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# SPECIAL FIRST DIVISION

# [ G.R. No. 127598, February 22, 2000 ]

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

## R E S O L U T I O N

**YNARES-SANTIAGO, J.:**

In the Decision promulgated on January 27, 1999, the Court disposed of the case as follows:

> "WHEREFORE, the petition is granted and the orders of public respondent Secretary of Labor dated August 19, 1996 and December 28, 1996 are set aside to the extent set forth above. The parties are directed to execute a Collective Bargaining Agreement incorporating the terms and conditions contained in the unaffected portions of the Secretary of Labor's orders of August 19, 1996 and December 28, 1996, and the modifications set forth above. The retirement fund issue is remanded to the Secretary of Labor for reception of evidence and determination of the legal personality of the Meralco retirement fund."[1]

The modifications of the public respondent's resolutions include the following:

| | *January 27, 1999 decision* | *Secretary's resolution* |
|---|---|---|
| Wages | -P1,900.00 for 1995-96 | P2,200.00 |
| X'mas bonus | -modified to one month | 2 months |
| Retirees | -remanded to the Secretary | granted |
| Loan to coops | -denied | granted |
| GHSIP, HMP and Housing loans | -granted up to P60,000.00 | granted |
| Signing bonus | -denied | granted |
| Union leave | -40 days (typo error) | 30 days |
| High | -not apply to | members of a team |

| | | |
|---|---|---|
| voltage/pole | those who are not exposed to the risk | |
| Collectors | -no need for cash bond, no need to reduce quota and MAPL | |
| CBU | -exclude confidential employees | include |
| Union security | - maintenance of membership | closed shop |
| Contracting out | -no need to consult union | consult first |
| All benefits | -existing terms and conditions | all terms |
| Retroactivity | -Dec 28, 1996-Dec 27, 199(9) | from Dec 1, 1995 |

Dissatisfied with the Decision, some alleged members of private respondent union (Union for brevity) filed a motion for intervention and a motion for reconsideration of the said Decision. A separate intervention was likewise made by the supervisor's union (FLAMES[2]) of petitioner corporation alleging that it has *bona fide* legal interest in the outcome of the case.[3] The Court required the "proper parties" to file a comment to the three motions for reconsideration but the Solicitor-General asked that he be excused from filing the comment because the "petition filed in the instant case was granted" by the Court.[4] Consequently, petitioner filed its own consolidated comment. An "Appeal Seeking Immediate Reconsideration" was also filed by the alleged newly elected president of the Union.[5] Other subsequent pleadings were filed by the parties and intervenors.

The issues raised in the motions for reconsideration had already been passed upon by the Court in the January 27, 1999 decision. No new arguments were presented for consideration of the Court. Nonetheless, certain matters will be considered herein, particularly those involving the amount of wages and the retroactivity of the Collective Bargaining Agreement (CBA) arbitral awards.

Petitioner warns that if the wage increase of P2,200.00 per month as ordered by the Secretary is allowed, it would simply pass the cost covering such increase to the consumers through an increase in the rate of electricity. This is a *non sequitur*. The Court cannot be threatened with such a misleading argument. An increase in the prices of electric current needs the approval of the appropriate regulatory government agency and does not automatically result from a mere increase in the wages of petitioner's employees. Besides, this argument presupposes that petitioner is capable of meeting a wage increase. The All Asia Capital report upon which the Union relies to support its position regarding the wage issue can not be an accurate

basis and conclusive determinant of the rate of wage increase. Section 45 of Rule 130 Rules of Evidence provides:

> "*Commercial lists and the like*. - Evidence of statements of matters of interest to persons engaged in an occupation contained in a list, register, periodical, or other published compilation is admissible as tending to prove the truth of any relevant matter so stated if that compilation is published for use by persons engaged in that occupation and is generally used and relied upon by them therein."

Under the afore-quoted rule, statement of matters contained in a periodical may be admitted only "if that compilation is published for use by persons engaged in that occupation and is generally used and relied upon by them therein." As correctly held in our Decision dated January 27, 1999, the cited report is a mere newspaper account and not even a commercial list. At most, it is but an analysis or opinion which carries no persuasive weight for purposes of this case as no sufficient figures to support it were presented. Neither did anybody testify to its accuracy. It cannot be said that businessmen generally rely on news items such as this in their occupation. Besides, no evidence was presented that the publication was regularly prepared by a person in touch with the market and that it is generally regarded as trustworthy and reliable. Absent extrinsic proof of their accuracy, these reports are not admissible.[6] In the same manner, newspapers containing stock quotations are not admissible in evidence when the source of the reports is available.[7] With more reason, mere analyses or projections of such reports cannot be admitted. In particular, the source of the report in this case can be easily made available considering that the same is necessary for compliance with certain governmental requirements.

Nonetheless, by petitioner's own allegations, its actual total net income for 1996 was P5.1 billion.[8] An estimate by the All Asia financial analyst stated that petitioner's net operating income for the same year was about P5.7 billion, a figure which the Union relies on to support its claim. Assuming without admitting the truth thereof, the figure is higher than the P4.171 billion allegedly suggested by petitioner as its projected net operating income. The P5.7 billion which was the Secretary's basis for granting the P2,200.00 is higher than the actual net income of P5.1 billion admitted by petitioner. It would be proper then to increase this Court's award of P1,900.00 to P2,000.00 for the two years of the CBA award. For 1992, the agreed CBA wage increase for rank-and-file was P1,400.00 and was reduced to P1,350.00, for 1993; further reduced to P1,150.00 for 1994. For supervisory employees, the agreed wage increase for the years 1992-1994 are P1,742.50, P1,682.50 and P1,442.50, respectively. Based on the foregoing figures, the P2,000.00 increase for the two-year period awarded to the rank-and-file is much higher than the highest increase granted to supervisory employees.[9] As mentioned in the January 27, 1999 Decision, the Court does "not seek to enumerate in this decision the factors that should affect wage determination" because collective bargaining disputes particularly those affecting the national interest and public service "requires due consideration and *proper balancing of the interests of the parties to the dispute and of those who might be affected by the dispute*."[10] The Court takes judicial notice that the new amounts granted herein are significantly higher than the weighted average salary currently enjoyed by other rank-and-file employees within the community. It should be noted that the relations between labor and capital is

impressed with public interest which must yield to the common good.[11] Neither party should act oppressively against the other or impair the interest or convenience of the public.[12] Besides, matters of salary increases are part of management prerogative.[13]

On the retroactivity of the CBA arbitral award, it is well to recall that this petition had its origin in the renegotiation of the parties' 1992-1997 CBA insofar as the last two-year period thereof is concerned. When the Secretary of Labor assumed jurisdiction and granted the arbitral awards, there was no question that these arbitral awards were to be given retroactive effect. However, the parties dispute the reckoning period when retroaction shall commence. Petitioner claims that the award should retroact only from such time that the Secretary of Labor rendered the award, invoking the 1995 decision in Pier 8 case[14] where the Court, citing *Union of Filipino Employees v. NLRC*,[15] said:

> "The assailed resolution which incorporated the CBA to be signed by the parties was promulgated on June 5, 1989, the expiry date of the past CBA. Based on the provision of Section 253-A, its retroactivity should be agreed upon by the parties. But since no agreement to that effect was made, public respondent did not abuse its discretion in giving the said CBA a prospective effect. The action of the public respondent is within the ambit of its authority vested by existing law."

On the other hand, the Union argues that the award should retroact to such time granted by the Secretary, citing the 1993 decision of *St Luke's*.[16]

> "Finally, the effectivity of the Order of January 28, 1991, must retroact to the date of the expiration of the previous CBA, contrary to the position of petitioner. Under the circumstances of the case, Article 253-A cannot be properly applied to herein case. As correctly stated by public respondent in his assailed Order of April 12, 1991 dismissing petitioner's Motion for Reconsideration---
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> > Anent the alleged lack of basis for the retroactivity provisions awarded, we would stress that the provision of law invoked by the Hospital, Article 253-A of the Labor Code, speaks of agreements by and between the parties, and not arbitral awards . . .
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> "Therefore, in the absence of a specific provision of law prohibiting retroactivity of the effectivity of arbitral awards issued by the Secretary of Labor pursuant to Article 263(g) of the Labor Code, such as herein involved, public respondent is deemed vested with plenary and discretionary powers to determine the effectivity thereof."

In the 1997 case of *Mindanao Terminal*,[17] the Court applied the *St. Luke's* doctrine and ruled that:

> "In *St. Luke's Medical Center v. Torres*, a deadlock also developed during the CBA negotiations between management and the union. The Secretary of Labor assumed jurisdiction and ordered the retroaction of the CBA to the date of expiration of the previous CBA. As in this case, it was alleged