

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
FIRST DIVISION**

**CAPITOL WIRELESS, INC.,  
*Petitioner,***

***-versus-***

**G.R. No. 104682  
July 14, 1995**

**THE HON. VICENTE S. BATE and  
KILUSAN MAKAMANGGAGAWA SA  
CAPWIRE (NAFLU),**

***Respondents.***

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**DECISION**

**QUIASON, J.:**

In this Petition for *Certiorari*, petitioner assails the Decision dated March 23, 1992 of respondent Voluntary Arbitrator in ordering petitioner to grant to all employees covered by the collective bargaining agreement the increase in the daily minimum wage under Wage Order No. NCR-01 as supplemented by Wage Orders Nos. NCR-01-A and NCR-02 without regard to the ceiling stated in said Wage Orders.

On November 15, 1990, petitioner and respondent Kilusan Maka-Manggagawa sa Capwire (NAFLU) signed a collective bargaining agreement (CBA) with a duration of five years or from July 1, 1990 to June 30, 1995.

Included in the CBA is Section 2 of Article XIV on wages, which provides:

“The COMPANY shall grant to all rank and file employees covered by this Agreement the following across the board increases:

First Year — July 1, 1990 to June 30, 1991 an across the board increase of P200.00 per month to basic rate;

Second Year — July 1, 1991 to June 30, 1992 an across the board increase of P250.00 per month to basic rate;

Third Year — July 1, 1992 to June 30, 1993 an across the board increase of P300.00 per month of basic rate.

Should there be any government mandated wage increases and/or allowances, the same shall be over and above the benefits herein granted (Rollo, p. 31; Emphasis supplied)

Any qualification whatsoever pursuant to paragraph 2, Section 2 of Article XIV of the CBA.

Failing to resolve the dispute, petitioner and private respondent agreed to submit it to voluntary arbitration before the National Conciliation and Mediation Board (NCMB).

After the parties have submitted their position papers, a decision was rendered by respondent Voluntary Arbitrator in favor of private respondent, the dispositive portion of which reads:

“WHEREFORE, Capwire is hereby ordered to grant the two government-mandated increases in daily minimum wage rates to all the employees covered by the CBA without regard to the ceiling in the (sic) stated therein. Further, Capwire is directed to reinstate the dismissed employees due to the retrenchment and pay their salaries, allowances and other emolument from the time of their dismissal until their actual reinstatement” (Rollo, p. 30).

Petitioner filed this petition, contending that the Voluntary Arbitrator erroneously concluded that the phrase “over and above” appearing in paragraph 2, Section 2 of Article XIV of the CBA connotes an application of government—mandated increases indiscriminately irrespective of the ceiling provided for under Wage Order No. NCR-01 as supplemented by Wage Order Nos. NCR-01-A and NCR-02.

On the other hand, private respondent argues that paragraph 2, Section 2 of Article XIV of the CBA acts as a waiver on the part of petitioner with respect to the ceiling imposed under the wage orders. Furthermore, it claims petitioner’s interpretation of the CBA provision will result in substantial wage distortions.

## II

To decide the controversy submitted to him for resolution, the voluntary arbitrator had to construe the provision in Section 2 of Article XIV of the CBA that “[s]hould there be any government-mandated wage increases and/or allowances, the same shall be over and above the benefits herein granted.” He was of the view that the government-mandated increases of P17.00 per day under Wage Order Nos. NCR-01 and NCR-01-A and P12.00 per day under Wage Order No. NCR-02 should be given to all employees of petitioner regardless of their daily minimum-wage rates. This is where he fell into error. The wage orders did not grant across-the-board increases to all employees in the National Capital Region but limited such increases only to those already receiving wage rates not more than P125.00 per day under Wage Orders Nos. NCR-01 and NCR-01-A and P142.00 per day under Wage Order No. NCR-02. Since the wage orders specified who among the employees are entitled to the statutory wage increases, then the increases applied only to those mentioned therein.

The provisions of the CBA should be read in harmony with the wage orders, whose benefits should be given only to those employees covered thereby.

Private respondent also contends that a substantial wage distortion will result in case petitioner's interpretation is upheld. The Wage Orders issued by the Regional Tripartite Wages productivity Board and Article 124 of the Labor Code of the Philippines, as amended, provide for the procedure to follow when the application of the prescribed minimum wage increase results in distortions of the wage structure in any establishment. Hence, any wage distortion created by the wage increase granted to specified employees pursuant to the wage order can be remedied.

**WHEREFORE**, the petition is **GRANTED**. The Decision dated March 23, 1992 of respondent Voluntary Arbitrator is **REVERSED** and **SET ASIDE**.

**SO ORDERED.**

**Padilla, Davide, Jr., Bellosillo and Kapunan, JJ., concur.**