

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
EN BANC**

**METROPOLITAN WATERWORKS AND
SEWERAGE SYSTEM (MWSS),
*Petitioner,***

-versus-

**G.R. No. 71818
August 19, 1986**

**HON. BIENVENIDO S. HERNANDEZ,
Labor Arbiter, NATIONAL LABOR
RELATIONS COMMISSION, LEMUEL
B. ALEGADO, DANILO S. LOPEZ,
FORTUNATO L. MADRONA, ETC., ET
AL.,**

Respondents.

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DECISION

NARVASA, J.:

Petitioner Metropolitan Waterworks and Sewerage System (MWSS) was haled before the Arbitration Branch, National Capital Region of the National Labor Relations Commission on charges of willful failure to pay wage differentials, allowances and other monetary benefits to its contractual employees numbering 2,500 or so.^[1] In answer, MWSS asserted that:

- (1) it “is a government-owned and controlled corporation and therefore (the NLRC) has no jurisdiction over the case”, and
- (2) assuming the contrary arguendo, “the terms and conditions of the complainants who are all contractual employees are governed by their respective contracts.”^[2]

On June 5, 1985, judgment was rendered by the Labor Arbiter to whom the case was assigned, adverse to MWSS. As regards the claim of MWSS of lack of jurisdiction in the NLRC over the case, the Arbiter made the following observations:

“This Commission agree (sic) with the respondent that if the complainants are regular employees of MWSS, it being a government-owned and controlled corporation, said employees are within the mantle of the civil service rules and regulations, their salaries are standardized by the National Assembly, then this Commission has no jurisdiction in the case.^[3] (But an examination of the records shows) that complainants are not a regular employee of the respondent MWSS, but one of a hired workers or employees for a limited period, that is upon completion of the project for which they were hired, they can be removed by the respondent, because there is no more work or the contract has already been terminated (sic).”^[4]

The proffered deduction: while controversies respecting terms and conditions of employment between MWSS and its regular employees are not within the jurisdiction of the NLRC, said controversies do fall within the competence of the NLRC if they involve non-regular or contractual employees of the MWSS.

Anent the second argument of MWSS which the Arbiter understands to be “that the contract of employment by the complainants is governed by their contract, (and) it is therefore incumbent for the respondent^[5] to be governed and to comply with their contract,^[6] he has this to say:

“Respondent (MWSS) is citing Article 277 of the Labor Code to vouchsafe (sic) its contention about the lack of jurisdiction of the NLRC. The provision, however, refers to the governance of the Civil Service Law vis-a-vis the terms and conditions of government employees, those of government corporations included. The complaint is not such a case as it is for monetary claims about which the Civil Service Decree, PD 807 does not provide. In fact, the last provision of Article 277 shows the ever protection (sic) by the State through the Code of the workers’ right to due wages and other benefits by enjoining not to reduce the privileges being enjoyed by workers at the time of the adoption of the Code.”^[7]

The propounded deduction: The Civil Service Decree applies to employees in government corporations in all matters except “monetary claims”; as regards the latter, it is the Labor Code that governs.

It is to invalidate the decision of the Labor Arbiter as well as a subsequent order directing execution thereof^[8] and all other proceedings in the case^[9] that MWSS has come to this Court on certiorari and prohibition.

Evidently, the case turns upon the question: Are employees of the MWSS covered by the Labor Code or by laws and regulations governing the civil service?

That question, framed in identical terms save only that it had reference to another entity, the National Housing Corporation, has already been answered by this Court. In *National Housing Corporation vs. Juco*,^[10] this Court ruled that —

- 1) “The NHC is a one hundred percent (100%) government-owned corporation.”;^[11]
- 2) “There should no longer be any question at this time that employees of government-owned or controlled corporations are governed by the civil service law and civil service rules and regulations”;^[12] and

- 3) “The decision of the Labor Arbiter dismissing the case (filed against the NHC by an employee) for lack of jurisdiction” was correct.^[13]

Now, the character of the MWSS as a government-owned or controlled corporation is not contested; it is, in any case, a proposition that cannot be gainsaid. Republic Act No. 6234 created it as a “government corporation to be known as the Metropolitan Waterworks and Sewerage System.” As in the case of the National Housing Authority, therefore, employment in the MWSS is governed not by the Labor Code but by the civil service law, rules and regulations; and controversies arising from or connected with that employment are not cognizable by the National Labor Relations Commission.

The argument of the Labor Arbiter that it is only disputes between the MWSS and its regular employees that are beyond the jurisdiction of the NLRC, not those between it and its “non-regular or contractual” employees, is sophistical. There is no legal or logical justification for such a distinction. Indeed, it is ruled out by the fact that positions in the civil service are classified into career and non-career service,^[14] and that the non-career service includes inter alia —

“Contractual personnel or those whose employment in the government is in accordance with a special contract to undertake a specific work or job, requiring special or technical skills not available in the employing agency, to be accomplished within a specific period, which in no case shall exceed one year, and performs or accomplishes the specific work or job, under his own responsibility with a minimum of direction and supervision from the hiring agency.”^[15]

The Labor Arbiter’s other postulation, that the Civil Service Law governs employment in the MWSS in all aspect except “monetary claims,” and that as to the latter, it is the Labor Code that applies, is even more patently illogical, and deserves no confutation.

But even more fallacious, almost unintelligible, is private respondents’ contention that they “are not employees of Metropolitan Waterworks and Sewerage System (MWSS)”;^[16] and “not being

employees of the petitioner (MWSS) this case therefore lies within the National Labor Relations Commission (NLRC) through Arbiter Bienvenido Hernandez.”^[17] Such a contention also does not merit refutation. As absurd and as undeserving of response, too, is the claim that “Existence of employer-employee relationship (between the MWSS and an individual) is not per se equivalent to being a government employee.”^[18]

Arguments such as these, and the fractured syntax by which they are tendered, should really have no place in a judicial record. They cannot persuade; they do but irritate. What is worse, they produce much waste of valuable time. They are symptomatic of defects in the training and appointing processes which must be remedied.

WHEREFORE, the Decision of the Labor Arbiter dated June 5, 1985 and his Order of July 8, 1985, having been rendered without jurisdiction, are hereby declared void and set aside. Said Labor Arbiter is enjoined to take no further action on Case No. NCR-9-3164-84 save to dismiss the same. Costs against private respondents.

SO ORDERED.

Teehankee, C.J., Feria, Yap, Fernan, Melencio-Herrera, Alampay, Gutierrez, Jr., Cruz and Paras, JJ., concur.

[1] The action, in the nature of a class suit, was filed by “Lemuel B. Alegado, Danilo S. Lopez and Fortunito L. Madrona, for themselves and in behalf of the more or less 2,500 employees-workers of the Metropolitan Waterworks and Sewerage System (MWSS)”;

[2] Rollo, pp. 22-28.

[3] Rollo, p. 55.

[4] Rollo, p. 56.

[5] (complainants?).

[6] Rollo, pp. 60-62.

[7] Rollo, pp. 61-62.

[8] Rollo, p. 65.

[9] Rollo, p. 12.

[10] Per Gutierrez, J., prom. Jan. 17, 185, 134 SCRA 172.

[11] Id., p. 176.

[12] Id.

[13] Id., p. 183.

- [14] Sec. 4, Civil Service Law.
[15] Sec. 16, id.
[16] Memorandum; Rollo, pp. 154, 165.
[17] Id., p. 168.
[18] Id., pp. 171-172.
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