IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

THE MAJOR LEAGUE UMPIRES' ASSOCIATION	:	Civil Action
v.	:	
THE AMERICAN LEAGUE OF PROFESSIONAL BASEBALL CLUBS	:	
and	:	
THE NATIONAL LEAGUE OF PROFESSIONAL BASEBALL CLUBS	:	No. 96-7437

M E M O R A N D U M

Ludwig, S.J. August 29, 1997

Plaintiff The Major League Umpires' Association appeals an arbitrator's decision denying the umpires compensation for the unplayed 1994 post-season and allowing a formula apportionment to the umpires who worked the 1994 All-Star Game.[1] This memorandum accompanies an order granting the motion of defendants, The American League of Professional Baseball Clubs and The National League of Professional Baseball Clubs for summary judgment; and denying plaintiff's cross-motion for summary judgment. Fed. R. Civ. P. 56 [2] Jurisdiction is conferred by § 301(a) of the Labor Management Relations Act of 1947, 29 U.S.C.A. § 185(a).

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[1] The complaint requests that the arbitration decision be vacated, remanded or modified. Compl. at 19.

[2] The facts are set forth in the parties "Stipulated Record for Summary Judgment."

I. Facts

From January 1, 1991 through December 31, 1994, the parties operated under a collective bargaining agreement, and, during this period, the American League and the National League each employed 32 umpires. On July 12, 1994, six umpires officiated at the 1994 All-Star Game in Pittsburgh. On August 12, 1994, the players engaged in a work stoppage that lasted until March, 1995. As a result, the remainder of the 1994 season, the Division Playoffs, the League Championship Series and the World Series were cancelled. The umpires did not receive "Special Events" compensation[3] for the unplayed 1994 post-season games. Under the

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3. Article VII (A) of the Collective Bargaining Agreement sets forth the "Special Events" compensation agreement:

> The aggregate amounts to be paid to members of the umpiring staff of the two Leagues as compensation for providing services with respect to Special Events shall be as follows:
>
> (1) All members of the umpiring staff of the two Leagues in their first through fifth years of service shall receive $10,000.
> (2) All members of the umpiring staff of the two Leagues in their sixth or greater years of service shall receive $20,000.
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> _____
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> (4) All umpires who work in the League Championship Series and the World Series shall receive $5,000.
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> Note: Should the Leagues institute a Division Series . . . the Leagues agree to pay members of the umpiring staff of the two leagues, as additional compensation . . . $7,500 times the number of umpires who work the Division

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Collective Bargaining Agreement, "Special Events" compensation included so-called "pool payments" - a fixed amount related to the umpire's years of service - and "working money" - a fixed amount for each post-season series worked. See Art. VII(A)(4), supra note 1. The total "Special Events" compensation claimed to be due is $755,000 for the American League umpires and $685,000 for the National League.[4]

Following denial of its grievance, plaintiff demanded arbitration before the American Arbitration Association pursuant to Article XV of the Collective Bargaining Agreement.[5] On October 7, 1996, the arbitrator returned the following decision: (1) The umpires were not entitled to Special Events "pool payments" or "working payments" for post-season games not played; (2) the umpires were entitled to a portion of "pool payments" for the 1994 All-Star Game; and (3) the apportionment formula established by President Nixon in arbitrating a similar dispute between the parties in 1985 was appropriate for allocating the 1994 All-Star

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Series.

4. These calculations are based on Art. VII.

5. Art. XV states, in part:

> In the event of a dispute concerning a claimed violation of the provisions of this Agreement by either party thereto the matter shall be referred to the League President involved and a representative of the Association; and if agreement is not reached by these two individuals within ten days the matter shall be referred to an arbitrator mutually agreed upon as sole neutral arbitrator to finally determine the matter.

Game “pool payments.”[6] Arb. Op. and Award at 34-35. Applying this formula, umpires with up to five years of service were awarded $728.44 and with six years or more, $1,394.44, as "pool" money.

On this appeal, plaintiff’s contention is that the arbitrator exceeded his authority by disregarding the specific questions submitted for arbitration. The issue presented was whether the umpires provided services with respect to “Special Events” or, in the alternative, whether Article VII pay is "salary" as that term is used in Article XIV. Id. Stip. Record, ex. 10.[7]

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6. In 1984, "pool payments" were introduced by then Baseball Commissioner Peter V. Ueberroth. The 1985 arbitration resolved a dispute over the amount of additional compensation umpires should receive when the League Championship Series was extended from five to seven games. President Nixon held that the “pool payments” should be increased in proportion to the increased work resulting from the expansion of the League Championship Series. Stip. Record ex. 7. Here, the arbitrator applied the formula to reduce the “pool payments” in proportion to the reduction in work in “Special Events” caused by the players’ strike. See Arb. Op. and Award at 35.

7. In the arbitration, plaintiff’s position was that under the Collective Bargaining Agreement, the umpires were owed “Special Events” pay regardless whether the games were played. Citing Art. XIV, the “strike clause,” it maintained that all forms of “salary” were continued during a strike or lock-out, including “Special Events” compensation under Art. VII. The arbitrator agreed with defendant that “no work, no pay” was plainly stated in Art. VII and that “Special Events” compensation is not a salary. He also approved the Nixon compensation formula, which was consistent with the Leagues’ position.

Art. XIV reads:

> In the event some part or all of a championship season is not played because of a strike or lock-out involving the players, each umpire shall be paid his salary of seventy-five (75) days. The arrangement or umpire pay during a strike or lock-out provided by this agreement shall be

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II. Discussion

The familiar rule is that "federal policy in favor of settling labor disputes by arbitration requires that courts refrain from reviewing the merits of arbitration awards." United Parcel Serv. v. Local 430, Int'l Brotherhood of Teamsters, 55 F.3d 138, 141 (3d Cir. 1995) (citing United Steelworkers v. Enter. Wheel & Car Corp., 363 U.S. 593, 596, 80 S. Ct. 1358, 1360, 4 L. Ed. 2d 1424 (1960)). To do otherwise would be to "render the arbitrator's decision meaningless, and would annul the decision of the parties to have an arbitrator construct their collective bargaining agreement, a decision which they bargained for." Enter. Wheel, 363 U.S. at 596, 80 S. Ct. at 1360.

So long as the arbitrator's award is "drawn from the essence" of the collective bargaining agreement, it is enforceable.[8] On appeal, a court should not substitute its views even if it disagrees with the award, or finds the basis for it to

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> applicable during the term of the agreement. The period of player strike or lock-out shall be calculated as beginning on the first day of such strike or lock-out and ending on the day play resumes.

8. United Parcel Service, 55 F.3d at 141; Stroehmann Bakeries v. Local 776, 969 F.2d 1436, 1441 (3d Cir. 1992); Penntach Papers v. United Paperworkers Int'l Union, 896 F.2d 51, 52 (3d Cir. 1990); Super-Tire Eng. v. Teamsters Local Union, 721 F.2d 121, 122-124 (3d Cir. 1983); Ludwig Honold Mfg. Co. v. Fletcher, 405 F.2d 1123, 1125 (3d Cir. 1969).

be ambiguous.[9] Only a manifest disregard of the parties' agreement or of the law will require a reviewing court to intrude upon the "province of the arbitrator."[10] United Transp. Union Local v. Suburban Transit Corp., 51 F.3d 376, 379 (3d Cir. 1995); see United Paperworkers Int'l Union v. Misco, Inc., 484 U.S. 29, 40, 108 S. Ct. 364, 371, 98 L. Ed. 2d 286 (1987) ("but as long as the arbitrator is even arguably construing or applying the contract and acting within the scope of his authority, that a court is convinced he committed serious error does not suffice to overturn his decision").

Here, plaintiff contends that the arbitrator, by resolving the dispute in a manner not contemplated in the collective bargaining agreement, went beyond his authority. As our Circuit has held, "an arbitration award will be enforceable only to the extent it does not exceed the scope of the parties'

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9. W.R. Grace and Co. v. Local Union 759, 461 U.S. 757, 764, 103 S. Ct. 2177, 2182, 76 L. Ed. 2d 298 (1983); Stroehmann, 969 F.2d at 1441; see also United Transp. Union Local v. Suburban Transit Corp., 51 F.3d 376, 379 (3d Cir. 1995) ("even when the award was dubious, and the result on that we would not have reached had the matter been submitted to the court originally, we have upheld the arbitrator's decision").

10. An exception to this general rule of broad deference also exists where the arbitrator's award is contrary to public policy. Stroehmann, 969 F.2d at 1441 (citing W.R. Grace, 461 U.S. at, 766, 103 S. Ct. at 2183. However, the public policy must be "well defined and dominant, and is to be ascertained by reference to the laws and legal precedents and not from general considerations of supposed public interests." Id. Presumably, no "well defined and dominant" public policy exists to support the payment of umpires for unplayed games. None has been offered; and Art. VII of the Collective Bargaining Agreement is to the contrary.

submission." Matteson v. Ryder System, Inc., 99 F.3d 108, 112 (3d Cir. 1995) (citing United Parcel Service, 55 F.3d at 142). Nevertheless, "the deference that is accorded to an arbitrator's interpretation of the collective bargaining agreement should be accorded to an arbitrator's interpretation of the issue submitted." Mobil Oil Corp. v. Indep. Oil Workers Union, 679 F.2d 299, 302 (3d Cir. 1982). Unless there is "absolutely no support" in the record, the arbitrator's interpretation must be respected and upheld. News America Publications, Inc. v. Newark Typographical Union, Local 103, 918 F.2d 21, 24 (3d Cir. 1990).

The arbitrator determined that Article XIV of the Collective Bargaining Agreement, concerning salary in case of a strike or lock-out, is controlling because it "fits" the specific facts of the parties' dispute. Arb. Op. and Award at 30. He also concluded that because there was no provision for additional compensation for post-season games in the event of a player strike or lock-out, there must not have been "a meeting of the minds" as to this issue. Id. at 31. He reasoned that compensation due under Article VII does not fall within the category of "salary" under Article XIV. Instead, it is additional compensation. Therefore, the umpires were not entitled to such payment since the post-season games were cancelled. Id. at 34. A portion of "pool money" was awarded solely for the All-Star Game at which six umpires had officiated. Id.

Plaintiff complains that the "pool money" formula adopted by the arbitrator was outside the scope of his authority, since it

was not part of the agreement - and was derived from another arbitration nine years earlier. This type of resolution, however, can be supported. See Penntach Papers, 896 F.2d at 52 (arbitration did not depart from the essence of the collective bargaining agreement in relying on precedent from a prior similar incident). Here, by analogy to the Nixon formula, the arbitrator linked pay

with work in a manner that drew its essence from the Agreement. See United Transp. Union Local, 51 F.3d at 379 (arbitrator's interpretation that the term "proper cause" for discharge required progressive discipline had some basis in the agreement). Because the decision was a reasonable interpretation of the agreement and the parties' intent, the arbitrator's award cannot be said to have been a manifest disregard of the agreement or the law. See Ethyl Corp. v. United Steelworkers, 768 F. 2d 180, 186 (7th Cir. 1985)("as long as a plausible solution is available within the general framework of the agreement, the arbitrator has the authority to decide what the parties would have agreed on had they foreseen the particular item in dispute")(citing Desert Palace, Inc. v. Local Joint Exec. Bd., 679 F.2d 789, 793 (9th Cir. 1982).

Plaintiff refers to several labor arbitration cases for the proposition that where there is no pertinent "meeting of the minds" in a collective bargaining agreement, the dispute is not arbitrable. See, e.g., Nat'l Cleaning Contractors, Inc., 70 L.A. 917, 925 (1978) (where arbitrator does not find mutual intent, unless commonly understood usage is available, arbitrator cannot

make decision).[11] Here, however, the parties had agreed to utilize arbitration to resolve their disputes. As such, the arbitrator was empowered to decide the disputed issue in a manner consistent with the language of the agreement. The Court of Appeals for the Seventh Circuit has germanely observed:

> "Even if . . . there was no 'meeting of the minds' on [a term of the agreement], there was a meeting of the minds on the mode of arbitrating disputes between parties arising from any collective bargaining contract . . . A contract dispute is arbitrable even if one party argues that the contract should be rescinded because it does not express an actual agreement of the parties, for example, it was induced by fraud. All that is important is that the parties have agreed that arbitration rather than adjudication would be the mode of resolving their disputes."

A.M. Castle, 898 F. Supp at 607 (emphasis added) (citing Colfax Envelope Corp. v. Local 458-3M, 20 F.3d 750, 755 (7th Cir. 1994)); see also Gateway Coal Co. v. United Mine Workers of America, 414 U.S. 368, 378, 94 S. Ct. 629, 639, 38 L. Ed. 2d 583 (1974) ("A collective bargaining agreement cannot define every minute aspectof the complex and continuing relationship between the parties. Arbitration provides a method for resolving the unforeseen

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11. Plaintiff's reliance on A.M. Castle & Co v. United Steelworkers of America, 898 F. Supp. 602 (N.D. Ill. 1995) is misplaced. There, it was held that an arbitrator does not have authority to interpret a latent as opposed to a patent ambiguity. A latent ambiguity occurs when "the parties agree to terms that reasonably appear to [both] of them to be unequivocal but are not." A patent ambiguity occurs when "the ambiguity arises from the language itself." However, as stated in A.M. Castle, even a latent ambiguity "does not strip the arbitrator of his authority because it is a question of interpretation, not of formation." Id. at 611, n.9.

disagreements that inevitably arise"). Even "assuming arguendo that the arbitrator actually concluded the parties reached no

'meeting of the minds' . . . such a finding does not prohibit the arbitrator from interpreting the provision." Johnson Controls v. United Ass'n of Journeymen, 39 F.3d 821, 825 (7th Cir. 1994).

Given these precepts, it cannot be said that the arbitrator's interpretation was devoid of a reasoned basis. "If the interpretation can in any rational way be derived from the agreement, viewed in light of its language, its context, and any other indicia of the parties' intention," it will be enforced. United Transp. Union Local, 51 F.3d at 379. The arbitrator's decision was founded upon the collective bargaining agreement and the plain meaning of its terms. Accordingly, plaintiff's motion for summary judgment must be denied and defendants granted judgment as a matter of law - regardless of the arguable desirability of the result.

Edmund V. Ludwig, S.J.