

Court Finds Company-Union Neutrality Agreement Unlawful

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**John T.L.
Koenig**
Partner

Section 302 of the Labor Management Relations Act makes it unlawful for an employer to give a union any "thing of value" with only some exceptions. That provision has not been applied to union neutrality agreements in the handful of Circuit opinions on the issue. However, the 11th Circuit Court of Appeals ruled yesterday an employer providing organizing assistance to a union pursuant to a neutrality agreement can be a "thing of value" in violation of Sect. 302.

A greyhound track in Florida signed a neutrality agreement with Unite Here where the company promised to (1) provide union representatives access to non-public work premises to organize employees during non-work hours; (2) provide the union a list of employees, their job classifications, departments, and addresses; and (3) remain neutral to the unionization of employees. In return, Unite promised to lend financial support to a ballot initiative regarding casino gaming and refrain from strikes or other economic action against the track.

While the Court declined to find all neutrality and cooperation agreements unlawful, it attempted to draw the line as follows: "Employers and unions may set ground rules for an organizing campaign, even if the employer and union benefit from the agreement. But innocuous ground rules can become illegal payments if used as valuable consideration in a scheme to corrupt a union or to extort a benefit from an employer."

The full opinion can be [found here](#).

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