

## FIRST DIVISION

[ G.R. No. 127598, January 27, 1999 ]

**MANILA ELECTRIC COMPANY, PETITIONER, VS. THE HONORABLE  
SECRETARY OF LABOR LEONARDO QUISUMBING AND MERALCO  
EMPLOYEES AND WORKERS ASSOCIATION (MEWA),  
RESPONDENTS**

### D E C I S I O N

**AUSTRIA-MARTINEZ, J.:**

In this petition for certiorari, the Manila Electric Company (MERALCO) seeks to annul the orders of the Secretary of labor dated August 19, 1996 and December 28, 1996, wherein the Secretary required MERALCO and its rank and file union- the Meralco Workers Association (MEWA) – to execute a collective bargaining agreement (CBA) for the remainder of the parties' 1992-1997 CBA cycle, and to incorporate in this new CBA the Secretary's dispositions on the disputed economic and non-economic issues.

MEWA is the duly recognized labor organization of the rank-and-file employees of MERALCO.

On September 7, 1995, MEWA informed MERALCO of its intention to re-negotiate the terms and conditions of their existing 1992-1997 Collective Bargaining Agreement (CBA) covering the remaining period of two years starting from December 1, 1995 to November 30, 1997.<sup>[1]</sup> MERALCO signified its willingness to re-negotiate through its letter dated October 17, 1995<sup>[2]</sup> and formed a CBA negotiating panel for the purpose. On November 10, 1995, MEWA submitted its proposal<sup>[3]</sup> to MERALCO, which, in turn, presented a counter-proposal. Thereafter, collective bargaining negotiations proceeded. However, despite the series of meetings between the negotiating panels of MERALCO and MEWA, the parties failed to arrive at "terms and conditions acceptable to both of them."

On April 23, 1996, MEWA filed a Notice of Strike with the National Capital Region Branch of the National Conciliation and Mediation Board (NCMB) of the Department of Labor and Employment (DOLE) which was docketed as NCMB-NCR-NS-04-152-96, on the grounds of bargaining deadlock and unfair labor practices. The NCMB then conducted a series of conciliation meetings but the parties failed to reach an amicable settlement. Faced with the imminence of a strike, MERALCO on May 2, 1996, filed an Urgent Petition<sup>[4]</sup> with the Department of Labor and Employment which was docketed as OS-AJ No. 0503<sup>[1]</sup>96 praying that the Secretary assume jurisdiction over the labor dispute and to enjoin the striking employees to go back to work.

The Labor Secretary granted the petition through its Order<sup>[5]</sup> of May 8, 1996, the

dispositive portion of which reads:

"WHEREFORE, premises considered, this Office now assumes jurisdiction over the labor dispute obtaining between the parties pursuant to Article 263 (g) of the Labor Code. Accordingly, the parties are here enjoined from committing any act that may exacerbate the situation. To speed up the resolution of the dispute, the parties are also directed to submit their respective Position Papers within ten (10) days from receipt.

'Undersecretary Jose M. Espanol, Jr. is deputized to conduct conciliation conferences between the parties to bridge their differences and eventually hammer out a solution that is mutually acceptable. He shall be assisted by the Legal Service.

SO ORDERED."

Thereafter, the parties submitted their respective memoranda and on August 19, 1996, the Secretary resolved the labor dispute through an Order,<sup>[6]</sup> containing the following awards:

#### "ECONOMIC DEMANDS

Wage increase - P2,300.00 for the first year covering the period from December 1, 1995 to November 30, 1996  
- P2,200.00 for the second year covering the period December 1, 1996 to November 30, 1997.

Red Circle Rate (RCR) Allowance- all RCR allowances (promotional increases that go beyond the maximum range of a job classification salary) shall be integrated into the basic salary of employees effective December 1, 1995.

Longevity Allowance- the integration of the longevity allowance into the basic wage is denied; the present policy is maintained.

Longevity Increase- the present longevity bonus is maintained but the bonus shall be incorporated into the new CBA.

Sick Leave- MEWA's demand for upgrading is denied; the company's present policy is maintained. However, those who have not used the sick leave benefit during a particular year shall be entitled to a one-day sick leave incentive.

Sick leave reserve- the present reserve of 25 days shall be reduced to 15 days; the employee has the option either to convert the excess of 10 days to cash or let it remain as long as he wants. In case he opts to let it remain, he may later on convert it to cash at his retirement or separation.

Vacation Leave - MEWA's demand for upgrading denied & the company's present policy is maintained which must be incorporated into the new

CBA but scheduled vacation leave may be rounded off to one full day at a time in case of a benefit involving a fraction of a day.

Union Leave- of MEWA's officers, directors or stewards assigned to perform union duties or legitimate union activity is increased from 30 to 40 Mondays per month.

Maternity, Paternity and Funeral leaves- the existing policy is to be maintained and must be incorporated in the new CBA unless a new law granting paternity leave benefit is enacted which is superior to what the company has already granted.

Birthday Leave - union's demand is granted. If birthday falls on the employee's rest day or on a non-working holiday, the worker shall be entitled to go on leave with pay on the next working day.

Group Hospitalization & Surgical Insurance Plan (GHSIP) and Health Maintenance Plan (HMP)- present policy is maintained insofar as the cost sharing is concerned- 70% for the Company and 30% for MEWA.

Health Maintenance Plan (HMP) for dependents - subsidized dependents increased from three to five dependents.

Longevity Bonus- is increased from P140.00 to P200.00 for every year of service to be received by the employee after serving the Company for 5 years.

Christmas Bonus and Special Christmas Grant- MEWA's demand of one month salary as Christmas Bonus and two month's salary as Special Christmas Grant is granted and to be incorporated in the new CBA.

Midyear Bonus- one month's pay to be included in the CBA.

Anniversary Bonus - union's demand is denied.

Christmas Gift Certificate - company has the discretion as to whether it will give it to its employees.

#### Retirement Benefits:

- a. Full retirement-present policy is maintained;
- b. one cavan of rice per month is granted to retirees;
- c. special retirement leave and allowance-present policy is maintained;
- d. HMP coverage for retirees- HMP coverage is granted to retirees who have not reached the age of 70, with MERALCO subsidizing 100% of the monthly premium; those over 70 are entitled to not more than 30 days of hospitalization at the

J.F. Cotton Hospital with the company shouldering the entire cost.

- e. HMP coverage for retiree's dependents is denied
- f. Monthly pension of P3,000.00 for each retiree is denied.
- g. Death benefit for retiree's beneficiaries is denied.

Optional retirement - union's demand is denied; present policy is maintained; employee is eligible for optional retirement if he has rendered at least 18 years of service.

Dental, Medical and Hospitalization Benefits- grant of all the allowable medical, surgical, dental and annual physical examination benefits, including free medicine whenever the same is not available at the JFCH.

Resignation benefits- union's demand is denied.

Night work- union demand is denied but present policy must be incorporated in CBA.

Shortswing- work in another shift within the same day shall be considered as the employee's work for the following day and the employee shall be given additional four (4) hours straight time and the applicable excess time premium if he works beyond 8 hours in the other shift.

High Voltage allowance- is increased from P45.00 to P55.00 to be given to any employee authorized by the Safety Division to perform work on or near energized bare lines & bus including stockman drivers & crane operators and other crew members on ground.

High Pole Allowance- is increased from P30.00 to P40.00 to be given to those authorized to climb poles up to at least 60 ft. from the ground. Members of the team including stockman drivers, crane operators and other crew members on the ground, are entitled to this benefit.

Towing Allowance- where stockmen drive tow trailers with long poles and equipment on board, they shall be entitled to a towing allowance of P20.00 whether they perform the job on regular shift or on overtime.

Employee's Cooperative- a loan of P3 M seed money is granted to the proposed establishment of a cooperative, payable in twenty (20) years starting one year from the start of operations.

Holdup Allowance- the union demand is denied; the present policy shall be maintained.

Meal and Lodging Allowance- shall be increased effective December 1, 1995 as follows:

Breakfast - from P25.00 to P35.00

Lunch	- from P35.00 to P45.00
Dinner	- from P35.00 to P45.00
Lodging	- from P135.00 to P180.00 a night in all MERALCO franchise areas

Payroll Treatment for Accident while on Duty- an employee shall be paid his salary and allowance if any is due plus average excess time for the past 12 months from the time of the accident up to the time of full recovery and placing of the employee back to normal duty or an allowance of P2,000.00, whichever is higher.

Housing and Equity Assistance Loan- is increased to P60,000.00; those who have already availed of the privilege shall be allowed to get the difference.

#### Benefits for Collectors:

- a. Company shall reduce proportionately the quota and monthly average product level (MAPL) in terms of equivalent bill assignment when an employee is on sick leave and paid vacation leave.
- b. When required to work on Saturdays, Sundays and holidays, an employee shall receive P60.00 lunch allowance and applicable transportation allowance as determined by the Company and shall also receive an additional compensation to one day fixed portion in addition to lunch and transportation allowance.
- c. The collector shall be entitled to an incentive pay of P25.00 for every delinquent account disconnected.
- d. When a collector voluntarily performs other work on regular shift or overtime, he shall be entitled to remuneration based on his computed hourly compensation and the reimbursement of actually incurred transportation expenses.
- e. Collectors shall be provided with bobcat belt bags every year
- f. Collector's cash bond shall be deposited under his capital contribution to MESALA.
- g. Collectors quota and MAPL shall be proportionately reduced during typhoons, floods, earthquakes and other similar force majeure events when it is impossible for a collector to perform collection work.

#### Political Demands: