

OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 85-1530

TITLE

WILLIAM E. BROCK, SECRETARY OF LABOR AND ALAN C. McMILLAN,
REGIONAL ADMINISTRATOR, OCCUPATIONAL SAFETY AND HEALTH
ADMINISTRATION, Appellants V. ROADWAY EXPRESS, INC.

PLACE

Washington, D. C.

DATE

December 3, 1986

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IN THE SUPREME COURT OF THE UNITED STATES

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WILLIAM E. BROCK, SECRETARY OF :
LABOR AND ALAN C. McMILLAN, :
REGIONAL ADMINISTRATOR, :
OCCUPATIONAL SAFETY AND HEALTH :
ADMINISTRATION, :
Appellants :
v. : No. 85-1530
ROADWAY EXPRESS, INC. :

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Washington, D.C.
Wednesday, December 3, 1986

The above-entitled matter came on for oral argument
before the Supreme Court of the United States at 1:56
o'clock p.m.

APPEARANCES:
ANDREW J. PINCUS, ESQ., Washington, D.C.;
on behalf of Appellants.
MICHAEL C. TOWERS, ESQ., Atlanta, Ga.;
on behalf of Appellee.

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1 the discharge. The Secretary issues a final decision on
2 the basis of the facts developed at the evidentiary
3 hearing and the Secretary's decision is subject to
4 judicial review.

5 The particular feature of Section 405 that is
6 in dispute here is Congress' determination that
7 employees should be provided with preliminary as well as
8 permanent relief. The statute states that an employee
9 must be reinstated on an interim basis if the Secretary
10 finds reasonable cause to believe that his discharge was
11 in violation of the statute.

12 This interim reinstatement remains in effect
13 during the subsequent evidentiary hearing and through
14 the resolution of the case on the merits. The question
15 presented here --

16 QUESTION: May I ask you, Mr. Pincus, because
17 I'll tell you, I'm concerned about the timeliness of
18 some of these things that happen in this case. Do you
19 think the statute requires that the reasonable cause
20 investigation be completed within 60 days?

21 MR. PINCUS: Well, the statute does indicate
22 that, set a 60 day limit. But the Secretary interprets
23 that limitation as directory, rather than --

24 QUESTION: What is the -- where did the
25 Secretary get the authority to just in effect ignore

1 that 60 day requirement?

2 MR. PINCUS: Well, Your Honor, I don't think
3 that the Secretary ignores that requirement, just in
4 some cases it happens that the investigation, the
5 questions are complex or witnesses are difficult to
6 locate.

7 QUESTION: Was this a complex case?

8 MR. PINCUS: This particular case involved
9 many different claims by Mr. Hufstetler that he'd
10 engaged in a variety of safety-related activities.

11 QUESTION: He may have gotten the authority
12 from the same place that the last case we have from the
13 Secretary of Labor got the authority, which as I recall
14 was very belated processing.

15 MR. PINCUS: Well, yes, Your Honor. I was
16 going to mention that, that case, Brock against Pierce
17 County, which involved a similar statutory time limit,
18 which the Court interpreted as directory and
19 non-mandatory.

20 QUESTION: But there was a good deal of
21 legislative history that supported the Secretary's
22 argument there that that was directed to a different
23 purpose. But there's no such history in this case, is
24 there?

25 MR. PINCUS: Well, Your Honor, we think that

1 the statutory scheme would be -- indicates itself that
2 the same rules should apply. If the time limit was
3 interpreted to divest the Secretary of jurisdiction,
4 then the Secretary's failure to act would cut off the
5 employee's rights, and it couldn't be that Congress
6 intended that a statute that was intended to help
7 employees would fail if the Secretary, because of lack
8 of administrative resources or just the complexity of
9 the particular investigation, wasn't able to complete
10 the investigation within that time period.

11 Congress obviously wanted to protect
12 employees.

13 QUESTION: And whenever the Secretary does
14 complete it -- here I guess it was about eleven months
15 -- then the back pay obligation attaches, too, doesn't
16 it, if he finds reasonable cause.

17 MR. PINCUS: Yes, but the back pay obligation
18 runs from the discharge. It doesn't have anything to do
19 with the length of the investigation.

20 QUESTION: Well, it's a little more serious if
21 an employer has to wait a year or so and then finds he's
22 got a year's back pay to pay, which I suppose he'll
23 never see again once he pays it.

24 MR. PINCUS: Well, he doesn't owe the back pay
25 until after the entire -- there's been a final

1 adjudication on the merits.

2 QUESTION: Oh, he doesn't have to pay it at
3 the time of the reasonable cause determination?

4 MR. FINCUS: No, the only part of the order
5 that goes into effect immediately on the reasonable
6 cause finding is the reinstatement.

7 QUESTION: I see.

8 MR. FINCUS: The other remedies don't go into
9 effect until the order becomes final.

10 QUESTION: Still, it might be considered a
11 quid pro quo for the employers who are subject to this
12 Act that what's taken away is that they have to
13 reinstate; on the other hand, what they get is a pretty
14 good estimation of whether they're going to have to pay
15 back pay ultimately.

16 That is to say, if the Secretary finds against
17 them on that initial determination I expect a lot of
18 employers would simply throw in the towel and reinstate
19 and not be subject to any more back pay liability. And
20 by delaying that for a long time, the Secretary has
21 taken away a lot of the quid pro quo.

22 MR. FINCUS: Well, on the other hand, Your
23 Honor, the employers are protected by the thoroughness
24 of the investigation, because the Secretary's
25 determination becomes that much more accurate, and so

1 his reasonable cause finding --

2 QUESTION: That's fair.

3 MR. FINCUS: -- is that much more accurate.

4 Just to briefly consider stating the facts in
5 this case, the proceeding began on November 22nd, 1983,
6 when Appellee discharged Jerry Hufstetler, who was one
7 of its truck drivers, on the ground that he had
8 intentionally disabled his truck to obtain extra pay.
9 Hufstetler filed a grievance under his collective
10 bargaining agreement, asserting that he had been
11 discharged in retaliation for his safety activities, and
12 after his grievance was rejected he filed a complaint
13 with the Secretary under Section 405.

14 The Secretary conducted his investigation,
15 which took eleven months, and in the course of that
16 investigation Appellee was informed of the charges and
17 the complaint and given an opportunity to present its
18 side of the story.

19 The Secretary issued a reasonable cause
20 finding and directed that Hufstetler be reinstated on a
21 temporary basis pending the completion of the
22 proceedings. Eleven days after the issuance of the
23 preliminary order, Appellee commenced this action in
24 federal district court.

25 It sought an injunction against enforcement of

1 the temporary reinstatement order on the ground that the
2 order violated Appellee's due process rights. The
3 district court issued the injunction and held that the
4 due process clause requires the Secretary to hold an
5 evidentiary hearing before issuance of the temporary
6 reinstatement order, and that Section 405 was
7 unconstitutional to the extent that it permitted the
8 issuance of such an order without the prior hearing.

9 Now, both sides in this case agree that an
10 employer is entitled to an evidentiary hearing prior to
11 a final determination of the lawfulness of the
12 discharge. The only question is whether the hearing
13 must be held before the discharged employee is
14 temporarily reinstated or afterward, and in our view the
15 due process clause as it has been interpreted in this
16 Court's cases does not preclude Congress from
17 authorizing a temporary reinstatement prior to an
18 evidentiary hearing.

19 Now, this constitutional question is not new
20 to the Court. In a line of recent cases, the Court has
21 considered the question of the timing of an evidentiary
22 hearing in connection with an interim or temporary
23 deprivation of liberty.

24 QUESTION: Mr. Pincus, do I understand the
25 Government concedes that there is a property interest on

1 the part of the employer here?

2 MR. PINCUS: Yes, Your Honor, we do, although
3 let me add that we think the nature of the property
4 interest is quite insubstantial as compared to the
5 property interests that the Court has considered in its
6 prior cases.

7 QUESTION: Well, what precisely is the
8 property interest?

9 MR. PINCUS: Well, the interest as we see it
10 is the employer's right to discharge an employee that it
11 has under its contract.

12 QUESTION: And is there some case from this
13 Court that you regard as peculiarly apposite in making
14 that concession?

15 MR. PINCUS: No, Your Honor, we don't rely on
16 any particular case. Let me add that if there were no
17 reinstatement, obviously if the employer was just
18 required to pay money in the interim, then that payment
19 of money itself would be a loss of property.

20 In this case, since there is reinstatement the
21 employer gets a day's work for a day's pay, and so
22 really the only diminution in his rights is this
23 question of being able to control the workplace, which,
24 as we discuss in our brief, is already subject to quite
25 a lot of federal regulation.

1 QUESTION: Well, the order to reinstate would
2 require back pay?

3 MR. PINCUS: The order -- the back pay
4 obligation does not become effective until the order is
5 finally upheld. But eventually, if the discharge were
6 found to be unlawful, he would be required to pay back
7 pay.

8 QUESTION: You don't think it's a deprivation
9 of property if somebody requires me to hire somebody
10 that I don't want to hire?

11 MR. PINCUS: Well, yes, Your Honor. That's
12 why we --

13 QUESTION: I thought you just said that there
14 would have been a clear -- the mere payment of the money
15 would have been a property interest if all the Secretary
16 did was require the back pay, without requiring the man
17 to be re-employed.

18 But you seem to suggest that, since you're not
19 just requiring the money to be paid, you're also
20 requiring the individual to work, that somehow it's
21 different. but it seems to me that requiring you to
22 hire somebody you don't want to hire and to pay them
23 when you don't want to pay them is clearly property.

24 MR. PINCUS: Well, Your Honor, that's why we
25 think there's a property interest here. But we think

1 that in assessing the weight of that interest it's
2 necessary to see exactly what the employer is losing,
3 and we think it's --

4 QUESTION: And you're saying he's not losing
5 much because he's getting the labor of a person whose
6 labor he doesn't want, and you don't think that's very
7 much?

8 MR. PINCUS: Well, we think it's something,
9 but we don't think it's anything like a person who needs
10 disability not getting disability benefits or an
11 employee being discharged or someone who is dependent on
12 money for their livelihood losing that very money.

13 The employer is losing something, but in
14 comparison to the other property interests that the
15 Court has considered it's not that much.

16 QUESTION: But doesn't the employer also lose
17 a contract right under the collective bargaining
18 agreement to have an arbitration award enforced? Here
19 there was arbitration, as I understand it, and
20 apparently the ALJ had a different view of the matter.

21 But under the contract he had a right, a
22 contract right, to terminate this employee, didn't he,
23 apart from the statute?

24 MR. PINCUS: Yes, he did, Your Honor. But we
25 don't think that adds anything more to the analysis. I

1 mean, that's the same right that he has not to pay
2 someone he doesn't want to pay. If he had lost the
3 arbitration proceeding, he wouldn't have that right. So
4 the fact that he won it doesn't give him anything more.
5 It just means that he has that right.

6 In contrast to what we see as this property
7 interest, although a less substantial property interest,
8 of the employee, there is the quite weighty interest of
9 the Government here. Section 405 is based on what the
10 Court has characterized as the Government's paramount
11 interest in highway safety.

12 When the statute was enacted, Congress had
13 before it evidence of massive noncompliance by the motor
14 transportation industry with the federal safety
15 standards that apply in that area, and Congress
16 concluded that if employees were protected from
17 retaliatory discharges and thus able to act to enforce
18 safety standards that compliance with safety standards
19 would be encouraged.

20 And therefore, it adopted Section 405 to
21 provide employees with this protection. And it seems
22 clear that the interim reinstatement protection that's
23 at issue here is essential to Congress' employee
24 protection plan.

25 An employee has to pay his monthly bills for

1 food and shelter on an ongoing basis as they come due,
2 and so an award of back pay several years down the line
3 does not give the employee the protection that he really
4 needs if the protection that Congress designed is to
5 become real.

6 QUESTION: I suppose that's part of the 60 day
7 requirement, too. Eleven months he had to go without
8 food and drink, for eleven months, didn't he?

9 MR. PINCUS: Well, Your Honor, the Secretary
10 is cognizant of the need for expedition. And as we
11 discuss in our reply brief, he is endeavoring to speed
12 up the investigation period and they have gotten
13 somewhat speedier.

14 QUESTION: I can't resist also asking you
15 about your interpretation of the sentence: "Upon the
16 conclusion of such hearing, the Secretary shall issue a
17 final order within 120 days." And you read that, as I
18 understand it, to say after, 120 days after the ALJ
19 issues his order, but the ALJ can take forever to issue
20 his order?

21 MR. PINCUS: Well, the statute doesn't provide
22 a deadline for the ALJ, although the regulations that
23 the Secretary --

24 QUESTION: Unless you read it into this 120
25 day -- unless you read the plain language of the

1 sentence I just read to you, because that certainly
2 sounds as though the Secretary has to get through with
3 the matter within 120 days.

4 But you don't read it that way, do you?

5 MR. PINCUS: No, Your Honor, the Secretary
6 hasn't interpreted the statute that way. But he has
7 issued regulations that do set time limits on the AIJ's
8 action. And again, we wouldn't read -- even if the 120
9 day period had a different interpretation, we wouldn't
10 read it as cutting off the Secretary's jurisdiction.

11 But again, the Secretary is cognizant of his
12 obligations to move speedily, but especially in an
13 investigatory period he has to balance the employer's
14 rights and the employee's rights in wanting to reach a
15 fair determination, and also in the subsequent period
16 the employer may need extra time to get his case
17 together and in that case it wouldn't be fair to press
18 ahead if the employer is the one that's asking for the
19 time.

20 QUESTION: Is there anything in the record to
21 suggest that the process that he actually follows is any
22 more expeditious than convening a very, on short notice,
23 an adversary hearing like you might have on a motion for
24 a temporary restraining order in a court?

25 I don't understand why you have to proceed

1 without having an adversary proceeding promptly held.
2 What is the need for this particular procedure? Can you
3 tell us?

4 MR. PINCUS: Well, the fair reading of the
5 statute, I think, is that Congress intended the
6 Secretary to conduct an investigation and for
7 reinstatement to happen on the conclusion of that
8 investigation, and for adversary proceedings to follow.

9 Now, the Secretary's investigation has to be
10 comprehensive and is as fast as possible. And we think
11 there is no way for the Secretary to conduct a less
12 comprehensive investigation and still meet his
13 obligations under the statute.

14 So the effect of an evidentiary hearing before
15 reinstatement --

16 QUESTION: You're going to have a hard time
17 convincing me that they spend eleven months working on
18 this case and nothing else. I imagine they have a whole
19 lot of cases and this case took its turn with a very
20 busy administrative office.

21 Or do you suggest that this amount of time is
22 necessary on every case that comes?

23 MR. PINCUS: No, Your Honor, we don't suggest
24 that, and as the times that we've submitted in our reply
25 brief show, that's not what the Secretary actually does

1 in every case. In this case it happened to take a long
2 time.

3 There was quite a controversy about the facts,
4 and the complainant alleged that he had engaged in a
5 variety of safety-related activities that all had to be
6 checked out. In addition, these people are truck
7 drivers and so sometimes it's hard to locate the
8 relevant people in order to talk to them because they
9 are on the road.

10 But I'm not suggesting that this case is
11 typical, and we don't think that the Court should base
12 its due process decision on this, the facts of this
13 particular case. The Court said a number of times that
14 due process decisions are based on the generality of
15 cases and, although the time happened to be long in this
16 case, we think it generally isn't.

17 And we think that the time that the Secretary
18 takes for an investigation is what he think is required
19 to meet his statutory obligations, and if a hearing is
20 required before reinstatement that that is just going to
21 be an additional time piled on top of the investigation,
22 and so it will delay reinstatement.

23 QUESTION: Well, I'm not sure that follows.
24 I'm not sure if you didn't subpoena everybody in at
25 once, as you do in emergency proceedings often, you

1 couldn't get to the truth a lot faster than by
2 separately investigating without everybody else knowing
3 what's going on.

4 But I suppose there's some merit.

5 QUESTION: I would think in eleven months you
6 could have had your evidentiary hearing.

7 MR. PINCUS: Well, Your Honor, that might be
8 true in this particular case, but it may not be true in
9 many, many cases. And especially where --

10 QUESTION: Well, it might be so, as Justice
11 Stevens says, if you really lived up to the 60 day
12 requirement, why, you could order reinstatement and then
13 maybe take some time to have an evidentiary hearing. If
14 you're going to skip that time limit, you better hold
15 your requirement hearing.

16 MR. PINCUS: Well, Your Honor, we don't think
17 that that's what the Court's cases have required. In
18 Loudermill, for example, the Court indicated that a nine
19 month delay before temporary -- between the temporary
20 action and final action was not anything that approached
21 a due process violation.

22 And the time period was even longer in Mathews
23 against Eldridge. So --

24 QUESTION: I'm not sure that I'm following
25 this discussion. It seems to me that the longer it goes

1 on, as far as the employer's due process complaint is
2 concerned, the longer it goes on the better off he is,
3 isn't that right?

4 The employer doesn't have any incentive to get
5 it decided quickly. The more quickly it's decided, the
6 sooner he has to re-employ this fellow.

7 MR. PINCUS: Well, Your Honor, I think that's
8 exactly right.

9 QUESTION: I mean, it may be a terrible way to
10 administer the Act, but as far as the employer is
11 concerned the longer these things take the better,
12 right?

13 MR. PINCUS: I think that's --

14 QUESTION: 20 months is great for him.

15 MR. PINCUS: Well, the Secretary --

16 QUESTION: Because he doesn't have to rehire
17 this fellow.

18 MR. PINCUS: I think that's certainly true
19 from the employer's point of view, and in addition the
20 --

21 QUESTION: Well, certainly that's not true.
22 Between the date of the temporary order saying, you
23 reinstate now, and the conclusion of the proceedings,
24 when he must be employed during that interval, and he
25 doesn't want this man working there and he may

1 eventually win --

2 MR. PINCUS: Well, Your Honor --

3 QUESTION: Especially if he thinks he's a
4 dangerous employee.

5 MR. PINCUS: Well, Your Honor --

6 QUESTION: And he isn't a good truck driver.

7 MR. PINCUS: There are two different time
8 limits at issue here. There is the time limit for the
9 time of the investigation leading up to the
10 reinstatement and then there is the time between the
11 temporary reinstatement and an evidentiary hearing.

12 And Justice Scalia was referring to that first
13 time limit, which doesn't -- in which the Secretary
14 endeavors to act speedily, because the rights of the
15 employee are at issue. But the length of that
16 investigation, actually the more thorough it is the
17 better it is for the employer.

18 QUESTION: No, but if the man doesn't work for
19 eleven months and yet gets eleven months pay, that's
20 worse than not working 30 days and getting 30 days back
21 pay, because part of your argument was that part of the
22 quid pro quo is he gets services for the back pay, but
23 he doesn't get any services for the back pay during the
24 period between the discharge and the temporary order.

25 MR. PINCUS: Well, Your Honor, except that I

1 don't think that the length of time has anything to do
2 with the back pay question. If it's found that the
3 employer has violated the statute, then he is obligated
4 to pay back pay, however long the period is. That's a
5 separate question from the question of temporary --

6 QUESTION: But the back pay is going to depend
7 on how long it takes to complete the final hearing, not
8 this preliminary determination.

9 MR. PINCUS: Yes, although the preliminary --
10 well, the back pay obligation runs from the date of the
11 discharge. So it's all -- I mean, the whole period is
12 relevant, but I don't think --

13 QUESTION: Oh, that's right. He'll be working
14 for some of it if he's put in earlier.

15 MR. PINCUS: But I don't think that that
16 question has anything to do with the due process issue
17 here. The Court has recognized in a line of cases
18 starting with Mathews against Eldridge through
19 Barry/Barchi, Barry against Barchi, Mackey, and
20 Loudermill, that the kind of procedure that the
21 Secretary uses here is precisely what the due process
22 clause requires, that before a temporary action is taken
23 there must be notice and an opportunity to be heard and
24 some kind of a reasonable check on the accuracy of the
25 decisionmaking process, exactly what the Secretary does

1 here.

2 QUESTION: Well, Mr. Pincus, once the initial
3 order has been entered by the Secretary of Labor
4 insisting on reinstatement of an employee the employer
5 doesn't want to have, then it becomes crucial to the
6 employer, does it not, to have a prompt hearing,
7 assuming that's constitutional?

8 MR. PINCUS: Yes, a prompt post-action
9 hearing.

10 QUESTION: At that point the post-order
11 hearing becomes vital, does it not?

12 MR. PINCUS: Yes, it does, Your Honor.

13 QUESTION: And yet, there's no time limit in
14 the statute at all.

15 MR. PINCUS: Well, the statute requires that
16 the post-reinstatement hearing be expeditiously
17 conducted, and the Secretary has issued regulations that
18 do set down time limits on when that will happen -- for
19 every process, every stage along the process culminating
20 in the Secretary's final decision, which amount to seven
21 months, which is less than the period that the Court has
22 recognized in both Mathews and Loudermill as
23 appropriate.

24 In Loudermill, the Court said that there was
25 no problem with nine months.

1 QUESTION: Are the time limits in the
2 Secretary's regulations jurisdictional or directory?

3 MR. PINCUS: Well, Your Honor, the time limits
4 are directory, and if in a particular case, as in
5 Loudermill, the Court indicated that there was a
6 two-step inquiry. The first question is whether the
7 scheme that the Government follows provides for an
8 expeditious hearing. The second inquiry is whether in
9 the particular case those limits were met and, if they
10 were not met, were they exceeded by such a degree that
11 it amounted to a due process violation.

12 So we think that's the inquiry here. The
13 Secretary set up a scheme that complies with what the
14 due process clause requires. In a particular case it
15 might be that those time limits might be exceeded and it
16 might be open for an employer to argue that he's been
17 subject to a due process violation.

18 But that doesn't mean that the scheme is
19 invalid, and the only question here is whether the
20 scheme should be upheld and we submit that it should.

21 I'd like to briefly discuss another way of
22 looking at the case that we think confirms the
23 constitutionality of what Congress has done here. The
24 interim reinstatement remedy could also be viewed as at
25 accommodation of conflicting interests, similar to

1 preliminary relief in a judicial proceeding.

2 Here the conflicting interests are the
3 interests of the employer and the interests of the
4 employee. On the one hand, the employee has an interest
5 guaranteed by Section 405 in not being discharged in
6 retaliation for safety activities. On the other hand,
7 the employer has an interest in protecting his authority
8 to discharge employees.

9 And in drafting Section 405, Congress had to
10 decide where the interim burden was going to fall in a
11 dispute over the discharge. And as I've discussed, the
12 absence of interim relief would threaten the employee
13 with the prolonged loss of his means of livelihood and
14 adversely affect employees' willingness to engage in
15 conduct protected under the statute.

16 On the other hand, permitting interim
17 reinstatement does not unduly burden employers because
18 they suffer no economic loss in the sense that they get
19 a day's work for a day's pay.

20 So in these circumstances, Congress made a
21 reasonable determination that it was the employer that
22 could best bear the burden of the dispute over the
23 discharge where there has been a showing, based on an
24 investigation, that there was reasonable cause to
25 believe that the discharge was unlawful.

1 QUESTION: And that's the basis of the
2 preliminary order, is based on that?

3 MR. PINCUS: It's a reasonable -- it was a
4 finding of reasonable cause, yes, Your Honor.

5 QUESTION: And the employer in this case
6 sought and obtained the injunction after the preliminary
7 order had been issued, is that correct?

8 MR. PINCUS: Yes, but before it went into
9 effect. The employer here was never required to
10 reinstate the employee.

11 QUESTION: But the only reason he wasn't
12 required was because the district court enjoined the
13 application of the preliminary order?

14 MR. PINCUS: Yes, Your Honor.

15 QUESTION: What does "reasonable cause to
16 believe" mean? Is the Secretary making the
17 determination at this preliminary stage that, on the
18 basis of a rough ride through the material, he thinks
19 it's more likely than not that this person had been
20 discharged for this reason?

21 Or is it just that there is some -- that there
22 is what, a real possibility?

23 MR. PINCUS: Well, Your Honor, we don't think
24 it's a 51 percent determination, a more probably than
25 not determination. We think it's a determination akin

1 to probable cause or maybe a little bit more than
2 probable cause.

3 In fact, "reasonable cause" is exactly the
4 term that the Court used in its decision in *Loudermill*
5 as the finding that would provide the preliminary check
6 upon the accuracy of the Government determination.

7 QUESTION: What did we mean by it there?

8 MR. PINCUS: Well, as I said, we think that
9 it's a finding that the complaint has merit, not
10 necessarily a finding of 51 percent. But it's a finding
11 -- in defining "probable cause," the Court has
12 characterized it as a probability or a substantial
13 chance, and we think that that's the same kind of
14 finding that the Secretary is making here.

15 QUESTION: Probability is 51 percent, isn't
16 it, or a substantial chance.

17 MR. PINCUS: I think that the Court indicated
18 in *Illinois* against *Cape* that probable cause is not a 51
19 percent determination; it's something less than 51
20 percent. And that's the same kind of determination that
21 the Secretary makes here.

22 QUESTION: After doing eleven months worth of
23 work, why wouldn't it be more sensible in deciding where
24 the burden ought to fall to have it fall on the person
25 who's more likely to be the one at fault? I mean, why

1 shouldn't it be a probability call?

2 MR. PINCUS: Well, Your Honor, in every case,
3 again, there isn't an eleven month investigation. And
4 it may be that the evidence before the Secretary when he
5 made this determination allowed him to make a much more
6 substantial finding.

7 But all that Congress required was a
8 reasonable cause finding, and again that's all the Court
9 has required in its decisions.

10 QUESTION: It makes it all the more amazing
11 why it would take eleven months then, if all he looks to
12 see is whether there is any merit.

13 MR. PINCUS: And Your Honor, the Secretary in
14 subsequent investigations has moved more expeditiously
15 and is moving more expeditiously now. But he recognizes
16 his obligations to both employers and employees to give
17 people a fair hearing about these complaints.

18 Unless the Court has any further questions, I
19 reserve the balance of my time.

20 CHIEF JUSTICE REHNQUIST: Thank you, Mr.
21 Pincus.

22 We'll hear now from you, Mr. Towers.

23 ORAL ARGUMENT OF
24 MICHAEL C. TOWERS, ESQ.,
25 ON BEHALF OF APPELLEE

1 MR. TOWERS: Thank you, Mr. Chief Justice.
2 May it please the Court:

3 Section 405 of the Surface Transportation
4 Assistance Act is unconstitutional to the extent that it
5 mandates preliminary reinstatement of a terminated
6 employee without first affording the employer a
7 rudimentary evidentiary hearing opportunity to defend
8 itself.

9 Without a prior evidentiary hearing, there is
10 a substantial risk of error, and an erroneous
11 reinstatement is not inconsequential. It may be in
12 duration anywhere from --

13 QUESTION: There's going to be a substantial
14 risk of error anyway. We have just heard that all the
15 Secretary's trying to find is a substantial possibility,
16 which is maybe, I don't know, 33 percent.

17 MR. TOWERS: I'm not sure --

18 QUESTION: So there's a two to one chance that
19 it's wrong on the face of the statute.

20 MR. TOWERS: I'm not sure what the technical
21 definition of "reasonable cause" is. It is a lower
22 standard of proof than preponderance of the evidence, I
23 would accept that.

24 But what the statute has done for the
25 preliminary reinstatement order is set a standard. The

1 standard doesn't change the constitutional mandate that
2 we be given an opportunity to test whether that standard
3 has been met, and that's the thrust of our --

4 QUESTION: Well, I don't know. It's a strange
5 argument. You're saying that there is a substantial
6 probability. You want to have a very careful hearing to
7 be sure that the chances are two to one that you're
8 right, but you're nevertheless going to have to pay the
9 employee in the interim, right?

10 MR. TCWERS: I don't follow the last part,
11 Your Honor. But yes, we do want to --

12 QUESTION: You want the Secretary to be very
13 careful in determining that you probably were right to
14 fire this fellow, but you nonetheless should keep him
15 on.

16 MR. TCWERS: We want --

17 QUESTION: It seems to me that if less -- if
18 you acknowledge that less than a probability is an
19 adequate standard, it seems very strange to say that in
20 order to meet that standard we need the full panoply of
21 adversary proceedings, cross-examination and everything
22 else.

23 MR. TOWERS: I want to make clear, we're not
24 asking for the full panoply of a full evidentiary
25 hearing. We are asking for a rudimentary evidentiary

1 hearing to give us an opportunity to know the evidence
2 being considered by the fact finder, the Secretary of
3 Labor's representative, so that we can present our
4 defense to that and establish that there is not
5 reasonable cause to believe that the Act has been
6 violated.

7 Under the current practice, we are advised of
8 a charge and we're given an opportunity to submit a
9 position statement. We are not given an opportunity to
10 mold our defense or shape our defense to the evidence
11 being considered by the Secretary of Labor. And in a
12 case under Section 405, that is a particularly important
13 point.

14 405(a) prohibits an employer discharging an
15 employee because he has engaged in safety-related
16 activity or made safety complaints. 405(b) prohibits
17 the employer from discharging an employee because he
18 refuses to work in an unsafe working condition, a
19 condition that he believes to be unsafe and that a
20 reasonable man would believe to be unsafe.

21 Those are so fundamentally subjective
22 questions of motive, dual motive -- would this
23 individual have been terminated but for his
24 safety-related activity, was he a reasonable man under
25 the circumstances, what was the intent of the employee?

1 All of those are such subjective factors that the
2 employer has no opportunity to rebut, because we don't
3 know what the Secretary of Labor has on which he's
4 relying in his belief that we violated the law.

5 We're told that X employee says we fired him
6 because of his safety-related activities, period. The
7 guidelines used by the Secretary of Labor's field
8 operators simply call on the investigator -- this is at
9 page Roman numeral V-V of the directory of field
10 operations that was lodged with the Court by the
11 Secretary of Labor.

12 The investigator is simply required to notify
13 the respondents of the substance of the complaint, and
14 that notification is set forth in an appendix to these
15 guidelines, a form letter. And the form letter merely
16 says:

17 "We hereby serve you notice that a complaint
18 has been filed with this office by complainant alleging
19 a violation of Section 405 of the Surface Transportation
20 Assistance Act. We would appreciate receiving from you
21 promptly a full and complete written account of the
22 facts and a statement of your position with respect to
23 the allegation that you have discriminated against the
24 complainant in violation of the act."

25 The Secretary of Labor has just issued

1 proposed regulations, just last November 21st, that say
2 the same thing essentially: "Upon receipt of a
3 complaint, the Assistant Secretary" -- "a copy of" --
4 I'm sorry.

5 "Upon receipt of a valid complaint, OSHA shall
6 notify the named person" -- which is defined as the
7 charged employer -- "shall notify the named person of
8 the filing of the complaint and his or her rights under"
9 other sections of the regs, and those rights are to
10 submit a position statement within 20 days and any
11 witnesses we want to bring forward.

12 How do we know what witnesses to bring
13 forward? We don't know what motive we're being charged
14 with, what evidence they're relying on to say we've had
15 bad motives.

16 QUESTION: You know, the argument that judges
17 usually here is that it's impossible to prove a
18 negative. And you're complaining about the inability to
19 introduce evidence on the negative.

20 It seems to me once you have your notice, all
21 the affirmative -- all the evidence on the affirmative
22 that you have you know to introduce. I assume when you
23 get the notice you will come forward with the reasons
24 why you did fire the person.

25 MR. TOWERS: Exactly, and --

1 QUESTION: All the rest is an attempt to prove
2 the negative, which is very difficult to do anyway.

3 MR. TOWERS: It is difficult to do. It is an
4 attempt to prove that we didn't have bad motive. But we
5 can't offer evidence to either rebut the credibility of
6 the individuals who claim they have concrete evidence of
7 our retaliatory motive.

8 Nor can we bring forward evidence to establish
9 that we did not have retaliatory motive and that these
10 people are liars, are vindictive, or that they weren't
11 in town when they allegedly heard these things, whatever
12 it may be.

13 We don't know what they're relying on on the
14 motive question. Of course we know why we fired the
15 individual, our non-discriminatory reason that we
16 articulate. And that's the best we can do in a position
17 statement.

18 In the situation that we had in this
19 particular case, we already tested this case before a
20 grievance resolution panel and won. We knew what we had
21 done. We knew what the individual said he had done.
22 And the panel went with us.

23 That's what we submitted in our position
24 statement. Here are the statements of the individuals.
25 We didn't know until we got to the final hearing, I

1 don't remember how many months later it was -- eleven,
2 twelve months, because there was an interim from the
3 order to the hearing -- that three of the Teamster
4 witnesses who had given statements to the arbitration
5 panel concerning relevant facts in this case had changed
6 their witness.

7 We didn't know that the manager who fired this
8 individual, as opposed to the manager who reported his
9 misconduct, was being charged with retaliatory motive
10 and that they had alleged evidence in support of that.
11 We couldn't counter that. We didn't know about it.

12 We didn't know that the Secretary of Labor was
13 going to come to the hearing and claim that the
14 Teamsters Union failed to adequately represent this
15 individual in the arbitration process. We were apprised
16 of none of that.

17 And that's why we contend that it's
18 constitutionally infirm to conduct an investigation with
19 such subjective facts to be resolved without first
20 giving us an opportunity to test those facts, the facts
21 on which the decisionmaker is going to rely in depriving
22 us of our property, that is the right to keep this
23 person out of the workplace.

24 And I'd like to speak a moment in response to
25 the question, Your Honor, of what is the property

1 interest. The property interest is significantly more
2 than a simple right to terminate an individual, either
3 the contract right or under the collective bargaining
4 agreement or the common law right to terminate at will
5 if there is no collective bargaining agreement, or
6 perhaps the at-will employment agreement.

7 We lose the bargained for arbitration right.
8 Now, if we were wrong, as the Solicitor General
9 suggests, and the man should have been put back to work,
10 then that can be established in a hearing, a preliminary
11 hearing during the investigative stage. But if the
12 investigator is wrong, we have lost that right.

13 Most importantly is the coerced employment
14 relationship, particularly in the trucking industry. We
15 are being asked to take an individual in whom we have
16 lost all confidence, put him back in a 40 ton piece of
17 equipment out on the open highway, transporting millions
18 of dollars worth of our customers' product and goods,
19 including toxic wastes, chemicals, nuclear wastes,
20 explosives, and general commodities, put him on the
21 highway with our name on the side of the truck as our
22 representative.

23 That's the coerced employment relationship.
24 That's the nature of the property interest that's at
25 stake in this case.

1 QUESTION: Well, does the mere fact that the
2 employer strongly and quite reasonably objects to being
3 made to do this, does that convert the situation into a
4 property right?

5 MR. TOWERS: It converts it to a property
6 right. It is a property right and it is a property
7 right that can be abridged by Congress or by the
8 courts. Reinstatement orders issue in any number of
9 statutes: Title 7, National Labor Relations Act, any
10 number of statutes.

11 But it is a property right that can be
12 abridged as long as there is -- the standards set by
13 Congress have been met. We don't have a chance to test
14 whether those standards have been met.

15 So yes, it's a property right and it's a
16 property right wrongfully taken if we haven't been given
17 an opportunity to establish that we didn't do what we
18 were charged with doing and that there's not reasonable
19 cause to believe we've done what we're charged with
20 doing.

21 QUESTION: Has there been an evidentiary
22 hearing?

23 MR. TOWERS: Yes, there has been an
24 evidentiary hearing. There was a full hearing after the
25 injunction entered.

1 QUESTION: Any decision?

2 MR. TOWERS: A decision of the Secretary of
3 Labor April 21st this year, yes, Your Honor, finding
4 that the individual should be reinstated, put back to
5 work with back pay.

6 QUESTION: August.

7 MR. TOWERS: I'm sorry?

8 QUESTION: August.

9 MR. TOWERS: August 21st of this year.

10 QUESTION: And is that subject to some
11 judicial review?

12 MR. TOWERS: That is subject to judicial
13 review in the Eleventh Circuit, and in fact an appeal is
14 pending in the Eleventh Circuit at this time.

15 We are not asking for that final hearing
16 before the reinstatement order enters, and I want to
17 make that clear. The Solicitor General referred to the
18 hearing. We are suggesting that during the
19 investigative process which the statute calls for in 60
20 days, during that 60 day period or however long the
21 Secretary decides to take in the investigative process,
22 we should be given a rudimentary evidentiary hearing, an
23 opportunity to test the evidence on which the Secretary
24 is relying in his initial belief that there may be a
25 violation of the Act.

1 QUESTION: What relief are you going to get if
2 you win this case?

3 MR. TOWERS: If we win this case -- well, the
4 case is not moot because this is the type of case that
5 is subject to repetition with no opportunity for quick
6 review. We couldn't have gotten here any quicker than
7 we did. We have a direct appeal by the Secretary of
8 Labor in this particular case, although there has been a
9 final order.

10 QUESTION: The short answer is that if you win
11 this case you're not going to get anything except some
12 protection in the event you allegedly violate the Act
13 again?

14 MR. TOWERS: That's correct. But as the
15 record shows --

16 QUESTION: Well, isn't that pretty
17 speculative, whether you're going to commit another
18 violation of the law?

19 MR. TOWERS: We aren't going to, Your Honor.
20 But we may well be charged with committing other
21 violations of the law. Roadway Express is, if not the
22 largest, one of the three largest trucking companies in
23 the United States, with 15,000 plus employees, and so
24 there's a substantial likelihood that there will be
25 other charges filed some time in the future.

1 QUESTION: And a big likelihood that he'll
2 take eleven months?

3 MR. TCWERS: Some have taken longer, Your
4 Honor.

5 QUESTION: But of course, you don't -- you say
6 whether it's 60 days or however long, that there should
7 be an evidentiary hearing?

8 MR. TOWERS: Yes.

9 QUESTION: Before an order to reinstate.

10 MR. TOWERS: We want the an evidentiary
11 hearing during the investigative period. We don't want
12 an eleven month interim for the investigation either,
13 because back pay is running. We have hired an
14 individual to replace this individual.

15 And if we were wrong, we have to put this
16 individual back to work and pay him back pay for the
17 time he was out. Of course, we've already paid an
18 individual to perform that work during that period.
19 We'd like a 60 day investigative period.

20 QUESTION: And the shorter it takes, the less
21 likely you are to get here in time?

22 MR. TOWERS: I don't believe so, Your Honor.
23 The Secretary of Labor --

24 QUESTION: I'm trying to help you.

25 MR. TOWERS: -- administers any number of

1 whistle blower statutes. The other whistle blower
2 statutes all contemplate an investigation, a full final
3 hearing, and a decision within approximately 62 to 70
4 days.

5 QUESTION: Mr. Towers, you say you do not want
6 a full evidentiary hearing, but would you like -- do you
7 think you're entitled to the right to cross-examine the
8 Secretary's witnesses?

9 MR. TOWERS: Yes, Your Honor.

10 QUESTION: Prior to the final?

11 MR. TOWERS: Yes, Your Honor, absolutely. In
12 a case of this nature, in order to test the evidence,
13 the reliability of the evidence, and to establish
14 whether or not there are other motives on the part of
15 this individual, whether the individual is mistaken, the
16 context within which he heard what he states he has
17 heard.

18 I think we need, definitely need that
19 opportunity.

20 QUESTION: What would be the difference
21 between that and the final hearing?

22 MR. TOWERS: The final hearing would be --
23 first of all, the Secretary of Labor would be putting on
24 his case first, and he would be able to put on
25 everything at that time that he feels supports a case to

1 meet the preponderance of the evidence test.

2 He would not necessarily have to do that in a
3 preliminary hearing. He could put on his best shot. It
4 could be an abbreviated hearing. We'd come in and
5 examine those witnesses, put on our best shot, and let
6 the fact finder make his determination: Is there
7 reasonable cause or not?

8 Is there enough reasonable cause to deprive us
9 of our property, that is to reinstate this individual?

10 QUESTION: Well, you'd want him to put on all
11 the witnesses that he has.

12 QUESTION: Perhaps if you were supplied with
13 the statements of witnesses that were presented to the
14 Secretary of Labor, you would have an opportunity to
15 respond to those. But you didn't have even the names of
16 the witnesses relied on, did you?

17 MR. TOWERS: We didn't have the names of the
18 witnesses under the asserted confidentiality rights that
19 the Secretary of Labor asserts.

20 QUESTION: So you had no idea what the
21 Secretary of Labor had?

22 MR. TOWERS: Not really. We certainly found
23 out there was a lot that he was asserting when we got to
24 the final hearing that we didn't know about during the
25 investigation, nor did we know about during the

1 arbitration. It was a new game.

2 QUESTION: A question of the status of this
3 case now. Is it on appeal before CA 11?

4 MR. TCWERS: Yes, it is, Your Honor. The
5 Secretary of Labor's final decision that Roadway
6 violated the Act in relation to Jerry Hufstetler is on
7 appeal.

8 QUESTION: Mr. Towers, do I understand you
9 think that you're entitled to that preliminary hearing
10 within the 60 days?

11 MR. TCWERS: Within the investigative period.
12 The statute calls for --

13 QUESTION: Even though that's beyond 60 days?

14 MR. TOWERS: Even if it goes beyond 60 days.
15 Right now the average is, I believe, 101, 102 days.
16 Somewhere during the investigative period, we should be
17 given an evidentiary hearing opportunity, that's our
18 contention.

19 That would not be the final hearing. It would
20 just simply be a check, a test against error. And it
21 would not adversely impact the purpose of the Act.
22 That's a significant point.

23 The Government's interest is the purpose of
24 the Act, that is to encourage whistle blowing, encourage
25 employees to refuse to work in unsafe situations, by

1 giving them an element of comfort that if they're
2 wrongfully fired they can get back to work quickly.

3 QUESTION: Could we find out more about the
4 content of this hearing that you're asking for? Now,
5 you said the Secretary doesn't have to put on anything;
6 he can just take his best shot.

7 MR. TOWERS: It would be up to the Secretary
8 as the proponent to put on --

9 QUESTION: Well, could he withhold any of the
10 witnesses that he has? You'd certainly want to
11 cross-examine all the witnesses that he's relying on at
12 that point?

13 MR. TOWERS: I would want to cross-examine all
14 of the witnesses that he would be presenting to a
15 neutral fact finder. I don't know -- it wouldn't be the
16 investigator himself making the decision, because that
17 would be combining the prosecutor with the
18 decisionmaker.

19 I assume the Solicitor's office would put on
20 his case before an administrative law judge, and I
21 assume it would be their strongest witnesses and their
22 best evidence. If they wanted to put on a full hearing,
23 that would be their prerogative.

24 QUESTION: And then what would you put on?
25 You'd put on as much as you want?

1 MR. TOWERS: We would put on rebuttal to what
2 they had put on.

3 QUESTION: Well, but rebuttal would include
4 anything. I mean, anything that would show that you
5 were not guilty.

6 MR. TOWERS: I think that --

7 QUESTION: I just don't see how it differs
8 from the final hearing and what is saved by having this
9 expedited process if we have this. Wherein does it
10 differ from the full dress hearing?

11 MR. TOWERS: The full dress hearing would
12 perhaps include witnesses testifying that this
13 individual is a credible character, that individual is a
14 credible character, corroborating evidence and so
15 forth.

16 Since it would be a minimal hearing, a
17 rudimentary hearing, the hearing officer could control
18 it, move the witnesses along, move the attorneys along:
19 You've plowed that ground, Mr. Towers; move on to this,
20 that's --

21 QUESTION: I assume an ALJ does that in the
22 final hearing, too.

23 MR. TOWERS: He can. But certainly a final
24 hearing could be much more complete, with corroborative
25 evidence, evidence going to the credibility of the

1 witnesses that have --

2 QUESTION: And you would restrain yourself
3 during that hearing and not put on all the evidence that
4 you possibly have? Is that likely?

5 MR. TOWERS: I would be putting on the
6 evidence in response to what --

7 QUESTION: You'd put on every bit of evidence
8 you possibly could, wouldn't you, as much as the ALJ
9 would possibly let in?

10 MR. TOWERS: I think I would realistically put
11 on my non-discriminatory reason. I know why I fired the
12 man and I'd do everything I could to convince the ALJ
13 that that was a legitimate termination.

14 Then I'd have to respond to whatever the
15 Secretary of Labor is putting on to suggest that there
16 was an illegal motive or a dual motive, and so forth.
17 But I don't know what that would be until I got to the
18 hearing.

19 QUESTION: Mr. Towers, what other agency does
20 what you want done?

21 MR. TOWERS: Gives preliminary hearings?

22 QUESTION: Uh-hmm.

23 MR. TOWERS: The Secretary of Labor does under
24 the Mine Safety Act, in exactly the same situation.
25 Under Southern Ohio Coal, under the Mine Safety Act

1 there was a provision in the Act that if an individual
2 is terminated, files a complaint, the Secretary of Labor
3 can order immediate reinstatement.

4 That was challenged and the Sixth Circuit held
5 it to be unconstitutional. The Secretary of Labor
6 devised procedures to give the employer a rudimentary
7 evidentiary hearing before that reinstatement order
8 takes effect.

9 QUESTION: Well, in this I understand you want
10 a preliminary hearing before the hearing?

11 MR. TOWERS: I want a preliminary hearing
12 before the order --

13 QUESTION: Well, that's two hearings.

14 MR. TOWERS: Yes, Your Honor.

15 QUESTION: That's two hearings.

16 MR. TOWERS: Yes, if it went to --

17 QUESTION: Is that normal?

18 MR. TOWERS: Well, it's available under the
19 Mine Safety Act regulations.

20 QUESTION: Well, it doesn't have to be
21 available under another Act. You've got -- is that the
22 only one you know of?

23 MR. TCWERS: That's the only one I know of. I
24 would point out that the Secretary of Labor in all of
25 the other statutes --

1 QUESTION: It seems that there is a difference
2 between the investigatory process, and I always
3 understood that you weren't entitled to get in at that
4 stage, the investigatory stage.

5 MR. TOWERS: We're entitled to get in at this
6 investigatory stage because the results of this
7 investigatory stage result in the deprivation of
8 property.

9 QUESTION: Well, are you entitled to get in at
10 the investigatory stage in a criminal case?

11 MR. TOWERS: Not that I know of, Your Honor.

12 QUESTION: Well, that ends up with jail.

13 QUESTION: Now, an analagous situation would
14 be you would be entitled to get in at the investigatory
15 or the preliminary stage of a parole revocation. Those
16 cases are analogous. Wolff v. McDonnell I believe is
17 one of the cases --

18 QUESTION: You mean when the prosecuting
19 authority is assembling its evidence you're entitled to
20 be there?

21 MR. TOWERS: When the prosecuting authority is
22 incarcerating an individual because he believes there is
23 reasonable cause to establish that the individual has
24 violated his parole, that individual is entitled to a
25 hearing at that time and to know what evidence the

1 prosecuting authority is relying on during that
2 preliminary interim, before there's a final hearing.

3 QUESTION: Before the hearing?

4 MR. TOWERS: Yes.

5 QUESTION: The preliminary is merely to find
6 if there is probable cause.

7 MR. TOWERS: And the individual --

8 QUESTION: And you say you're entitled to be
9 there at go?

10 MR. TOWERS: In a parole revocation case,
11 yes.

12 QUESTION: When it starts, you're entitled to
13 be there?

14 MR. TOWERS: We're entitled to be there when a
15 decision is being made as to whether or not the parolee
16 will be incarcerated pending a full hearing on the
17 question of whether or not he violated parole, yes, that
18 is the case.

19 QUESTION: Mr. Towers, may I ask you two
20 questions. First, what about your opponent's argument
21 that if you try to hold a hearing in this short period
22 of time, assume the fact that everybody could meet the
23 deadlines in the statute, the 60 days and so forth, in
24 the trucking industry particularly a driver is all over
25 the country and it's hard to get the witnesses together

1 on short notice in a particular place.

2 Is that -- is it feasible to think in terms of
3 an actual adversary hearing on that short notice?

4 MR. TOWERS: I think it is, Your Honor. The
5 other statutes administered by the Secretary of Labor
6 provide, I think in the Mine Safety, a ten day period
7 before the hearing is held.

8 We could accumulate our people during that
9 period of time.

10 QUESTION: But your people are apt to be all
11 over the country, whereas the miners I suppose all work
12 in --

13 MR. TOWERS: Not actually all over the
14 country. In most trucking situations now, they make 500
15 mile runs and return. There are some long haul drivers
16 that do go cross-country, and that could present a
17 problem, yes.

18 But I don't think that the fact that there
19 could be a problem in having a hearing should diminish
20 our opportunity --

21 QUESTION: My second question is at the time
22 you get the finding of reasonable cause, does the
23 Secretary also give you some kind of a summary of
24 findings, identifying the people on whom he relied?

25 MR. TOWERS: No, Your Honor.

1 QUESTION: You still get nothing more than the
2 basic notice in the first instance?

3 MR. TOWERS: That's correct. In this
4 particular case, in the face of having won this in an
5 arbitration, a finding by the grievance panel that this
6 man committed an act of dishonesty and was wrongfully
7 discharged, we got a finding back from the Secretary of
8 labor that said: The contention of the employer that
9 this man committed an act of dishonesty is conjecture.
10 That's all we got.

11 Now, there is APA discovery available during
12 the 30 days that passes from the time that you file
13 exceptions to the decision of the Secretary of Labor
14 until you get to hearing. So you can get 30 days of
15 expedited discovery before the final hearing. But you
16 certainly don't have any of that information available
17 to you during the investigatory interim.

18 And you really don't even get the witnesses
19 during discovery, because the Secretary of Labor takes
20 the position he does not have to disclose the names of
21 those individuals under the informant's privilege until
22 they have testified at the hearing, the final full
23 hearing.

24 QUESTION: Perhaps I should ask you opponent,
25 but what is the reason for not disclosing the names of

1 witnesses if they're going to have to testify anyway? I
2 mean, what is he protecting them against if you're going
3 to have to rely on them later?

4 MR. TOWERS: They invoke the informant's
5 privilege and say that these people might be retaliated
6 against by a hostile employer.

7 QUESTION: Before they have a chance to
8 testify?

9 MR. TOWERS: Before they have a chance to
10 testify.

11 QUESTION: In which event they'd have the same
12 statutory protection that this man has.

13 MR. TOWERS: They would have the same
14 statutory protection.

15 QUESTION: Yes.

16 MR. TOWERS: An additional point that I would
17 like to make in connection with the risk of error is the
18 dual role of the investigator. He functions as both a
19 prosecutor or an agent of the prosecutor and as a
20 decisionmaker or as an advisor of the decisionmaker.

21 The guidelines used by the Secretary of
22 Labor's investigator are the same guidelines used under
23 the Occupational Safety and Health Act, Section 11(c),
24 which is substantially the same as 405 except in the
25 remedy.

1 It prohibits the same activity. 405 was
2 passed simply to extend the 11(c) protection to truck
3 drivers who were covered by DOT and exempt from OSHA.
4 However, under Section 11(c) once the investigator
5 concludes that there is reasonable cause to believe that
6 the Act has been violated, that is 11(c), the Solicitor
7 goes into federal district court and files suit and the
8 employer gets a hearing.

9 Using that same procedure, investigative
10 procedure which focuses toward prosecution, the
11 investigator conducts an investigation in which he
12 attempts to resolve credibility issues, resolve fact
13 issues, make a recommendation to his regional supervisor
14 as to whether or not he believes the Act has been
15 violated.

16 So we have a situation in which the
17 investigator functions as the prosecutor. And I would
18 point out by analogy that this is prohibited under the
19 Administrative Procedure Act, 5 U.S.C. 554(d), in which
20 the investigator is specifically directed not to
21 participate or advise in the decisionmaking process.

22 This goes to the question of is there a risk
23 of error, and --

24 QUESTION: You don't assert that that's
25 applicable here, 554?

1 MR. TOWERS: I don't suggest that the APA is
2 applicable.

3 QUESTION: You're saying by analogy.

4 MR. TOWERS: I'm offering it by analogy, and
5 the analogy is offered to point out that Congress has
6 recognized that there is a substantial risk of error in
7 combining those functions.

8 There is a substantial risk of error evidenced
9 by the fact that the investigator and then the
10 supervisor and the regional administrator make decision
11 which is contrary to a prior arbitration award which is
12 based on an adversarial hearing. That certainly raises
13 significant questions as to whether or not there is
14 error in the investigator and regional administrator's
15 decision if there is reasonable cause when it upsets a
16 prior arbitration award.

17 This statute need not, however, be declared
18 unconstitutional by this Court. The statute is hearing
19 neutral during the investigative stage. There is no
20 provision in the statute which provides that the
21 employer may not have a hearing during the investigative
22 stage and before the order of preliminary
23 reinstatement.

24 There is nothing in the statute that says he
25 must, either. The court below recognized this and said

1 that the statute is only unconstitutional to the extent
2 that it mandates preliminary reinstatement without a
3 prior evidentiary hearing.

4 This Court in Califano versus Yamasaki
5 recognized that a hearing neutral statute can have read
6 into it a hearing requirement. It had a similar fact
7 situation to the extent that the issues to be resolved
8 in the hearing or resolved by the decisionmaker were
9 inherently subjective, were inherently controversial,
10 and therefore an evidentiary hearing was necessary.

11 QUESTION: But the Secretary -- the statute
12 would not prevent the Secretary from providing hearings
13 before?

14 MR. TOWERS: No, it would not.

15 QUESTION: So the only issue is whether the
16 statute as applied in this case is unconstitutional.

17 MR. TOWERS: The Secretary in his new
18 regulations has not called for any kind of a hearing.
19 He's continuing on the same guidelines and procedures.

20 QUESTION: Well, I know, but he could under
21 the statute.

22 MR. TOWERS: He could under the statute. And
23 in fact, under a similar statute, the Mine Safety Act,
24 when it was declared unconstitutional for the same
25 reason, the Secretary instituted hearing procedures. It

1 was a hearing neutral statute as well.

2 So I suggest to the Court that this case can
3 be resolved without declaring the statute
4 unconstitutional by simply finding and ruling that the
5 Secretary must institute procedures which meet the
6 minimum requirements of procedural due process.

7 For all of these reasons, I suggest to the
8 Court that the decision of the court below was correct
9 and ask that it be affirmed.

10 CHIEF JUSTICE REHNQUIST: Thank you, Mr.
11 Towers.

12 Mr. Pincus, do you have something more?

13 REBUTTAL ARGUMENT OF
14 ANDREW J. PINCUS, ESQ.,
15 ON BEHALF OF APPELLANTS

16 MR. PINCUS: A few points, Your Honor.

17 I first want to address the question of the
18 information that's available to the employer during the
19 investigatory process. Although the statute doesn't
20 require it, there is nothing -- first of all, there is
21 nothing in the record to indicate what happened here.

22 But the Department informs us that its
23 practice is to provide employers with the substance of
24 the information that the Secretary is relying on for his
25 reasonable cause finding, so that they have a chance to

1 respond to it. We don't take a position that -- so we
2 agree that that information can be provided.

3 With respect to the names of the witnesses,
4 however, we think it's important that those names not be
5 disclosed until the time of testimony, because there is
6 a genuine danger that those people will be intimidated
7 and that they will not testify, and we think that they
8 should be protected until -- under the rationale that
9 the Court has used in its FOIA cases, until the time
10 comes when they take the stand, so that the employer
11 won't have an opportunity to tamper with the
12 proceeding.

13 Now, about the question of when the hearing is
14 required, Roadway relies on some other statutes that
15 don't require -- that don't have preliminary remedies,
16 for the proposition that there is no need for a prior
17 hearing here.

18 But the Congress has made a different choice.
19 Congress has created a preliminary remedy here, and
20 that's the reason why there's no -- that's the reason
21 why this case is different and the reason why this
22 Court's decisions in cases like *Loudermill* are
23 applicable here, because Congress has made a decision
24 that a hearing should be held afterward, and the due
25 process clause does not invalidate that decision because

1 the employer is provided with notice and an opportunity
2 to respond, a reasonable cause finding, and the
3 subsequent evidentiary hearing.

4 QUESTION: Well, don't hang too much on
5 Congress. Congress just said a hearing. Congress
6 didn't say what kind of a hearing, did it? Congress no
7 more said your kind than it said the kind that your
8 opponent proposes.?

9 MR. PINCUS: Congress devised the procedure
10 whereby the hearing is held after the reinstatement of
11 the employee.

12 QUESTION: That's right.

13 MR. PINCUS: It didn't specified an
14 evidentiary hearing at that time.

15 QUESTION: It didn't specify it, but it didn't
16 say not, either. I mean, really you can't say that
17 Congress -- this is much more the Secretary's decision
18 than Congress' decision, isn't it, that we're disputing
19 here?

20 MR. PINCUS: Well, Your Honor, no, we
21 interpret the statute as being quite clear that at the
22 conclusion of the investigatory process that's when
23 reinstatement occurs, and that the adversary process
24 starts afterwards, while the employee is back at work.
25 And we think that that's the determination that Congress

1 made.

2 QUESTION: Is that in the statute, the
3 Secretary is going to be giving hearings before
4 reinstatement?

5 MR. PINCUS: We think that Congress'
6 determination was that the hearing should be
7 post-reinstatement, not pre-reinstatement.

8 QUESTION: So the answer is yes to my
9 question?

10 MR. PINCUS: Yes.

11 QUESTION: And why is this case not moot?

12 MR. PINCUS: Your Honor, we think that it
13 falls within the capable of repetition, yet evading
14 review exception we discuss in our reply brief. Roadway
15 is a big trucking company.

16 QUESTION: Yes.

17 MR. PINCUS: And just with respect to
18 Appellee's investigatory-adjudicatory argument, we think
19 the Court's decision in Withrow against Larkin makes
20 clear that there's no due process problem in this case.

21 That's all I have, Your Honors.

22 CHIEF JUSTICE REHNQUIST: Thank you, Mr.
23 Pincus.

24 The case is submitted.

25 (Whereupon, at 2:54 p.m., oral argument in the

1 above-entitled case was submitted.)
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#85-1530 - WILLIAM E. BROCK, SECRETARY OF LABOR AND ALAN C. McMILLAN, REGIONAL ADMINISTRATOR, OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION,

Appellants V. ROADWAY EXPRESS, INC.

and that these attached pages constitutes the original transcript of the proceedings for the records of the court.

BY Paul A. Richardson

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