

CLIENT BULLETIN

Atlanta

Asheville

Austin

Birmingham

<u>Bos</u>ton

Chicago

Columbia

Dallas

Fairfax

Greenville

Jacksonville

Kansas City

Lakeland

Los Angeles County

Macon

Madison

Nashville

Port St. Lucie

Princeton

St. Louis

Tampa

Ventura County

Winston-Salem

www.constangy.com Toll free 866.843.9555 CHAIRS, LABOR RELATIONS PRACTICE GROUP Clifford H. Nelson, Jr., *Atlanta, GA* Stephen P. Schuster, *Kansas City, MO* EDITOR IN CHIEF Robin Shea Winston-Salem, NC CHIEF MARKETING OFFICER Victoria Whitaker Atlanta, GA

Client Bulletin #464

COURT STRIKES DOWN NLRB POSTER REQUIREMENT

By David Phippen Fairfax Office

A federal judge in Charleston, South Carolina, has **struck down** the requirement of the National Labor Relations Board that employers post an employee rights poster as of April 30, 2012. The decision comes on the heels of a decision from another judge, **this one in the District of Columbia**, who ruled that the requirement was lawful but that certain enforcement mechanisms related to the posting requirement were unlawful. Employers are thus currently left with two different and conflicting interpretations of the NLRB's authority to make and enforce its poster rule.

In the South Carolina case, the U.S. and state Chambers of Commerce argued that the NLRB's requirement, made by agency regulation, was not authorized by the National Labor Relations Act and therefore violated the Administrative Procedure Act. Arguing in support of its poster rule, the NLRB contended chiefly that Section 6 of the Act allowed the poster rule as one "necessary to carry out the" Act.

Judge David C. Norton found that under the plain language of the Act, the poster rule was not "necessary to carry out the" Act. According to the Judge, the Act envisions a "reactive" instead of "proactive" role for the NLRB. Its actions come into play only upon the filing of an unfair labor practice charge or a question concerning representation. He found that the poster rule was a proactive measure fundamentally different from and inconsistent with the NLRB's typical "reactive" role. Although the poster rule was potentially useful to the NLRB's desired goals, it was not "necessary to carry out the" Act. Moreover, the judge relied on the fact that, unlike at least nine other employment laws enacted during the past 75 years that expressly included poster requirements, the NLRA had no language referencing or authorizing notice posting. Finally, the judge found that the poster rule could not be sustained as filling a gap in the statute, which the NLRB argued it was doing with the rule.

The NLRB is likely to appeal Judge Norton's ruling, but still up in the air is the practical issue of what employers should do if April 30 comes and the posting deadline is not extended by the NLRB or stayed by the court. Stay tuned. We will update you here with any breaking news and advice on how to best proceed.

About Constangy, Brooks & Smith, LLP

Constangy, Brooks & Smith, LLP has counseled employers on labor and employment law matters, exclusively, since 1946. A "Go To" Law Firm in <u>Corporate Counsel</u> and <u>Fortune Magazine</u>, it represents Fortune 500 corporations and small companies across the country.



CLIENT BULLETIN

April 16, 2012

Its attorneys are consistently rated as top lawyers in their practice areas by sources such as Chambers USA, Martindale-Hubbell, and Top One Hundred Labor Attorneys in the United States, and the firm is top-ranked by the U.S. News & World Report/Best Lawyers Best Law Firms survey. More than 140 lawyers partner with clients to provide cost-effective legal services and sound preventive advice to enhance the employer-employee relationship. Offices are located in Alabama, California, Florida, Georgia, Illinois, Massachusetts, Missouri, New Jersey, North Carolina, South Carolina, Tennessee, Texas, Virginia and Wisconsin. For more information, visit www.constangy.com.