

**PHILIPPINE GEOTHERMAL INC., PETITIONER, VS.
UNDERSECRETARY OF LABOR CARMELO NORIEL AND FEDERATION
OF FREE WORKERS, PGI CHAPTER, RESPONDENTS.**

G.R. No. 81785. August 18, 1988

Ponente: SARMIENTO, J.

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SARMIENTO, J.:

Within the "freedom period," the private respondent Federation of Free Workers-PGI Chapter (hereinafter called "Union") submitted proposals for the renegotiation of its Collective Bargaining Agreement (CBA, for short) with the petitioner Philippine Geothermal, Inc. (hereinafter called "Company") which was set to expire October 31, 1986. Several meetings followed, between representatives of the Company and the Union. On November 10, 1986, pending the conclusion of a new CBA, the Company made a formal announcement granting a salary increase of P200.00 a month effective November 1, 1986 to all covered employees. On January 21, 1987, the Union declared a deadlock in the negotiations particularly on the question of economic benefits, and on this ground filed a Notice of Strike. On March 5, 1987, the Union picketed the Company's premises. The following day, Labor Secretary Franklin M. Drilon assumed jurisdiction over the dispute and issued a return-to-work order. Soon thereafter, in an Order dated March 1987, Secretary Drilon resolved the deadlock in the collective bargaining by awarding to all covered rank and file employees of the Company a wage increase of P800.00 per month for the first year, among other benefits. The Secretary also directed the parties to incorporate in their new CBA the awards contained in his Order, as well as all items which have been agreed upon during the negotiations, and to maintain the existing provisions of the old CBA which have not been otherwise modified.

Subsequently, on April 23, 1987, the Company and the Union signed a new CBA, the effectivity of which was made retroactive to November 1, 1986, incorporating the benefits awarded by Secretary Drilon.

It appears, however, that in the implementation of the wage increase for the first year of the new CBA, the Company paid its employees a salary increase of P600.00 a month only, in the belief that the amount of P200.00 per month granted during the period of negotiations was creditable to the P800.00 salary increase provided in the new CBA. Consequently, on August 13, 1987, the Union filed a Notice of Strike, on the ground that the Company violated the CBA insofar as the P800.00 salary increase was concerned. The Company and the Union eventually agreed to submit their dispute to Labor Undersecretary Carmelo C. Noriel for arbitration, who, on December 22, 1987, rendered a decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the Company is hereby directed to pay the salary differential of P200.00 monthly to each and every member of the Union representing the first year increase effective 1 November 1986 and forthwith comply with the provision of the CBA relating to P800.00 anniversary increase."^[1]

The Company moved for a reconsideration of the above decision, but the same was denied by the respondent public official in his Order dated January 19, 1988. Whereupon, this petition was filed assailing the aforesaid decision and order for having been rendered by the respondent public official with grave abuse of discretion.

The issue boils down to the determination of whether or not the P200.00 salary increase, granted during the pendency of the negotiations for a new CBA between the Company and the Union, already forms part of the P800.00 wage increase mandated by the new CBA. The question is basically factual for it involves a review of the evidence presented by the parties, including the existence and relevance of specific surrounding circumstances, to determine the truth or falsity of alleged facts. There is, for instance, the oft-repeated allegation in the Company's petition, that there was a clear, admitted, and undisputed agreement reached between the parties during the meeting held on November 7, 1986 that the P200.00 salary increase was to be credited to any future increase under the new CBA; but the veracity of this allegation appears to be very doubtful.

It is a settled rule that the decisions of voluntary arbitrators, based on their findings of fact and application of the law, are entitled to the highest respect. Corollarily, where only questions of fact are raised in a petition assailing the decision of a voluntary arbitrator, such petition must be dismissed.

Moreover, we cannot sustain the allegation of grave abuse of discretion. We find nothing in the record that would prove that the respondent public official, in the present case, exercised his power in an arbitrary and despotic manner by reason of passion or personal hostility, which would be equivalent to lack or excess of jurisdiction. While the petitioner Company would assert as an incontestable fact its purported agreement with the Union, that the P200.00 salary increase was to be credited to any future increase under the new CBA, it did not, however, give the basis for such an assertion. It was incumbent upon the petitioner to prove, by citing specific statements in the Minutes of the November 7 meeting, that such an agreement really existed. On the other hand, it was the Union which was able to point out from the Minutes of that November 7 meeting, where the issue appears to have been thoroughly discussed, that the agreement was precisely to exclude the P200.00 from whatever would be the negotiated wage increase for the first year of the new CBA. In addition, the Company itself declared that the P200.00 increase was extended by it pursuant to the provisions of the last CBA and Art. 254 of the Labor Code, albeit in truth, it had no obligation, under the law or the old CBA, to grant an increase while negotiations were still going on. Taking all of the above into account, the respondent public official thus correctly concluded that the P200.00 increase was an act of grace unilaterally extended by the Company to all union members, and as such, it could no longer be withdrawn. Furthermore, the respondent public official correctly stated that the March 1987 Order of Secretary Drilon and the current CBA of the parties are clear and unequivocal that the grant of the P800.00 per month salary increase for the first year of the new CBA is without any qualification or deduction. In sum, the P200.00 per month increase, being a separate and distinct grant, is not creditable to the P800.00 monthly increase. Both salary increases must be given.

We now come to the petition to intervene filed by the National Power Corporation (hereinafter called "NPC"). Even at first glance it is already evident that the NPC has no direct interest in the matter in litigation. It is not the employer of the respondent Union's members; nor is it a party to the collective bargaining or to the controversy which ensued. The only interest which NPC can validly claim in the instant case is indirect -- which is that whatever payments are to be made by the Company to its employees must be reimbursed by NPC to the Company.

More importantly, the intervention by NPC would only unduly delay the disposition of the present case and unnecessarily complicate this suit.

In any case, it is too late in the day to allow intervention. The Rules state that a person may, before or during trial, be permitted to intervene in an action. Here, trial had already ended and the parties have rested their cases before the respondent public official.

WHEREFORE, in view of the foregoing, the "Petition for Leave to File Intervention and Motion to Adopt

Petition" of the NPC is DENIED, and the main petition is hereby DISMISSED. The temporary restraining order issued on June 1, 1988 is hereby LIFTED.

SO ORDERED.

Melencio-Herrera, (Chairperson), Paras, and Padilla, JJ., concur.

[1] Rollo, 18.

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