Press Release

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In Victory for WLF, Supreme Court Agrees to Review Ruling Exposing Employers to Back-Pay Liability

(*Parker Drilling Management Services, Inc. v. Newton*)

> **"By overturning a half-century of settled law regarding wages for 'sleep time,' the Ninth Circuit exposed the oil and gas industry to massive retroactive liability. Elementary considerations of fairness dictate that employers should have an opportunity to know what the law is and to conform their conduct accordingly."**
> **—Richard Samp, WLF Chief Counsel**

WASHINGTON, DC—On late Friday afternoon, January 11, the U.S. Supreme Court agreed to review a Ninth Circuit wage-and-hour ruling that could expose oil and gas companies to hundreds of millions of dollars in back-pay liability. The decision in *Parker Drilling Management Services, Inc. v. Newton* was a victory for WLF, which filed a brief urging the Court to grant review. WLF argued that the Ninth Circuit improperly rejected a half century of federal law governing the wages paid to employees stationed on off-shore oil platforms.

Because of the remote location of oil platforms, employees generally remain on the platforms for several weeks at a time, even though they perform work at most 12 hours per day. Employees receive premium wages for the hours worked, but they are not paid for the hours spent sleeping and resting on oil platforms. This wage-and-hour scheme fully accords with federal labor law; and a law passed by Congress in the 1950s, the Outer Continental Shelf Lands Act (OCSLA), states that federal law applies to activities on oil platforms. Federal courts in Louisiana (whose coasts are home to most of the nation's oil platforms) have long interpreted OCSLA as barring application of state law except where there are gaps in federal law that are in need of filling.

But in early 2018, the Ninth Circuit held, in a case involving an oil platform off the coast of California, that California wage-and hour laws apply and that California requires employees to be paid 24 hours per day if their employer does not permit them to return home at the end of their shifts. WLF's brief argued that the appeals court's ruling misinterprets OCSLA and exposes employers to massive retroactive liability simply for paying its employees in reasonable reliance on the law as it was then understood. WLF urged the Supreme Court to grant review to resolve the conflict between the rulings of the Ninth Circuit and other federal appeals courts. The Court likely will hold oral argument in the case in April and issue its final decision by June.

Celebrating its 42nd year, WLF is America's premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.

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