

Amoco Production Company and Oil, Chemical & Atomic Workers International Union, AFL-CIO, Petitioner. Case 15-RC-6089

December 12, 1977

DECISION AND DIRECTION OF ELECTION

BY MEMBERS JENKINS, PENELLO, AND MURPHY

Upon a petition duly filed under Section 9(c) of the National Labor Relations Act, as amended, a hearing was held on May 3 and 4, 1977, before Hearing Officer Anton G. Hajjar of the National Labor Relations Board at Lake Charles, Louisiana. Pursuant to Section 102.67 of the Board's Rules and Regulations and Statements of Procedure, Series 8, as amended, this case was transferred by the Regional Director for Region 15 to the National Labor Relations Board for decision. Both parties filed briefs.

Pursuant to the provisions of Section 3(b) of the National Labor Relations Act, as amended, the National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Board has reviewed the Hearing Officer's rulings made at the hearing and finds that no prejudicial error was committed. The rulings are hereby affirmed.

Upon the entire record in this proceeding, the Board finds:

1. The Employer is engaged in commerce within the meaning of the Act and it will effectuate the purposes of the Act to assert jurisdiction herein.

2. The Petitioner is a labor organization within the meaning of the Act and claims to represent certain employees of the Employer.

3. A question affecting commerce exists concerning the representation of the employees of the Employer within the meaning of Sections 9(c)(1) and 2(6) and (7) of the Act.

4. The Petitioner seeks a unit of all hourly rated, limited hour, producing, operating, and maintenance employees employed by the Employer in the Lake Charles area¹ of its New Orleans division. The Employer disputes the scope of the unit and contends that only a divisionwide unit of employees

¹ The Petitioner would exclude 37 employees in the Northern Louisiana and Southern Arkansas sections who were recently included in the Lake Charles area due to an administrative change in corporate division boundary lines. Because these employees were previously represented by another local of the Petitioner and their present status is the subject of a pending unfair labor practice proceeding in Case 23-CA-6306, the Petitioner did not wish to prejudice its position in that proceeding by including those 37 employees in the unit sought here. Nevertheless, the Petitioner has indicated a willingness to represent an areawide unit including those disputed employees. In any event, whether the 37 employees are included or excluded does not affect the question of whether the unit

is appropriate for purposes of collective bargaining. No other union seeks to represent the employees here on a divisionwide basis. However, by way of background, in 1968 the Independent Oil Workers Union, Local #14, was certified as the bargaining representative for a divisionwide unit stipulated to by the parties. After two collective-bargaining agreements, however, the union was decertified in 1973. In 1975, the Petitioner lost an election in the same divisionwide unit, also stipulated to by the parties herein.

Amoco Production Company,² a Delaware corporation, is engaged in the exploration for and production of oil and gas. The Employer's principal office is in Chicago, Illinois. Its domestic operations are divided into three divisions: Houston, Denver, and New Orleans. Each division has two operating departments: exploration and production.

The New Orleans division, which is involved in this proceeding, encompasses the eastern seaboard of the United States and consists of three operating areas: Lake Charles, Lafayette, and Lafayette offshore. As of December 1, 1976, the boundaries of the New Orleans division were enlarged. With respect to the petitioned-for unit the Lake Charles area was extended to include Northern Louisiana and Southern Arkansas which were formerly part of the Tyler area in the Houston division. Aside from these changes, however, the Lake Charles area has remained basically the same since about 1950.

The Employer's major logistical and corporate policymaking functions are centralized.³ Decisions regarding resource allocation, including both men and equipment, purchasing, marketing, and production are made at the division level. As to labor relations, the division promulgates a single set of personnel policies, work rules, and regulations governing the entire division. The division employee relations department establishes job classifications and wage scales which, except for the offshore units, are uniform throughout the division.

Employee benefits are uniform. The main office in Chicago formulates and coordinates most of these benefits. The division office does, however, set some local divisionwide benefits, such as excused absences with pay during jury duty, and is involved in implementing the corporate benefit programs, as an

sought is appropriate but rather relates to a question of eligibility, the resolution of which will depend on the outcome of the unfair labor practice proceeding. In the meantime, these employees shall be permitted to cast challenged ballots in the election directed below.

² The Employer's motion, which the Petitioner opposed, to change the name of the Employer to Amoco Production Company, New Orleans Division, is denied because there is evidence in the record that the Petitioner's designation of Amoco Production Company is correct.

³ The division management's authority is somewhat restricted by the main office in Chicago. That office controls certain policy and planning decisions and handles financial disbursements.

information resource, benefit plan counselor, and training center for supervisors.

The day-to-day implementation of personnel policy,⁴ however, is the responsibility of the area managerial staff. In fact, division policy dictates that management directives must be implemented through the supervisory hierarchy. Each area has an area office, an area superintendent, an administrative staff, an engineering staff, and various levels of supervisory personnel.

Each area interviews and hires its own hourly workers. Applications are kept on file at the individual area office. Once an employee is hired, a complete personnel file of that area employee is maintained at the area office. The area staff performs the timekeeping function and sends the payroll information directly to the Chicago office. There, payroll checks are prepared and returned either to the area office or to the employees themselves.

Job bidding for vacancies is restricted to the area in which they occur. Notices are posted throughout the area and the area superintendent fills the vacancy from the applications received. When layoffs occur seniority is usually applied within the area. Although there is a provision for interarea displacement in a layoff situation, that eventuality has never occurred.

The area supervisors are also responsible for preparing written evaluations of the performances of their employees. These evaluations are relevant to most personnel matters such as increases in pay, promotions, transfers, and disciplinary dispositions. When lower level management positions are vacant, the area superintendent recommends a number of area candidates from which the division people make a selection.

Routine personnel matters, including inquiries as to benefits and payroll discrepancies, are handled by the area administration. If the problem involves an interpretation of corporate policy or information that is not available locally, the advice of the division or the main office in Chicago is sought. Certain matters, such as insurance adjustment, are referred exclusively to the main office.

The disciplinary and grievance procedure reflects a similar delegation of responsibility. Ordinarily, discipline is meted out by the area supervisors with the advice and supervision of their superiors, up to and including the division managers. The more substantial the discipline, however, the greater is the involvement of the division. The division must be notified of warning letters and central approval is necessary before an employee can be terminated.

The formalized grievance procedure has three steps. The first is limited to the frontline supervisor.

⁴ The area superintendent also has significant authority and discretion in other matters. For example, he has the authority to contract out

The second is adjudicated by the area superintendent with a division supervisor in attendance. The third step involves the additional presence of the division manager in charge of the division.

Transfers among the different areas are insignificant. Although transfers must be cleared through the office of the division employee relations manager this official could recall only two transfers in the previous 15 months and those transfers were in connection with the startup of some sites offshore. Casual interchange is also negligible. Absent an emergency situation, hourly employees are not shifted temporarily into another area. Supervisors also tend to stay in their areas with the exception of drilling foremen who do not supervise hourly workers.

Working conditions, job classifications, and hours are identical in the Lake Charles and Lafayette areas. The offshore area, however, is substantially different. At Lake Charles and Lafayette, employees work 8-hour shifts, 5 days a week. The offshore employees work 84 hours within 8 consecutive calendar days, generally in 12-hour shifts with 6 consecutive days off. Although the Employer contends that the functions of the offshore hourly employees are similar to those of their colleagues onshore, the job classifications are different for offshore employees. Offshore employees usually live farther from their work and receive travel compensation benefits not generally afforded the onshore employees.

Based upon the above findings and the record, we conclude that the Employer is not so administratively centralized in its operation as to require a finding that only a divisionwide unit of employees is appropriate for the purposes of collective bargaining. See *Amoco Production Company*, 199 NLRB 484 (1972). Although there is some history of collective bargaining on a divisionwide basis, the long-established Board policy is that the Board is not bound by a bargaining history in a unit which was not determined by the Board. *The Grand Union Company*, 176 NLRB 230, 231 (1969); *Mid-West Abrasive Company and its subsidiary, Allied Abrasive Company*, 145 NLRB 1665, 1667 (1964).

The unit sought by the Petitioner constitutes a stable and identifiable group of employees with common interests. The scope of the unit conforms to a coherent administrative subdivision whose authority and discretion in personnel matters is substantial and autonomous from the other areas. The supervisory hierarchy and the employee work force are distinct and separate in each area. Employee interchange among the areas is minimal and job bidding is confined to each individual area. The offshore area, which the Employer argues should be included

maintenance functions, if it is necessary, and to spend up to \$35,000 for equipment.

in the unit, in addition to its administrative autonomy, has substantially different working conditions which would affect the community of interests between offshore and onshore employees.

The area management exercises a significant control over the day-to-day operations in their jurisdictions in personnel matters of primary concern to the employees such as hiring, job bidding, performance evaluations, and recommendations for promotions to management. The initial discipline and grievance authority is delegated to the area supervisors and generally the employees are directed to the area management for the resolution of their personnel inquiries and disputes.

⁵ Those 37 employees in the Northern Louisiana and Southern Arkansas portions of the Lake Charles area who are the subject of the unfair labor practice complaint will be permitted to vote challenged ballots. In the event that those ballots are determinative, the final tally of ballots will be suspended until the resolution of the unfair labor practice proceeding.

Member Murphy agrees with her colleagues that the Employer's Lake Charles area constitutes an appropriate unit as it is a separate administrative subdivision of the Employer's operations and is composed of a separate readily identifiable group of employees. She finds this result is supported by the following: (1) the area has its own separate area management which exercises significant control over day-to-day operations including matters of primary concern to employees, such as hiring, job bidding, performance

evaluation, and recommendations for promotions; (2) initial discipline and grievance matters are handled by the area supervisor as are most employee personal inquiries and disputes; and (3) there is minimal interchange of employees in the area with other areas of the Employer's operations, and job bidding in the area is restricted to the area employees. In reaching this result here, however, she finds it unnecessary to consider the situations of the offshore and Lafayette areas, for the facts with respect to those areas have no bearing on the appropriateness of the requested unit, a matter which must be determined on the basis of facts directly related to its own organization and operation, and not those applicable to other aspects of the Employer's operations.

Accordingly, we conclude that a unit confined to the Lake Charles area is appropriate.⁵ We find the following employees of the Employer constitute a unit appropriate for purposes of collective bargaining within the meaning of Section 9(b) of the Act:

All hourly rated, limited hour, producing, operating, and maintenance employees employed by the Employer in its Lake Charles area; excluding all office clerical employees, professional employees, guards and supervisors, as defined by the Act.

[Direction of Election and *Excelsior* footnote omitted from publication.]