Securing Labor Savings In Chapter 11 Cases

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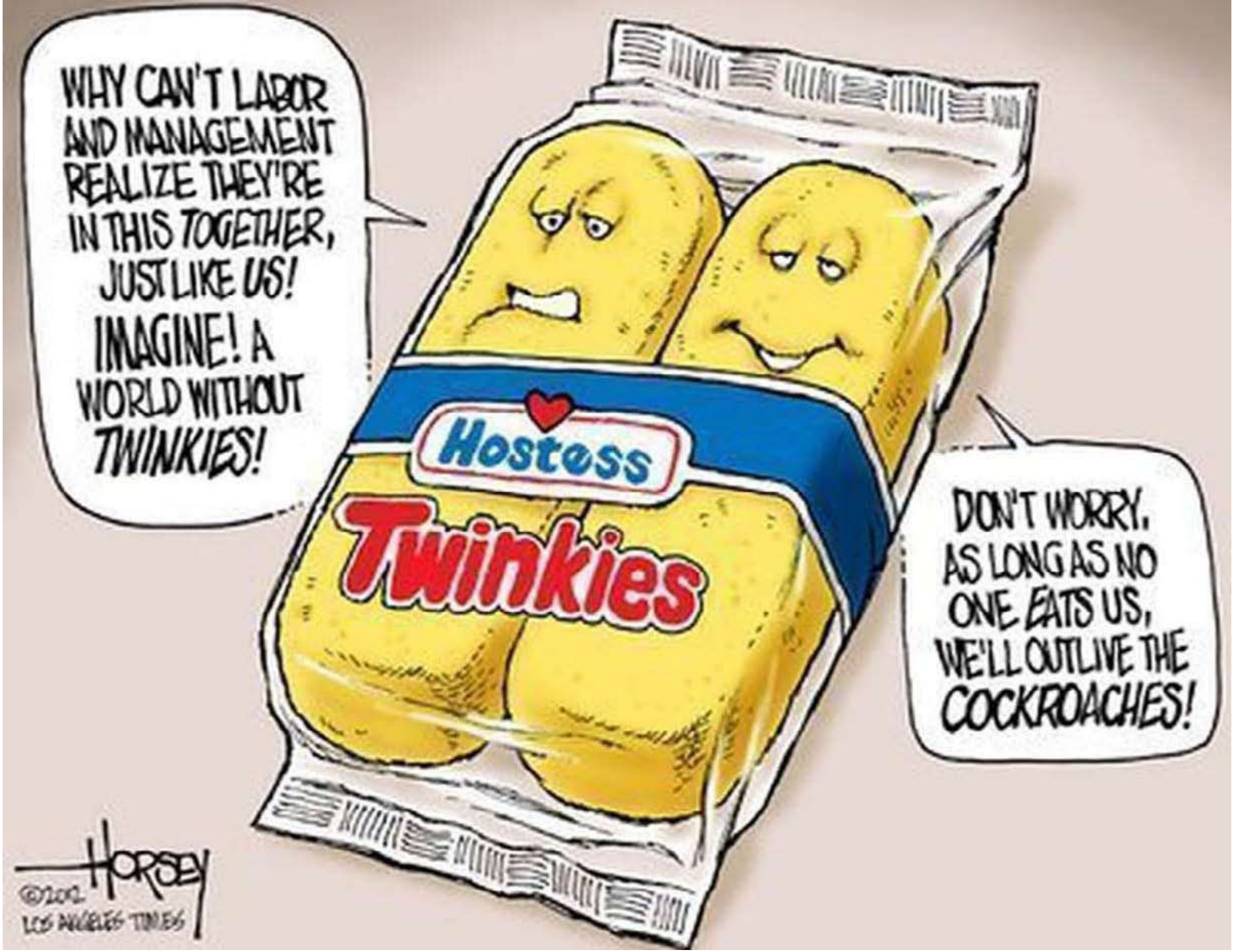
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Things to Discuss Today

- 11 U.S.C. §1113
- 11 U.S.C. §1114
- Withdrawal from Multi-Employer Pension Plan (MEPPs) in Chapter 11 cases
- Distress Termination of Single-Employer Pension Plans in Chapter 11 cases

Section 1113 is Unique In The Bankruptcy Code

- In bankruptcy, most contracts can be assumed or rejected at a debtor's discretion
- CBAs are treated differently; they are protected in Chapter 11 cases
- In Chapter 11 cases, CBAs must be assumed unless they are: (1) voluntarily modified agreement; or (2) "rejected" after a detailed process mandated by Section 1113 of the Bankruptcy Code.
- Thus, because of Section 1113, reducing unionized labor costs during a bankruptcy ca a hybrid between a typical collective bargaining process and a court-supervised litigat process.
- The rules encourage consensus, and provide opportunities for a consensual deal throughout process, but ultimately permit the Court to authorize rejection if the Debto satisfies the statutory standards.
- Even post-rejection you still need to keep negotiating because all rejection does is put parties in a situation governed by economic leverage: unionized employees can gene strike if a debtor rejects a CBA and imposes terms

Title search: Securing Labor Savings In Chapter 11 Cases

Also available as part of the eCourse
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