

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
CALIFORNIA

Marine Engineers' Beneficial Association, AFL-CIO, District No. 1-
PCD v. Eco-Alpha Environmental and Engineering Services, Inc.

Marine Engineers' Beneficial Assoc. v. Eco-Alpha · No. 2:24-cv-02937-DJC-CSK · Decided February 26, 2025

SUMMARY

The United States District Court for the Eastern District of California denied Eco-Alpha Environmental and Engineering Services, Inc.'s motion to dismiss a petition concerning a collective-bargaining agreement with the Marine Engineers' Beneficial Association. The court held that the Federal Arbitration Act provides the applicable framework and that the agreement plausibly encompasses the dispute over whether it remains applicable to a follow-on state contract. The parties were ordered to file a joint status report within fourteen days.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
WRITING FOR THE COURT	Daniel J. Calabretta
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	February 26, 2025
DOCKET	2:24-cv-02937-DJC-CSK
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff petitioned under the Labor Management Relations Act and Federal Arbitration Act concerning arbitration under a collective-bargaining agreement. Defendant moved to dismiss under Federal Rule of Civil Procedure 12(b)(6).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts factual allegations as true and construes them in the light most favorable to the nonmoving party, but dismissal is appropriate when the complaint lacks a cognizable legal theory or sufficient facts to state a plausible entitlement to relief.
PRECEDENTIAL VALUE	unpublished district court order; persuasive only

TOPICS

- arbitration
- motions to dismiss
- collective bargaining
- contracts
- civil procedure

PRACTICE AREAS

labor law

employment law

commercial litigation

civil procedure

QUESTIONS PRESENTED

1. Whether the Federal Arbitration Act provides the governing framework for evaluating the arbitration provisions in the parties' collective-bargaining agreement.
2. Whether the parties entered a valid arbitration agreement encompassing their dispute over whether the agreement applied to Eco-Alpha's follow-on state contract.
3. Whether MEBA's petition stated a plausible claim sufficient to survive Eco-Alpha's Rule 12(b)(6) motion.

HOLDINGS

1. The Federal Arbitration Act provides the appropriate framework for assessing the collective-bargaining agreement's arbitration provisions because the agreement did not clearly incorporate California arbitration-law rules.
2. The parties' signed memorandum of understanding plausibly constitutes a valid arbitration agreement, and its arbitration clause encompasses the dispute over whether the agreement applies to the follow-on contract.
3. Dismissal was unwarranted because MEBA plausibly alleged that the collective-bargaining agreement applied to the follow-on contract and required arbitration of the parties' disagreement.

KEY QUOTATIONS

"Because Eco-Alpha's subsequent contract with the State of California may plausibly be considered an extension of the original contract that would fall in the ambit of a provision in the MOU that disagreements over the scope or applicability of the agreement must be arbitrated, the Court is unable to dismiss the instant case." (at 1)

"In other words, the dispute as to whether the MOU applies to the follow-up contract is directly contemplated by the MOU, and thus within the scope of the agreement." (at 6)

"The Court hereby DENIES Defendant's Motion to Dismiss (ECF No. 11.)" (at 7)

FACTUAL BACKGROUND

MEBA and Eco-Alpha entered a collective-bargaining agreement effective January 1, 2021, governing work performed under Eco-Alpha's California state contract. The agreement provided that disputes concerning its interpretation or performance would be arbitrated and stated that it remained effective while Eco-Alpha had contractual control over specified stationary work. After MEBA timely sought to reopen and renegotiate the agreement, Eco-Alpha asserted that the agreement had ended because it no longer controlled the original project, despite obtaining a substantially overlapping follow-on state contract. Eco-Alpha refused to participate in arbitration or a grievance process concerning the agreement.

PROCEDURAL HISTORY

MEBA alleged that Eco-Alpha's follow-on contract with the State of California triggered obligations under the parties' memorandum of understanding, including renegotiation and arbitration. Eco-Alpha denied that the prior agreement applied after the original project ended and moved to dismiss. The court denied the motion, finding that the agreement plausibly encompassed the dispute and required arbitration-related issues to be resolved through the agreement's arbitration process. The parties were ordered to file a joint status report within fourteen days.

DISPOSITION

other

CASES CITED

- *Mendiondo v. Centinela Hospital Medical Center*, 521 F.3d 1097, 1104 (9th Cir. 2008)
- *Parks School of Business, Inc. v. Symington*, 51 F.3d 1480, 1484 (9th Cir. 1995)
- *Ashcroft v. Iqbal*, 556 U.S. 662, 678-79 (2009)
- *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007)
- *Hotel Employees, Restaurant Employees Union, Local 2 v. Marriott Corp.*, 961 F.2d 1464, 1466 n.3 (9th Cir. 1992)
- *Retail Clerks International Ass'n, Local Unions Nos. 128 & 633 v. Lion Dry Goods, Inc.*, 369 U.S. 17, 28 (1962)
- *Allis-Chalmers Corp. v. Lueck*, 471 U.S. 202, 209 (1985)
- *Dogherra v. Safeway Stores, Inc.*, 679 F.2d 1293, 1297 (9th Cir. 1982)
- *Sovak v. Chugai Pharmaceutical Co.*, 280 F.3d 1266, 1270 (9th Cir. 2002)
- *Fidelity Federal Bank, FSB v. Durga Ma Corp.*, 386 F.3d 1306, 1311 (9th Cir. 2004)
- *International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists, and Allied Crafts of the United States, Its Trusteed Local 720, Las Vegas, Nevada v. InSync Show Productions, Inc.*, 801 F.3d 1033, 1039-40 (9th Cir. 2015)
- *Boardman v. Pacific Seafood Group*, 822 F.3d 1011, 1017 (9th Cir. 2016)
- *AT&T Mobility LLC v. Concepcion*, *AT&T Mobility LLC v. Concepcion*, 563 U.S. 333, 351 (2011)
- *Dean Witter Reynolds, Inc. v. Byrd*, 470 U.S. 213, 218 (1985)
- *AmeriPride Services, LLC v. Teamsters Local 87*, 2024 WL 4107280, at *9-*11 (E.D. Cal. Sept. 6, 2024)