Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 29

Introduced by
BAYAN MUNA Party-List Representatives FERDINAND R. GAITE,
CARLOS ISAGANÍ T. ZARATE, and EUFEMIA C. CULLAMAT,
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,
GABRIELA Women’s Party Representative ARLENE D. BROSAS,
and KABATAAN Party-List Representative SARAH JANE I. ELAGO

RESOLUTION
URGING THE HOUSE OF REPRESENTATIVES, THROUGH THE
COMMITTEE ON LABOR AND EMPLOYMENT,
TO INVESTIGATE, IN AID OF LEGISLATION,
THE ALLEGED ILLEGAL DISMISSAL, LABOR-ONLY CONTRACTING AND
INHUMANE WORKING CONDITIONS OF WORKERS OF PEERLESS
MANUFACTURING CORPORATION (PEPMACO)

WHEREAS, on June 24, 2019, workers in Peerless Manufacturing Corporation (PEPMACO), led
by the PEPMACO Workers Union-NAFLU-KMU, launched a strike due to labor-only
contracting, grave violations of occupational health and safety standards, excessive working hours,
union-busting and illegal dismissal of union members and leaders;

WHEREAS, on June 28, 2019, the workers’ picket line was destroyed and attacked by hundreds
of mask-wearing goons and security guards of PEPMACO using batons, rocks and water jets thus
seriously injuring 11 workers;

WHEREAS, as early as June 2018, PEPMACO reportedly started the retrenchment of workers.
Many of the workers have worked in PEPMACO for as long as 12 years. From January up to
June 2019 alone, more than 200 workers were laid-off for allegedly not reporting to work during
holidays, joining union activities, for being seen in a Mayday video, or not working overtime. The
workers were reportedly just informed verbally that they were dismissed and were not allowed to
enter the PEPMACO premises. The agency told the workers that they were laid-off by
PEPMACO;

WHEREAS, PEPMACO, owned by Taiwanese business tycoon Simeon Tiu, manufactures the
detergent and fabric conditioner brand Champion, Calla, Hanna shampoo and conditioner and
other surfactants for export. In sharp contrast to “Tapat po sa inyo” advertisement of Champion
detergent, PEPMACO subjected the workers to slave-like conditions such as 12-hour workdays, 7 days a week, no masks, gloves or any personal protection equipment while handling hazardous chemicals. Many workers have complained of difficulty in breathing, burns, swelling, redness, respiratory illness, and itchiness in arms and other exposed body parts;

WHEREAS, based on the accounts of the workers, there were about 400 agency-hired workers from Victoria Manpower Services, Luxor Manpower Corporation, and Jer Human Resources while there were only about 40 regular workers in PEPMACO. The agency-hired workers perform the “necessary and desirable” jobs in the production area while the regular PEPMACO workers supervise them and controls the means, manner and methods of their work, either as chemical engineers or technicians. The tools, equipment and machineries were owned by PEPMACO;

WHEREAS such violations of general labor and occupational health and safety standards were documented by the Department of Labor and Employment Labor Inspector through a report dated September 7, 2018. However, DOLE Regional Office IV-A dismissed the earlier DOLE Notice of Results of Inspection based on the position paper/reply and other documents submitted by PEPMACO and the agencies/contractors. Regional Director John S. Jalbuena, in an Order dated June 11, 2019, upheld the contractors’ assertion that they have the substantial means and capital, have direct control and supervision over the workers and that workers are performing “non-core or non-essential functions” at PEPMACO;

WHEREAS, PEPMACO refused to recognize the PEPMACO Workers Union despite the union registration issued by DOLE on January 29, 2019. PEPMACO insisted that there is no employee-employer relationship. On May 5, 2019, DOLE denied the petition for certification of election filed by PEPMACO Workers Union as the PEPMACO management already awarded the Sole and Exclusive Bargaining Agent to Napakakaisang Lakas ng mga Manggagawa (National Workers Brotherhood). Most of the officers and leaders of PEPMACO Workers Union were among the those dismissed by PEPMACO;

WHEREAS, workers further complained of denial of leave credits, “forced” daily overtime, arbitrary suspension orders, harassment of union leaders and members, and overcharging and erratic remittance of SSS, PhilHealth and PAG-IBIG contributions;

WHEREAS, such unjust and inhumane treatment of workers should not be allowed as these not only violate labor laws and standards but are in clear violation of the 1987 Constitution that provides for workers’ “security of tenure, humane conditions of work, and a living wage”;

NOW THEREFORE, BE IT RESOLVED that the House of Representatives, through the Committee on Labor and Employment, to investigate, in aid of legislation, the alleged illegal dismissal, labor-only contracting and inhumane working conditions of workers of Peerless Manufacturing Corporation (PEPMACO).
Adopted,

REP. PERDINAND R. GAITE  
BAYAN MUNA Partylist

REP. CARLOS ISAGANI T. ZARATE  
BAYAN MUNA Partylist

REP. EUFEMIA C. CULLAMAT  
BAYAN MUNA Partylist

REP. FRANCIS J. CASTRO  
ACT: TEACHERS Party-List

REP. ARLENE D. BROSAS  
GABRIELA Women’s Party

REP. SARAH JANE I. ELAGO  
KABATAAN Party-List