SUPREME COURT
FIRST DIVISION

UNION OF FILIPRO EMPLOYEES,
***Petitioner*,**

-versus-

G.R. No. 91025
December 19, 1990

THE HONORABLE NATIONAL LABOR RELATIONS COMMISSION and NESTLE PHILIPPINES, INC.,
Respondents.
x----------x

R E S O L U T I O N

MEDIALDEA, *J.*:

This Special Civil Action of Certiorari assails the resolution (dated June 5, 1989) of the National Labor Relations Commission (NLRC) relative to Certified Case No. 0522, and the resolution denying the motion for reconsideration (dated August 8, 1989).

The antecedents are:

On June 22, 1988, the petitioner Union of the Filipro Employees, the sole and exclusive bargaining agent of all rank-and-file employees of Nestle Philippines, (private respondent) filed a Notice of Strike at the

Department of Labor raising the issues of CBA deadlock and unfair labor practice.

The National Conciliation and Mediation Board (NCMB) invited the parties for a conference on February 4, 1988 for the purpose of settling the dispute. The private respondent however, assailed the legal personality of the proponents of the said notice of strike to represent the Nestle employees. This notwithstanding, the NCMB proceeded to invite the parties to attend the conciliation meetings and to which private respondent failed to attend contending that it will deal only with a negotiating panel duly constituted and mandated in accordance with the UFE Constitution and By-laws.

The records show that before the filing of said notice of strike, or on June 30, 1987, the respective CBAs in the four (4) units of Nestle, in Alabang-Cabuyao, Makati, Cagayan de Oro and Cebu/Davao work locations had all expired. Under the said CBAs, Alabang/Cabuyao and Makati units were represented by the UFE; the Cagayan de Oro unit was represented by WATU; while the Cebu-Davao was represented by TUPAS. Prior to the expiration of the CBAs for Makati and Alabang/Cabuyao, UFE submitted to the company a list of CBA proposals. The company, on the other hand, expressed its readiness to negotiate a new CBA for Makati and Alabang/Cabuyao units but reserved the negotiation for Cagayan de Oro and Cebu-Davao considering that the issue of representation for the latter units was not yet settled. On June 10, 1987 and July 28, 1987, UFE was certified as the sole and exclusive bargaining representative of Cagayan de Oro and Cebu/Davao units, respectively.

On September 14, 1987, the Company terminated from employment all UFE Union officers, headed by its president, Mr. Manuel Sarmiento, and all the members of the negotiating panel for instigating and knowingly participating in a strike staged at the Makati, Alabang, Cabuyao and Cagayan de Oro on September 11, 1987 without any notice of strike filed and a strike vote obtained for the purpose.

On September 21, 1987, the union filed a complaint for illegal dismissal. The Labor Arbiter, in a decision dated January 12, 1988, upheld the validity of the dismissal of said union officers. The

decision was later on affirmed by the respondent NLRC en banc, on November 2, 1988.

Respondent company contends that, "with the dismissal of UFE officers including all the members of the union negotiating panel as later on confirmed by the NLRC en banc, said union negotiating panel thus ceased to exist and its former members divested of any legal personality, standing and capacity to act as such or represent the union in any manner whatsoever."

The union officers, on the other hand, asserted their authority to represent the regular rank-and-file employees of Nestle, Philippines, being the duly elected officers of the union.

In the meantime, private respondent sought guidelines from the Department of Labor on how it should treat letters from several splinter groups claiming to have possessed authority to negotiate in behalf of the UFE. It is noteworthy that aside from the names of the negotiating panel submitted by one UFE officials, three (3) other groups in the Nestle plant in Cabuyao and two groups in the Makati office have expressed a desire to bargain with management professing alleged authorization from and by the general membership. These groups however, it must be noted, belong to just one (1) union, the UFE.

In a letter dated August 20, 1988, BLR Director Pura Ferrer-Calleja advised:

> "Any attempt on the part of management to directly deal with any of the factions claiming to have the imprimatur of the majority of the employees, or to recognize any act by a particular group to adopt the deadlock counter proposal of the management, at this stage, would be most unwise. It may only fan the fire." (Rollo, pp. 61-62)

On March 20, 1988 and August 5, 1988, the company concluded separate CBAs with the general membership of the union at Cebu/Davao and Cagayan de Oro units, respectively. The workers thereat likewise conducted separate elections of their officers.

Assailing the validity of these agreements, the union filed a case of ULP against the company with the NLRC-NCR Arbitration Branch on November 16, 1988.

Efforts to resolve the dispute amicably were taken by the NCMB but yielded negative result because of the irreconcilable conflicts of the parties on the matter of who should represent and negotiate for the workers.

On October 18, 1988, petitioner filed a motion asking the Secretary of Labor to assume jurisdiction over the dispute of deadlock in collective bargaining between the parties. On October 28, 1988, Labor Secretary Franklin Drilon certified to the NLRC the said dispute between the UFE and Nestle, Philippines, the relevant portion of which reads as follows:

> "WHEREFORE, above premises considered, this office hereby certifies the sole issue of deadlock in CBA negotiations affecting the Makati, Alabang and Cabuyao units to the National Labor Relations Commission for compulsory arbitration.
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> "The NLRC is further directed to call all the parties immediately and resolve the CBA deadlock within twenty (20) days from submission of the case for resolution." (Rollo, p. 225)

On June 5, 1989, the Second Division of the NLRC promulgated a resolution granting wage increase and other benefits to Nestle's employees, ruling on non-economic issues, as well as absolving the private respondent of the Unfair Labor Practice charge. The dispositive portion states as follows:

> "WHEREFORE, as aforestated, the parties are hereby ordered to execute and implement through their duly authorized representatives a collective bargaining agreement for a duration of five (5) years from promulgation of this Resolution.
>
> "SO ORDERED." (Rollo, p. 180)

Petitioner finds said resolution to be inadequate and accordingly, does not agree therewith. It filed a motion for reconsideration, which was, however, denied on August 8, 1989.

Hence, this petition for certiorari.

Petitioner originally raised 13 errors committed by the public respondent. However, in its Urgent Manifestation and Motion dated September 24, 1990, petitioner limited the issues to be resolved into six (6). Thus, only the following shall be dealt with in this resolution:

1. WHETHER OR NOT THE SECOND DIVISION OF THE NLRC ACTED WITHOUT JURISDICTION IN RENDERING THE ASSAILED RESOLUTION, THE SAME BEING RENDERED ONLY BY A DIVISION OF THE PUBLIC RESPONDENT AND NOT BY EN BANC;

2. WHETHER OR NOT THE RESPONDENT NLRC SERIOUSLY ERRED IN HOLDING THAT THE CBA TO BE SIGNED BY THE PARTIES SHALL COVER SOLELY THE BARGAINING UNIT CONSISTING OF ALL REGULAR RANK-AND-FILE EMPLOYEES OF THE RESPONDENT COMPANY AT MAKATI, ALABANG AND CABUYAO;

3. WHETHER OR NOT THE RESPONDENT NLRC HAD ACTED WITH GRAVE ABUSE OF DISCRETION AND COMMITTED SERIOUS ERRORS IN FACT AND IN LAW WHEN IT RULED THAT THE CBA IS EFFECTIVE ONLY UPON THE PROMULGATION OF THE ASSAILED RESOLUTION;

4. WHETHER OR NOT PUBLIC RESPONDENT HAD SERIOUSLY ERRED IN DENYING PETITIONER'S DEMAND FOR A CONTRACT SIGNING BONUS AND IN TOTALLY DISREGARDING THE LONG PRACTICE AND TRADITION IN THE COMPANY WHICH AMOUNT TO DIMINUTION OF EMPLOYEES BENEFITS;

5. WHETHER OR NOT PUBLIC RESPONDENT SERIOUSLY ERRED IN NOT GRANTING THE UNION'S DEMAND FOR A "MODIFIED UNION SHOP" SECURITY CLAUSE IN THE CBA AS ITS RULING CLEARLY COLLIDES WITH SETTLED JURISPRUDENCE ON THE MATTER;

6. WHETHER OR NOT PUBLIC RESPONDENT ERRED IN ENTIRELY ABSOLVING THE COMPANY FROM THE UNFAIR LABOR PRACTICE CHARGE AND IN DISREGARDING THE SUBSTANTIAL INCRIMINATORY EVIDENCE RELATIVE THERETO; (p. 9, Petitioner's Urgent Manifestation and Motion dated September 24, 1990).

Counsel for the private respondent company filed a motion for leave of court to oppose the aforesaid urgent manifestation and motion. It appearing that the allowance of said opposition would necessarily delay the early disposition of this case, the Court Resolved to DISPENSE with the filing of the same.

We affirm the public respondent's findings and rule as regards the issue of jurisdiction.

This case was certified on October 28, 1988 when existing rules prescribed that, it is incumbent upon the Commission en banc to decide or resolve a certified dispute. However, R.A. 6715 took effect during the pendency of this case. Aside from vesting upon each division the power to adjudicate cases filed before the Commission, said Act further provides that the divisions of the Commission shall have exclusive appellate jurisdiction over cases within their respective territorial jurisdiction.

Section 5 of RA 6715 provides as follows:

> "Section 5. Article 213 of the Labor Code of the Philippines, as amended, is further amended to read as follows:
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> > Art. 213. National Labor Relations Commission. — There shall be a National Labor Relations Commission which shall be attached to the Department of Labor and

Employment for program and policy coordination only, composed of (a) Chairman and fourteen (14) Members.

Five (5) members each shall be chosen from among the nominees of the workers and employers organization, respectively. The Chairman and the four (4) remaining members shall come from the public sector, with the latter to be chosen from among the recommendees of the Secretary of Labor and Employment.

Upon assumption into office, the members nominated by the workers and employers organizations shall divest themselves of any affiliation with or interest in the federation or association to which they belong.

The Commission may sit en banc or in five (5) divisions, each composed of three (3) members. The Commission shall sit en banc only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before any of its divisions and regional branches and formulating policies affecting its administration and operations. The Commission shall exercise its adjudicatory and all other powers, functions and duties through its divisions. Of the five (5) divisions, the first and second divisions shall handle cases coming from the National Capital Region and the third, fourth and fifth divisions, cases from other parts of Luzon, from the Visayas and Mindanao, respectively. The divisions of the Commission shall have exclusive appellate jurisdiction over cases within their respective territorial jurisdiction.

The concurrence of two (2) Commissioners of a division shall be necessary for the pronouncement of a judgment or resolution. Whenever the required membership in a division is not complete and the concurrence of two (2) commissioners to arrive at a judgment or resolution cannot be obtained, the Chairman shall designate such number of additional Commissioners from the other divisions as may be necessary.

The conclusions of a division on any case submitted to it for decision shall be reached in consultation before the case is assigned to a member for the writing of the opinion. It shall be mandatory for the division to meet for purposes of the consultation ordained therein. A certification to this effect signed by the Presiding Commissioner of

the division shall be issued, and a copy thereof attached to the record of the case and served upon the parties.

The Chairman shall be the Presiding Commissioner of the first division, and the four (4) other members from the public sector shall be the Presiding Commissioners of the second, third, fourth and fifth divisions, respectively. In case of the effective absence or incapacity of the Chairman, the Presiding Commissioner of the second division shall be the Acting Chairman.

The Chairman, aided by the Executive Clerk of the Commission, shall have administrative supervision over the Commission and its regional branches and all its personnel, including the Executive Labor Arbiters and Labor Arbiters.

> The Commission when sitting en banc, shall be assisted by the same Executive Clerk, and, when acting thru its Divisions, by said Executive Clerk for its First Division and four (4) other Deputy Executive Clerks for the Second, Third, Fourth, and Fifth Divisions, respectively, in the performance of such similar or equivalent functions and duties as are discharged by the Clerk of Court and Deputy Clerks of Court of the Court of Appeals." (Emphasis supplied)

In view of the enactment of Republic Act 6715, the aforementioned rules requiring the Commission en banc to decide or resolve a certified dispute have accordingly been repealed. This is supported by the fact that on March 21, 1989, the Secretary of Labor, issued Administrative Order No. 36 (Series of 1989), which reads:

> "2. Effective March 21, 1989, the date of the effectivity of Republic Act 6715, the Commission shall cease holding en banc sessions for purposes of adjudicating cases and shall discharge their adjudicatory functions and powers through their respective Divisions."

Contrary to the claim of the petitioner, the above-cited Administrative Order is valid, having been issued in accordance with existing legislation as the Secretary of Labor is clothed with the power to promulgate rules for the implementation of the said amendatory law.

Section 36 of R.A. 6715 provides:

> "Section 36. Rule-Making Authority. — The Secretary of Labor and Employment is hereby authorized to promulgate such rules and regulations as may be necessary to implement the provisions of this Act."

Moreover, it is to be emphasized and it is a matter of judicial notice that since the effectivity of R.A. 6715, many cases have already been decided by the five (5) divisions of the NLRC. We find no legal justification in entertaining petitioner's claim considering that the clear intent of the amendatory provision is to expedite the disposition of labor cases filed before the Commission. To rule otherwise would not be congruous to the proper administration of justice.

As to the second issue, the Court is convinced that the public respondent committed no grave abuse of discretion in resolving only the sole issue certified to by the Secretary and formulating a CBA which covers the bargaining units consisting of all regular rank-and-file employees of the respondent company at Makati, Alabang and Cabuyao only.

In its assailed resolution, public respondent stated:

> "A perusal of the records and proceedings of this case reveals that after the issuance by the Secretary of Labor of his Order dated 28 October 1988 certifying the dispute to Us, the Union filed an Urgent Manifestation seeking the modification of the certification order to include the Cebu Davao and Cagayan de Oro divisions, the employees/workers therein being all bonafide members of the Union which is the sole and exclusive bargaining representative of all the regular rank-and-file workers of the company nationwide. Their non-inclusion in the certification order, the union argues, would give premium to the alleged unlawful act of the Company in entering into separate 'Collective Bargaining Agreements' directly with the workers thereat.

> "In the same vein, the union manifested its intention to file a complaint for ULP against the company and its officers responsible for such act, which it eventually did.
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> "Considering that the Union had reserved the right to prosecute the Company and its officers responsible for the alleged unlawful execution of the CBA directly with the union members in Cagayan de Oro and Cebu/Davao units, as it has in fact filed a case which is now pending with our Arbitration Branch, the issue as to whether such acts constitute ULP is best heard and decided separately from the certified case, not only because of the evidentiary need to resolve the issue, but also because of the delay that may ensue in the resolution of the present conflict.
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> "Furthermore, the consolidation of the issue with the instant case poses complicated questions regarding venue and joinder of parties. We feel that each of the issues propounded by the parties shall be better dealt with separately according to its own merits.
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> "Thus, We rule to resolve the sole issue in dispute certified to this Commission, i.e., the deadlock in the collective bargaining negotiations in Cabuyao/Alabang and Makati units." (Rollo, pp. 174-176)

We agree. Public respondent's resolution is proper and in full compliance with the order of the Secretary of Labor. The concomittant delay that will result in resolving petitioner's motion for the modification of the certification order to determine whether to include Cebu/Davao and Cagayan de Oro Divisions or not will defeat the very purpose of the Secretary of Labor's assumption of jurisdiction and his subsequent certification order for compulsory arbitration.

The assumption of jurisdiction by the Secretary of Labor over labor disputes causing or likely to cause a strike or lockout in an industry indispensable to the national interest is in the nature of a police power measure. It cannot be denied that the private respondent is engaged in an undertaking affected with public interest being one of the largest manufacturers of food products. The compelling

consideration of the Secretary's assumption of jurisdiction is the fact that a prolonged strike or lockout is inimical to the national economy and thus, the need to implement some measures to suppress any act which will hinder the company's essential productions is indispensable for the promotion of the common good. Under this situation, the Secretary's certification order for compulsory arbitration which was intended for the immediate formulation of an already delayed CBA was proper.

Corollarily, the NLRC was thereby charged with the task of implementing the certification order for compulsory arbitration. As the implementing body, its authority did not include the power to amend the Secretary's order (University of Santo Tomas vs. National Labor Relations Commission, UST Faculty Union, G.R. No. 89920, October 18, 1990).

For the same reason, We rule that the prayer to declare the respondent company guilty of acts of unfair labor practice when it allegedly resorted to practices designed to delay the collective bargaining negotiations cannot be subsumed in this petition, it being beyond the scope of the certification order.

Petitioner argues that because of the public respondent's actuation in this regard, it committed grave abuse of discretion as it allowed multiplicity of suits and splitting causes of action which are barred by procedural rule.

We cannot subscribe to this argument. In the recent case of the Philippine Airlines, Inc. vs. National Labor Relations Commission, this Court had occasion to define what a compulsory arbitration is. In said case, this Court stated:

> "When the consent of one of the parties is enforced by statutory provisions, the proceeding is referred to as compulsory arbitration In labor cases, compulsory arbitration is the process of settlement of labor disputes by a government agency which has the authority to investigate and to make an award which is binding on all the parties. (G.R. No. 55159, 22 Dec. 89)."

When sitting in a compulsory arbitration certified to by the Secretary of Labor, the NLRC is not sitting as a judicial court but as an administrative body charged with the duty to implement the order of the Secretary. Its function only is to formulate the terms and conditions of the CBA and cannot go beyond the scope of the order. Moreover, the Commission is further tasked to act within the earliest time possible and with the end in view that its action would not only serve the interests of the parties alone, but would also have favorable implications to the community and to the economy as a whole. This is the clear intention of the legislative body in enacting Art. 263 paragraph (g) of the Labor Code, as amended by Section 27 of R.A. 6175, which provides:

> (g) When in his opinion, there exists a labor dispute causing or likely to cause a strike or lockout in an industry indispensable to the national interest, the Secretary of Labor and Employment may assume jurisdiction over the dispute and decide it or certify the same to the Commission for compulsory arbitration. Such assumption or certification shall have the effect of automatically enjoining the intended or impending strike or lockout as specified in the assumption or certification order. If one has already taken place at the time of assumption or certification, all striking or lockout employees shall immediately return to work and the employer shall immediately resume operations and readmit all workers under the same terms and conditions prevailing before the strike or lockout. The Secretary of Labor and Employment or the Commission may seek the assistance of law enforcement agencies to ensure compliance with this provision as well as with such orders as he may issue to enforce the same. (Emphasis supplied)

In view of the avowed but limited purpose of respondent's assumption of jurisdiction over this compulsory arbitration case, it cannot be faulted in not taking cognizance of other matters that would defeat this purpose.

As regards the third issue raised by petitioner, this Court finds the provisions of Article 253 and Article 253-A of the Labor Code as amended by R.A. 6715 as the applicable laws, thus:

> "Art. 253. Duty to bargain collectively when there exists a collective bargaining agreement. — When there is a collective bargaining agreement, the duty to bargain collectively shall also mean that neither party shall terminate nor modify such agreement during its lifetime. However, either party can serve a written notice to terminate or modify the agreement at least sixty (60) days prior to its expiration date. It shall be the duty of both parties to keep the status quo and to continue in full force and effect the terms and conditions of the existing agreement during the 60-day period and/or until a new agreement is reached by the parties.
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> "Art. 253-A. Terms of a collective bargaining agreement. — Any Collective Bargaining Agreement that the parties may enter into shall, insofar as the representation aspect is concerned, be for a term of five (5) years. No petition questioning the majority status of the incumbent bargaining agent shall be entertained and no certification election shall be conducted by the Department of Labor and Employment outside of the sixty-day period immediately before the date of expiry of such five year term of the Collective Bargaining Agreement. All other provisions of the Collective Bargaining Agreement shall be renegotiated not later than three (3) years after its execution. Any agreement on such other provisions of the Collective Bargaining Agreement entered into within six (6) months from the date of expiry of the term of such other provisions as fixed in the Collective Bargaining Agreement, shall retroact to the day immediately following such date. If any such agreement is entered into beyond six months, the parties shall agree on the duration of retroactivity thereof . In case of a deadlock in the renegotiation of the collective bargaining agreement, the parties may exercise their rights under this Code." (Emphasis supplied)

In the light of the foregoing, this Court upholds the pronouncement of the NLRC holding the CBA to be signed by the parties effective upon the promulgation of the assailed resolution. It is clear and explicit from Article 253-A that any agreement on such other provisions of the CBA shall be given retroactive effect only when it is entered into within six (6) months from its expiry date. If the agreement was

entered into outside the six (6) month period, then the parties shall agree on the duration of the retroactivity thereof.

The assailed resolution which incorporated the CBA to be signed by the parties was promulgated June 5, 1989, and hence, outside the 6 month period from June 30, 1987, 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 laws.

In assailing the public respondent's actuation, the Union cited the case of Villar vs. Inciong (121 SCRA 444) where this Court ruled:

> "While petitioners were charged for alleged commission of acts of disloyalty inimical to the interests of the Amigo Employees Union-PAFLU in the Resolution of February 14, 1977 of the Amigo-Employees Union-PAFLU and on February 15, 1977, PAFLU and the company entered into and concluded a new collective bargaining agreement, petitioners may not escape the effects of the security clause under either the old CBA or the new CBA by claiming that the old CBA had expired and that the new CBA cannot be given retroactive enforcement. To do so would be to create a gap during which no agreement would govern, from the time the old contract expired to the time a new agreement shall have been entered into with the union."

In the aforecited case, the Court only pointed out that, it is not right for union members to argue that they cannot be covered by the past and the new CBAs both containing the same closed-shop agreement for acts committed during the interregnum. What was emphasized by this Court is that in no case should there be a period in which no agreement would govern at all. But nowhere in the said pronouncement did We rule that every CBA contracted after the expiry date of the previous CBA must retroact to the day following such date. Hence, it is proper to rule that in the case at bar, the clear and unmistakable terms of Articles 253 and 253-A must be deemed controlling.

Articles 253 and 253-A mandate the parties to keep the status quo and to continue in full force and effect the terms and conditions of the existing agreement during the 60-day period prior to the expiration of the old CBA and/or until a new agreement is reached by the parties. Consequently, there being no new agreement reached, the automatic renewal clause provided for by the law which is deemed incorporated in all CBAs, provides the reason why the new CBA can only be given a prospective effect.

Petitioner claims that because of the prospective effect of the CBA, union members were deprived of substantial amount of monetary benefits which they could have enjoyed had the CBA be given retroactive effect. This would include backwages, the immediate effects of the mandated wage increase on the fringe benefits such as the 13th and 14th month pay, overtime premium, and right to differential pay, leaves, etc. This Court, is not unmindful of these. Nevertheless, We are convinced that the CBA formulated by public respondent is fair, reasonable and just. Even if prospective in effect, said CBA still entitles the Nestle workers and employees reasonable compensation and benefits which, in the opinion of this Court, is one of the highest, if not the highest in the industry. Petitioner did not succeed in overcoming the presumption of regularity in the performance of the public respondent's functions. Even if the resolution fell short of meeting the numerous demands of the union, the petitioner failed to establish that public respondent committed grave abuse of discretion in not giving the CBA a retrospective effect.

The fourth and fifth assignment of errors should be resolved jointly considering that they are the terms and conditions of the CBA.

According to petitioner, the terms and conditions thereof are inadequate, unreasonable, incompetitive and thus, prejudicial to the workers. It further decries public respondent's alleged taking side with the private respondent. Petitioner contends that in issuing the assailed resolutions, public respondent considered only the position of the private respondent and totally disregarded that of the petitioner. It further avers that the awards are bereft of any factual and legal basis.

Petitioner made so many claims and statements which were adopted and asserted without good ground. It fails to substantiate why, in not granting its demands for the inclusion in the CBA of a "Contract Signing Bonus" and a "Modified Union Shop Agreement," the assailed resolutions were erroneous and were drawn up arbitrarily and whimsically.

In the case of Palencia vs. National Labor Relations Commission, G.R. No. 75763, August 21, 1987, 153 SCRA 247, We ruled that the findings of fact of the then Court of Industrial Relations (now NLRC), are conclusive and will not be disturbed. Thus:

> "Following a long line of decisions this Court has consistently declined to disturb the findings of fact of the then Court of Industrial Relations whose functions the NLRC now performs. [Pambusco Employees Union Inc. vs. Court of Industrial Relations, 68 Phil. 591 (1939); Manila Electric Co. vs. National Labor Union, 70 Phil. 617 (1940); San Carlos Milling Co. vs. Court of Industrial Relations, 111 Phil. 323 (1961),1 SCRA 734; Philippine Educational Institution vs. MLQSEA Faculty Assn., 135 Phil. 282 (1968), 26 SCRA 272; University of Pangasinan Faculty Union vs. University of Pangasinan and NLRC, G.R. No. L-63122, February 20, 1984, 127 SCRA 691]. The findings of fact are conclusive and will not be disturbed in the absence of a showing that there has been grave abuse of discretion. [Philippine Educational Institution vs. MLQSEA Faculty Association, 26 SCRA 272, 276] and there being no indication that the findings are unsubstantiated by evidence [University of Pangasinan Faculty Union vs. University of Pangasinan and NLRC, G.R. No. 63122, February 20, 1984, 127 SCRA 694, 704]."

Moreover, the NLRC is in the best position to formulate a CBA which is equitable to all concerned. Because of its expertise in settling labor disputes, it is imbued with competence to appraise and evaluate the evidence and positions presented by the parties. In the absence of a clear showing of grave abuse of discretion, the findings of the respondent NLRC on the terms of the CBA should not be disturbed.

Taken as a whole, the assailed resolutions are after all responsive to the call of compassionate justice observed in labor law and the dictates of reason which is considered supreme in every adjudication.

ACCORDINGLY, PREMISES CONSIDERED, the petition is **DISMISSED**. The Resolutions of the NLRC, dated June 5, 1989 and August 8, 1989 are **AFFIRMED**, except insofar as the ruling absolving the private respondent of unfair labor practice which is declared **SET ASIDE**.

SO ORDERED.

Narvasa, Gancayco and Griño-Aquino, *JJ.*, concur.
Cruz, *J.*, took no part.
