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Skowronek v. American Steamship Co. United States Court of Appeals for the Sixth Circuit 505 F.3d 482 (Decided October 12, 2007)

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DIFFERENCE IN MAINTENANCE RATE UNDER COLLECTIVE BARGAINING AGREEMENT BETWEEN ILL AND INJURED CREW MEMBERS IS AFFORDED PRESUMPTION OF NEGOTIATION

District court erred in granting summary judgment for ill crewmember when the crewmember failed to rebut the presumption of negotiation to a rate of maintenance specified in a collective bargaining agreement. The Court of Appeals held it is inappropriate for courts to engage in legislation of dollars figures in connection with privately negotiated agreements.

Skowronek v. American Steamship Co.
United States Court of Appeals for the Sixth Circuit
505 F.3d 482
(Decided October 12, 2007)

The plaintiff-appellee, Larry Skowronek ("Skowronek"), was a member of Seafarer's International Union ("SIU") and an employee of defendant-appellant American Steamship Company ("ASC"). On September 3, 2004, Skowronek suffered a heart attack while on board the M/V JOHN J. BOLAND and was found unfit for duty until December 2, 2004. As a result of his illness, Skowronek received $56.00 per week as maintenance during the time he was unfit for duty. This maintenance rate—$56.00 per week for ill crew members and $300.00 per week for injured crew members—was set forth in the collective bargaining agreement ("CBA") between SIU and ASC.

Skowronek commenced an action in Michigan state court, which was later removed to federal court, complaining that the CBA discriminated against ill crew members. The district court, noting the difference in pay between ill crew members and injured crew members, granted Skowronek's summary judgment motion. The district court relied on a decision of another district court that invalidated a provision that completely withheld payment to sick sailors.[1] ASC timely appealed the case.

The issue on appeal is whether the maintenance rate of $56.00 per week for ill crew members is enforceable, even though injured crew members are entitled to a rate of $300.00 per week, where those provisions are a part of a CBA that governs the working conditions of union crew members. The Court held that the provision is enforceable.

According to the Sixth Circuit's own prior case law and the case law of the First, Fifth, Ninth, and Eleventh Circuits, maintenance rates expressly stated in a CBA will be enforced, despite the fact that they do not cover food and lodging expenses. In addition, the Court relied heavily on the Ninth Circuits decision in *Gardiner v. Sea-Land Serv. Inc.*, when considering the enforceability of maintenance rates in the context of national labor policy.[2] In *Gardiner*, the court noted that employees bargain most effectively through freely chosen labor organizations and further stated that, since the parties included a maintenance rate in the CBA, "[t]he national labor policy of promoting and encouraging collective bargaining agreements would be unduly compromised were [the court] to conclude [that the rate was not] a consequence of the 'give and take' process of collective bargaining."[3] Therefore, when the maintenance rate is specifically stated in a CBA as part of a total benefits package, the adequacy of the rate is not a subject for judicial speculation and a presumption of negotiation attaches.

While courts are not to usurp the collective bargaining agreement process by finding dollar figures inadequate, a plaintiff crew member can overcome the presumption of negotiation. To do so, a plaintiff, such as Skowronek, has the burden of showing: (1) that a bonafide negotiation did not take

[1] Vitco v. Jonich, 130 F. Supp. 945, 950 (S.D. Cal 1955).
[2] Gardiner v. Sea-Land Serv. Inc., 786 F.2d 943, 946 (9th Cir. 1986).
[3] Id. at 948–49.

place; (2) that the CBA was not fair; or (3) that he was not adequately represented.[4] Here, the $56.00 per week maintenance rate was set forth in the CBA that SIU and ASC agreed upon. Thus, a presumption that the rate was arrived at by negotiation attached. Skowronek only presented evidence that the rates between ill crew members and injured crew members were different. The Court found that Skowronek failed to produce any evidence to show that the CBA was not legitimately negotiated, that the agreement as a whole was unfair, or that his interests were not adequately represented and he therefore did not rebut the presumption of negotiation.

For the foregoing reasons, the Court of Appeals reversed the grant of summary judgment and remanded the case for further proceedings.

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[4] Al Zwakari v. Am. S.S. Co., 871 F.2d 585, 588 (6th Cir. 1989).