

SUPREME COURT OF ALASKA

Schiel v. Union Oil Company of California

Schiel v. Union Oil Co. of Cal., 219 P.3d 1025 (Alaska 2009) · No. S-13058 · Decided November 20, 2009

SUMMARY

The Supreme Court of Alaska held that 2004 amendments to Alaska's workers' compensation statutes did not violate the plaintiff's rights to equal protection or due process under the Alaska Constitution. The amendments extended workers' compensation liability and related tort immunity to project owners and contractors. The court concluded that the provisions were rationally and fairly related to legitimate objectives, including expanding coverage, preventing double payment, and limiting tort liability.

CASE DETAILS

COURT	Supreme Court of Alaska
WRITING FOR THE COURT	Carpeneti, Justice; Fabe, Chief Justice; Eastaugh, Justice; Winfree, Justice; Christen, Justice
JURISDICTION	Alaska
DECIDED	November 20, 2009
DOCKET	S-13058
DISPOSITION	other
PROCEDURAL POSTURE	The United States District Court for the District of Alaska certified two questions concerning the constitutionality of 2004 amendments to Alaska's workers' compensation statutes, and the Alaska Supreme Court accepted certification under Alaska Appellate Rule 407.
STANDARD OF REVIEW	The court independently determines the law applicable to a certified question, standing in the shoes of the certifying court. For equal protection, Alaska applies a sliding-scale analysis considering the weight of the individual interest, the importance of the governmental interest, and the closeness of the fit. The challenged economic classification was reviewed under minimum scrutiny. Procedural due process was analyzed under the Mathews v. Eldridge balancing test, and substantive due process under whether the law bears a reasonable relationship to a legitimate governmental purpose.
PRECEDENTIAL VALUE	Published Alaska Supreme Court opinion; binding precedent on the certified constitutional questions under Alaska law.

PARTIES

Joseph Schiel v. Union Oil Company of California

TOPICS

equal protection

procedural due process

substantive due process

constitutional law

employment law

PRACTICE AREAS

constitutional law

workers' compensation

employment law

civil procedure

QUESTIONS PRESENTED

1. Whether the 2004 amendments to Alaska Statutes 23.30.045(a) and 23.30.055 violate the Equal Protection Clause of the Alaska Constitution.
2. Whether the 2004 amendments to Alaska Statutes 23.30.045(a) and 23.30.055 violate procedural due process under the Alaska Constitution by restricting access to tort remedies.
3. Whether Alaska Statute 23.30.055, as applied to Schiel, violates substantive due process under the Alaska Constitution.

HOLDINGS

1. The 2004 amendments to AS 23.30.045(a) and AS 23.30.055 do not violate Schiel's right to equal protection under the Alaska Constitution.
2. The 2004 amendments do not violate Schiel's procedural due process right of access to the courts because the workers' compensation system provides a substantial and efficient alternative remedy.
3. AS 23.30.055 does not violate Schiel's substantive due process rights.

KEY QUOTATIONS

“Applying minimum scrutiny, we hold that they do not.” (1028)

“In sum, because the 2004 amendments to the workers' compensation statute deal with an economic interest and bear a fair and substantial relationship to legitimate state goals, they do not violate Schiel's right to equal protection under the Alaska Constitution.” (1035)

“We hold that Schiel's right to access the courts is not infringed by the 2004 amendments to the workers' compensation act because he still has a substantial and efficient remedy available.” (1035-1036)

“We hold that the 2004 amendments do not violate Schiel's substantive due process rights.” (1037)

FACTUAL BACKGROUND

Joseph Schiel was injured while working for Peak Oilfield Services on UNOCAL's Grayling Drilling Platform when a moving rig jack crushed his hand against a skid rail, causing the loss of two fingers. Peak paid Schiel workers' compensation benefits. Schiel then sought tort damages from UNOCAL, but the 2004 amendments to Alaska's workers' compensation statutes potentially classified UNOCAL as a statutory employer immune from tort liability.

PROCEDURAL HISTORY

Schiel, an employee of Peak Oilfield Services, sued UNOCAL in tort for injuries sustained on UNOCAL's drilling platform. After the action was removed to the United States District Court, UNOCAL moved for summary judgment, asserting statutory-employer immunity under the Alaska Workers' Compensation Act. Schiel cross-moved for summary judgment and challenged the 2004 statutory amendments under the Alaska Constitution. The federal district court certified equal-protection and due-process questions to the Alaska Supreme Court, which answered both questions in the negative.

DISPOSITION

other

CASES CITED

- Kallstrom v. United States, 43 P.3d 162, 164-65 (Alaska 2002)
- Edenshaw v. Safeway, Inc., 186 P.3d 568, 569 (Alaska 2008)
- Berg v. Popham, 113 P.3d 604, 607 (Alaska 2005)
- M.A. v. United States, 951 P.2d 851, 853 (Alaska 1998)
- Glover v. State, Dep't of Transp., Alaska Marine Highway Sys., 175 P.3d 1240, 1256-58 (Alaska 2008)
- Matanuska-Susitna Borough Sch. Dist. v. State, 931 P.2d 391, 397 (Alaska 1997)
- C.J. v. State, Dep't of Corr., 151 P.3d 373, 378-81 (Alaska 2006)
- Wilkerson v. State, Dep't of Health & Soc. Servs., Div. of Family & Youth Servs., 993 P.2d 1018, 1022-24 (Alaska 1999)
- Alaska Pac. Assurance Co. v. Brown, 687 P.2d 264, 269 (Alaska 1984)
- State, Dep'ts of Transp. & Labor v. Enserch Alaska Constr., Inc., 787 P.2d 624, 631-33 (Alaska 1989)
- Malabed v. N. Slope Borough, 70 P.3d 416, 418-21 (Alaska 2003)
- Williams v. State, Dep't of Revenue, 895 P.2d 99, 104 (Alaska 1995)
- Turner Constr. Co. v. Scales, 752 P.2d 467, 471 (Alaska 1988)
- Gilmore v. Alaska Workers' Comp. Bd., 882 P.2d 922, 927 (Alaska 1994)
- Dougan v. Aurora Elec. Inc., 50 P.3d 789, 797 (Alaska 2002)
- Chiropractors for Justice v. State, 895 P.2d 962, 968-72 (Alaska 1995)
- Interior Cabaret, Hotel, Restaurant & Retailers Ass'n v. Fairbanks N. Star Borough, 135 P.3d 1000, 1006 (Alaska 2006)
- Commercial Fisheries Entry Comm'n v. Apokedak, 606 P.2d 1255, 1264, 1267 (Alaska 1980)
- Golden Valley Elec. Ass'n, Inc. v. City Elec. Serv., Inc., 518 P.2d 65, 67 (Alaska 1974)
- Wright v. Action Vending Co., 544 P.2d 82, 84-85 (Alaska 1975)
- Smither & Co. v. Coles, 242 F.2d 220, 222 (D.C. Cir. 1957)
- Taylor v. Southeast-Harrison W. Corp., 694 P.2d 1160, 1162 (Alaska 1985)
- Roberts v. Gray's Crane & Rigging, Inc., 73 Or. App. 29, 697 P.2d 985, 989-90 (1985)

- Bush v. Reid, 516 P.2d 1215, 1217-20 (Alaska 1973)
- Mathews v. Eldridge, 424 U.S. 319, 335 (1976)
- Sands v. Green, 156 P.3d 1130, 1134 (Alaska 2007)
- Varilek v. City of Houston, 104 P.3d 849, 853-55 (Alaska 2004)
- McCarter v. Alaska Nat'l Ins. Co., 883 P.2d 986, 990-91 (Alaska 1994)
- Premera Blue Cross v. State, Dep't of Commerce, Cmty. & Econ. Dev., Div. of Ins., 171 P.3d 1110, 1124-25 (Alaska 2007)
- Concerned Citizens of S. Kenai Peninsula v. Kenai Peninsula Borough, 527 P.2d 447, 452 (Alaska 1974)
- State v. Niedermeyer, 14 P.3d 264, 267 (Alaska 2000)
- Miller v. Northside Danzi Constr. Co., 629 P.2d 1389, 1391 (Alaska 1981)
- Kellis v. Crites, 20 P.3d 1112, 1114-15 (Alaska 2001)
- Gunderson v. Univ. of Alaska, Fairbanks, 902 P.2d 323, 327 n.5 (Alaska 1995)
- Arctic Structures, Inc. v. Wedmore, 605 P.2d 426, 427-28, 435-37 (Alaska 1979)

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