UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

Mason & Dixon Tank Lines, Inc. v. Central States, Southeast & Southwest Areas Pension Fund

852 F.2d 156 (6th Cir. 1988) · Decided July 15, 1988

SUMMARY

The Sixth Circuit held that disputes concerning withdrawal liability under the Multiemployer Pension Plan Amendments Act must initially be submitted to arbitration, including disputes involving statutory interpretation. The court reversed the district court's decision reducing Mason and Dixon Tank Lines' withdrawal liability and remanded for arbitration. The court recognized only narrow exceptions to the arbitration requirement, such as facial constitutional challenges or verifiable claims of irreparable injury.

CASE DETAILS

COURT	United States Court of Appeals for the Sixth Circuit
WRITING FOR THE COURT	Boggs, Circuit Judge; Boggs; Nelson; Wellford
JURISDICTION	Federal
DECIDED	July 15, 1988
DISPOSITION	reversed
PROCEDURAL POSTURE	The pension fund appealed the district court's reduction of Mason and Dixon Tank Lines' withdrawal liability under ERISA and the MPPAA. Tank Lines cross-appealed the district court's rulings on the calculation and enforceability of the liability. The Sixth Circuit held that the remaining disputes had to be submitted initially to arbitration and reversed.
STANDARD OF REVIEW	De novo review of the district court's legal determination that the remaining MPPAA disputes were not subject to initial arbitration.
PRECEDENTIAL VALUE	published and precedential federal appellate opinion
PARTIES	Central States, Southeast and Southwest Areas Pension Fund v. Mason & Dixon Tank Lines, Inc.

TOPICS

erisa · employee benefits · arbitration · statutory interpretation · appellate procedure

PRACTICE AREAS

ERISA | employee benefits | employment law | appellate procedure

QUESTIONS PRESENTED

1. Whether disputes concerning Tank Lines' right to cure the partial withdrawal, the calculation of withdrawal liability using the contribution histories of commonly controlled businesses, the constitutionality of the MPPAA as applied, and equitable reduction of liability had to be submitted initially to arbitration under 29 U.S.C. § 1401(a)(1).
2. Whether the prior appellate decision affirming an injunction against arbitration barred consideration of arbitration for the remaining issues under the law-of-the-case doctrine.
3. Whether questions of statutory interpretation, standing alone, are exempt from the MPPAA's initial-arbitration requirement.
4. Whether a court may determine before arbitration whether a party is an employer subject to the MPPAA arbitration requirement.

HOLDINGS

1. Disputes concerning the calculation and enforceability of withdrawal liability, including the right to cure, aggregation of contribution histories within a controlled group, an as-applied constitutional challenge, and equitable reduction of liability, must initially be submitted to arbitration under 29 U.S.C. § 1401(a)(1).
2. Questions of statutory construction, standing alone, are not exempt from the MPPAA's initial-arbitration requirement.
3. The prior appellate decision did not bar arbitration of the remaining issues under the law-of-the-case doctrine because it addressed only whether the Transport group was the employer under the common-control provision.
4. A court may decide, before arbitration, the threshold question whether a party is an 'employer' subject to the MPPAA arbitration requirement.

KEY QUOTATIONS

> *"The arbitrator's decision may dispose of the dispute, pare down the issues for judicial determination, or simply provide a factual record for effective resolution of the issues."* (164)

> *"We caution, however, that this exception is indeed narrow, and is by no means intended to undermine a congressionally-mandated collection procedure, which has most aptly been described as "pay now, dispute later.""* (165)

> *"In summary, we conclude that the issues addressed by the district court must be submitted initially to arbitration under section 1401(a)(1) of the MPPAA."* (168)

FACTUAL BACKGROUND

Mason and Dixon Tank Lines operated multiple terminals covered by collective bargaining agreements requiring contributions to the Central States multiemployer pension fund. After five employees at one terminal decertified their union, the applicable collective bargaining agreement expired and Tank Lines' contribution obligation for those employees ceased while Tank Lines continued performing the covered work, creating a partial withdrawal under the MPPAA. Central States assessed withdrawal liability using the contribution histories of businesses under common control, producing an assessment of approximately $17 million against Mason and Dixon and Tank Lines. The district court upheld the assessment in principle but reduced the amount equitably and dissolved its preliminary injunction.

PROCEDURAL HISTORY

Central States assessed withdrawal liability against Mason and Dixon Tank Lines and related companies after a partial withdrawal from the multiemployer pension plan. The district court initially enjoined collection and arbitration, and later granted summary judgment to the Transport group on the common-control issue. In a subsequent decision, the district court ruled on the remaining issues, upheld the general legality of the assessment, but equitably reduced liability to twenty-five percent of Tank Lines' net worth. The Sixth Circuit reversed that decision, concluding that the remaining issues had to be arbitrated first.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The district court's October 29, 1986 decision was reversed, and the remaining dispute between Central States and Tank Lines was to be submitted initially to arbitration under 29 U.S.C. § 1401(a)(1).

CASES CITED

- Connolly v. Pension Benefit Guaranty Corp., 475 U.S. 211, 213-14 (1986)
- Nachman Corp. v. Pension Benefit Guaranty Corp., 446 U.S. 359, 375 (1980)
- Pension Benefit Guaranty Corp. v. R.A. Gray & Co., 467 U.S. 717, 721, 723 n. 2, 725 (1984)
- I.A.M. National Pension Fund v. Clinton Engines Corp., 825 F.2d 415, 416-18, 422, 426-27 (D.C. Cir. 1987)
- Central States, Southeast and Southwest Areas Pension Fund v. 888 Corp., 813 F.2d 760, 762 n. 2, 764, 768 n. 1 (6th Cir. 1987)
- Marvin Hayes Lines, Inc. v. Central States, Southeast and Southwest Areas Pension Fund, 814 F.2d 297, 299-301 (6th Cir. 1987)
- Flying Tiger Line v. Teamsters Pension Trust Fund, 830 F.2d 1241, 1244, 1248-55 (3d Cir. 1987)
- Robbins v. Admiral Merchants Motor Freight, Inc., 846 F.2d 1054, 1056 (7th Cir. 1988)
- Central States, Southeast and Southwest Areas Pension Fund v. T.I.M.E.-DC, Inc., 826 F.2d 320, 325-30 (5th Cir. 1987)
- Teamsters Pension Trust Fund v. Allyn Transportation Co., 832 F.2d 502, 504-06 (9th Cir. 1987)

- I.A.M. National Pension Fund Benefit Plan C v. Stockton TRI Industries, 727 F.2d 1204, 1210 (D.C. Cir. 1984)
- Grand Union Co. v. Food Employers Labor Relations Association, 808 F.2d 66, 70 (D.C. Cir. 1987)
- Central Transport, Inc. v. Central States, Southeast and Southwest Areas Pension Fund, 816 F.2d 678 (6th Cir. 1987) (per curiam) (unpublished)
- Banner v. Central States, Southeast and Southwest Areas Pension Fund, 657 F. Supp. 875, 881 (N.D. Ill. 1987)
- Tri-States Rubber & Equipment, Inc. v. Central States Southeast and Southwest Areas Pension Fund, 661 F. Supp. 46, 48 (E.D. Mich. 1987)
- Refined Sugars, Inc. v. Local 807 Labor-Management Pension Fund, 580 F. Supp. 1457, 1461-62 (S.D.N.Y. 1984), subsequent opinion, 632 F. Supp. 630 (S.D.N.Y. 1986)
- Pension Benefit Guaranty Corp. v. Ouimet Corp., 470 F. Supp. 945 (D. Mass. 1979)