# UNITED STATES OF AMERICA BEFORE THE NATIONAL LABOR RELATIONS BOARD REGION 10

# ALSCO, INC.

# **Employer-Petitioner**

and

Case 10-UC-237

EASTERN REGION OF TEAMSTERS, SOUTHERN REGION OF TEAMSTERS, AND TEAMSTERS LOCAL UNIONS 28, 61, 71, 171, 270, 327, 402, 509, 515, 519, 528, 592, 728, 745, 822, 891, AND 984<sup>1</sup>

Unions

## DECISION AND ORDER

Upon a petition duly filed under Section 9(b) of the National Labor Relations Act, as

amended, herein called the Act, a hearing was held before a hearing officer of the National Labor

Relations Board, herein referred to as the Board.

Pursuant to the provisions of Section 3(b) of the Act, the Board has delegated its

authority in this proceeding to the undersigned.

Upon the entire record<sup>2</sup> in this proceeding the undersigned finds:

1. The hearing officer's rulings made at the hearing are free from prejudicial error and are

hereby affirmed.

<sup>&</sup>lt;sup>1</sup> The names of the labor organizations appear as amended at the hearing. The Eastern Region of Teamsters and the Southern Region of Teamsters shall hereinafter be referred to as the Teamsters Conference, and the affiliates shall hereinafter be referred to as Local Union(s). The Teamsters Conference and the Local Unions shall collectively be referred to as the Unions or the Union.

<sup>&</sup>lt;sup>2</sup> Post-hearing briefs filed by the Employer-Petitioner and by the Union have been duly considered. Following the submission of post-hearing briefs, the Employer-Petitioner filed a Motion to Strike four alleged misstatements of the record made in the Union's brief. Inasmuch as the record is clear on these factual points, I hereby deny the Motion to Strike.

2. Alsco, Inc., herein called Employer or Employer-Petitioner, is a Utah corporation engaged in the supply of linen and other laundered products to commercial customers, with an office and place of business in Atlanta, Georgia. During the past calendar year, a representative period, the Employer-Petitioner purchased and received at its Atlanta, Georgia facility goods valued in excess of \$50,000 directly from points located outside the State of Georgia. Accordingly, the Employer-Petitioner is engaged in commerce within the meaning of the Act, and it will effectuate the purposes of the Act to assert jurisdiction herein.

3. The instant petition involves route sales representatives, mechanics, mechanic helpers, tractor trailer ("transport") drivers and certain other employees<sup>3</sup> represented by the Unions at twelve of fifteen<sup>4</sup> branch locations acquired by the Employer in September, 2006 from National Linen Service, herein called NLS or predecessor. The Unions contend the Employer, as a <u>Burns</u><sup>5</sup> successor, should be required to bargain with the Unions as representative of these employees in one overall twelve-location unit. The Employer does not dispute its bargaining obligation under <u>Burns</u>, but requests clarification, contending that the only appropriate units for bargaining are twelve separate units at each of the disputed branch locations.

The Union argument hinges on the contention that there is a long-term single unit multilocation bargaining history with the predecessor. Therefore, the Unions claim, this historical single unit should not be disturbed, even if it would not be deemed appropriate under Board standards if it were being organized for the first time. The Employer counters that there is no proof of multi-location bargaining in a single overall unit. Alternatively, an overall unit is not appropriate inasmuch as the Employer has substantially changed the organizational structure and

<sup>&</sup>lt;sup>3</sup> The parties stipulated that the following classifications are involved herein: route sales representatives (hourly, commissioned, and extra); tractor trailer drivers; helpers on trucks; mechanics; mechanics helpers; and porter-car wash employees.

<sup>&</sup>lt;sup>4</sup> There is no dispute with respect to three of the fifteen acquired locations. Employees at two of these locations (in St. Louis, Missouri and Shreveport, Louisiana) are represented in two separate units respectively by Teamsters Local Union No. 682 and by Teamsters Local Union No. 568. Neither of these local Teamster affiliates is involved in the instant case. The third undisputed branch in Lubbock, Texas is non-union.

<sup>&</sup>lt;sup>5</sup> NLRB v. Burns International Security Services, 406 U.S. 272, 80 LRRM 2225 (1972).

operations at the disputed locations since the acquisition. In these circumstances, the Employer argues, there is evidence of compelling circumstances which rebuts any presumption in favor of the alleged historical single multi-location unit.

If Union arguments do not prevail, the Union stated at the hearing that it would accept a Regional determination that each of four regional bargaining units created by the Employer at the time of the acquisition is appropriate. In its post-hearing brief, the Employer asserts that its written "formal recognition" of the Teamster Conference and Local Unions with jurisdiction in each of these regions "is no longer on the table."

Before addressing these unit arguments, I will summarize the record evidence in three important factual areas: (1) the operations of NLS, the predecessor, prior to the September, 2006 acquisition; (2) the bargaining relationship of NLS and the Unions; and (3) the operations of the Employer.

#### (1) The Operations of NLS, the Predecessor, Prior to the Acquisition

The record indicates that for many years, NLS was a major supplier of linen, towels and other laundered products to commercial customers in the Southeast United States. James Frank Dane, the former NLS Vice President of Labor Relations, testified that when he started working for NLS in 2001, the company operated in 53 branch locations. The company evidently experienced business reverses in the next few years and sold off many of its branch locations. The Employer herein acquired five NLS locations (in Florida and Georgia) in 2003.<sup>6</sup> NLS continued to close or sell off branch locations. Between 2004 and the sale to the Employer in late August, 2006, NLS sold off or closed other locations in Dallas, Texas; Fayetteville, North Carolina; Jackson, Mississippi; New Orleans, Louisiana; and in Wilmington, North Carolina.

<sup>&</sup>lt;sup>6</sup> NLS operations in Florida were sold in 2003 to three different companies, including the Employer herein.

By the time Dane left the employ of NLS in October, 2006, NLS had sold off all its remaining branch locations (the fifteen branch locations described above) to the Employer herein.

The record reveals that the local management hierarchy was substantially the same at each of the NLS branches in the years prior to the acquisition. There was a general manager employed at every branch.<sup>7</sup> Reporting to him were the route manager, the service manager, the production manager, the plant manager, and perhaps an assistant general manager, depending on the size of the facility. Line supervisors would report to their respective managers, i.e., route, service, production or plant. Under NLS, two of the classifications involved herein, the route sales representatives ("RSRs") and the transport drivers, typically reported to the route manager. The mechanics reported directly to the general manager of the branch, and to the corporate director of the fleet, on a "dotted-line" basis. Non-unit personnel in production classifications reported to production supervisors and the plant manager.

The function of the RSRs was to deliver and to pick up product to and from the customers. The RSR would pick up soiled product from customers and deliver it to the processing facility or service center to which he was attached. He would also pick up clean product and deliver it to customers. The function of the transport drivers was to transport soiled and clean product to and from different locations. The transport driver would deliver cleaned linen from his assigned processing center to the service centers (for pick-up by RSRs assigned to that service center), and would also pick up soiled product (dropped off by RSRs) at the satellite locations serviced by the processing center. The mechanics generally serviced a specific branch, though the corporate director of the fleet had authority to send mechanics to different locations, as mechanics were not employed at each location.

<sup>&</sup>lt;sup>7</sup> Some branches operated only a production (processing) facility where product was laundered, picked up, and delivered. Other branches also operated service centers and/or depots used only for product delivery and pick-up. NLS usually employed a manager at each of the service centers; the service center managers reported directly to the general manager of the production facility.

The record reveals that there was very little interaction or interchange among employees at the different branch locations. The RSRs were assigned to specific locations and did not interact with employees at any other facilities except the service centers assigned to their respective processing facilities. The same is true for the transport drivers. The mechanics occasionally interacted with unit employees at other branches, if assigned to different branches by the corporate director of the fleet. There is virtually no evidence of any temporary or permanent transfers of unit employees among branches, except for a handful of occasions when a branch was closed or sold. Each branch maintained its own seniority list.

Dane, the former NLS Vice President of Labor Relations, testified that there was a corporate human relations ("HR") manager, as well as HR managers at each of the individual plants. The corporate HR manager worked with other corporate officials to establish uniform policies to be applied to all union-represented employees. The general managers at each branch did not determine or issue labor policies; all such policies had to be approved by the corporate office. Collective bargaining negotiations and arbitrations were conducted by corporate officials, not by branch general managers. The processing of all accident and workmen's compensation claims was handled in the corporate office.

Day-to-day labor concerns were handled by local management, including scheduling, work assignments, overtime, vacations, and bidding procedures for open routes. Local management also had authority to settle grievances. All employee records were maintained locally at the branches, including intake of accident and workmen's compensation claims. Training would be conducted locally by local management personnel; there were also computer training programs prepared at the corporate office which were available locally by computer. However, the corporate training department dispersed in late 2002 or early 2003. As to hiring

and firing, Dane testified that branch managers under NLS had authority to hire RSRs and other low-level employees without corporate approval.<sup>8</sup>

With respect to firing, Dane testified that the authority of local branch managers changed over the years. When he began working for NLS in 2001, all terminations of employees had to be cleared through him or the corporate senior vice president of HR and administration.<sup>9</sup> This policy changed, however, after a change in ownership and negotiation of the current collective bargaining agreement (see discussion below), and as NLS continued to downsize. Thus, beginning in 2003 or early 2004, local managers had authority to terminate unit employees without corporate approval.<sup>10</sup> This policy changed again during the transition period after the date of sale to the Employer in late August, 2006. Dane testified that during the transition period between the sale and take-over by the Employer, all terminations of employees once again had to be cleared through his office.

The record indicates there was also corporate involvement in the management of the branches in non-labor areas. The branch general managers submitted individual branch budgets to the corporate office for approval.<sup>11</sup> All expenditures had to be cleared by a corporate committee. All purchasing of supplies and equipment was centralized at corporate headquarters. Corporate marketing and sales officials, not the individual branch managers, made the decision

<sup>&</sup>lt;sup>8</sup> Evidently, the branch managers needed corporate approval to hire some higher-level personnel. The record does not reveal for which personnel this was necessary.

<sup>&</sup>lt;sup>9</sup> The requirement of corporate approval for terminations at the branches evidently began in 1998 or 1999. David Watkins, former NLS Director of Labor Relations in the late 1980's through the late 1990's, testified that the requirement of corporate approval for terminations at the branches was instituted during this time period by the corporate vice president responsible for HR and labor relations.

<sup>&</sup>lt;sup>10</sup> Dan Jones, former NLS general manager of the Dallas branch, testified that he was not aware that this "permission or edict had been dropped down to the ranks." Jones has been the Employer's general manager for the Atlanta branch since the date of acquisition.

<sup>&</sup>lt;sup>11</sup> According to Jones, former NLS general manager of the Dallas branch, it was not unusual for corporate officials to reject budgets prepared by local branch managers. He testified that during the seven-year period he was branch manager in Dallas, it was not unusual for his budgets to be sent back for revision four to six times per year.

on whether to open up additional service centers or depots. Decisions regarding re-routing of routes were usually cleared through the corporate office.

As is noted above, NLS sold off all its remaining fifteen branches to the Employer at the end of August, 2006. These branches were located in: Alexandria, Virginia; Atlanta, Georgia; Charleston, South Carolina; Charlotte, North Carolina; Columbia, South Carolina; Florence, Alabama; Knoxville, Tennessee; Memphis, Tennessee; Nashville, Tennessee; Portsmouth, Virginia; Roanoke, Virginia; Savannah, Georgia; Shreveport, Louisiana; St. Louis, Missouri; and Lubbock, Texas. Of the twelve branches in dispute herein, seven operated both processing facilities and service centers and/or depots located some distance away from the processing facilities. These seven branches are located in Alexandria; Atlanta; Charleston; Charlotte; Nolumbia; Portsmouth; and Roanoke. Evidently, the other five in Florence, Knoxville, Nashville, Savannah, and Memphis<sup>12</sup> operated only processing facilities.

### (2) The Bargaining Relationship of NLS and the Unions

As of the time of the impending sale, NLS and the Unions were parties to a collective bargaining agreement called the "Master Agreement" and, as is noted above, employees at twelve of the fifteen acquired locations were covered by this agreement. The Master Agreement is the product of a more than forty-year history of collective bargaining between NLS and the Teamsters Conference and various affiliated Local Unions. The record evidence includes copies of twelve collective bargaining agreements dating back to 1966.<sup>13</sup>

Turning to the express language of the agreements, the recognition provision has remained essentially the same over the course of the last 40 years. In the earliest agreement (1966-1969) in evidence, this provision (Article 1.(a) Recognition) states:

The Employer recognizes and acknowledges that the *Local Union* is the exclusive representative of all employees in the classification of work

 <sup>&</sup>lt;sup>12</sup> The facility in Little Rock will ultimately be assigned by the Employer to the Memphis processing facility.
 <sup>13</sup> The terms of the agreements in evidence are: 1966-1969; 1972-1975; 1975-1978; 1978-1981; 1981-1984; 1984-1987; 1987-1990; 1990-1993; 1993-1997; 1997-2000; 2000-2003; 2004-2009.

covered by this Agreement for the purpose of collective bargaining as provided by the National Labor Relations Act. (Emphasis supplied.)

The recognition provision has not been changed in any material respect over the course of 40 years.<sup>14</sup> In addition, the term, "Local Union" has never been specifically defined, though the numbered "Local Unions" have been listed in the initial paragraph which recites the names of the parties to the agreement. Also, the scope of the unit has never been specifically defined in any agreement. Indeed, the parties did not even specifically list the facilities covered by the agreement until 1997.<sup>15</sup>

The earliest agreement (1966-1969) in evidence lists the Employer in the initial paragraph as the corporate parent on behalf of the branches in the plural, as NLS, "for its branches and depots". The Union is identified as the Teamsters Conference and "Local Unions Nos." (list of affiliate numbers) "which agree to be bound" ("hereinafter referred to as 'the Union'"). By the late 1970's, the (1975-1978) agreement was written to be signed individually by each of the individual branches and Local Unions. The Employer was listed in the initial paragraph in the singular, as NLS, "for its branch and depot No. \_\_\_\_", and the Teamsters Conference and "Local Union \_\_\_\_," with signature lines for the individual branch manager and Local Union officials, as well as for the parent entities. At the hearing, former NLS Director of Labor Relations, David Watkins, testified that the Vice President of Labor Relations insisted that local branches and local unions sign the agreements individually.

<sup>&</sup>lt;sup>14</sup> In the 1997-2000 collective bargaining agreement, the parties substituted the word "associates" for "employees," and have continued the use of the word "associates" in successive agreements. There is no evidence that either NLS or the Union ever proposed a change in the recognition provision, though the Union recently proposed a change to the Employer herein. In a written document submitted to the Employer at the end of September, 2006, the Union proposed that the Employer recognize "the Union" (*not* "Local Union") as exclusive bargaining representative for employees in listed classifications "who are employed in the attached Appendix A."

<sup>&</sup>lt;sup>15</sup> See 1997-2000 agreement, Appendix A, entitled "Teamsters Branches Master Agreement," listing individual branches and corresponding "Local #," with 36 branches (including nine service centers). Appendix A is not referred to in the body of the agreement, though it is identified in the Table of Contents as "Appendix A Teamsters Branches Master Agreement".

By the late 1980's, the "Employer" was changed to *solely* the individual NLS branch ("National Linen Service, Branch No. \_\_\_\_, a division of" NLS), and *not* the corporate parent, though the corporate parent appeared on the signature page; the union parties remained the same as in the late 1970's, as did the signature page. The practice of naming only the individual branch as the Employer continued through the 1997-2000 agreement.

In the 2000-2003 agreement, the names of the parties changed again. Now, the corporate NLS parent was listed solely as the Employer in the initial paragraph, with no reference whatsoever to the individual branches; the signature page did not even contain a line for the local branch representatives. The Teamsters Conference was listed in the same way as in earlier agreements in the initial paragraph,<sup>16</sup> but there was a change in the identification of the local affiliates, to "those Local Unions identified in Appendix 'A'" (a list of 36 branches, including nine service centers). There were signature lines both for the Teamsters Conference, and for "Local Union #\_\_\_." As in earlier agreements, the "Union" was defined as both the Teamsters Conference and the Local Unions. The 2004-2009 agreement is exactly the same in the foregoing respects: the NLS corporate parent is listed solely as the Employer in the initial paragraph, with no reference to the individual branches; the Employer signatory is the NLS corporate parent. The affiliates are again identified as "those Local Unions identified in Appendix "A",<sup>17</sup> and there are separate signature pages for each of the local affiliates.

The record reflects that the bargaining teams in recent years included corporate and Teamster Conference officials, as well as a few representative Local Union officials.<sup>18</sup> Local management officials attended negotiations for training purposes, but not to represent the

<sup>&</sup>lt;sup>16</sup> A one-month extension through October 31, 2000, pending contract ratification, recited the union parties as the Teamsters Conference "*on behalf of* [not "and"] all Teamsters Local Unions covered by" the Master Agreement. (Emphasis supplied.)

<sup>&</sup>lt;sup>17</sup> Appendix A lists 27 locations (down from 36 in the 2000-2003 agreement), including 9 service centers. The parties stipulated that Appendix A covered 28 (not 27) NLS locations, but the stipulation lists only 27 locations (including "Montgomery/Dothan" as one location).

company, according to former NLS Vice President Dane. All the agreements contain uniform terms and conditions of employment for all facilities, including wages, holidays, vacations, leaves of absence, discipline, grievance procedure,<sup>19</sup> seniority,<sup>20</sup> work week, and fringe benefits. The 2004-2009 agreement provides that job stewards have no authority to take strike action, except as authorized by the "Union"<sup>21</sup> (Article 8) and that employees are not subject to discipline if they refuse to cross a picket line sanctioned by the Teamsters Conference (Article 9).<sup>22</sup> There is some evidence that NLS corporate officials issued uniform interpretations of contractual provisions to the branches from time to time.<sup>23</sup>

There are only a handful of references in the agreements to bargaining at the local branch level. Evidently beginning with the 1972-1975 collective bargaining agreement, the parties established a "Joint National Committee" (consisting of equal representatives of the parent organizations) to hear grievances which were not resolved at the third step. The Joint National Committee also had jurisdiction over other issues, including "negotiation of local bargaining matters which have become deadlocked at the local level."<sup>24</sup> The Joint National Committee continued to have authority over deadlocked local issues pursuant to all collective bargaining

<sup>&</sup>lt;sup>18</sup> A former Local Union business agent, Douglas Norris, testified that prior to negotiations for the 1990-1993 agreement, officials from all Local Unions covered by the Master Agreement were summoned to Atlanta to discuss bargaining proposals. A few of these officials were then chosen to be on the bargaining committee.

<sup>&</sup>lt;sup>19</sup> The two most recent agreements provide for a five-step grievance procedure, with the first three steps involving only Local Union representatives and local management. The last two steps provide for processing at national grievance committee levels, and arbitration. "Either party" may request that a grievance go to arbitration. See Article 16 in 2000-2003 and 2004-2009 agreements.

<sup>&</sup>lt;sup>20</sup> The agreements provide for hiring date seniority and bargaining unit seniority. See Article 19 in 2000-2003 and 2004-2009 agreements. <sup>21</sup> There have been national strikes called several times in the last 40 years, most recently in 1994.

<sup>&</sup>lt;sup>22</sup> There are also many other uniform provisions covered in the two most recent agreements, including: management rights; bargaining unit work; stewards/union representatives visiting facility; probationary period; equipment; liability (for strikes not authorized by the "Union"); workers' compensation issues; job classifications; check off; jury duty; funeral leave; meals and lodging; uniforms; appearance; and discount stock option purchase plan. The two most recent agreements also provide (Article I, Paragraph C, Section 1) that the Employer would recognize the "Union" as the bargaining agent "for any unorganized bargaining *unit* of the Employer" (emphasis supplied), in the event the Union could demonstrate majority status through a card check. The parties have also negotiated a uniform substance abuse and drug testing policy.

<sup>&</sup>lt;sup>23</sup> Former NLS Director of Labor Relations, David Watkins, when asked whether NLS considered employees to be part of a single bargaining unit under the Master Agreement (during his tenure through the late 1990's), responded, "That is hard to answer because of the situation, where we knew that each branch had their own seniority list, but as a negotiating group we considered it one unit for negotiating purposes, yes."

agreements from 1972-1975 through 1993-1997. There is no evidence of any actual bargaining or deadlock at the local level. However, there are apparent references to two or three local agreements in the collective bargaining agreements, up through the 2004-2009 agreement.<sup>25</sup>

The record establishes that the collective bargaining agreements have been ratified by vote of the membership over the years. Each branch votes, and all votes from all branches are pooled to determine total "yes" and "no" votes, and whether the agreement has been ratified. The Union states this pooling of votes is required by the Constitution of the International Brotherhood of Teamsters, which provides (at Article XII, Section 2), in pertinent part:

- (a) If a majority of the affiliated Local Unions vote to participate in area, multi-area, national, multi-employer, company-wide, or industry-wide negotiations for a . . . company-wide agreement (hereinafter "master agreement"), *all involved affiliated Local Unions shall comprise a multi-union unit*, be bound by such vote . . . and shall be bound by the agreement approved. . . (Emphasis supplied.)
- (b) Results of ratification or rejection votes with respect to master agreements shall be determined by all involved voting members *on a cumulative basis of all votes cast* . . . (Emphasis supplied.)

Article XII (Section 2(b)) also provides that local affiliates may not withdraw from "multi-union units" without the approval of the General Executive Board of the International Union. Further, pursuant to Article XII (Section 2(f)), all employers negotiating agreements with multi-union committees or national conferences are to be provided with a copy of Section 2 at the outset of negotiations, so that they will have notice of the approval necessary for ratification. The record reveals that NLS was fully aware that ratification votes required the pooling of votes from all branches, consistent with Article XII.

<sup>&</sup>lt;sup>24</sup> See 1972-1975 agreement, Article 22 (Grievance Procedure), p. 19.

<sup>&</sup>lt;sup>25</sup> See Article 8 (Miscellaneous), 2004-2009 and 2000-2003 agreements ("Maintain memo of understanding-Local 171 (9/8/94)"); see also Article 38 (Miscellaneous), 1993-1997 and 1990-1993 agreements ("Maintain memo of

## (3) The Operations of the Employer

The Employer maintains two divisions, a North American division (including Canada) and an international division; it has basically the same customer base as NLS, except that it focuses more on food and beverage clients (as opposed to health care clients). Prior to the acquisition, the Employer employed approximately 9,000 employees throughout its branch operations (including RSRs, transport drivers, and mechanics and many more non-unit production employees), and approximately 100 employees at corporate headquarters located in Salt Lake City, Utah. Prior to the acquisition, the branch employees were spread across the United States, concentrated mostly at branches located west of the Mississippi River and in the Western states.

With the acquisition of the NLS facilities in August, 2006, the Employer's employee complement grew by 2500, to approximately 11,500 employees. The North American division grew to over 60 branch locations, including 44 branches with Teamster-represented employees, and eighteen branches with no Teamster-represented employees.<sup>26</sup> At the 44 Teamster-represented branches, there are in total approximately 1300 unit employees (e.g., RSRs, transport drivers, and mechanics), including approximately 300 unit employees in total at the twelve disputed branches.<sup>27</sup>

The record reveals that the Employer's management structure at each of the disputed branches is substantially similar to the local management structure under the predecessor. There is a general manager at each branch, and perhaps an assistant general manager, depending on the

understanding – Local 171 (2-28-88); Cancel memo of understanding – Local 515 (10-21-85); All other memo's [sic] of understanding to remain in effect.").

<sup>&</sup>lt;sup>26</sup> Prior to the acquisition, employees at 30 branch locations of the Employer were represented by Teamster affiliates. The record reflects that at the time of the acquisition, there were 24 individual collective bargaining agreements covering employees at 25 of these branches, and one collective bargaining agreement covering employees in five Florida branches in one overall unit.
<sup>27</sup> The numbers of unit employees at each of the 12 disputed locations at the time of the hearing appear in

<sup>&</sup>lt;sup>27</sup> The numbers of unit employees at each of the 12 disputed locations at the time of the hearing appear in parentheses: Alexandria (17); Atlanta (87); Charleston (17); Charlotte (42); Columbia (14); Florence (20); Knoxville (25); Memphis (10); Nashville (20); Portsmouth (19); Roanoke (21); Savannah (13). In addition, at the Shreveport branch there are 31 Teamster-represented employees and at St. Louis there are 15 Teamster-represented employees.

size of the branch. (For example, in Atlanta, there is an assistant general manager, and the position for HR manager has been eliminated.) Reporting to each branch manager are managers for the plant, service, maintenance and office, with line supervisors (if any) directly reporting to each of them in their respective areas. Most branches evidently employ a manager for mechanics, as mechanics are now employed locally and are assigned locally. Unlike NLS, the Employer does not employ a corporate fleet manager.<sup>28</sup>

At the time of the acquisition in September, 2006, the Employer hired a majority (if not virtually all) of the predecessor's employees. The Employer (not the local branches) established the initial terms and conditions of employment for unit employees. The record reflects that current unit employees work at the same locations under the same supervision (except for mechanics) as under the predecessor. Their duties are exactly the same as they were under the predecessor. Using the same equipment as under the predecessor, the RSRs pick up soiled product from the same customers and deliver it to the facility; they also pick up clean product at the facility and deliver it to the same customers. The transport drivers also perform the same function in the same trucks, transporting soiled and clean product to and from the processing center and service centers. As is noted above, the mechanics are no longer centrally assigned by a corporate fleet manager. Rather, they are assigned locally out of the branch. As was the case under NLS, there is neither interaction, nor temporary or permanent transfers among unit employees at the different branches.

According to the Employer, there are dramatic differences between operations under the predecessor and the successor with respect to the "operational control and authority granted to local branch management." The Employer's North American Division Director, Stephen Larson, testified about the Employer's management structure and philosophy. Each branch is considered its own profit center, with the general manager at each branch as the "go to" person, in charge of

<sup>&</sup>lt;sup>28</sup> The mechanics manager at the Employer's Atlanta branch was the corporate fleet manager for the predecessor.

all operations. The Employer's philosophy is that it is the general manager's responsibility to run each branch autonomously, making sure it is efficient and profitable. To that end, the Employer requires the general manager to develop the annual budget which is approved by the corporate regional manager to whom he reports. The general manager is "tasked" against this budget on a monthly basis by the corporate regional manager.

The general manager establishes all pricing (together with the branch sales manager) and determines the sales levels needed to grow the branch and the number of sales employees to employ. The local general manager is authorized to make capital expenditures of up to \$5,000 without approval of the corporate regional manager, and up to \$15,000 with regional management approval. He is also responsible for linen purchases (up to \$2 Million to \$3 Million annually). He is ultimately responsible for the production schedule, customer service, accounts receivable, and safety.

In the labor relations area, the record reveals that local general managers have authority to hire and fire non-manager employees without prior corporate approval. Employer Division Director Larson testified that the general manager is responsible for essentially all employee matters, including training, discipline, payroll,<sup>29</sup> collective bargaining administration, and arbitration. The general managers also negotiate individual collective bargaining agreements. In this regard, the record contains copies of 24 collective bargaining agreements<sup>30</sup> negotiated prior to the acquisition, which Larson stated were negotiated by individual branch managers with various Teamster affiliates, none of which are involved herein.

 <sup>&</sup>lt;sup>29</sup> Payroll data is prepared at the branch level, and is then transmitted to the Employer's corporate office for preparation of paychecks.
 <sup>30</sup> These agreements cover 25 individual branches. One agreement covers both the Los Angeles and Anaheim

<sup>&</sup>lt;sup>30</sup> These agreements cover 25 individual branches. One agreement covers both the Los Angeles and Anaheim branches, and the remaining 23 agreements cover individual branches.

With respect to collective bargaining, the Employer's corporate "SOP"<sup>31</sup> for labor policy lists numerous limitations "which must be strictly adhered to" by branch general managers in negotiations. For example, the SOP provides that corporate approval is required for all offers made to unions, that the final collective bargaining agreement is subject to final corporate approval, and that branch managers are prohibited from deleting or removing "any clause" without prior corporate approval.<sup>32</sup>

The labor policy SOP also contains a section setting forth "principles" which "are rigid company policy." This section lists 33 types of contractual clauses which should be "gained or retained," and nineteen types of clauses which should be "avoided or removed." This list of do's and don'ts is very detailed,<sup>33</sup> and in some instances contains specific contract language. In addition, notice of any possibility of a strike must be "immediately" reported to corporate management. There is also a standard corporate policy for alcohol and drug testing, and standard employee booklets covering employee conduct rules (i.e., "Employee Guidelines and Work Standards"), safety issues, and benefits, including the long-term disability insurance program, dental plan, and medical benefit plan.

There is other evidence indicating the exercise of corporate, as opposed to individual branch, control in collective bargaining. When the Employer acquired the five NLS Florida branches in late 2003, the Employer's then corporate Division Director negotiated a multi-

<sup>&</sup>lt;sup>31</sup> The "SOP" is a detailed "standard operating procedure" issued by the Employer's corporate office. The SOP covers many subjects pertaining to branch operations, including: general service and sales; insurance; plant engineering and fleet maintenance; production procedures, accounting and office procedures; personnel policies; textile purchasing and conservation procedures.

<sup>&</sup>lt;sup>32</sup> The SOP for labor policy also states that "all labor relations, contractual and otherwise, will be handled on a local level," and that the "responsibility for satisfied labor relations and the carrying out of company policy rests upon local management." The SOP for labor policy was evidently last updated in 1990, and is currently effective.

<sup>&</sup>lt;sup>33</sup> For example, some of the "favorable principles" are: specified limits on overtime and holiday pay; strong management rights clause; specified requirements for vacation benefits; two-tier wage system; compressed rates in certain classifications; avoidance of wage rates for department heads; "cost of living clauses . . . should be avoided;" and most favored nations provision. Some of the "unfavorable principles to be avoided or removed" are: retroactivity clauses; personalized rates; inclusion of office workers in contract; strict seniority; severance pay; guaranteed work week; reopener on wages; union health and welfare funds (and in lieu thereof, to provide for "competitive bidding among insurance companies rather than be under a union controlled trust indenture"); and

facility collective bargaining agreement covering employees in all five branches in one overall multi-facility unit in the "Florida Region."<sup>34</sup> Though the branch general managers are responsible for administration at their respective branches, there is no evidence that any of them actually represented the Employer in the negotiations. The Employer asserts it agreed to one overall multi-facility unit because it wanted a "quick settlement" following acquisition of the five Florida branches in 2003.

Further, there is more recent evidence of the exercise of corporate, as opposed to individual branch, control in collective bargaining. Immediately following the acquisition in late August, 2006, the Employer reorganized from five overall geographic regions to six, with the acquired branches distributed among regions four, five, and six. The newly acquired branches were further divided into four subregions (under different regional managers) including: (1) the Tennessee Region; (2) the Atlantic Coast Region; (3) the Atlanta Region; and (4) the Carolina Region.

Immediately following the acquisition, the Employer's current corporate Division Director made the decision to recognize and bargain with another labor organization, UNITE, for agreements covering production employees in the four subregions described above. Effective September 1, the parties reached agreement on four separate collective bargaining agreements covering production employees in each of the four separate regional units. These agreements are identical, word-for-word, and each extends from September 1, 2006 to May 2, 2008. The only apparent difference among the agreements is that they are signed on behalf of the Employer by the four different Regional Managers, not by individual branch managers.

voluntary overtime (as opposed to mandatory overtime). The SOP also states, "Under no circumstances will the company consider either divisional or national negotiation of contracts."

<sup>&</sup>lt;sup>34</sup> See discussion at footnote 26 above. The five Florida branches are located in Jacksonville; Orlando; Tampa; St. Petersburg; and Sarasota, and evidently include a facility located in Albany, Georgia. The term of the collective bargaining agreement extends from February 9, 2004 through February 8, 2007, and covers the same classifications as are involved herein. The union parties to the agreement are the Southern Region of Teamsters and local union affiliates not involved herein. The agreement is signed by the corporate regional manager on behalf of the Employer

Corporate control (as opposed to individual branch control) was also exercised in collective bargaining in the instant case. By letter dated September 1, 2006, the Unions involved herein requested recognition as bargaining agent for unit employees formerly employed by NLS. The Employer responded by letter dated September 12, 2006, recognizing the Teamsters Conference and affiliated Local Unions having jurisdiction as the collective bargaining representative in each of the four regional units described above: (1) the Tennessee Region; (2) the Carolina Region; (3) the Atlanta Region; and (4) the Atlantic Coast Region.<sup>35</sup> On or about September 13, 2006, the Unions responded, declining to agree to the Employer's four regions. In late September, the Unions presented a written proposal to the Employer for one collective bargaining agreement covering all twelve branches in dispute herein. On or about September 28, 2006, the parties met to conduct contract negotiations. At the meeting, the Employer rejected the Union's proposal, seeking bargaining in four regional units or individual branch units.<sup>36</sup>

### **Discussion and Analysis**

I now turn to the contentions of the parties. The threshold issue in this case is the scope of the bargaining unit or units covered by the Master Agreement between NLS and the Unions. The Employer contends the Union failed to establish that NLS agreed to and contractually maintained a single multi-location bargaining unit.<sup>37</sup> In support of this position, the Employer

<sup>(</sup>not by the individual general managers), and by union officials of the Southern Region and each of the local affiliates.

<sup>&</sup>lt;sup>35</sup> The Atlantic Coast Region includes branches in Alexandria; Charlotte; Portsmouth; and Savannah. The Atlanta Region consists of the Atlanta Branch. The Carolina Region includes branches in Charlotte; Columbia; and Roanoke. The Tennessee Region includes branches in Florence; Knoxville, Memphis; Nashville; Shreveport; and St. Louis. (In the UNITE agreement, the Tennessee Region also includes the newly acquired branch in Lubbock; as is noted above, unit employees are not represented at this branch.)

<sup>&</sup>lt;sup>36</sup> Dan Jones, the Employer's General Manager in Atlanta, testified that Employer representatives were prepared to discuss the Atlanta Region. Tyrone Brewster, a Local Union representative, testified that Employer representatives wanted to negotiate individual contracts for the four regional units.

<sup>&</sup>lt;sup>37</sup> In its post-hearing brief, the Union asserts the Employer stipulated that the Master Agreement between the parties described a historical single unit of employees indisputably since 1997 when the Master Agreement expressly listed all of the employer branches in the unit description. I find no support for this assertion in the record. The Employer stipulated only that NLS and the Union renewed successive master agreements since 1997, the most recent of which was effective from 2004 to 2009.

relies on the recognition clause, in which NLS recognized the "Local Union" as the exclusive bargaining representative, and the fact that "each contract was entered into between a specific NLS branch and that a specific Local Union was the only exclusive representative at a specific branch."

It is clear that for 40 years, the recognition clause has stated it is the "Local Union" which is recognized by NLS, as the Employer asserts. It is also clear that up until the negotiation of the 2000-2003 agreement, the "Employer" under the agreement was defined as the individual branch ("National Linen Service, Branch No. \_\_\_\_"), and the individual branches and Local Unions ("Local Union No. ") signed individual copies of the Master Agreement. However, the recognition clause has never contained any specific definition or description of the unit. Furthermore, the parties discontinued identifying the individual branch as "Employer" beginning with the 2000-2003 agreement. Rather, in the 2000-2003 agreement, the parties listed solely the NLS parent as the Employer in the initial paragraph, with no reference whatsoever to the individual branches; the signature page did not even contain a line for any local branch official. The corporate parent was designated as signatory, not any individual branch. This practice continued in the 2004-2009 Master Agreement between NLS and the Union. Like the earlier agreement, the Employer is defined *solely* as the NLS parent in the initial paragraph, not any individual branch. Likewise, the signature page designated only the NLS parent as the signatory Employer.

The Board has long recognized the "merger doctrine" under which an employer and union can agree to merge separately certified or recognized units into one overall unit. <u>Raley's</u>, 348 NLRB No. 25 (2006), sl. op. at 172, citing <u>Wisconsin Bell, Inc.</u>, 283 NLRB 1165, 1166 (1987). The merger of existing units into one overall unit can be effected through contract language, bargaining history and course of conduct of the parties. See <u>Anheuser-Busch, Inc.</u>, 246 NLRB 29, 31 (1979). The merger of separate units, in effect, destroys the separate identity

of the individual units. <u>White Westinghouse Corp.</u>, 229 NLRB 667 (1977), enf'd. (D.C. Cir. 1979).

I am not persuaded that the use of the term "Local Union" in the recognition clause, standing alone, establishes that the parties agreed to individual branch units, as the Employer herein contends. The identification of the individual branch as "Employer" up to negotiation of the 2000-20003 agreement is additional evidence of the parties' intent, but there are other factors, set forth below, which support a finding of a multi-branch unit. Assuming arguendo, however, the use of the term "Local Union" in the recognition clause established single branch units, as contended by the Employer,<sup>38</sup> this reference is not sufficient to require a finding of separate units where the history and course of conduct show a merged unit. See <u>Gold Kist, Inc.</u>, 309 NLRB 1992 (1992).

I find the evidence is clear that NLS and the Union effectively merged such individual units into one overall unit, at least as of the negotiation of the 2000-2003 agreement.<sup>39</sup> In reaching this conclusion, I rely on a number of factors. First, as is noted above, the parties changed the Master Agreement beginning in 2000, eliminating the local branch (i.e., "National Linen Service, Branch No. \_\_\_\_") as the "Employer" under the contract. Instead, the parties defined the "Employer" to be *solely* the NLS corporate parent, not the individual branch. This change in the definition of "Employer" suggests agreement on a broader unit, rather than individual branch units, as contended by the Employer herein.<sup>40</sup>

Next, the negotiation on both sides has been consistently centralized; this is another factor militating in favor of a finding of a broader unit. NLS corporate officials led the

<sup>&</sup>lt;sup>38</sup> In my view, this is arguably not, strictly speaking, a "merger doctrine" case, as the recognition clause itself does not specify that the parties intended the individual branches to be separate units. See, e.g., <u>Greenwood Cemetery</u>, 280 NLRB 1359, fn. 4 (1986); and <u>Met Electrical Testing Co.</u>, 331 NLRB 872, at fn. 1 (2000).

 <sup>&</sup>lt;sup>39</sup> The Board has determined that even a one-year bargaining history on a multiplant basis can be sufficient to bar a single-unit election. See <u>Arrow Uniform Rental</u>, 300 NLRB 246, 248, fn. 17 (and cases cited therein) (1990).
 <sup>40</sup> It could also be argued that the change in the definition of "Employer" in the 2000-2003 agreement merely

reflected the reality of the parties' prior bargaining relationship. The Union asserts that a historical single unit of

negotiations, with branch officials present only for training purposes, according to former NLS Vice President Dane. On the union side, Teamster Conference officials led the negotiations, with a few representative Local Union officials in attendance. Pursuant to the International Constitution, the local affiliates surrendered their individual autonomy to reject or accept the contract, through their agreement to be part of a "multi-union unit" and the pooling of votes for ratification purposes. Further, the Local Unions were prohibited by the International Constitution from withdrawing from this "multi-union unit" without the consent of the General Executive Board of the International Union. Such centralized control exercised on both the employer side and the union side is clear evidence that the parties intended to deal with one another in a broader multi-branch unit. See <u>General Electric Co.</u>, 180 NLRB 1094, 1095 (1970).

Further, the substantive content of the contract shows that the parties intended a broader unit. Each successive Master Agreement, in one single document, contained detailed terms usually found in individual collective bargaining agreements, covering such subjects as wages, working hours, vacations, holidays, seniority rules, leaves of absence, and fringe benefits. There is no question that all such terms and benefits were equally applicable to employees at all branches covered, without regard to any differences in operations among branches. Indeed, it appears from the uniform language of the agreement that any distinction between one branch and another was not a factor at all in the course of bargaining. Also, the Master Agreement provided for a centralized national grievance committee with authority to make decisions on grievances which were not resolved at the individual branch level. These facts, as well, point to the parties' agreement on a broader unit. See <u>General Motors Corp.</u>, 120 NLRB 1215, 1218, 1220 (1958); <u>White-Westinghouse</u>, cited <u>supra</u>; <u>Anheuser-Busch</u>, cited <u>supra</u>; <u>General Electric</u>, cited <u>supra</u>; see also <u>Reichhold Chemicals, Inc.</u>, 301 NLRB 1228 (1991).

employees has existed indisputably since 1997, when the Master Agreement expressly listed in Appendix A all of the NLS branches covered by the agreement.

There are other facts which might point to a contrary intent, such as the apparent negotiation of a handful of local supplemental agreements. However, the Board has repeatedly held that the negotiation of supplemental agreements on a local basis is not inconsistent with a finding of multi-plant bargaining. Likewise, references to "units" (or "unorganized bargaining unit") in national agreements is not inconsistent with a larger, merged unit. See <u>Raley's</u>, cited <u>supra</u> and cases cited therein, sl. op., at p. 172.

The Employer cites a number of cases in support of its contention the Union failed to establish that NLS agreed to and contractually maintained a multi-location unit, including Louisiana Dock Co., 293 NLRB 233 (1989); Sambo's Restaurants, Inc., 212 NLRB 788 (1974); Duval Corporation, 234 NLRB 160 (1978); Remington Office Machines, Minneapolis Branch, Division of Sperry Rand Corporation, 158 NLRB 994 (1966); and Metropolitan Life Ins. Co., 172 NLRB 1257 (1968). In these cases, the Board rejected claims of a single unit, and found that the parties had contractually maintained multiple units. However, the facts and issues presented in the foregoing cases are distinguishable from those presented here.

In Louisiana Dock, there were separate contract addenda negotiated for each location covered by the contract, with different wage rates and holiday packages applicable to each location. Further, negotiations for these addenda occurred at different times and places and had varying effective dates. Moreover, the company negotiator in an addendum letter referred to the different "units" covered by the contract, and the union therein made no protest to the use of this terminology, and countersigned the addendum letter. In <u>Sambo's</u>, there was evidence that the Union itself sought to negotiate for one store on an individual basis, and did not therefore consider the restaurants involved therein as a single multistore unit. In <u>Duval</u>, several unions negotiated one contract covering several units of employees at one mining and milling location. The issue was whether the warehouse unit had been merged into one unit with the other units.

expressly recognized as the bargaining representative for warehouse employees, thus indicating that "no merger was contemplated." 234 NLRB at 161.

In <u>Remington</u>, the employer asserted that it had never agreed to a multi-location unit, notwithstanding centralized bargaining. Here, NLS has made no such assertion. Further, in <u>Remington</u>, the Board relied on correspondence between the parties which indicated the employer's resistance to a multi-location unit. Accordingly, the evidence of mutual intention required for a finding of merged unit was absent. Similarly, in <u>Metropolitan Life</u>, the Board relied on specific language in an agreement between the union and the employer which expressly referred to two separate units. Thus, notwithstanding the pooling of votes of both units for ratification purposes, the Board found that evidence of the requisite mutual intent to merge units was lacking.

In reaching my conclusion herein, I am not unmindful that there is contractual language in the Master Agreement specifically recognizing only the "Local Union" as the bargaining representative, as the Employer herein emphasizes. However, the contract contains no clear or specific definition of the unit. Further, in the two most recent agreements, NLS and the Union eliminated the individual branch (i.e., "National Linen Service, Branch No. \_\_\_\_") as "Employer" and substituted in its place the NLS corporate parent. This contractual change supports a finding of a broader unit.

Furthermore, the total picture of bargaining presented in this case is significantly different from the facts and recognition clauses presented in the cases cited by the Employer. In addition to the above change in contract language, the evidence is clear that negotiations were centralized; all matters discussed applied to all employees in all branches covered. Furthermore, a single document contains substantive ground rules and detailed terms and conditions of employment typically included in individual collective bargaining agreements covering single

22

units. On the face of the document, the distinction between one branch and another does not appear to have been a factor at all in the course of bargaining.

The foregoing facts clearly demonstrate that from the negotiation of the 2000-2003 agreement (if not earlier), NLS and the Union intended to, and in fact did, carry on their collective bargaining on the basis of a single merged unit. As the Board stated in <u>General Electric</u>, cited <u>supra</u>, "such a finding is more in step with the realities of the relationship between the parties than would be a contrary finding." 180 NLRB at 1095. I therefore find that the record establishes a history of bargaining in a single multi-branch unit embracing NLS branches covered by the Master Agreement.

As is noted above, the Employer herein does not dispute its obligation to bargain as a *Burns* successor. However, the Employer asserts that even if NLS and the Union agreed to and contractually maintained a multi-location bargaining unit, this unit was not appropriate when NLS operated the branches. Further, the unit is not appropriate now because the Employer, since the late August acquisition, has assimilated "the branches into its autonomous branch business model." Thus, the Employer argues, there are compelling circumstances which overcome any historical unit presumption, and the unit should therefore be clarified as sought in the petition.

In a recent case, the Board considered the bargaining obligation of a *Burns* successor in a multi-facility unit. In <u>Ready Mix USA, Inc.</u>, 340 NLRB 946 (2003), the Board reiterated the principle that long-established bargaining relationships will not be disturbed, even in a *Burns* successor situation, where they are not "repugnant to the Act's policies." Further, the Board stated, the party seeking to show that a historical unit is not appropriate carries "a heavy evidentiary burden" to demonstrate "compelling circumstances" to overcome the significance of the bargaining history.<sup>41</sup> In <u>Ready Mix</u>, the successor acquired three separate facilities, a block plant and two batch plants, and placed them in two separate divisions, served by separate

managerial hierarchies; the block plant was also placed under different immediate supervision. The Board rejected the successor's contention that changes in the administrative structure and managerial hierarchy at the acquired plants constituted "compelling circumstances," stating that "administrative structure and managerial hierarchy are, no doubt, important to the" successor, but they are "far less important to the unit employees, who, at and after the time of" the acquisition were "by and large doing the same jobs in the same locations and under the same working conditions and mainly the same supervision as before the acquisition." 340 NLRB at 947.

In the instant case, the Employer asserts similar changed circumstances. Here, as in <u>Ready Mix</u>, there are claims of administrative changes and changes in managerial authority, that the operations of the branches have been assimilated into the Employer's "autonomous branch business model." In this regard, the Employer claims that general managers at the acquired branches have significantly greater autonomy in labor relations than under NLS.<sup>42</sup> Since the sale, the Employer claims, the individual branches are individual profit centers, with the general managers exercising much more discretion in budgeting, purchases, capital expenditures, and the setting of sales targets.<sup>43</sup>

<sup>&</sup>lt;sup>41</sup> It must be demonstrated that the historical unit is "repugnant to the Act." See <u>Canal Carting, Inc.</u>, 339 NLRB 969, 970 (2003).

<sup>&</sup>lt;sup>42</sup> The record evidence, however, is not compelling on this point. Though the general managers at pre-acquisition branches negotiated individual collective bargaining agreements, there is no evidence that general managers at the acquired branches played any significant role in the post-acquisition negotiation of the four regional multi-facility agreements with UNITE covering production employees. Also, there is no evidence that pre-acquisition general managers in Florida played any role in the multi-facility agreement negotiated by corporate officials of the Employer in 2003. There is also no evidence that general managers at the acquired branches had any input in the corporate decision to recognize the Unions herein in the four separate subregions organized by the Employer in September, 2006. It is also apparent that the Employer's corporate labor relations "SOP" ties the hands of the general managers on numerous contractual items and thus significantly circumscribes their discretion in this area. The Employer herein also makes much of the fact that branch general managers since the acquisition have authority to hire and fire unit employees without any prior corporate approval. However, according to Dane, the former NLS Vice President of Labor Relations, general managers at the branches under NLS had similar authority for several years prior to the acquisition.

<sup>&</sup>lt;sup>43</sup> However, similar to the NLS operation, there is significant corporate involvement in these areas since the acquisition. For example, branch budgets are subject to the approval of the corporate regional manager. Similarly, capital expenditures in excess of \$5,000 require prior corporate approval.

The Employer herein relies heavily on the Board's analysis in Rock-Tenn Company (Partition Division), 274 NLRB 772 (1985), and the Board's statement therein, that "compelling circumstances exist" for disregarding established bargaining history "where. . . significant changes in the organizational structure and operations of' the unit "have occurred which negate any community of interes[ts] that may have existed previously among the employees . . ." 274 NLRB at 773. In Rock Tenn, the operations of the two manufacturing facilities in question (a paper mill and a partition plant) had been integrated by the predecessor employer prior to the sale, with centralized control of labor relations and recordkeeping. The two facilities were sold to two separate corporations;<sup>44</sup> thus centralized labor control and single corporate control ended. The manufacturing processes at each facility were no longer integrated after the sale; there were also substantial dissimilarities in working conditions between the two plants, and no interchange of employees between the two plants. The Board found compelling circumstances warranted disregarding the bargaining history on a multi-plant basis because of "the completely separate corporate and operational structure, the lack of functional integration between the paper mill and the partition plant, the decentralized labor relations policies. . . and the absence of employee interchange." 274 NLRB at 773.45

However, the facts in the instant case differ significantly from the facts in <u>Rock Tenn</u>. Since the acquisition herein, the branches have not been owned by separate corporate entities, as was the case in <u>Rock Tenn</u>. Further, the record contains no evidence of substantial dissimilarities in working conditions and terms and conditions of employment among unit employees at the acquired branches since the sale. It is true there is no evidence of interchange

<sup>&</sup>lt;sup>44</sup> Both corporations were owned by the same holding company.

<sup>&</sup>lt;sup>45</sup> The same result was reached for similar reasons in another case cited by the Employer, <u>Ameron, Inc.</u>, 288 NLRB 747 (1988). Like the facts in <u>Rock Tenn</u>, the employer in <u>Ameron</u> sold off two of three facilities (a rolling mill, wire mill, and melt shop) to a separate corporate entity. After the sale, the three facilities operated differently under two separate corporate entities, with different equipment used by employees with dissimilar skills and functions; there was also separate labor relations control over the three facilities.

of unit employees among the branches, but there was no interchange even before the sale.<sup>46</sup> Further, the evidence shows the Employer herein exercises a significant degree of centralized corporate control of labor relations policies at the branches since the acquisition, unlike the situation in <u>Rock Tenn</u>.

Here, as in <u>Ready Mix</u>, the Employer has operated the branches with essentially the same unit employees and supervisors at the same facilities and locations. Further, the unit employees use essentially the same equipment and provide the same goods and services to the same customers as under NLS. They perform the same duties under essentially the same working conditions as under the predecessor. Even though the Employer argues that administrative and managerial changes have created independent profit responsibility for each branch, there is no showing that these changes have significantly affected the "touchstone" in any takeover situation, the employment relationship between employer and employee at the time of and since, the acquisition. See <u>White-Westinghouse</u>, cited <u>supra</u>, 229 NLRB at 674. Accordingly, even if the control of the branches has been much more localized as a result of administrative and managerial changes, as contended by the Employer, I find that these changes do not constitute "compelling circumstances" which overcome the significance of the multi-branch bargaining history prior to the acquisition. See also <u>Met Electrical Testing</u>, cited <u>supra</u>.

The Employer further asserts it should not be obligated to bargain in the multi-branch unit because it was not an appropriate unit when NLS operated the branches, and it is not an appropriate unit now. However, the evidence does not establish that the multi-branch unit was inappropriate under NLS. The Master Agreement covered all Teamster-represented branches of NLS, except for the single branch units in Shreveport and St. Louis. There is no evidence in the

<sup>&</sup>lt;sup>46</sup> In <u>Ready Mix</u>, the Board ascribed little weight to the successor's contention that there were differences in the operations of the batch plants and block plant because these differences existed prior to the sale. Thus, this was not a "change" which warranted disregarding the prior bargaining history. 340 NLRB at 947.

record which explains the exclusion of these branches.<sup>47</sup> As is noted above, the Master Agreement established uniform terms and conditions of employment for all unit employees in the covered branches. Even more important, the Board stated in <u>Ready Mix</u> that "[i]n most cases, a historical unit will be found appropriate if the predecessor employer recognized it, even if the unit would not be appropriate under Board standards if it were being organized for the first time."<sup>48</sup> The historical unit in this case is not "repugnant to the Act." <u>Canal Carting</u>, cited <u>supra</u>, Accordingly, I find that the Employer arguments are insufficient to overcome the bargaining history in this case.<sup>49</sup> In view of my findings and conclusions herein, I hereby deny the Employer's request to clarify the unit and I shall, therefore, dismiss the petition.

#### **ORDER DISMISSING PETITION**

IT IS HEREBY ORDERED that the petition filed herein be, and it hereby is, dismissed.

<sup>&</sup>lt;sup>47</sup> For example, we do not know if NLS acquired the Shreveport and St. Louis branches from another company, along with the single-unit bargaining relationships with the separate Teamster affiliates.

<sup>&</sup>lt;sup>48</sup> The Board quoted from the D.C. Circuit court decision in <u>Trident Seafoods, Inc. v. NLRB</u>, 101 F.3d 111, 118 (D.C. Cir. 1996).

<sup>&</sup>lt;sup>49</sup> I am also not persuaded by the Employer's argument that there were numerous other branches covered by the two most recent Master Agreements than the twelve branches at issue here. The record is clear that NLS either closed or sold off all the other branches. A similar argument was rejected by the Board in <u>White-Westinghouse</u>, cited <u>supra</u>, 229 NLRB at 674, a case in which the successor did not purchase all of the facilities in the preexisting multifacility unit. See also <u>Louis Pappas' Restaurant</u>, 275 NLRB 1519 (1985).

#### **RIGHT TO REQUEST REVIEW**

Under the provisions of Section 102.67 of the Board's Rules and Regulations, a request for review of this Decision may be filed with the National Labor Relations Board, addressed to the Executive Secretary, 1099 14th Street, NW, Washington, DC 20570. This request must be received by the Board in Washington by March 13, 2007. The request may be filed electronically through E-Gov on the Board's web site, <u>www.nlrb.gov</u>,<sup>50</sup> but may <u>not</u> be filed by facsimile.



Dated at Atlanta, Georgia, on this 28th day of February, 2007.

177-1667 240-3367-8312-5600 420-1200 420-2300 420-2310 420-2315 420-2360 Martin M. Arlook, Regional Director Region 10 National Labor Relations Board 233 Peachtreet St., N.E., Harris Tower – Suite 1000 Atlanta, Georgia 30303-1531

<sup>&</sup>lt;sup>50</sup>To file the request for review electronically, go to <u>www.nlrb.gov</u> and select the **E-Gov** tab. Then click on the **E-Filing** link on the menu. When the E-File page opens, go to the heading **Board/Office of the Executive Secretary** and click on the "File Documents" button under that heading. A page then appears describing the E-Filing terms. At the bottom of this page, check the box next to the statement indicating that the user has read and accepts the E-Filing terms and click the "Accept" button. Then complete the filing form with information such as the case name and number, attach the document containing the request for review, and click the Submit Form button. Guidance for E-filing is contained in the attachment supplied with the Regional Office's initial correspondence on this matter and is also located under "E-Gov" on the Board's web site, <u>www.nlrb.gov</u>.