

**EXECUTIVE ORDER NO. 204**

**DELEGATING TO THE SECRETARY OF LABOR AND EMPLOYMENT  
THE POWER TO EXERCISE ADMINISTRATIVE SUPERVISION OVER  
THE NATIONAL LABOR RELATIONS COMMISSION**

**WHEREAS**, Executive power is vested in the President under Section 1, Article VII of the Constitution and under Section 11, Chapter 3, Book II of Executive Order No. 292, otherwise known as the "*Revised Administrative Code of 1987*" (the "Administrative Code");

**WHEREAS**, Section 17, Article VII of the Constitution provides that the President shall have control of all executive departments, bureaus and offices and shall ensure that the laws be faithfully executed;

**WHEREAS**, the National Labor Relations Commission [NLRC] which was created by virtue of Presidential Decree No. 442, otherwise known as the "*Labor Code of the Philippines*," is an agency under the Executive Department and was originally envisaged as being an integral part of the Department (then Ministry) of Labor and Employment [DOLE] under the administrative supervision of the Secretary of Labor and Employment ["Secretary of Labor"];

**WHEREAS**, upon the issuance of the Administrative Code, the NLRC, by virtue of Section 25, Chapter 6, Title VII, Book IV thereof, became an agency attached to the DOLE for policy and program coordination and administrative supervision;

**WHEREAS**, Article 213 of the Labor Code and Section 25, Chapter 6, Title VII, Book IV of the Administrative Code were amended by Republic Act No. 6715 approved on March 2, 1989, which provides that the NLRC shall be attached to the DOLE for program and policy coordination only and transferred administrative supervision over the NLRC, all its regional branches and personnel to the NLRC Chairman;

**WHEREAS**, Section 16, Article III of the Constitution guarantees the right of all persons to a speedy disposition of their cases before all judicial, quasi-judicial and administrative bodies;



**WHEREAS**, after consultations with the relevant sectors, the Secretary of Labor has recommended that the President, pursuant to her powers under the Constitution and existing laws, delegate to the Secretary of Labor the power to exercise administrative supervision over the NLRC and all its regional and sub-regional branches or provincial extension units with the objective of further improving the rate of disposition of pending cases and enhance existing measures for the prevention of graft and corruption within the said agency;

**NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO**, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**SECTION 1. Delegation to the Secretary of Labor.** – The power of the President under Section 17, Article VII of the Constitution and as the administrative head of the Government to exercise administrative supervision over the NLRC, its regional branches and all its personnel, including the Executive Labor Arbiters and Labor Arbiters, is hereby delegated to the Secretary of Labor, with the objective of further improving the rate of disposition of cases pending before it and its regional and sub-regional branches or provincial extension units and to enhance existing measures for the prevention of graft and corruption within the said agency.

For this purpose, the Secretary of Labor, in the exercise of such delegated authority, shall, among others:

- a. Generally oversee the operations of the NLRC and its regional and sub-regional branches or provincial extension units for the purpose of insuring that cases pending before them are decided or resolved expeditiously;
- b. Enhance existing measures within the agency, or initiate new ones, to prevent graft and corruption, including but not limited to, the conduct of management audits, performance evaluations and inspections to determine compliance with established policies, standards and guidelines;
- c. To take such action as may be necessary for the proper performance of official functions, including rectification of violations, abuses and other forms of maladministration; and



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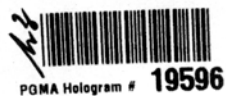


- d. Investigate, on its own or upon complaint, matters involving disciplinary action against any of the Presidential appointees in the NLRC, in accordance with existing laws, rules and regulations. After completing his/her investigation, the Secretary of Labor shall submit a report to the President on the investigation conducted with a recommendation as to the penalty to be imposed or other action to be taken, including referral to the Presidential Anti-Graft Commission [PAGC], the Office of the Ombudsman or any other office, committee, commission, agency, department, instrumentality or branch of the government for appropriate action.

The delegation of authority conferred herein upon the Secretary of Labor shall not extend to the power to review, reverse, revise, or modify the decisions of the NLRC in the exercise of its quasi-judicial functions [cf. Section 38(2)(b), Chapter 7, Book IV, Administrative Code].

**SECTION 2. Report to the President.** – The NLRC, through its Chairman, shall submit a report to the President, through the Secretary of Labor, within thirty (30) days from issuance of this Executive Order, on the following matters:

- a. Performance Report/Audit for the last five (5) years, including list of pending cases and cases disposed of within the said period by the NLRC *en banc*, by Division and by the Labor Arbiters in each of its regional and sub-regional branches or provincial extension units;
- b. Detailed Master Plan on how to liquidate its backlog of cases with clear timetables to clean up its dockets within six (6) months from the issuance hereof;
- c. Complete inventory of its assets and list of personnel indicating their present positions and stations; and
- d. Such other matters as may be required by the President upon the recommendation of the Secretary of Labor.



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**SECTION 3. Rules and Regulations.** – The Secretary of Labor, in consultation with the Chairman of the NLRC, is hereby authorized to issue rules and regulations for the effective implementation of the provisions of this Executive Order, subject to approval by the President.


**SECTION 4. Repealing Clause.** Executive Order No. 185 issued on March 10, 2003 is hereby revoked. All other executive issuances, rules and regulations or parts thereof which are inconsistent with the provisions of this Executive Order are hereby repealed, amended, or modified accordingly.

**SECTION 5. Effectivity.** – This Executive Order shall take effect immediately upon the completion of its publication in the Official Gazette or in a newspaper of general circulation in the country.

City of Manila, **MAY 05 2003**



By the President:



**ALBERTO G. ROMULO**  
Executive Secretary



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