## OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 85-1140

TITLE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, Petitioner V. JIM BUELL

PLACE Washington, D. C.

DATE December 1, 1986

PAGES 1 thru 52



| IN THE SUPREME COURT OF THE UNITED STATES              |  |  |
|--|--|--|
| x  |  |  |
| ATCHISON, TOPEKA AND SANTA FE :                        |  |  |
| RAILWAY COMPANY, :                                     |  |  |
| Petitioner :   |  |  |
| V. : No. 85-1140                                       |  |  |
| JIM BUELL :  |  |  |
| x  |  |  |
| Washington, D.C.                                       |  |  |
| Monday, December 1, 1986                               |  |  |
| The above-entitled matter came on for oral             |  |  |
| argument before the Supreme Court of the United State: |  |  |
| at 10:01 o'clock a.m.                                  |  |  |
| APPEARANCES:   |  |  |
| REX E. LEE, ESQ., Washington, D.C.; on behalf of the   |  |  |
| petitioner.  |  |  |
| JAMES R. MC CALL, ESQ., Sacramento, California; on     |  |  |
| behalf of the respondent.                              |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

## CONIENIS

| 2 | ORAL_ARGUMENI_DE            | PAGE |
|---|-----------------------------|------|
| 3 | REX E. LEE, ESQ.,           |      |
| 4 | on behalf of the petitioner | 3    |
| 5 | JAMES R. MC CALL, ESQ.,     |      |
| 6 | on behalf of the respondent | 24   |
| 7 | REX E. LEE, ESQ.,           |      |
| В | on behalf of the petitioner | 49   |
|   |                             |      |

## PROCEEDINGS

CHIEF JUSTICE REHNQUIST: we will hear argument first this morning in No. 85-1140, the Atchison, Topeka and Santa Fe Railway Company against Buell.

Mr. Lee, you may proceed whenever you are ready.

ORAL ARGUMENT OF REX E. LEE, ESQ.,

ON BEHALF OF THE PETITIONER

MR. LEE: Thank you, Mr. Chief Justice, and may it please the Court, this is a statutory construction case. There are two statutes to be construed and they are the two that govern relations between employers and employees in the railroad industry.

On the one hand, the Railway Labor Act provides for exclusive mandatory nonjudicial resolution of so-called minor disputes which the Act defines as all disputes growing out of grievances or out of the interpretation or application of bargaining agreements.

The basic objective of this minor dispute part of the Railway Labor Act was to assure that workplace controversies would be resolved by persons who were expert in railroad matters and by processes less cumbersome than courts can offer. The Federal Employers

The problem in this case arises out of the fact that you have one federal statute that precludes a judicial remedy while the other provides a judicial remedy. Nevertheless, over the 60 years that these two statutes have existed side by side there has been very little conflict between them, and the reason is simple.

So long as the RLA is given, as it usually has been, its traditional usually understood meaning as applying to the resolution of workplace disputes, that is, how the shop ought to be run and what the relationship should be between supervisor and employee, and the FELA on the other hand is given its traditional, usually understood meaning as applying to the redress of physical injuries. Then there will be few cases, if any, in which courts will have any difficulty deciding which statute covers which case.

Clearly, if that approach is followed here there is no question how this case must be resolved.

Mr. Buell's grievance against his employer, Santa Fe, really boils down to a disagreement with his foreman, Mr. Wright, over their respective duties. He makes three basic allegations.

The first is that he had been given two conflicting sets of instructions as to how to fill out car inspection reports, second, that he was forced to assist Mr. Wright in what he considered to be illegal activity, namely or principally removing ice and plywood from the yard. And third, and beyond any question the most important, that his supervisor did not adequately discipline other employees and prevent them from ridiculing and intimidating Mr. Buell by doing such things as posting anonymous cartoons making fun of Mr. Buell's physical appearance.

The first step taken by the respondent and other employees was to initiate RLA grievance procedures on account of Mr. Wright's alleged wrongdoings, and then about a year later Mr. Buell filed this FELA suit alleging that Santa Fe had wrongfully failed to prevent his foreman and his fellow employees from intimidating him, as a result of which he suffered severe mental and emotional injuries.

He did not allege any physical injury.

Several federal courts of appeals and district courts have cautioned against the potential for effectively repealing the Railway Labor Act. Through what those courts have called artful pleading in drafting personal injury complaints under either the RLA -- excuse me,

This case is the classic example of why that is a legitimate concern. Look at the issues that are going to have to be resolved by whoever decides this case. They arise out of disagreements between an employee and his foreman over the rules of the shop. Were there in fact conflicting instructions, and if so then which instruction should prevail. What are the company rules concerning taking scrap plywood home? And most important of all, what are the foreman's obligations to keep other employees from making fun of Mr. Bueil?

Those are the issues in this case.

QUESTION: Mr. Lee, wouldn't that also be the case if you had just a standard FELA negligence action where prior to the accident there had been complaints about slipshod procedures within the shop or about some other matters that would constitute negligence? You could grieve those, those negligence matters, and instead cf. grieving them you certainly could bring an FELA lawsuit later.

MR. LEE: Clearly you can, and clearly you can do both, and those two can exist side by side.

MR. LEE: This case is different simply because there is no legitimate FELA complaint that has been stated. There is no legitimate FELA cause of action that has been stated in this case. In order to reach --

QUESTION: Well, that is quite a different issue, and I was going to ask you that, too. Why is there any — if you want to talk about artful pleading I would think the artful pleading consists of causing an intentional injury to become a negligent injury within the meaning of the FELA by simply saying that a foreman who inflicts intentional injury is not adequately supervised.

Are you making that assertion here, that this matter is not even covered by the FELA anyway?

MR. LEE: Oh, yes, we are. We are making two arguments. The first is, we are doing all of it in the context of the general proposition that in order to reach a proper accommodation between these two statutes, what you have to look at is, first, what is the interpretation of each that will harmonize the two so as to minimize the conflict between them, and then you have to ask yourself what is the real thrust of this particular complaint? Is it really in the nature of a

injury or is it, does it really arise out of a disagreement as to what are the rules of the shop and who is to do what in this particular --

QUESTION: I am not talking physical injury,

Mr. Lee. I am talking negligence. I am talking

negligence. It is clear the FELA only applies to

negligent injury.

MR. LEE: That is correct.

proximately intentionally causing emotional distress which may or may not, depending on which side you believe, have led to properly alleged physical injury, but you know, proximately you have intentional action on the part of the foreman and some of the coworkers causing emotional distress, and that has been converted into a negligence action by saying that it was the company's failure adequately to supervise that constitutes the negligence.

MR. LEE: That is correct.

QUESTION: Now, you are not protesting that and saying that that doesn't constitute a proper FELA action?

MR. LEE: Oh, indeed we are. For the 60 years -- for the first 58 of the 60 years that the FELA

QUESTION: I am not talking emotional injury.

You keep getting back to that point. My concern is

Intentional injury versus negligent injury. Does

Intentional injury get converted into negligent injury

under the FELA simply by the fact that the company did

not adequately supervise so as to prevent the

Intentional injury?

MR. LEE: That at least is not -- we are not protesting that part of the claim. That is correct. What we are contending is that there can be no FELA action without a physical injury.

the Federal Tort Claims Act, which only allows -- which specifically excludes claims for intentional injury but it is sometimes alleged and some courts have thought it is artful pleading to allege that where the government fails to supervise, let's say, an enlisted man in the Army who intentionally inflicts injury on somebody else, that constitutes negligence under the Federal Tort Claims Act.

MR. LEE: Yes, I think I understand your question.

13

11

12

15

14

16 17

18

19

20

21

22 23

24

25

QUESTION: Do you understand where I am going? MR. LEE: I think so. The FELA by its terms applies only to negligence. However, it has been settled for some time that it also does apply to intentional injury, and in any event the reason that we contend that the FELA does not apply in this case is because of the lack of a physical injury or, to use the Seventh Circuit's language in Lancaster, torts that work their harm through physical means.

What you really have to do -- the heart of the Ninth Circuit's error in this case was that it held first that the RLA does not apply, and second that the FELA does apply.

QUESTION: And you could win, I take it, either by claiming -- by establishing that the RLA applied even though in the absence of the RLA the FELA might apply, or you could win by proving that the FELA didn't apply whether the RLA applied or not.

MR. LEE: That is exactly right, and I would like to take those one by one now and establish the Ninth Circuit's error as to each of them.

QUESTION: Mr. Lee, before you proceed, it would help me if you would tell me what relief could be awarded respondents under the RELA.

MR. LEE: Under the RLA these adjustment

QUESTION: Can they award camages?

MR. LEE: Well, damages in the sense of reinstatement and back pay. Now, they can't award damages in the sense of the kinds of damages that a court would under an FELA, but the point is that what we are looking at here is Congress's intent in passing these two statutes, and there is no question that Congress when it passed the RLA wanted these workplace disputes, these disputes over how the shop is supposed to be run to be resolved through these nonjudicial arbitration projects.

QUESTION: Mr. Lee, I am not sure you really gave an answer that I thoroughly understood to Justice Scalla's first question, that if it were an ordinary FELA case that arose out of sloppy procedures and so forth and an injury, why would the RLA not preempt that cause of action if it does in this case, and you answered it by saying, well, there is no FELA case here, but that is really your second argument.

MR. LEE: That is correct. That is correct, and perhaps I did not fully understand the thrust of his question. We have two arguments and they have been

correctly summarized by the Chief Justice, and one of them is, this is not an FELA case. Now, if it were an FELA case then what you have to do at that point is to ask — there are really two subsequent questions that you ask.

The first one is, is the real gravamen of this dispute, does the real gravamen of this particular dispute put it into the RLA came or the FELA camp, and that is the approach that was taken by the Ninth Circuit in its earlier Magnuson decision, and we think that is the one that -- that is an approach that has to be taken if you are to avoid the artful pleading type of problem.

Now, there can be some instances, and perhaps this is the thrust of what Justice Scalia Is asking, there can be some instances nevertheless when you have a hard time saying, well, does it squarely fit in one or does it squarely fit in the other, and under those circumstances we contend that the tilt should be, in the close cases, should be toward the Railway Labor Act for a couple of reasons.

One is that the basic question here is a question of what is the proper forum, and it is the Railway Labor Act that deals precisely with that issue of what should be the proper forum.

Let me deal just briefly then with the Ninth Circuit -- what we consider to be the Ninth Circuit's error on both of these grounds. First of all, that the Railway Labor Act -- it should have held that the Railway Labor Act does apply, and second, that it should have held that the FELA does not apply.

There is no question that this case involves a disagreement that arises out of the employment relationship. It is at bottom a disagreement over now to run a railroad and who should be doing what toward that end. But the respondent nevertheless contends that a workplace controversy is not a minor dispute subject to the RLA's compulsory grievance procedures unless it involves the interpretation of the collective bargaining agreement.

That is the respondent's principal argument. It is the principal issue that is discussed in the briefs. It is essential to his case in our view, and it is the lynchpin of the RLA part of the Ninth Circuit's opinion, but in our view it is wrong for two reasons. The first is that it just doesn't apply to this case because, as explained in our briefs this controversy does involve interpretation of the bargaining agreement, specifically Rules 39 and 40, which are discussed in our briefs, and remarkably have never been addressed by the

respondent.

But the even more important point is this. If this dispute were not covered by the bargaining agreement, then you have effectively repealed part of the RLA because by its terms it applies to, and I am quoting, "all disputes growing out of grievances or the interpretation or application of bargaining agreements."

That language very simply could not be more plain. The respondent cites cases saying that the RLA applies to interpretation of the bargaining agreement, and of course it does, but it also applies to something else, and that something else is grievances. Otherwise why would Congress have used this disjunctive, "or".

The legislative history makes it very clear that Congress meant what it said. We have those citations in our brief. I will refer just to the one from Congressman Barkley, who was the principal legislative sponsor of this bill, that what they wanted to do was to resolve, and I am quoting, "disagreements over grievances, interpretations, discipline, and other technicalities that arise from time to time in the workshop and out on the tracks."

QUESTION: Well, Mr. Lee, I don't understand why if you are right about the Railway Labor Act, that

actions from mental injury stemming from grievable disputes are preempted by the Rallway Labor Act, why, then, are not physical injuries that also stem from grievable disputes not similarly preempted?

MR. LEE: The reason in our view that they are not, Justice O'Connor, is because you have to reach some kind of an accommodation of both statutes, and you cannot simply turn your back on either of them. Now, my opponent takes the position that we have effectively repealed the FELA. Our position is that their view, and certainly in this case, if this case on its facts can go into court on these allegations, then the RLA -- then the RLA has been effectively repealed.

We think the only way to prevent that is to ask in each instance what is the real thrust of this particular claim, and if it is physical injury, if what he is talking about is the traditional kind of thing that has failen within the FELA, then the FELA prevails, but if it does not, if the real thrust of what he is complaining about is how the workshop ought to be run, what are the rules of the railroad, then it ought to be an RLA grievable offense. There may be --

QUESTION: Why would you not approach this case in the same way the court did with the National Labor Relations Act?

The first is that in Farmer the Court simply reasoned that there was nothing in the National Labor Relations Act that would be impeded by allowing arbitration to -- excuse me, by allowing personal injuries to go ahead under state law, but the difference between the NLRA and the RLA is very significant in this respect.

The central focus of the Railway Labor Act is a dispute or at least the minor disputes part of it is a dispute resolution process that is extrajudicial. That is entirely different from the central focus of the National Labor Relations Act which does not proceed in that way, and as a consequence with regard to the Railway Labor Act, unlike the National Labor Relations Act, you have this conflict that comes into play.

The other difference is that you have two federal statutes that are at issue in this case and with regard to the National Labor Relations Act you only had

QUESTION: May I ask why it is you think that the language "disputes arising out of grievances or out of the interpretation or application of a grievance" necessarily means that the matter does not have to be based in the contract?

MR. LEE: Because otherwise the word

QUESTION: Why couldn't you have a grievance which consists of a situation in which both the employer and the employee are clear on what the agreement means and what it requires in this case, what its application should be in this case. The only disagreement is as to the fact of the matter, whether indeed the employer did this or that. There is no dispute whatever as to what the agreement requires.

Wouldn't that be a grievance and yet not be a dispute arising out of the interpretation or application of agreements?

MR. LEE: Well, but it says interpretation or application. And I think the --

QUESTION: But there is no dispute as to how the agreement applies. It is clear that the agreement requires a certain thing, and what the employee is arguing is, that certain thing was not provided.

OUESTION: It is at least a plausible reading of the word "grievances."

MR. LEE: That's right. It is at least one instance in which you could have the two of them existing side by side, but I think in fairness it is not the more common sense reading of that term when you have the or, particularly --

QUESTION: The problem I find is that once you depart from that interpretation what in the world is not covered by a grievance? An employee says that his supervisor borrowed money from him and didn't pay it back.

MR. LEE: That is exactly the point, Justice Scalia.

QUESTION: That is a grievance.

MR. LEE: That is correct. That is correct.

Or at least if it relates to how you run a railroad,
that is, if it has some relationship to what Congressman
Barkley said was matters of discipline or how, what
happens in the shop or out on the tracks, that is what
Congress intended to do, was to give a scheme that was
comprehensive, so that all of these disagreements
concerning how you run a railroad, whether they arise

QUESTION: But they all arise out of interpretation of the bargaining agreement if they pertain to the running of the railroad. Certainly any obligation, any obligation that the employer has must be implicit. It is either expressly in the agreement or impliedly in the agreement. What other obligation does the employer have?

MR. LEE: If you take that point of view, and you may be right, then certainly Rules 39 and 40 of this agreement do cover this circumstance and under the facts of this case then the RLA definitely does apply. I would simply point out, however, that the legislative history seems to say to us the contrary, that they did intend it. If you are correct that the bargaining agreement will be comprehensive as to all rules of the shop, then it is true there is no overlap.

If, on the other hand, you take the point of view that there may be some matters concerning how the workplace ought to be run that are not covered by the bargaining agreement, then we say that that is also covered, and this Court has said the same thing. And that is this Elgin versus Burley case which the respondent concedes he must, in order to succeed,

persuade this Court to disown.

There is no reason to do that. Contrary to the respondent there is no indication, no indication in Andrews that it was rejected in Andrews, and Elgin versus Burley by its terms has been applied by many of the lower courts and the National Railroad Adjustment Board itself.

QUESTION: Mr. Lee, do you define what place to include the entire railroad? You refer to the workplace.

MR. LEE: Yes, I do, Justice Powell, in the sense that it is where Mr. -- it is on the -- in Congressman Barkley, in the workplace, in the shop, and out on the tracks.

QUESTION: So if you had an engineer who was alleged to be abusive of other people working with him on a particular train you would take the same position?

MR. LEE: Yes, sir, I would.

QUESTION: So really your argument comes down to whether or not the nature of the injury is emotional distress rather than physical injury. Suppose when they used to have firemen on trains that the firemen beat up the engineer in a physical encounter. Would that be under -- which Act?

MR. LEE: Under the FELA.

QUESTION: Under the FELA?

MR. LEE: Yes, because you have then the physical injury.

QUESTION: So the big issue in this case, is a distinction between physical and emotional injury, regardless of where it took place.

MR. LEE: Yes, and while that may -- that is correct, and while that may seem to be somewhat arbitrary we submit it is a very important one because of the need to draw some line in order that neither statute completely consume the other. That is the problem that you have in this case. And we think that since federal courts had gone really up until this case and one other without ever defining the FELA to apply to any nonphysical injury, that that is a logical dividing line. Certainly my opponent concedes that at the time the FELA was adopted in 1908 that was the intent.

Nevertheless he argues that the FELA should now be given coverage more broad than Congress intended in the first place. We think that is wrong for two reasons. The first is that if the FELA is to be expanded in this coverage it ought to be Congress that does it rather than the Court, but even more important is this, that if you interpret the FELA as expansively

as my opponent would suggest, then you do put these two federal statutes into conflict.

The basic error of the Court of Appeals approach was that it went out of its way to create conflict between these two federal statutes by giving an unnecessarily crabbed interpretation to the RLA by saying that it applied, that it did not apply to this circumstance notwithstanding the existence of these provisions in the bargaining agreement and notwithstanding the fact that under any circumstance this dispute is really about how to run a railroad, and then gave an unnecessarily expansive interpretation to the FELA.

as long as the two are carefully interpreted each sensitive to the needs of the other, then there need never — then there is no reason that the two cannot continue to coexist for another 60 years as they have over the past. This point is really driven home by the respondent's attempt to change his allegations once the case gets before this Court.

He now contends for the first time before this Court that he really has alleged physical injury for reasons stated at Pages 17 and 18 of our brief it is our view that that cannot be done before this Court, that he has presented one state of facts before the lower

But even more important is this, that even if he were now permitted to change his allegations this would not save the Court of Appeals holding, and the reason is this. Congress determined 60 years ago that disputes over how the workplace should be run are to be resolved nonjudicially.

That Congressional judgment can be thwarted by the wording of complaints unless courts at some appropriate point ask the question, what is the real gravamen of this grievance. Is the real thrust of this dispute an FELA cognizable injury or is it really a disagreement over how to run the shop?

Here there is no question that the real focus of Mr. Buell's grievance is friction between a foreman and his employee. This is not a case that concerns gastritis or one employee bumping another. The real grievance here is that Mr. Wright was not doing a good enough job of keeping the other men in line. And this is borne out by the fact that the physical injury argument wasn't even made until the case reached this Court.

Mr. Chief Justice, unless the Court has

CHIEF JUSTICE REHNQUIST: Thank you, Mr. Lee.

We will hear now from you, Mr. McCall.

ORAL ARGUMENT OF JAMES R. MC CALL, ESQ.,
ON BEHALF OF THE RESPONDENT

MR. MC CALL: Mr. Chief Justice, and may it please the Court, it is my privilege to address you today as counsel of record for Jim Buell, a veteran railroad worker of over ten years' employment with the Santa Fe Railroad who in October of 1981 sustained a severe and grievous injury. Of that there can be no doubt.

Certainly the primary aspect of his injury was psychiatric. He was confined to a psychiatric ward in St. Joseph's Hospital in Stockton, California, for 17 days. For six months he was on psychiatric medication. Over a year on psychotherapy before he could go back to work. His admitting physician, psychiatrist Robert Austin, said the man suffered a severe psychotic illness related to pressures on the job. The injury, we submit, was grave.

Santa Fe's position in the lower court was simply that because the facts or some of the facts that were necessarily alleged in the FELA action involved a

Mr. Wright and his foreman, Mr. Buell, pardon me, Mr. Buell and his foreman, Mr. Wright, that Mr. Buell was precluded and unable to use the FELA as a vehicle to attain redress for the injuries he suffered.

Now, that position has altered in this Court.

Now the focus has been more on the fact that psychiatric injury is the primary ill or grievance that Mr. Buell suffered in October. The Santa Fe position, I think, needs some elaboration by me on the facts. Basically Mr. Buell had worked for Santa Fe for ten years before Mr. Wright became his foreman. Friction developed between the two some time after Mr. Wright became foreman in the fall of 1979.

QUESTION: Is this all in the affidavits and so forth on the motion for summary judgment, Mr. Buell -- rather, Mr. McCall?

MR. MC CALL: Justice, the affidavits -- it is clear in the Buell brief that I put in, we did not marshall facts showing physicality in the lower court because the thrust of Santa Fe's argument there was that it made no difference what type of injury was involved. Their sole focus was the source of the injury was something that could have been grieved.

QUESTION: Don't you think probably in this

MR. MC CALL: Again we submit, Your Honor, that we should be able to point to things that are in the record that were not produced in the motion for summary judgment simply because the motion for summary judgment was rather narrow. It was directed solely to a point of law, to wit, and it is hard for me to state it because it is hard to get a grip on it, Mr. Buell is precluded in Santa Fe's eyes in the lower court from stating an FELA cause of action because some of the facts he alleged involve a grievable dispute regardless of the injury.

The motion for summary judgment was basically met on the basis of a point of law. They are saying no, the FELA is not precluded by the RLA. The fact that something could be grieved does not mean that you lose a right to bring an FELA action if an injury results.

QUESTION: What you are referring to then is something that is in the record although perhaps not used in the summary judgment proceeding?

MR. MC CALL: That is correct, Justice, yes, and I won't -- the point as to the physicality, the physical causation, the physical consequence, the

gastritis, the common law battery, if you will, those items are developed in my brief at Pages 33 through 40 and I won't refer to them again. In any event --

QUESTION: The common law battery, you assert that there was a physical contact by -- was it Wright or one of the coworkers?

MR. MC CALL: It was one of the fellow workmen, a man named Williams. There was pushing and shoving.

QUESTION: And that is in the record.

MR. MC CALL: That is in the record. Yes,
Your Honor. It is developed in my brief at the pages I
indicated.

QUESTION: Were damages sought for the pushing or shoving?

MR. MC CALL: The damages — the allegation in the complaint was that he suffered physical and emotional distress, but it is clear —

QUESTION: The physical stress referred to was

MR. MC CALL: Gastritis.

QUESTION: -- the gastritis.

MR. MC CALL: The gastritis, and certainly -QUESTION: So whatever physical injury there
is is, you would acknowledge, physical injury arising

from the emotional injury.

MR. MC CALL: Yes, Your Honor, very

definitely. The point I want to make, and I will sum up

my factual recitation here rather quickly, is that the

dispute as to the work orders, as to whether or not

Wright was asking Buell to perform an illegal act in

helping him remove Santa Fe plywood and such into

Wright's truck so he could take it home.

That was really resolved long before this course of conduct about which we really complain. There was a — this was really resolved prior to the grievance meeting that was held in which large numbers of men in the Stockton yard complained through their union representative about the abusive, harassing techniques of this foreman, Mr. Wright.

Now, Santa Fe chose to respond to that grievance by doing nothing. They didn't take Mr. Wright off the job and they didn't change his conduct. At least that is what the record shows. Yes, Justice.

QUESTION: What is the source of that grievance? It goes back to a question that I asked Mr. Lee. Isn't the source of the grievance that the employer by reason of his collective bargaining agreement has an obligation, a contractual obligation not to let his supervisors behave in this fashion?

MR. MC CALL: If you approach it as a grievance, but, Justice Scalia, under the FELA Congress was very clear about wanting to make the master responsible for the acts of the fellow servants in the workplace, in the railroad workplace, and it would seem to me that the FELA imposes a duty on Santa Fe to take reasonable steps to see that their foremen do not abuse their workmen, so in that sense it seems to me a classic FELA case.

QUESTION: You assert that that is an obligation separate and apart from any contractual obligation?

MR. MC CALL: Yes. Yes, Your Honor. Yes, that is our position. The particular quotation from the House report on the FELA in 1908 that supports this, and it is very, very clear on the notion that Congress wanted the master to police, if you will, the acts of the servants so they didn't injure one another appears at Page 42 in the Buell brief.

After the grievance proceeding which Santa Fe chose to take no action on, there was a letter by the union representative, Mr. Pickleman, who was a supervisor overseeing the work of Mr. Wright on June 6th

After this, there was harassment directed to Mr. Buell that is outlined in the Buell brief and there is no need to go into it, but that is the course of activity of which Mr. Buell complains, really, the harassment, the intimidation, and the acts after the grievance proceeding.

If I may, I would like to offer an analogy which I think is somewhat helpful to clarify the difference between the Santa Fe position and ours. If you assume that you had a dangerous foreman, a foreman who was sadistic, clearly that would be a grievable matter.

The workers, workmen under the foremen could grieve it, they could get the union representative in and they could present the issue to Santa Fe. If Santa Fe chose to take no action and a number of months went by and the foreman then became infuriated with one of the men on the job who had complained about his activities previously and brought a gun onto the worksite and shot that workman we contend there would be no conceivable way that the FELA would not give a cause of action to the foreman.

Now, to bring it much closer to this case and make it almost all fours on Mr. Buell's complaint, if we assume that after the nonproductive grievance the foreman some months later becomes infuriated with one of the men who complained about his conduct as a foreman, brings a gun onto the worksite, but the gun isn't loaded, but of course the worker does not know that, and the foreman points it at the worker and pulls the trigger and it just goes click.

Now, in that situation let's further assume that the workman in fear of his life has a psychiatric event, and has a psychiatric breakdown. That, I submit, is very, very close to the exact facts that we have in this case, and I doubt that Congress would have wanted to preclude or shut the federal courthouse doors to that workman when he wanted to come in and try and make his proofs to the court under the FELA.

QUESTION: Mr. McCall --

MR. MC CALL: Yes, Justice.

QUESTION: -- suppose the foreman's conduct is grieved, and you have agreements, and it goes to the adjustment board, and suppose that it is found that he hasn't been harassing the man at all as a matter of fact.

Now, under your position would be then be free

MR. MC CALL: He would be, Your Honor, if and only if he had suffered an injury.

MAJOR WARNER: Well, let's suppose these very facts here. The only thing is, there is no question that he has been in the hospital.

MR. MC CALL: Yes.

QUESTION: But it is found that the foreman had nothing to do with it.

MR. MC CALL: As far as the grievance and arbitration procedures are concerned, what the foreman did did not violate any term of the contract. That would be to put the arbitration --

QUESTION: Well, the fact was, the fact is that he didn't do what he claimed that the employee claims he did. He didn't harass them at all. Now, could you go ahead and try it out again in the FELA action? I suppose you could in your position.

MR. MC CALL: Oh, I certainly could, Your Honor. Yes, I would. It would be just like the McDonald case that this Court decided unanimously in 1985.

QUESTION: Yes.

MR. MC CALL: I can't see how arbitration or grievance is an adequate substitute for the Federal

QUESTION: What if you lose your FELA action?

May you then grieve? I guess there is a time limit,

though, isn't there?

MR. MC CALL: The time limits on grievance are rather severe.

QUESTION: Yes.

MR. MC CALL: So it wouldn't arise, I suppose.

QUESTION: I am not sure how this fits with what you said before. I thought you would say that this matter was not a grievable matter anyway.

MR. MC CALL: I didn't speak well on that,

Justice Scalia. The matter would be grievable. The

foreman's conduct would be grievable. There is no doubt

of that. But once a workman is injured, then the worker

has the right to go to the FELA and recover -- pardon

me, sue under the FELA, the Federal District Court, and

recover for the injury.

QUESTION: But it is only grievable, according to your position, if its source is the contract, and you said earlier that the source of the right here was not the contract.

MR. MC CALL: Well, there is the common law

duty or the duty that the FELA recognizes on the part of the railroad not to be negligent in the way in which its fellow servants treat each other.

QUESTION: Well, is that contractual or not contractual or are there two duties, one a contractual one which is grievable, and another one, a noncontractual one which can be brought under the FELA. Is that your position?

MR. MC CALL: Yes, Justice.

QUESTION: Isn't that contrary to the Elgin case?

MR. MC CALL: The Elgin case in a long -- I don't think so. I don't think so, Justice. The Elgin case in a long, discursive conversation talks about major disputes, minor disputes, and in an offhand way says that minor disputes may include personal injury actions.

Eigin in 1945 is premised on the Mohr case in 1940 which said that RLA grievance arbitration procedures are not exclusive, they are just optional. A worker could go in and pursue a grievance or a worker could go to Court. So Eigin, as I attempt to point out in my brief and as the AFL-CIO in their amicus brief stresses, Eigin is premised on the idea that the RLA is not — the arbitrable procedures under RLA are not

exclusive.

This Court in Andrews held that they were in 1972. So in that Elgin used loose language and talked in terms of personal injuries being grievable matters I don't think it is controlling at this point.

QUESTION: Well, but it also spoke in terms that grievable matters under the RLA were not just contract disputes but a broader classification of complaints. Now, this Court has never qualified that language in Elgin, has it?

MR. MC CALL: Not to my knowledge, Your Honor, but I --

QUESTION: Your position is, even if it is grievable and even if it isn't covered by the contract or has its root in the contract, you would say that even if it is grievable, you can still have your FELA action.

MR. MC CALL: Yes, indeed, Justice. That is exactly our point, that the FELA, like 1983, like the Fair Labor Standards Act, which was involved in Barentine, these are individual rights given to individual workers, actions by unions representing workers under arbitration procedures can't preclude or in any way affect those rights.

QUESTION: Even though to the judge in

charging the jury in the FELA case would have to either interpret the collective bargaining agreement as a matter of law or charge them to interpret it as a matter of fact?

MR. MC CALL: That is our basic position, Your Honor, and we offer it as one of three ways we feel that there can be harmonization between the FELA and the RLA. I attempt to do that in our brief. I don't have the page reference here but the three options we offer are, the first that you have mentioned, and that is the preferred option as far as we are concerned, that is the position that the Ninth Circuit took.

Once you have an injury you don't have an RLA matter any more. You could go back and — certainly you could always grieve, whether or not Mr. Wright is a proper foreman. He could try and get the company to —

QUESTION: Yes, and you say once you have an injury.

MR. MC CALL: Yes.

QUESTION: And of course it doesn't have to be a physical injury. It could be unhappiness with the way the foreman is administering the collective bargaining agreement if it produce gastritis.

MR. MC CALL: It is unlikely a lawsuit is going to be brought for that sort of thing.

MR. MC CALL: Conceivably someone could bring a lawsuit for that, yes. That is correct, and when Mr. Lee mentions we have got to have some way of distinguishing between these two statutes I say Congress has already done it. Congress has said when you have an injury to any employee that is the result of negligence, then you have an FELA action.

QUESTION: An injury has to be something to him personally. It won't be some economic injury.

MR. MC CALL: Yes, that's correct.

QUESTION: It has to be some medically identifiable problem that arises out of it.

MR. MC CALL: Yes, Justice. Yes, that definitely would be the case. I can't think of anything that wouldn't be a personal injury that railroad negligence in the workplace would produce --

QUESTION: Medically identifiable but not physical necessarily.

MR. MC CALL: Pardon me, sir?

QUESTION: It has to be medically identifiable, not necessarily physical.

MR. MC CALL: Yes, Justice.

QUESTION: . You would say that just emotional disturbance would be enough.

MR. MC CALL: Yes, I would.

QUESTION: If that is medically identifiable.

MR. MC CALL: Yes, that it would be medically identifiable and under the general tort rules you could satisfy causation which is going to be a problem in emotional injury, but it is a problem also in back injuries, which are rather common under FELA.

QUESTION: Is this emotional business you are talking about words only?

MR. MC CALL: Pardon me, Justice?

QUESTION: Words only?

MR. MC CALL: Yes, I would say that --

QUESTION: That is enough to you?

MR. MC CALL: Yes, Your Honor. It is enough In many, many states --

QUESTION: To create an injury, like if he says, you are ugly, that could create an injury?

MR. MC CALL: It is conceivable that that could do it, although one would think that usually it would take more than that and a consistent course of --

QUESTION: Well, Mr. McCall, do you really think that Congress back in 1908 thought it was authorizing an FELA, a cause of action for that kind of thing or even for mental injury? Was there any state in the United States at that time that even allowed

MR. MC CALL: If so, I don't know it at this time, Your Honor. Some of the treatise writers mention cases going back into the 19th century where emotional distress was --

QUESTION: What if we think that FELA just doesn't cover emotional injuries?

MR. MC CALL: Then Mr. Buell certainly has a hard case to bring then because that would be -- as a bottom line, emotional injury has to be compensable under the FELA and has to be recognized as an injury.

In more direct response to your question,

Justice O'Connor, I have no idea what was in the

collective intention of Congress in 1908 except I do

know that they intended to treat railroad workers as

almost a privileged class, a protected class, to give

them the right to bring actions when they were injured

that no other worker had 1908. Congress did away —

QUESTION: The indications, though, were that Congress had in mind physical injuries arising out of some kind of negligence on the part of the employer with regard to the equipment or working conditions, didn't it? I mean, that was the background.

MR. MC CALL: Oh, certainly that was the background, but I submit that this Court in Urie versus

McDonald In 1949 took this direct issue on and gave to me what would be a guiding precedent for that case. In Urie you had a railroad worker who had suffered silicosis, which, of course, is abrasion of the lungs through breathing in cold dust.

Now, that had gone on for a long period of time. The negligence would be clear. The railroad should have provided a safe work place where this worker was not subjected to that. He brought suit when the silicosis manifest itself and he could no longer work. The railroad defended by saying Congress only intended in 1908 to protect workers from sudden grievous accidents, the sort of thing where a worker gets run over, the sort of terrible accidents that clearly Congress had in mind. That was the background.

This Court said, no, we will not give a cramped, constrained limitation to the word "injury." Any injury that is compensable under evolving tort notions is going to be considered an injury for purposes of the FELA. Now, that is consistent with the notion that we want in the FELA the master to control the acts of the servants, we want the safest possible workplace for the people to do the very hard and dangerous work of building and maintaining the railroads.

QUESTION: Mr. McCall, in light of what you

have been saying recently, may we ignore the fact that your brief alleges physical injury? At the bottom of Page 12 of your brief you state that Buell suffered physical injury as well as severe mental breakdown and that the harassment causing his injuries included physical contact and common law assault.

MR. MC CALL: Yes.

QUESTION: May we ignore that?

MR. MC CALL: No, Justice --

QUESTION: Well, does the record prove what you say there?

MR. MC CALL: The record does contain -QUESTION: Where is it? That is what I am
interested in.

MR. MC CALL: In Mr. Buell's deposition he talks of being pushed and shoved.

QUESTION: Where do I find that deposition?

MR. MC CALL: It is --

QUESTION: In the appendix?

MR. MC CALL: Yes.

QUESTION: Do you have the page by chance? I don't want to detain your argument.

QUESTION: Well, it is in the deposition? Is the deposition in the record that has been lodged here?

MR. MC CALL: In the Court of Appeals record,

which it was my understanding has been lodged.

QUESTION: Mr. McCall, I asked you about that earlier. I thought you said earlier that the only injury you are complaining of is the injury that was the result of the emotional disturbance. You are not seeking damages for the pushing and shoving in and of itself.

MR. MC CALL: That is correct.

QUESTION: That is what I thought you responded.

MR. MC CALL: That is correct, Justice

Scalia. Perhaps I misunderstood. The common law assault, the touching, the battery, this occurred during the course of conduct leading up to the psychiatric breakdown.

QUESTION: But we may ignore that for the purpose of deciding this case. You rely eventually on what the courts below described as emotional injury.

MR. MC CALL: Yes, in essence, that is correct. The physical injury that the man suffered, the gastritis, was a product of a psychiatric event of real significance.

QUESTION: That is the physical injury you are complaining of.

MR. MC CALL: That's correct.

QUESTION: Not the pushing and shoving.

MR. MC CALL: Right, there are no bruises or contusions.

QUESTION: That is an element of the emotional

-- it is one of the things that produced the emotional

injury along with mocking the man and so forth.

MR. MC CALL: Yes, and some courts have been more willing to grant relief for emotional distress or psychiatric injury when there has been accompanying physical harm because of a concern about was there really something happened or something that was really suffered by the plaintiff in Prosser and the other hornbooks.

I was pointing out that there are elements of this in the record. They were not produced and marshalled for the purpose of the summary judgment motion because the summary judgment motion was solely based on the idea that the FELA can have no application here for either physical or mental injuries because it is an RLA matter.

QUESTION: Was the burden on you or your opponent at the summary judgment motion stage in this case to produce this evidence?

MR. MC CALL: We submit it was on -- it was not on us to produce the evidence. We submit --

QUESTION: Did the railroad have that evidence?

MR. MC CALL: The railroad had taken the depositions, yes. And they had the letters from the doctors.

QUESTION: The burden was on the railroad to prove that there was physical injury?

MR. MC CALL: No. No, Your Honor. What the railroads should have done in their motion for summary judgment was to say that Mr. Buell has no cause of action here because he alleges only emotional injury. If that had been the case then Mr. Buell would have responded and brought out that there was more than emotional injury. There was accompanying physical harm, which has been important to some courts, but the railroad did not do that. Santa Fe didn't do that. They just said no —

QUESTION: That is not the way I always saw summary judgment operate, but may I ask you another question?

MR. MC CALL: Certainly.

QUESTION: Do the workmen's compensation laws of the states provide for purely emotional injury?

MR. MC CALL: I have not researched that thoroughly, but it is my understanding that many do

not.

....

QUESTION: That would be my impression.

MR. MC CALL: California does not.

QUESTION: The FELA was enacted to provide, as

I think you have indicated, special privileges for

railway employees. The brotherhoods have always opposed
workmen's compensation laws.

MR. MC CALL: Yes. One point that I did want to make was the anomalous situation that would occur were this Court to accept the argument of Santa Fe in this case to the effect that Mr. Buell, because he suffered only emotional injury, must grieve his matter and cannot go through the FELA doors to the federal court.

As a product of the grievance and arbitration process he could not recover damages for the suffering that he has incurred. He couldn't get damages for his lost future earnings. He would be without a remedy.

QUESTION: There may be some state court tort action remedy that survives for outrageous conduct, don't you suppose?

MR. MC CALL: There may be some for outrageous conduct but, Your Honor, I submit that the problem with relegating these kinds of injuries to state law would be a lack of uniformity in application to the railroads.

If you had workmen in the position of Mr.

Buell relegated to state law, then if California allowed intentional infliction of emotional distress but Nevada did not, and you had a situation where a railroad worker was going back and forth between the two states, then you get into some terrible conflicts about it or questions, and it is very, very hard for the railroad to operate, I would think, knowing what it has to counsel its foremen to avoid, just what sort of steps it has to take to see that things don't happen such as happened in this case.

So I would think that national uniformity would mean that those state causes of action should be preempted and the FELA should be -- allow for actions purely for solely psychiatric injury.

Just once again say that it is our position that the FELA, because of the acknowledged humane and humanitarian and remedial aspects of the statute as recognized by this Court speaks to us today simply

because the idea that emotional distress was not cognizable in most states in 1908 should not preclude federal courts from being able to recognize the evolving law of torts and if there is any bright line needed between the RLA and the FELA it is fact of injury.

Once that occurs, then the worker has a right to go to federal court in our position. Thank you.

QUESTION: Just let me ask you a question
before you sit down. The state court actions that you
are referring to that allow redress for simply mental
injury, they are actions for intentional wrongdoing,
right? Those actions in the states do not allow someone
to recover simply because someone else negligently
causes mental anguish. It is an intentional tort, isn't
it?

MR. MC CALL: By and large. Some states do allow negligent infliction.

QUESTION: But by and large it is intentional.

MR. MC CALL: Yes, by and large.

QUESTION: And your cause of action here is based on negligence.

MR. MC CALL: Yes, it is, Your Honor. I would point out one thing. In the McMillan case in 1960 the California Supreme Court when presented with this

8910

12

11

15

14

16

18

19

20

22

23

25

specific issue held that suffering purely psychiatric injury as a result of carrying out work orders from a railroad was compensable under FELA, relying very heavily on this Court's decision in Urie, the language in Urie, the language of the FELA, and the legislative history, and in California there has been no evidence that has been brought to anyone's attention that there have been spurious claims or that artful pleading has somehow defeated the will of Congress.

QUESTION: Would you have an FELA cause of action if you simply alleged that the foreman harassed this man and caused this injury and the railroad should be liable for the acts of its servants?

MR. MC CALL: And there was an injury. Yes, I would, Your Honor.

QUESTION: You wouldn't have to say
negligence. You would just say here the foremen
harassed him, caused him great injury, and the FELA
intends employers to be responsible for the acts of
their servants. Is that all you need to say?

MR. MC CALL: That would seem to me to be adequate. An allegation of negligence which was made in this case does focus on the idea that the railroad did not act reasonably.

QUESTION: But is the FELA confined to

negligent actions?

MR. MC CALL: I think the language of Section 51 does indicate that.

CHIEF JUSTICE REHNQUIST: Thank you, Mr. McCall.

Mr. Lee, do you wish to say something more?
You have three minutes remaining.

ORAL ARGUMENT OF REX E. LEE, ESQ.,
ON BEHALF OF THE PETITIONER

MR. LEE: Just two brief points, Mr. Chief
Justice. The first is that this has to be regarded as a
claim exactly as the respondent presented it to the
lower courts involving solely emotional injury.

QUESTION: May I ask you on that point, Mr.

Lee, about what happened in the trial court? Is your opponent correct, because your joint appendix is so very thin in this case, in saying that the only argument you made in support of the summary judgment motion was one based on the RLA and that you did not separately argue a pure FELA no cause of action?

MR. LEE: I think that is probably a fair statement, Justice Stevens, but the point was, they did allege only emotional injury. Under those circumstances of course we argued it is then covered by the RLA. Then once the --

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

QUESTION: Why wouldn't you at that point, if that was that clear at that point, why wouldn't you then also have made your alternative argument that you are advancing in this Court seeking reversal?

MR. LEE: Well, perhaps we should have done at that stage. In any event we won on the RLA argument. Then it went to the Ninth Circuit and the Ninth Circuit said beyond any question that the only question they were deciding was whether the railroad employee's wholly mental injury is compensable under the FELA, and they held that it was, and that is the judgment now that we are attacking in this case, and certainly we are entitled to attack the correctness of that determination that a wholly mental injury is compensable under the FELA. And here is why it cannot be.

Congress has made a determination that the tens of thousands, hundreds of thousands of work place disputes are to be resolved nonjudicially. Andrew said that that is exclusive and mandatory. There is the potential to artfully plead into a safe harbor, into a judicial safe harbor by simply alleging an FELA complaint, so that the key to pleading out of the RLA is how broadly you construe the FELA.

Only three courts in the history of -- in the 80-year history of the FELA have held that it applies to

QUESTION: When you exclude physical injury from this case you mean to exclude not merely the pushing and showing but also the gastritis. Is that right?

MR. LEE: No, Justice Scalia, I am saying that the gastritis really doesn't count under the facts of this — that really isn't what he is talking about. It wasn't what he alleged below. But more than that you have to look and see what is the real gravamen of what he is talking about.

QUESTION: What you are seeking from this

Court is a narrow holding that just says, assuming there
wasn't any gastritis resulting, any physical injury
resulting from this emotional state there is no cause of
action under the FELA, and we will reserve for another
day whether if this emotional injury had caused
gastritis or some physical injury that would entitle the
plaintiff to a cause of action. Is that what you are
asking us to hold?

MR. LEE: That is my argument. I would also say, I would also say that even in that harder case you have to ask what is the real thrust of what he is asking

for here? Is he really complaining about gastritis or is he really complaining about his foreman's supervision of the workplace?

Thank you very much.

CHIEF JUSTICE REHNQUIST: Thank you, Mr. Lee.
The case is submitted.

(Whereupon, at 11:00 o'clock a.m., the case in the above-entitled matter was submitted.)

## CERTIFICATION

Iderson Reporting Company, Inc., hereby certifies that the tached pages represents an accurate transcription of lactronic sound recording of the oral argument before the upreme Court of The United States in the Matter of:

#85-1140 - ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY, Petitioner V.

JIM BUELL

end that these attached pages constitutes the original

BY Paul A. Richardon

(REPORTER)