

REPUBLIC OF THE PHILIPPINES
House of Representatives
Quezon City, Metro Manila

SIXTEENTH CONGRESS
FIRST REGULAR SESSION

HOUSE BILL No. 3837



Introduced by Hon. Karlo A. B. Nograles

EXPLANATORY NOTE

On July 27, 2006 Republic Act No. 9347 was enacted to rationalize the composition and functions of the National Labor Relations Commission (NLRC). Obviously, the law was promulgated in recognition of the significant role that the NLRC plays in national economic development, particularly in promoting and maintaining industrial peace through just and expeditious resolution of disputes between labor and capital. To achieve the objectives of the law, an increase in the number of divisions in the Commission Proper from five (5) to eight (8) was mandated. The Additional three (3) originated from the Luzon Island (CAR, NCR, Regions 1 to V). Labor Arbiters were given the same rank, salary and other benefits as those of the Judges of the Regional Trial Courts. Positions of Commission Attorneys who will assist the Commission in its appellate and adjudicatory functions were created.

Prior to the creation of Commission Attorney positions, only Labor Arbiters provide the much needed assistance to the Commissioners. The number of such positions was however limited to three (3) per Commissioner. Republic Act No. 9347, however, requires the appointment of Labor Arbiters to specific arbitration branch and prohibits their assignment to the office of the Commissioner as well as their performance of the functions of the Commission Attorney.

Labor relations is a very dynamic field of endeavor, Thus, labor relations climate could change drastically and in a fast pace, dictated as it is by economic developments or situations in the industry, region, country and the world as well. Because of such realities, agencies with mandates related to management of labor relations such as the NLRC must be endowed with such degree of flexibility as to immediately adapt to varying industrial relations scenarios. For example, the number of cases being field in a Regional Branch or the Commission may increase or decrease for whatever reasons including economic ones, to an extent that would impact on the case load of Labor Arbiters or Commission Attorneys assigned thereat and ultimately on the expeditious dispositions of cases and the quality of decisions. If that happens, the NLRC Chairman, who under the law exercises exclusive administrative supervision over the Commission and its regional branches and personnel, including the Labor Arbiters, could among others re-assign Labor Arbiters to branches or

stations where their services are most needed. But because of the requirement RA 9347 that Labor Arbiters should be appointed to a specific branch, and the prohibition on their assignment to the office of the Commissioner, it appears that such re-assignment could not be effected, to the detriment of the service. Besides, such restrictions run counter to the proviso on Labor Arbiters being subject to Civil Service Law, rules and regulations and therefore, could be re-assigned whenever the interest of the service so requires.

It is in this light that amendments to the Labor Code are being proposed by removing such restrictions and affording greater flexibility in managing NLRC's valuable human resource.



KARLO A. B. NOGRALES

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 3837

Introduced by Hon. Karlo A. B. Nograles

AN ACT
STRENGTHENING THE OPERATIONS OF THE NATIONAL LABOR
RELATIONS COMMISSION, AMENDING FOR THIS PURPOSE
ARTICLES 213 AND 215 OF P.D. NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES.

Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:

SECTION 1. Article 213 of P.D. no. 442 as amended, otherwise known as the Labor Code of the Philippines, is hereby further amended to read as follows:

Article 213. *National Labor Relations Commission.* – There shall be a National Labor Relations Commission which shall be attached to the Department of Labor and Employment solely for

program and policy coordination, composed of a Chairman and twenty-three (23) members.

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The Commission and its eight (8) divisions shall be assisted by the Commission Attorneys in its appellate and adjudicatory functions whose term shall be coterminous with the Commissioners with whom they are assigned. The Commission Attorneys shall be members of the Philippine Bar with at least one year experience or exposure in the field of labor-management relations. They shall receive annual salaries and shall be entitled to the same allowances and benefits as those falling under Salary Grade twenty-six (26). There shall be as many Commission Attorneys as may be necessary for the effective and efficient operation of the Commission but in no case more than **FIVE (5)** [three (3)] assigned to the Office of the Chairman and each Commissioner.

[No Labor Arbiter shall be assigned to perform the functions of the Commission Attorney nor detailed to the office of any Commissioner]

SECTION 2. Article 215 of the Labor Code is Hereby amended to read as follows:

Article 215. *Appointment and Qualifications.* – The Chairman and other Commissioners shall be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least fifteen (15) years, with at least five (5) years experience or exposure in the field of labor-management relations, and shall preferably be residents of the region where they shall hold office. The Labor Arbiters shall likewise be members of the Philippine Bar and must have been engaged in the practice of law in the Philippines for at least ten (10) years, with at least five (5) years experience or exposure in the field of labor relations.

The Chairman, the other Commissioners and the Labor Arbiters shall hold office during good behaviour until they reach the age of sixty-five (65) years unless sooner removed or cause as provided by law or become incapacitated to discharge the duties of their office: *Provided however*, That the President of the Republic of the Philippines may extend the services of the Commissioners and Labor Arbiters up to the maximum age of seventy (70) years upon the recommendation of the Commission *en banc*.

The Chairman, the Division Presiding Commissioners and other Commissioners shall all be appointed by the President.

Appointment to any vacancy in a specific division shall come only from the predecessor. The Labor Arbiters shall also be appointed by the President, upon the recommendation of the Commission *en banc* [to a specific arbitration branch preferably in the region where they are residents], and shall be subject to Civil Service Law, rules and regulations [;Provided, That the Labor Arbiters who are presently holding office in the region where they are residents shall be deemed appointed thereat].

The Chairman of the Commission shall appoint the staff and employees of the Commission and its regional branches as the needs of the service may require, subject to the Civil Service Law, rules and regulations, and upgrade their current salaries, benefits and other emoluments in accordance with law.

SEC. 3. Separability Clause. - If any provision or part hereof is held invalid or unconstitutional, the remainder of the law or the provision not otherwise affected shall remain valid and subsisting.

SEC. 4. Repealing Clause. - All other laws, decrees, orders, issuances, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 5. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or at least two (2) newspapers of national circulation.

Approved,