations.

Action against any person, public service company, or public carrier under the provisions of this section does not bar the Commission from taking any other additional action authorized by this Act.

**Section 63. — Additional Penalty for Violation of Orders.** (27 L.P.R.A. § 1274)

Each day's continuance of the violation of any ruling or decision of the Commission or any judgment of a court, shall constitute a separate and distinct offense. If any interlocutory order of supersedeas or a preliminary injunction be granted, no offense shall be incurred on account of any act, matter, or thing done in violation of any such ruling or decision of the Commission, or court judgment the object of the supersedeas or injunction, during the duration thereof.

**Section 64. — Penalty for violation with respect to stock and bonds.** (27 L.P.R.A. § 1275)

Any officer of a public service company or private carrier who shall knowingly affix his name or attestation to any evidence of indebtedness issued by any public service company or private carrier, or abets the issue of said instruments of any public service company or private carrier, in violation of any of the provisions or requirements of this Act, shall be guilty of a misdemeanor and shall be sentenced to pay a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or to imprisonment for a term of not more than five (5) years, or both, [at] the discretion of the court. He shall also be guilty of the same offense and subject to the same penalty who shall knowingly make or abet any false statement in any certificate of notice required to be made to the Commission pursuant to ruling thereof under this Act.

**Section 65. — Penalty for Illegal Disposition of Evidences of Indebtedness.** (27 L.P.R.A. § 1276)

Any officer of a public service company or private carrier who shall knowingly dispose or permit the disposal of evidences of indebtedness or other securities, or of the whole or part of the proceeds of the sale or pledge thereof, in violation of any statement or contrary to the purpose in relation thereto or contained in any certificate of notice, shall be guilty of a misdemeanor and sentenced to pay a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or to imprisonment for a term of five (5) years, or both, [at] the discretion of the court. He shall also be guilty of the same offense and subject to the same penalty who shall knowingly make any false statement and thereby procure or seek to procure from the Commission the making or issuing of any certificate herein provided, or make or abet any false statement in any report or account submitted to the Commission, as to the disposition of the whole or part of the proceeds of any sale or pledge of evidences of indebtedness or other securities.

**Section 66. — Liability for Damages Arising from Violations.** (27 L.P.R.A. § 1277)

Any public service company or private carrier that does or causes to be done any act, matter or thing prohibited or declared unlawful by this Act, or that shall refuse, neglect or omit to do any act, matter or thing required to be done by this Act, shall be liable to the person aggrieved thereby for the full amount of damages or losses sustained by the latter on

account of the former's acts or omissions. The liability of a public service company or private carrier for negligence, as established by law, shall not be held or construed to be altered or repealed by any of the provisions of this Act.

**Section 67. — Fees for Documents.** (27 L.P.R.A. § 1278)

The fees fixed by law in judicial proceedings shall apply with regard to copies of every official document, order, etc., of the Commission, and the Secretary shall collect same in internal revenue stamps which he shall affix to and cancel on every copy issued by him.

**Section 68. — Copies of Documents in Evidence.** (27 L.P.R.A. § 1279)

Copies of all documents filed or deposited according to law in the Secretariat and certified by the Secretary of the Commission shall be received in evidence in like manner and with the same effect as the originals. This shall not apply to reports on accidents.

**Section 69. — Acts prohibited.** (27 L.P.R.A. § 1280)

(a) The Commissioners, the Secretary of the Commission, and all officers and employees thereof are hereby enjoined from directly or indirectly soliciting from or suggesting or recommending to any person subject to the jurisdiction of the Commission, or any officer or lawyer thereof, the appointment of any person to any office, position, post or employment. It is likewise prohibited to every person under the jurisdiction of the Commission and to all officers and lawyers of said person, to offer any Commissioner, the Secretary, or any officer or employee of the Commission, any office, position, appointment or post, or to offer or give any Commissioner, the Secretary, or any officer or employee appointed to any office by the Commission, any free pass or transportation or any rebate in fare to which the general public is not entitled, or free transportation of properties, or any gift, gratification, favor or present of any kind. If any Commissioner, the Secretary, or other person employed by the Commission, shall violate any of the provisions of this section, said person shall be removed from office. Any officer, employee or agent of the Commission who shall disclose any fact or information brought to his knowledge in the course of any inspection or examination of the property, accounts, records or documents of any person or municipality subject to the jurisdiction of the Commission, except so far as ordered by the Commission or a court or authorized by law, shall be guilty of a misdemeanor.

(b) It shall be unlawful for any person or corporation engaged in the transportation of passengers or property for pay to have any direct or indirect interest in another person or corporation in some form or another engaged in the rendering of any service of transportation of passengers or property for pay.

**Section 70. — Annual Report.** (27 L.P.R.A. § 1281)

The Commission shall render an annual report to the Governor and to the Legislative Assembly.

**Section 71. — Penalties.** (27 L.P.R.A. § 1282)

(a) Any person who sells, installs, repairs or adjusts a meter without being duly authorized to do so by the Public Service Commission shall incur a misdemeanor that shall entail a fine that shall not exceed five hundred dollars (\$500), or a penalty of imprisonment that shall not exceed six (6) months, or both penalties, at the discretion of the court.

(b) Any person who alters a meter in such a manner that it reflects a different amount to be paid by the user from the one that corresponds according to the miles traveled, according to the regulations of the Public Service Commission, shall incur a misdemeanor that shall entail a fine that shall not exceed five hundred dollars (\$500), or a penalty of imprisonment that shall not exceed six (6) months, or both penalties, at the discretion of the court. Also, any owner, or taxi or public vehicle operator who operates his/her vehicle with an altered meter, shall incur a misdemeanor and will be subject to the above penalty.

**Section 72. — Separability Clause.** (27 L.P.R.A. § 1001 note)

The provisions of this act are severable one from another and severable as to the public-service companies, private carriers, persons, and subject-matters respectively dealt with thereby. It is hereby declared that each provision of this act would have been enacted notwithstanding the annulment of the remaining provisions.

**Section 73. — Repealing Clause.** (27 L.P.R.A. § 1001 note)

Section 48 of Act No. 59, approved April 30, 1928, Reorganization Plan No. 10 of 1950 in respect to the authorization it grants to the Puerto Rico Ports Authority in the regulation of piers, Act No. 11, approved April 9, 1941, Act No. 30 of May 9, 1955, Act No. 70 approved December 6, 1917, except as indicated in section 2 (c) of this act, and all laws or parts of laws in conflict with the provisions of this act, or vesting in another government agency or instrumentality the regulating powers granted hereunder, are hereby repealed.

**Section 74. — Construction.** (27 L.P.R.A. § 1001 note)

Nothing provided in this act shall be construed in the sense of annulling any regulation approved, decision taken, or authorization granted by the Public Service Commission before the effectiveness of this act. Neither shall it be construed as abolishing the present Public Service Commission. The provisions of this act shall be construed in the sense of allowing the Commission the broadest use of its powers through the formulation of policies that will enable it to meet changing conditions and use to the utmost the experience acquired, in furtherance of the public interest.

**Section 75. — Effectiveness.** — This act shall take effect ninety days after its approval.

**Note.** This compilation was prepared by the Puerto Rico OMB staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text. Compiled by the Office of Management and Budget Library.