

OHIO DEPARTMENT OF JOB AND FAMILY SERVICES  
UNEMPLOYMENT COMPENSATION PROGRAM SERVICES  
145 South Front Street  
P.O. Box 182830  
Columbus, Ohio 43218-2830  
(614)752-8418

In The Matter Of A Labor Dispute  
Between:

Meridian Automotive Systems, Inc. (Meridian)	:	Docket No. LD-006-003
	:	
Employer	:	
	:	Hearing Officer:
	:	Jim Bubutiev
and	:	
	:	
United Steelworkers of America	:	Date of Hearing:
Local Union 820-L	:	May 08, 2006
(Local 820-L)	:	
	:	
Union/Claimants	:	Date of Issuance:
	:	May 18, 2006

APPEARANCES

Thomas Kircher and Pamela Newport, Attorneys At Law, represented Local 820-L. Randy Basham, John Kemmer, John Frisby, Roy Coon, and Thomas Baden, were witnesses on behalf of Local 820-L. Meridian was properly notified of this hearing under Ohio law but was not represented and did not appear.

This matter was heard by Jim Bubutiev, Hearing Officer for the Director of the Ohio Department of Job and Family Services, pursuant to Section 4141.283 of the Ohio Revised Code. The purpose of this hearing is to determine the reason for the unemployment of certain individuals who have filed claims for unemployment compensation benefits. Division (A) of Section 4141.283 of the Ohio Revised Code provides that the Director is to schedule a hearing when there is reason to believe that the unemployment of twenty-five or more individuals relates to a labor dispute. The Department of Job and Family Services has received approximately 311 unemployment compensation benefits claims that relate to a labor dispute between Local 820-L and Meridian in Jackson, Ohio.

All interested parties were notified of this hearing pursuant to Ohio law. This hearing was held on May 08, 2006, in Jackson, Ohio.

#### FINDINGS OF FACT

Meridian manufactures fiberglass truck cabs for the trucking industry at a facility located in Jackson, Ohio (Transcript Page 15).

Meridian employs approximately 386 people at the Jackson facility and about 341 of them are members of Local 820-L. The claimants in this matter are members of Local 820-L and work for Meridian in the Jackson facility (Transcript Pages 14-15).

Local 820-L had a collective bargaining labor agreement with Meridian that was due to expire on April 15, 2006 (Transcript Pages 12,42-44/Union Exhibit 1).

Negotiation sessions for a new collective bargaining labor agreement began on February 27, 2006, and continued through April 20, 2006 (Transcript Pages 14,18,37-38,87).

The members of Local 820-L voted to authorize a strike, and to reject health care coverage concessions sought by Meridian, in a vote taken in late March or early April of 2006. However, Local 820-L representatives did not call upon Local 820-L members to conduct a strike against Meridian and Meridian was not notified that a strike action was imminent on a date and time certain. Local 820-L did not conduct a strike against Meridian (Transcript Pages 21-25,41-42,50-51/Union Exhibit 4).

The parties mutually agreed to extend the terms and conditions of the then existing collective bargaining labor agreement for one week beyond the expiration date of April 15, 2006 (Transcript Pages 13,17).

The main issue between the parties deals with the cost of health care coverage. Specifically, Local 820-L asserts that Meridian is asking

for major concessions on the contribution and co-pay amounts which would translate into significant out of pocket expenses to the members of Local 820-L (Transcript Pages 16,88).

On April 20, 2006, Meridian made what was termed a "final offer" which was rejected by Local 820-L representatives because of the cost of health care coverage issue (Transcript Pages 18,20-21).

Meridian locked out the members of Local 820-L beginning on April 21, 2006. Local 820-L members were verbally told by Meridian supervisory staff to leave Meridian's Jackson facility during the first hour of their scheduled shift and that they would still be paid for the entire shift. Meridian did not allow any members of Local 820-L to work in the days after April 21, 2006, and at anytime since then, although Local 820-L has offered to continue working under the terms and conditions of the expired collective bargaining labor agreement while negotiations continue (Transcript Pages 18-20,25-27,31-33,38,45-47,50-51,54-60,73-75,79-82,90-91/Union Exhibits 4,7-9,14).

Meridian has continued to operate, since April 21, 2006, with an estimated 150 replacement workers and the remaining employees not represented by Local 820-L (Transcript Pages 25,29-31,36,68-71,88-94/Union Exhibits 12-13,16-17).

#### ISSUES

Pursuant to Section 4141.283 of the Ohio Revised Code, this Hearing Officer is required to make a determination as to whether the claimants are disqualified from receiving benefits under the unemployment compensation laws of the State of Ohio. The issues are:

1. What is the reason for the claimants' unemployment from Meridian?

2. Are the claimants disqualified from receiving unemployment compensation benefits?
3. What is the duration of the labor dispute?

The applicable law is Section 4141.29(D)(1)(a) of the Ohio Revised Code which provides as follows:

- (D) Notwithstanding division (A) of this section, no individual may serve a waiting period or be paid benefits under the following conditions:
  - (1) For any week with respect to which the director finds that:
    - (a) The individual's unemployment was due to a labor dispute other than a lockout at any factory, establishment, or other premises located in this or any other state and owned or operated by the employer by which the individual is or was last employed; and for so long as the individual's unemployment is due to such labor dispute. . .

REASONING

Section 4141.29(D)(1)(a) of the Ohio Revised Code provides that no individual is entitled to benefits for any week during which the individual's unemployment is due to a labor dispute other than a lockout.

Thus, in order to come to a conclusion regarding the reason for the unemployment of the claimants, it is necessary to determine whether the labor dispute was a lockout within the meaning of the Ohio unemployment compensation law. The claimants would not be disqualified from eligibility for unemployment compensation benefits if the labor dispute were found to be a lockout.

The first issue to be resolved is whether the reason for the claimants' unemployment from Meridian was due to a lockout or a labor dispute other than a lockout.

In *Zanesville Rapid Transit v. Bailey* (1958), 168 Ohio St. 351, the Ohio Supreme Court defined a "lockout" as a withholding of work from employees in an effort to get more favorable terms for the employer.

In *Zanesville*, the employer implemented a ten percent (10%) wage reduction after the expiration of the labor agreement. The employer was a public utility that had experienced problems making a profit and had been unable to gain permission from the local city council to increase fares.

The court held that the ten percent (10%) wage reduction was reasonable under the circumstances and did not show a purpose on the part of the company to coerce the employees into accepting it and, therefore, was not a lockout.

In *Bays v. Shenango Co.* (1990), 53 Ohio St. 3d 132, a collective bargaining agreement between the employer and the union expired and the union offered to continue working under the terms of the expired contract for one year while a new contract continued to be negotiated.

The Ohio Supreme Court held that if an employer refuses to allow work to continue for a reasonable time under the existing terms and conditions of employment, while negotiations continue, then the employer is deviating from the status quo.

Thus, the Supreme Court has set forth what is known as the "status-quo" test for deciding whether a work stoppage was the result of a lockout or due to a labor dispute other than a lockout. In applying this test it must be determined "which side, union or management, first refused to continue operations under the status quo after the contract had technically expired, but while negotiations were continuing." *Id.* at 134.

Furthermore, the recently decided Ohio Supreme Court case of *M. Conley Co. v. Anderson* (2006) 108 Ohio St. 3d 252, favorably discusses the *Bays* case and the "status quo" test.

The testimony and evidence in this case indicate the claimants became unemployed when they were locked out by Meridian on April 21, 2006.

The testimony and evidence establish that Meridian is withholding work from the members of Local 820-L in an effort to obtain more desirable terms in a new collective bargaining labor agreement. The Local 820-L members are willing to maintain the status quo by continuing to work under the terms and conditions of the now expired collective bargaining labor agreement while negotiations continue. However, Meridian has refused to maintain the status quo by rejecting Local 820-L's offer to continue working.

Therefore, by applying the holding of the *Zanesville* case, it is clear that Meridian locked out the members of Local 820-L on April 21, 2006.

Using the *Bays* case standard, this Hearing Officer finds, based upon the testimony and evidence, that Meridian changed the status quo, while negotiations were ongoing, when Meridian decided to lockout Local 820-L on April 21, 2006. Local 820-L's conduct did not indicate an unwillingness to maintain the status quo while negotiations continue.

Therefore, the members of Local 820-L are unemployed due to a lockout which began April 21, 2006, and which is continuing.

#### DECISION

It is the decision of this Hearing Officer that all of the claimants herein were unemployed due to a lockout which began April 21, 2006, and which is continuing. The claimants are not disqualified from receiving unemployment compensation benefits pursuant to Section 4141.29(D)(1)(a) of the Ohio Revised Code.

THIS DECISION APPLIES TO THE INDIVIDUAL WHOSE NAME AND ADDRESS APPEARS ON THE ENVELOPE CONTAINING THIS DECISION.

If you disagree with this decision you have the right to appeal.

The following paragraph provides a detailed explanation of your appeal rights:

APPLICATION FOR APPEAL BEFORE THE UNEMPLOYMENT COMPENSATION REVIEW COMMISSION, BY MAIL TO 145 SOUTH FRONT STREET, P.O. BOX 182299, COLUMBUS, OHIO 43218-2299, OR BY FAX TO (614) 752-8862, MAY BE FILED BY ANY INTERESTED PARTY WITHIN TWENTY-ONE (21) CALENDAR DAYS OF THE DATE OF MAILING OF THIS DECISION. IN ORDER TO BE CONSIDERED TIMELY, THE APPEAL MUST BE FILED IN PERSON, FAXED, OR POSTMARKED NO LATER THAN TWENTY-ONE (21) DAYS AFTER THE DATE OF MAILING INDICATED ON THIS DECISION. IF THE 21ST CALENDAR DAY IS A SATURDAY, SUNDAY OR LEGAL HOLIDAY, THE PERIOD FOR FILING IS EXTENDED TO INCLUDE THE NEXT SCHEDULED WORK DAY. UPON RECEIPT OF CERTIFIED MEDICAL EVIDENCE STATING THAT THE INTERESTED PARTY'S PHYSICAL CONDITION OR MENTAL CAPACITY PREVENTED THE FILING OF AN APPEAL WITHIN THE SPECIFIED 21 CALENDAR DAY PERIOD, THE INTERESTED PARTY'S TIME FOR FILING THE APPEAL SHALL BE EXTENDED AND CONSIDERED TIMELY IF FILED WITHIN 21 CALENDAR DAYS AFTER THE ENDING OF THE PHYSICAL OR MENTAL CONDITION.

THIS DECISION WAS MAILED MAY 18, 2006.

THE TWENTY-ONE (21) DAY APPEAL PERIOD ENDS JUNE 08, 2006.

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Jim Bubutiev  
Hearing Officer