



Republic of the Philippines
National Electrification Administration

February 04, 2005

LEGAL ADVISORY NO. 07

**TO : ALL ELECTRIC COOPERATIVES
ALL NEA OFFICES CONCERNED**

**SUBJECT : ADVISORY ON COLLECTIVE BARGAINING
AGREEMENT APPROVAL**

This advisory pertains to all electric cooperatives with pending negotiation for the amendment and improvement on the provisions of the Collective Bargaining Agreement (CBA) with the exclusive bargaining agents in the cooperative. EC Board of Directors, officers and/or management representatives designated to negotiate with their recognized bargaining agent are required to comply with the guidelines set forth by the National Electrification Administration (NEA) with regard to the formulation of the salaries and benefits of the employees and other terms and conditions of employment of the concerned cooperative. Such NEA guidelines and implementing rules are issued pursuant to the NEA quasi-legislative (rule-making), supervision and enforcement powers as provided for in Sections 7(f), 10 and 49 of PD No. 269, as amended. As such, these are deemed part of the laws of the land.

You are likewise advised to observe the substantive and procedural requirements of labor laws, especially, in the conduct of collective bargaining. For better teamwork and cooperation, you are also advised to genuinely listen to the concerns of your employees, and, where appropriate, positively act on their concerns.

The National Electrification Administration shall not sanction those proposed Collective Bargaining Agreement that contravenes its enunciated policies. In the event that management representatives of the cooperative exceeded their authority by entering into a Collective Bargaining Agreement beyond, in excess, or in violation of the standards set forth by this agency, they shall be held answerable to pay and/or refund the cooperative for whatever amount it is made to pay in excess of their authority.

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This Legal Advisory is being issued to protect and/or ensure the financial viability of all electric cooperatives especially in the face of the EPIRA and for the general welfare of all its consumers.

For your information and guidance.

ATTY. JOHN JOSEPH M. MAGTULOY, CPA
Deputy Administrator for Legal Services *02-04-05*

Noted by:

Edita S. Bueno
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NATIONAL ELECTRIFICATION
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