

NEW YORK COURT OF APPEALS

In the Matter of New York City Transit Authority v. Transport Workers Union of America, Local 100, et al.

14 N.Y.3d 119, 924 N.E.2d 797, 897 N.Y.S.2d 689 (2010) · No. No. 4 · Decided February 18, 2010

SUMMARY

The New York Court of Appeals held that an arbitrator did not exceed his authority under a collective bargaining agreement by reducing the termination penalty imposed on a transit authority employee who assaulted a customer. The court concluded that the arbitrator had the contractual authority to determine whether the exception for a clearly excessive penalty applied, and therefore reversed the Appellate Division and dismissed the petition to vacate the award. Two judges dissented, concluding that the arbitrator clearly erred in applying the contractual exception.

CASE DETAILS

COURT	New York Court of Appeals
WRITING FOR THE COURT	Chief Judge Lippman; Judge Ciparick; Judge Graffeo; Judge Pigott; Judge Jones; Judge Smith; Judge Read
JURISDICTION	New York
DECIDED	February 18, 2010
DOCKET	No. 4
DISPOSITION	reversed
PROCEDURAL POSTURE	The Transit Authority commenced a CPLR article 75 proceeding seeking to vacate an arbitration award that reduced an employee's termination to reinstatement without back pay. Supreme Court granted the petition, and the Appellate Division affirmed. The Court of Appeals heard the appeal as of right.
STANDARD OF REVIEW	Under CPLR 7511(b)(1)(iii), an arbitration award may be vacated when the arbitrator clearly exceeds a specifically enumerated limitation on the arbitrator's power. Courts may not review the merits of the dispute or reweigh the arbitrator's interpretation of substantive contractual provisions; whether an arbitrator's interpretation is debatable is generally beside the point.
PRECEDENTIAL VALUE	Published precedent of the New York Court of Appeals

PARTIES

Transport Workers Union of America, Local 100, Employee
represented by Transport Workers Union of America, Local 100 v.
New York City Transit Authority

TOPICS

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QUESTIONS PRESENTED

1. Whether the arbitrator exceeded the power granted by the collective bargaining agreement and CPLR 7511(b)(1)(iii) by finding that the exception for a clearly excessive penalty applied despite the absence of precedent supporting a lesser penalty.
2. Whether the courts could review the arbitrator's application of the collective bargaining agreement's past-precedent and employee-record factors in determining whether termination was clearly excessive.

HOLDINGS

1. The arbitrator did not exceed his power. Once the arbitrator found that an assault occurred, the collective bargaining agreement empowered him to determine whether the case was one of the rare cases in which the Authority's penalty was clearly excessive and should be modified.
2. The court's disagreement with, or uncertainty about, the arbitrator's interpretation and factual findings does not justify vacating the award where the arbitrator acted within the authority granted by the collective bargaining agreement.

KEY QUOTATIONS

“The Transit Authority’s view overlooks the settled law in New York that it is “not for the courts to interpret the substantive conditions of the contract or to determine the merits of the dispute”” (124)

“Having found that an assault occurred, whether an application of the exception was warranted was the very question submitted to arbitration under the CBA, and the arbitrator here concluded that the exception applied.” (125)

“Even when such “interpretations and factual findings appear highly debatable”—and we make no comment here on the merits of the arbitrator’s decision in this matter—“whether we agree with the arbitrator is beside the point”” (125)

FACTUAL BACKGROUND

A Transit Authority conductor employed since 1985 had a heated exchange with a subway customer on April 14, 2006, concerning express train service and forcefully laid hands on the customer. The parties did not dispute the arbitrator's finding that an assault occurred. The collective bargaining agreement generally required the Transit

Authority's penalty to be sustained after an assault was found, but allowed the arbitrator to modify a clearly excessive penalty in light of the employee's record and past precedent in similar cases. The arbitrator distinguished five prior arbitration awards and reduced termination to reinstatement without back pay.

PROCEDURAL HISTORY

After an arbitrator found that a Transit Authority conductor had assaulted a customer but concluded that termination was clearly excessive under an exception in the collective bargaining agreement, the arbitrator reduced the penalty to reinstatement without back pay. Supreme Court vacated the award, and the Appellate Division affirmed with two Justices dissenting. The Court of Appeals reversed and dismissed the petition.

DISPOSITION

reversed

CASES CITED

- Matter of United Fedn. of Teachers, Local 2, AFT, AFL-CIO v. Board of Educ. of City School Dist. of City of N.Y., 1 N.Y.3d 72, 79, 82-83 (2003)
- Matter of Board of Educ. of Arlington Cent. School Dist. v. Arlington Teachers Assn., 78 N.Y.2d 33, 37 (1991)
- Board of Educ., Lakeland Cent. School Dist. of Shrub Oak v. Barni, 51 N.Y.2d 894, 895 (1980)
- Matter of Board of Educ. of Watertown City School Dist. [Watertown Educ. Assn.], 93 N.Y.2d 132, 143 (1999)
- Matter of Henneberry v. ING Capital Advisors, LLC, 10 N.Y.3d 278, 284 (2008)
- Matter of New York City Tr. Auth. v. Transport Workers' Union of Am., Local 100, AFL-CIO, 6 N.Y.3d 332, 336 (2005)