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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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EASTERN ASSOCIATED COAL CORP. *v.* UNITED MINE WORKERS OF AMERICA, DISTRICT 17, ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

No. 99–1038. Argued October 2, 2000– Decided November 28, 2000

The arbitration provisions in petitioner Eastern Associated Coal Corp.'s collective-bargaining agreement with respondent union specify, *inter alia*, that Eastern must prove in binding arbitration that it has "just cause" to discharge an employee, or else the arbitrator will order the employee reinstated. James Smith worked for Eastern as a truck driver subject to Department of Transportation (DOT) regulations requiring random drug testing of workers engaged in "safety-sensitive" tasks. After each of two occasions on which Smith tested positive for marijuana, Eastern sought to discharge him. Each time, the union went to arbitration, and the arbitrator concluded that the drug use did not amount to "just cause" and ordered Smith's reinstatement on certain conditions. On the second occasion, Eastern filed suit to vacate the arbitrator's award. The District Court ordered the award's enforcement, holding that Smith's conditional reinstatement did not violate the strong regulation-based public policy against drug use by workers who perform safety-sensitive functions. The Fourth Circuit affirmed.

Held: Public policy considerations do not require courts to refuse to enforce an arbitration award ordering an employer to reinstate an employee truck driver who twice tested positive for marijuana. Pp. 3–9.

(a) The Court assumes that the collective-bargaining agreement itself calls for Smith's reinstatement, as the parties have granted the arbitrator authority to interpret the meaning of their contract's language, including such words as "just cause," see *Steelworkers* v. *Enterprise Wheel & Car Corp.*, 363 U. S. 593, 599, and Eastern does not claim here that the arbitrator acted outside the scope of his contractually delegated authority, see, *e.g., Paperworkers* v. *Misco, Inc.*, 484

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U. S. 29, 38. Since the award is not distinguishable from the contractual agreement, the Court must decide whether a contractual reinstatement requirement would fall within the legal exception that makes unenforceable "a collective bargaining agreement that is contrary to public policy." *W. R. Grace & Co.* v. *Rubber Workers,* 461 U. S. 757, 766. Any such policy must be "explicit," "well defined," and "dominant," and it must be "ascertained by reference to the laws and legal precedents, not from general considerations of supposed public interests." *Ibid.* The question is not whether Smith's drug use itself violates public policy, but whether the agreement to reinstate him does so. Pp. 3–5.

(b) A contractual agreement to reinstate Smith with specified conditions does not run contrary to public policy. The District Court correctly articulated the standard set out in *W. R. Grace* and *Misco* and applied that standard to reach the right result. The public policy exception is narrow and must satisfy the principles set forth in those cases. Moreover, where two political branches have created a detailed regulatory regime in a specific field, courts should approach with particular caution pleas to divine further public policy in that area. Eastern asserts that a public policy against reinstatement of workers who use drugs can be discerned from an examination of the Omnibus Transportation Employee Testing Act of 1991 and DOT's implementing regulations. However, these expressions of positive law embody not just policies against drug use by employees in safety-sensitive transportation positions and in favor of drug testing, but also include a Testing Act policy favoring rehabilitation of employees who use drugs. And the relevant statutory and regulatory provisions must be read in light of background labor law policy that favors determination of disciplinary questions through arbitration when chosen as a result of labor-management negotiation. See, *e.g., California Brewers Assn.* v. *Bryant,* 444 U. S. 598, 608. The award here is not contrary to these several policies, taken together, as it does not condone Smith's conduct or ignore the risk to public safety that drug use by truck drivers may pose, but punishes Smith by placing conditions on his reinstatement. It violates no specific provision of any law or regulation, but is consistent with DOT rules requiring completion of substance-abuse treatment before returning to work and with the Act's driving license suspension requirements and its rehabilitative concerns. Moreover, the fact that Smith is a recidivist is not sufficient to tip the balance in Eastern's favor. Eastern's argument that DOT's withdrawal of a proposed "recidivist" rule leaves open the possibility that discharge is the appropriate penalty for repeat offenders fails because DOT based the withdrawal, not upon a determination that a more severe penalty was needed, but upon a determination to leave

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in place other remedies. The Court cannot find in the Act, the regulations, or any other law or legal precedent an explicit, well defined, dominant public policy to which the arbitrator's decision runs contrary. Pp. 5–9.

188 F. 3d 501, affirmed.

BREYER, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and STEVENS, O'CONNOR, KENNEDY, SOUTER, and GINSBURG, JJ., joined. SCALIA, J., filed an opinion concurring in the judgment, in which THOMAS, J., joined.