

COURT OF APPEALS OF THE STATE OF NEW YORK

Matter of New York City Transit Authority v. Transport Workers
Union of America, Local 100, AFL-CIO

99 N.Y.2d 1, 780 N.E.2d 490, 750 N.Y.S.2d 805 (2002) · No. Case Nos. 106 and 107 · Decided October 10,
2002

SUMMARY

The New York Court of Appeals reviewed two arbitration awards reducing dismissal penalties imposed on transit employees for safety violations. The court held that Public Authorities Law § 1204(15) did not absolutely prohibit arbitration or require dismissal as the exclusive penalty, and therefore the public-policy exception did not justify vacating the awards. The court reversed the Appellate Division in both proceedings and reinstated or upheld the arbitration awards.

CASE DETAILS

COURT	Court of Appeals of the State of New York
WRITING FOR THE COURT	Levine, J.; Chief Judge Kaye; Judge Smith; Judge Ciparick; Judge Wesley; Judge Rosenblatt; Judge Graffeo
JURISDICTION	New York
DECIDED	October 10, 2002
DOCKET	Case Nos. 106 and 107
DISPOSITION	reversed
PROCEDURAL POSTURE	The Transit Authorities petitioned under CPLR article 75 to vacate arbitration awards reducing employee dismissals to lesser sanctions. The union sought confirmation of the awards. After the lower courts vacated or affirmed vacatur of the awards on public-policy grounds, the Court of Appeals granted leave to appeal.
STANDARD OF REVIEW	De novo review of whether an arbitration award may be vacated under the narrow public-policy exception; judicial intervention is permitted only where public policy, embodied in statute or decisional law, absolutely prohibits the matter from being arbitrated or the relief granted, or where the award itself violates a well-defined constitutional, statutory, or common-law public policy.
PRECEDENTIAL VALUE	Published, precedential opinion of the New York Court of Appeals

PARTIES

Transport Workers Union of America, Local 100, AFL-CIO, et al. v.
New York City Transit Authority, Manhattan and Bronx Surface
Transit Operating Authority

TOPICS

employment arbitration

collective bargaining

labor law

municipal law

appellate procedure

PRACTICE AREAS

employment law

labor law

municipal law

employment arbitration

collective bargaining

QUESTIONS PRESENTED

1. Whether arbitration awards reducing the dismissal of transit employees who violated safety rules to lesser sanctions may be vacated on public-policy grounds under Public Authorities Law § 1204 (15).
2. Whether Public Authorities Law § 1204 (15) absolutely prohibits transit authorities from submitting employee disciplinary penalties to arbitration or prohibits arbitrators from imposing sanctions short of dismissal.
3. Whether the arbitration awards themselves violated a well-defined constitutional, statutory, or common-law public policy.

HOLDINGS

1. The arbitration awards could not be vacated on public-policy grounds because no statute or decisional law absolutely prohibited arbitration of the disciplinary disputes or the imposition of sanctions less severe than dismissal.
2. The awards did not violate a well-defined public policy because they imposed substantial sanctions, including forfeiture of pay, demotion or suspension, and probationary or final-warning conditions, rather than exonerating the employees or disregarding safety concerns.

KEY QUOTATIONS

“Under our modern arbitration jurisprudence, judicial intervention on public policy grounds constitutes a narrow exception to the otherwise broad power of parties to agree to arbitrate all of the disputes arising out of their juridical relationships, and the correlative, expansive power of arbitrators to fashion fair determinations of the parties' rights and remedies.” (99 N.Y.2d at 7)

“The narrowness of the public policy exception, as applied to the arbitration process under collective bargaining agreements, is designed to ensure that courts will not intervene in this stage of the collective bargaining process in pursuit of their own policy views, or because they simply disagree with the arbitrator's weighing of the policy considerations.” (99 N.Y.2d at 8)

“because Public Authorities Law § 1204 (15) would not prohibit the parties to these collective bargaining agreements from having incorporated disciplinary standards providing for severe financial sanctions short of

dismissal under the factual circumstances of these cases, the public policy embodied in that section is insufficient to justify overturning arbitration awards achieving the same results” (99 N.Y.2d at 12)

FACTUAL BACKGROUND

David Rodriguez, a subway train operator, failed to set the hand brake on a nonpassenger work train, causing a collision and derailment. Although he had two prior safety-rule suspensions, an arbitration panel found dismissal excessive and imposed time served without pay and a temporary demotion. Leroy Bright, a longtime bus driver, caused a preventable accident injuring a pedestrian; an arbitrator sustained the charge but reduced dismissal to suspension without back pay and a final warning. The Transit Authorities argued that these reduced sanctions violated their statutory duty to operate the transit system for the public's safety.

PROCEDURAL HISTORY

In the Rodriguez matter, a tripartite arbitration panel found misconduct but reduced dismissal to time served without pay and a temporary demotion; Supreme Court ruled for the union, but the Appellate Division vacated the award. In the Bright matter, an arbitrator reduced dismissal to suspension without pay and a final warning; Supreme Court vacated the award and the Appellate Division affirmed. The Court of Appeals reversed in both matters, reinstating the Rodriguez judgment and dismissing the petition to vacate the Bright award.

DISPOSITION

reversed

REMAND INSTRUCTIONS

In case number 106, reverse the Appellate Division order and reinstate the Supreme Court judgment. In case number 107, reverse the Appellate Division order and dismiss the petition to vacate the arbitration award.

CASES CITED

- Matter of Sprinzen (Nomberg), 46 N.Y.2d 623, 629, 631 (1979)
- Matter of Board of Educ. of Yonkers City School Dist. v. Yonkers Fedn. of Teachers, 40 N.Y.2d 268, 273 (1976)
- Board of Educ. v. Associated Teachers of Huntington, 30 N.Y.2d 122, 131 (1972)
- United Steelworkers v. Warrior & Gulf Navigation Co., 363 U.S. 574, 578, 582 (1960)
- Matter of New York State Correctional Officers & Police Benevolent Assn. v. State of New York, 94 N.Y.2d 321, 327-329 (1999)
- Matter of Port Jefferson Sta. Teachers Assn. v. Brookhaven-Comsewogue Union Free School Dist., 45 N.Y.2d 898, 899-900 (1978)
- Eastern Associated Coal Corp. v. United Mine Workers of America, 531 U.S. 57, 61-65 (2000)