

Supreme Court: State Wage-and-Hour Laws Inapplicable to Drilling Platform Workers

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Wage and Hour

Workers on oil drilling platforms off the coast of California are covered by the Fair Labor Standards Act (FLSA), not California's overtime and wage laws, the U.S. Supreme Court has held unanimously. *Parker Drilling Management Services, Ltd. v. Newton*, No. 18-389 (June 10, 2019). Accordingly, the Court ruled that workers are not entitled to be paid for the nonworking time they spend on the platform, including for sleeping.

Justice Clarence Thomas, writing for the Court, explained that the Outer Continental Shelf Lands Act (OCSLA) provides that all law on the Outer Continental Shelf (OCS) is federal law, administered by federal officials. The OCSLA denies states any interest in or jurisdiction over the OCS and deems the adjacent state's laws to be federal law "[t]o the extent that they are applicable and not inconsistent with" other federal law. Structures attached to the continental shelf more than three nautical miles from the coast are covered by the OCSLA.

The plaintiff, Brian Newton, worked on an oil drilling platform off the coast of California. He worked 14-day shifts, 12 hours per day on duty, and 12 hours per day of standby time. He was not paid the state minimum wage (which is higher than the federal minimum wage) and not paid for standby time. He could not leave the platform during nonworking time.

Newton filed a class action in California alleging violations of state wage-and-hour laws, which require workers to be paid for standby time and when on breaks.

The district court granted the employer judgment on the pleadings. It followed precedent from the U.S. Court of Appeals for the Fifth Circuit, in New Orleans, providing that under the OCSLA, "state law only applies to the extent it is necessary 'to fill a significant void or gap' in federal law." (The Fifth Circuit is responsible for more than 90 percent of the cases arising under the OCSLA.) The district court ruled that California law should not be applied as federal law on the OCS because the FLSA left no significant gap in federal law for state law to fill.

The U.S. Court of Appeals for the Ninth Circuit, in San Francisco, held that state law is "applicable" under the OCSLA if it pertains to the subject-matter at issue, a standard it ruled was satisfied by California's wage-and-hour laws. The Ninth Circuit vacated the district court's decision and remanded the case. The Supreme Court accepted the case for review to settle the disagreement between the Fifth and Ninth Circuits.

Consistent with the standard applied in the Fifth Circuit and its own precedent, the Court ruled that if a federal law addresses the issue, then state law is not adopted as federal law on the OCS. The Court vacated and remanded the case to the Ninth Circuit.

Please contact a Jackson Lewis attorney with any questions about this case or other workplace laws.

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