

## THIRD DIVISION

**[ G.R. No. 128296, September 08, 2003 ]**

**NASIPIT LUMBER COMPANY, PHILIPPINE WALLBOARD CORPORATION AND ANAKAN LUMBER COMPANY, PETITIONERS, VS. NATIONAL WAGES AND PRODUCTIVITY COMMISSION, UNITED LUMBER AND GENERAL WORKERS OF THE PHILIPPINES AND WESTERN AGUSAN WORKERS UNION, RESPONDENTS.**

### DECISION

**SANDOVAL-GUTIERREZ, J.:**

Before us is a petition for certiorari with prayer for issuance of a temporary restraining order and/or writ of preliminary injunction which seeks to set aside the Decision<sup>[1]</sup> dated July 3, 1996 and Resolution<sup>[2]</sup> dated November 27, 1996 of the National Wages and Productivity Commission (NWPC) in the consolidated NWPC Case Nos. E-95-099, E-95-100 and E-95-101, entitled "In Re: Application for Extension of Exemption from Wage Order No. RX-03 of Applicants-Appellants Nasipit Lumber Company, Philippine Wallboard Corporation and Anakan Lumber Company."

The undisputed facts of this case are as follows:

On November 19, 1993, the Regional Tripartite Wages and Productivity Board (RTWPB) of Region X, Northern Mindanao, Cagayan de Oro City, issued Wage Order No. RX-03.<sup>[3]</sup> This Wage Order mandated a P7.00 increase in the minimum daily wage of all workers and employees in the private sector in Region X receiving a daily wage of not more than P130.00 per day and an additional P10.00 allowance per day.

Subsequently or on March 17, 1994, Nasipit Lumber Company, Philippine Wallboard Corporation and Anakan Lumber Company (*herein petitioners*) filed their separate application for exemption from compliance with Wage Order No. RX-03, claiming they are distressed establishments whose paid-up capital has been impaired by at least twenty-five percent (25%).

After finding that the petitioners indeed sustained financial losses which impaired their respective paid-up capital, the RTWPB, in a consolidated Order dated December 3, 1994, granted petitioners a full exemption from compliance with the said Wage Order for a period of one (1) year or from December 8, 1993 to December 7, 1994.

On December 8, 1994, petitioners, citing the continuous business decline in the wood processing industry, filed a consolidated petition for extension of their full exemption from compliance with Wage Order No. RX-03 for another year or from December 8, 1994 to December 8, 1995.

However, in a Resolution No. 95-01 dated February 24, 1995, the RTWPB denied

petitioners' consolidated application for extension of exemption. In justifying its denial, the RTWPB relied on Section 7 of the NWPC Revised Guidelines No. 1, Series of 1992, thus:

"Establishments shall be granted full exemption of one (1) year from effectivity of the Order for all categories of exemption."

From the said Resolution, petitioners interposed an appeal to the NWPC.

On July 3, 1996, the NWPC rendered a Decision denying the appeal for lack of merit. The NWPC ratiocinated as follows:

"Thus, the principal issue to be resolved in this case is whether or not the period of exemption under Wage Order RX-03 can be extended for more than one (1) year.

"We rule in the negative.

"Section 7 of the NWPC Revised Guidelines on Exemption, which is the applicable rule on this matter, provides for the duration and extent of exemption that can be granted to a qualified applicant establishment, to wit:

`Establishments shall be granted full exemption of one (1) year from effectivity of the Order for all categories of exemption.'

"x x x

"As set forth by the aforecited rule, the maximum period of exemption that can be accorded to a qualified applicant is only for one (1) year from the effectivity of the Wage Order. This non-extendable one year period of exemption, which had been consistently applied to all analogous cases in the past involving companies seeking extension of the period of their exemption, remains and continues to be the existing policy on the matter. Precisely, the rationale behind this policy is to afford protection to workers who may be unfairly affected by the deleterious effect of a prolonged exemption which is not in accord with the very purpose of the issuance of a Wage Order.

"WHEREFORE, premises considered, the instant appeal is hereby DENIED for lack of merit. Board Resolution No. 95-01, Series of 1995 dated 24 February 1995 is AFFIRMED.

"SO ORDERED."

Unswayed, petitioners filed on August 14, 1996, a consolidated motion for reconsideration.

However, the NWPC remained steadfast with its earlier Decision and denied petitioners' motion in its Resolution dated November 27, 1996.