493 Phil. 312

THIRD DIVISION

[G.R. NO. 156260, March 10, 2005]

BABCOCK-HITACHI (PHILS.), INC., PETITIONER, VS. BABCOCK-HITACHI (PHILS.), INC., MAKATI EMPLOYEES UNION (BHPIMEU), RESPONDENT.

D E C I S I O N

SANDOVAL-GUTIERREZ, J.:

At bar is a petition for review on *certiorari* under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision[1] dated May 14, 2002 and Resolution[2] dated November 26, 2002 rendered by the Court of Appeals in CA-G.R. SP No. 65260, entitled *"Babcock-Hitachi (Phils.), Inc. vs. Babcock-Hitachi (Phils.), Inc., Makati Employees Union (BHPIMEU)."*

The facts as borne by the records are:

Babcock-Hitachi (Phils.), Inc., *petitioner,* is a manufacturing corporation, with branches at Makati City and Bauan, Batangas.

Sometime in December 1997, petitioner, to improve the operating efficiency and coordination among its various departments, formulated a plan to transfer the Design Department from its Makati office to Bauan, Batangas.

With this development, petitioner, on February 24, 1999, sent separate notices to Justiniano G. Iniego, Xavier Aguila and Bonifacio B. Vergara, who occupied Engineer 1 positions at the Design Department, of their re-assignment and transfer to Bauan, Batangas effective April 1, 1999. This prompted them to claim for their relocation allowance provided by Sections 1 and 2, Article XXI of the collective bargaining agreement (CBA).[3]

However, petitioner refused to implement the CBA, claiming that the affected employees are not entitled to relocation allowance under Policy Statement No. BHPI-G-044A dated October 1, 1996[4] considering that they are residents of Bauan or its adjacent towns.[5]

Thus, the affected union members (Justiniano Iniego, et al.), represented by Babcock-Hitachi (Phils.), Inc., Makati Employees Union, *respondent,* filed with the National Conciliation and Mediation Board (NCMB) a complaint for payment of relocation allowance against petitioner. In a Submission Agreement dated March 18, 1999, the parties stipulated to submit the case for voluntary arbitration.

On July 25, 2000, after the parties submitted their pleadings and position papers, the Voluntary Arbitrator rendered a Decision ordering petitioner to pay respondent's

concerned members their relocation allowances. Petitioner then filed a motion for reconsideration but was denied in a Resolution dated May 30, 2001.

Thereafter, petitioner filed with the Court of Appeals a petition for review with prayer for issuance of a temporary restraining order and/or writ of preliminary injunction.

On May 14, 2002, the Appellate Court promulgated its Decision affirming the Voluntary Arbitrator's assailed Decision. The Court of Appeals ratiocinated as follows:

> "After a thorough study of the case at hand, we are convinced that the affected employees are entitled to the relocation allowance provided for in the Collective Bargaining Agreement (CBA) entered into and signed by both the Union and petitioner Company on July 18, 1997. We share the posture adopted by the Voluntary Arbitrator in rejecting petitioner's arguments that the affected employees are not entitled to relocation allowance. Pursuant to the basic and irrefragable rule that in carrying out and interpreting the provisions of the Labor Code and its implementing rules and regulations, the workingman's welfare should be the primordial and paramount consideration. Undoubtedly, this rule must likewise find application in the interpretation and meaning of the CBA entered into by both the parties, for the same is the law between the parties. x x x.
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> In the case before this Court, petitioner Company's contention that the policy statement they issued still finds application in the present CBA is misplaced. With the advent of the new CBA dated July 18, 1997, the policy statement, which previously finds application can no longer be controlling in the present situation. Had it been the intent of the proponents of the CBA, then it could have been incorporated in the agreement or contract, otherwise, it contravenes the very essence and purpose of the CBA. Obviously, the purpose of collective bargaining agreement is the reaching of an agreement resulting in a contract binding on the parties.
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> Moreover, the policy statement being invoked by petitioner Company is not a part of the contract or CBA, thus, it cannot remain in full force and effect even beyond the stipulated term, especially, in the light of the present CBA. Under the circumstances, the policy statement issued by the petitioner company is a unilateral policy, which is contrary to the provisions of the CBA. The CBA operates as the law that governs the employer-employee relationship of herein petitioner Company and the Union.
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> Second. Petitioner Company contends that the rationale behind the CBA provision on relocation allowance is clearly spelled out in the company policy on relocation allowance.
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> Under the circumstances obtaining in this case, petitioner Company's argument falters. The benefits available in the present CBA (dated July