

CHAPTER 6

INNOVATIONS IN DISPUTE RESOLUTION:
THE LAS VEGAS HOTEL INDUSTRY

- Moderator:** Barry Winograd, NAA Member, Oakland, California
- Union:** Richard McCracken, Davis, Cowell & Bowe, San Francisco, California
- Management:** Harriet Lipkin, Piper Rudnick Gray Carey, Washington, D.C.
- Neutral:** Lavonne Ritter, Federal Mediation and Conciliation Service, Las Vegas, Nevada.

Barry Winograd: This panel will examine some aspects of labor-management relations in the Las Vegas hotel industry as well as some of the history of union and labor management activity in the area. Let me just start out with thanks to John Lennon's *Imagine*.

Just imagine that we are here in Nevada, which is a right to work state under section 14(b) of the LMRA, and we are in a state where housekeepers and dishwashers make \$10 to \$11 an hour, or more, with full health and welfare benefits, a defined benefit pension plan, and many own homes. Just imagine that we are in a state and in a city where the union that has led this activity, Culinary Workers Local 226 and its affiliated bartenders local, has nearly doubled in size in less than 20 years to almost 50,000 members. Just imagine, too, that more than half of this union's numbers are of foreign ancestry and that it has achieved its growth essentially without relying on the NLRB's election procedures. And just imagine, if you will, that a six-year strike was conducted against a long-time local institution that preferred not to deal with the union—without a worker crossing the picket line. There are law professors who have used material in this case as models for examinations because it includes just about every recorded or reported unfair labor practice known to humankind. Just imagine labor-management cooperation expanding the pie, and just imagine, if you will, an arbitration system in which only National Academy of Arbitrators arbitrators can serve. Welcome to labor relations in Las Vegas. Today we would like to look at the past, the present, and the future.

McCracken: My job, as appointed historian, is to set the stage for what we've done in Las Vegas. Its first known inhabitants of the area were the Piute Indians, and Las Vegas later became a stop on the Spanish Trail because of the natural spring water and that is how Las Vegas got its name. The area was then settled by the Mormons and it became a very important Mormon settlement during the 19th century. As in many places in the West, mining and railroads became the first major industries after the ranching of the Mormons. By the early 1900s, Las Vegas had become a railroad and mining town and a casino, a bordello, and a drinking town.

The explosive growth of the city began in the 1930s with the construction of Hoover Dam, in its time, the biggest construction project on the North American continent. Construction workers from all over the United States poured into Las Vegas, many of them never to leave, and they brought their families with them. The cities or towns around the dam grew but so did Las Vegas. Many of the people who came out to work on the dam stayed here and played here. The first gaming district, the downtown, got its start in the 1930s and 1940s. Those of you who want to see a little slice of history ought to go to the downtown casinos, rather than the Strip, because many of them haven't changed their décor since the 1950s. In the 1950s the Strip began to develop and it quickly and completely outclassed downtown.

The Strip was first developed by organized crime, and the unions, which had represented the casino workers downtown, naturally progressed into representing the casino workers on the Strip. The people who came to work in those casinos were mostly from eastern cities in the United States and they were usually Irish, Italian, and Jewish. They remain the fundamental groups that furnish many of the workers, especially management, to the casinos. There was a persistent problem of not being able to recruit people for the "back of the house positions"—working in the kitchens and cleaning the rooms—and the union developed a partnership with the industry in the 1950s to supply that need. The head of the union was from Alabama. He knew of a ready source of people who would do jobs like that—African Americans from Alabama and Mississippi, who came to Las Vegas in the 1950s and 1960s for those less desirable jobs. In the 1960s, the Culinary Workers contract began to expand.

As the industry was expanding, the contract was expanding. A 1950s collective bargaining agreement was probably about 12–15 pages long. By the 1960s, it was 60 pages long as the interest in all

of the aspects of employment began to be expressed in the bargaining agreement. And there was peace: no strikes and difficulties were resolved by discussion. That is how the industry worked. In the 1970s, however, a new force emerged in Las Vegas—corporate ownership. Until then, the downtown casinos were owned largely by families and the Strip casinos were owned by a different kind of family. That changed in the 1970s as Howard Hughes and Hilton and Kirk Kerkorian began to develop casinos in Las Vegas, using stock holding companies and, later, publicly traded companies. Corporate ownership changed the dynamics of labor relations greatly. The hotels began to take harder positions in negotiations and there were strikes during the 1970s, usually short ones.

That increasing division and bitterness in labor relations began to reach a fever pitch in the early 1980s. The union had meanwhile undergone a wrenching change because in 1977 that man from Alabama who was the prime mover of the union during the '50s and '60s was assassinated and his position taken by an associate of organized crime. From 1977 until 1981, until that organized crime figure was defeated in an election, convicted, and sent to prison, the union was run essentially as an arm of organized crime. In 1981, things were beginning to get back on track in the sense that the union was being pulled out from under the control of organized crime. However, the new leadership was not effective. They were very old fashioned and not particularly vigorous. The industry perceived this weakness and in contract renewal negotiations in 1984, the industry provoked a citywide strike.

Not all of the unionized casinos were involved—it primarily was the corporate-owned casinos but some of the family-owned casinos also joined in. Well over half of the union employees in Las Vegas were on strike in 1984 for 64 days. There were SWAT teams in full riot gear at the intersection of Flamingo and the Strip; there were more than 1,400 arrests; and we had a state court injunction that is probably a model of judicial excess. Fortunately, the federal court felt the same way about it, and issued a writ or habeas corpus that “sprang” most of the arrested strikers from jail and invalidated the charges against them.

The union had no control. Its staff was ineffective and the picket lines were either running themselves or dissolving themselves. The hotel security guards were acting as if they were police and the national media reported horrific events. After the strike was over, some of the corporate casinos decided that this was not the best way

to conduct labor relations. So we had a change of leadership in the union in 1987 accompanied by more strike activity against some of the smaller casinos.

In 1989, the newly dominant corporate chains made an important decision. They decided that it didn't make sense to go through these battles with the union, and that it made sense to reach an accommodation whereby both the industry and the union would grow with a minimum of conflict. The 1989 contract contained a provision that allowed for the union to grow with the industry by providing for representation determinations based on card checks. And then the industry embarked on an explosive growth curve, starting with the Mirage and Excalibur hotels in 1989, and continuing through the present. With a few exceptions, all of those hotels have been organized under those card check neutrality agreements.

In 1994, further progress was made in improving labor relations to change the combative, win-at-any-cost nature of the grievance process. We tried to ameliorate that somewhat in the 1994 contract by providing that only National Academy of Arbitrators members could arbitrate cases here, and by removing all discharge cases from the arbitration system and instituting a system of joint board determinations with increased power to decide discharge cases. That process is still in effect and it has produced faster decisions, usually with about the same results that neutral arbitrators would provide (without, of course, the elegant reasoning).

But all was not peaches and cream during the 1990s, because we had the six and one-half year strike against the Frontier and a nine-month strike against the Horseshoe. Earlier it was the corporate people who took on the union. This time the family-owned casinos were the hostiles. So we had a series of strikes against those companies—all won by the union. This development takes things up to the present.

Lately we have had a succession of very peaceful negotiations where we've been able to reach new contracts, without strikes, with all the major casinos. In 2002, we came close to ending that streak. The 2002 negotiations were very difficult because very important cost issues were on the table and because of 9/11/2001. The aftermath of 9/11 is still a controversial subject in Las Vegas. The union contends that the industry rebounded very quickly, in view of its sales and revenues, but that it did not hire back as many people to work in the casinos. We believe that 9/11 caused a substantial speed up in the industry—the companies took advan-

tage by refusing to rehire all of those who had been laid off. The companies' views are different.

Going into the 2002 negotiations, the union's view was that it was necessary to alleviate some of the excessive work loads that had been placed upon people, especially the room cleaners—the invisible people. Although the 2002 negotiations were about money, particularly about getting money into the health and welfare plan to keep it completely free, the housekeepers and reducing their work load were the focal point of those negotiations. The union almost struck, but a deal was made at the last minute, and we have a contract now that lasts until 2007.

Do we have all kinds of disputes daily about just about everything? Of course we do. Do we have mechanisms for dealing with them that avoid the development of bitterness between the parties? We do. We have these joint boards, these arbitration panels that deal with discharge cases and by and large do a very fine job with them. And because cases get resolved quicker through that process, people are happier even when they don't get back pay, which they usually don't. We also have developed a process of early resolution of grievances through the FMCS, under Lavonne Ritter's guidance, and with the cooperation of the hotels. This will be described later. This is part of our continuing progress together as an industry.

We've had huge fights. The union is strong here and so are the companies. Our power is roughly equal—that is probably the best circumstance for productive collective bargaining. Dave Feller always taught me that collective bargaining works best when you have approximately equal power on both sides. That's what we have in Las Vegas—politically and economically—and it produces very livable results for both sides. This equality also produces the willingness to experiment and to do things that break the mold. Our program on early resolution of grievances could not have become a reality if the parties still believed that they had to win, that it's part of your job to win, to beat the other side. To break that mold and to try this is a tremendous leap of faith for everybody involved. It's a big jump for everybody. It's in its infancy but we can see that it's working. It's creating a new and better culture. We've been making it better over time but this is probably the most significant change in our environment that we've experienced over the 30 years I've been working here.

Lipkin: I think that there is a remarkable relationship between the union and both the major and smaller casino companies in Las

Vegas. Both sides have worked very hard to have productive relationships. At times that has been very difficult, but I think what the parties have recognized is that eliminating pointless acrimony and unnecessary battles and working together is in the best interests of all involved. I don't think anybody thinks a strike is in anybody's best interests. In order to understand that you have to take a look at what is so unique about Las Vegas.

Las Vegas is an adult playground. It was the first venue where gaming was lawful, and it grew to create a major resort destination as well as a major gaming destination. Because of the emphasis on tourism, there is a heavy emphasis on customer service. Walk into any casino and if you take away the décor, the employees, the carpeting, what you have left are slot machines and table games. Every casino understands that they effectively have the same slot machines, the same table games, a buffet, and restaurants. What distinguishes one casino from another, and what the casino executives and the union will tell you, is customer service. That is how you distinguish one property from the next. What is unique about Las Vegas is this emphasis upon customer service, and the union/management relationship is built around the concept that customer service is paramount and the union is to help ensure that it continues to be paramount.

Over the years, competitors have sprung up. I personally do not believe that Las Vegas has any competition, because there is a range and number of gaming, entertainment, dining, and shopping experiences different from any other gaming destination in the world. Nonetheless, there certainly are casinos elsewhere and both our casino companies and the unions understand the need for creating an atmosphere where people can come and have a good time, and they come back here, rather than to some other place, because they enjoy themselves.

Something else that is very unusual about Las Vegas is the proximity of these facilities to each other. You can easily walk from Mandalay Bay to Circus Circus, 2 ½ miles in each direction, and you will pass countless locations that employ from 5,000 to 9,000 employees.

The diversity of the work that is performed is something that should not be a surprise to anybody. We offer a variety of work—everything from highly skilled work, from accountants, lawyers, and the chefs who provide really amazing food, to the people who clean out grease traps and make up hotel rooms. The result of this diversity has made Las Vegas a destination for both the highly

skilled and the less skilled. In addition, Las Vegas has become, as so many places become when there is a lot of unskilled work, an immigrant magnet. If you don't understand, speak, or read English, you can still work in a hotel casino because the work can be explained to you: "Move these chairs into this banquet room." Because there is enough of that work, the immigrant work force in Las Vegas is huge. That has again created a very interesting dynamic.

I became involved in labor-management relationships in Las Vegas in 1989 when we saw the insertion of neutrality on behalf of the employers and recognition based upon a card check. That has effectively eliminated a lot of contention, particularly when it comes to organizing employees at the new facilities. The parties have learned to work together in relative peace because they have seen the other side. They know what a contentious strike does and they know it's not good for business. They know that when problems arise at the workplace, people don't want to come to Las Vegas and that's not good for anybody involved.

With respect to the effects of September 11, everyone would agree that this tragedy created a very difficult time for everybody. Commentators in a variety of forms, including the *New York Times*, stated that following New York, September 11 hit Las Vegas harder than any other city in the United States. That is because of Las Vegas' reliance upon tourism and air traffic. Airport shut-downs and the slow start-up proved to be terrible issues for Las Vegas. It took Las Vegas a long time to rebound.

I know that there's a difference of opinion between the union and the employers on this point, but I believe that the numbers certainly show that Las Vegas did not rebound from the effects of September 11 for 12 to 18 months. The parties entered into their collective bargaining negotiations in the spring of 2002 with different opinions about the effect of September 11 and how it played out in terms of increased work loads. Nonetheless, the parties were able to see their way clear to resolve their issues to end up with a new collective bargaining agreement that, I think, was very generous and allowed the parties to continue to work together on things like the initial resolution process. We hope to continue to work together without acrimony.

Ritter: This is the most dynamic labor management community I have ever seen in my life and this is my 43rd year in labor relations and my 16th year as a federal mediator. I think I died and went to heaven coming to this community where the people

began to understand their commonalities, their common goals, and how to work out conflicts in the most productive way for the benefit of both the unions, their members, employers, and employees.

I graduated in 1957 from nearby Boulder City High School. I've seen a lot of change. I used to drive over here after the dances and for \$2 we could sit down and drink all the Coke and 7-Up that we could buy, see the Rat Pack, Lena Horne, and Nat King Cole, and even sit in the lounges. The city of Las Vegas and Las Vegas Valley has the highest union density of any city in the United States and, as has been pointed out, this is a right to work state. So it's an incredibly unusual environment.

My colleagues and I in FMCS Las Vegas field office are like the nannies of this First Step Process. It started a long time ago when a San Francisco multi-employer group and the Hotel and Restaurant Employees, Local 2, decided to partner in a cooperative effort and FMCS was called upon to do the training. At that time Sherry Chiesa, who is now the Secretary-Treasurer of the International, was there with Mike Casey, the President. I call Sherry Chiesa the queen of problem solving because she was so hell bent that people would learn to solve problems on the job.

When I was transferred to Las Vegas in 1995 and made my rounds, the Culinary people began to talk to me about the problem-solving process and what we could do in Las Vegas. There was a symbiotic and supportive relationship at the leadership level, but at the ground level, the level closest to the customer, those relationships did not have a vehicle around which to develop. In 1997, Mandalay Resort Group stepped up and negotiated contract language with the Culinary union that for the first time empowered supervisors, employees, and shop stewards to resolve problems at the first level.

This First Step Process did not exist in Las Vegas in the gaming industry prior to 1997. This process forced the parties to engage in behavior modification and it brought about a dramatic cultural and administrative change for both the union and the management. Before this process was adopted, if anybody wanted to file a grievance, they marched down to the union hall and filed a grievance with the grievance department. The grievance department and labor relations got together, if they couldn't resolve it, the grievance went to this adjustment board, and if they stalemated, it went to arbitration. And all this took a long, long time, affecting the people and the business adversely.

Because our mission is to ensure both effective and efficient organization and employment security, the parties asked us to meet with them. We asked them to develop a mission statement because we had to know where they were going if we were to develop a training program that would give these supervisors, shop stewards, and employees on the floor a skills toolbox for problem solving. They devised a mission statement; they articulated their principles and values, signed onto those, published them; and this became the foundation document for the initial training. This was not a canned program by any means. Furthermore, this was the first time that these front line players had ever really had an opportunity to sit down and work together as their leaders had done for many years.

When they were able to do this, equipped with their group process skills toolbox, they found that they could resolve issues. Who can do this better than those who have their hands on the work, those front line managers and supervisors, those shop stewards and those workers who are closest to the customer? There is no doubt in anybody's mind that the goal is excellence in customer service. The document that drives this process is called the Initial Resolution/First Step Process. It was formulated in September 2003 by Caesars Entertainment Properties and the Culinary Workers Union Local 226 and Bartenders Union Local 165.

I'd like to tell you that the wisdom of these parties is phenomenal. Their principles and values are promoting an atmosphere of mutual respect, human dignity, and trust, while achieving superior customer service, job security, and the long-term stability that results from customer service, resolving issues, creating team work at the level closest to the customer, and committing themselves to continuous improvement and productivity.

Interestingly enough the contract language says it only encourages this First Step Process, but by agreement in 1997, Mandalay Resort Group and the Culinary Union made this a mandatory process. It was put in place with a tracking system and evaluation system. The process is also mandatory at Caesars Entertainment, at MGM Grand, and at other MGM properties. Starting in 1997, we trained about 800 supervisors and shop stewards throughout the Mandalay Resort Group properties. Starting in February of this year we began to train supervisors and shop stewards and front line managers in the Caesars Entertainment properties. This very

moment one of my partner colleagues is over at Caesar's Palace delivering the 17th three-day workshop in Caesar's Entertainment properties.

Training is also going on at the Flamingo, Bally's Paris, Caesar's Palace, and despite the sale of the Hilton, the Las Vegas Hilton is going forward in June and July with First Step Process training for shop stewards and supervisors. We've probably had the privilege to touch 1,000 front line supervisors, managers, and shop stewards who are trying to build a relationship and reduce conflict in the work place. And I'm meeting Friday with the Bellagio to kick off training at those properties as well.

Let me say that this is revolutionary, it's an incredible cultural change in this community, and it's going to be ongoing. I believe that the building of relationships has helped the parties get their important tasks done, including that providing the best customer service in the United States in this tourist environment.

Winograd: The question on everybody's lips is, with all of this investment of time, of personnel taken away from work while getting trained, is it working?

Lipkin: The casinos have smart people looking at the numbers and I can only assume that those experts have taken a look at how much is being spent on these programs—from the Danish and the cookies and the box lunches to taking people off the casino floor and paying them for the time spent in these training programs—and the companies have concluded that that investment of time, money, and effort is well worth it. Everything from grievances that would have gone further in the grievance process or to arbitration are either resolved or are resolved earlier. But I think it's bigger than that. I think that the result has been to open up channels of communication between nonsupervisory union-represented hourly employees and their first- and second-level supervisors or managers helping them to work better together. Employees are more productive because managers treat them better, because employees believe they have more of a stake in the operation, and customer service is enhanced. What my perspective indicates and what I can only assume the casinos have concluded is that this is worth the time, trouble, and investment because the pay back is substantial.

Winograd: If this system is working, is the union out of business? If workers and management at the lowest level are able to take care of everything, what's left for you?

McCracken: This process is in its infancy. The Mandalay Bay Group properties are the only ones that have any real experience with it. The others are getting their feet wet but in anything this big, it's going to take a while before anybody has any appreciation for how well it works and how permanent it is. Right now we're at an intensive phase where we're getting all of this help from highly qualified people. How well will this continue without that input? That will require a constant rededication of the effort of everyone to keep it alive and not let it become ossified and bureaucratic.

Now to answer your question—the union is not afraid it is going away. This is still about the collective bargaining agreement and without the collective bargaining agreement, there's nothing to talk about except management's rules. Workers are not going to substitute management's rules for the collective bargaining agreement—not here.

Ritter: Change is a process, not an event; it's a journey, not a destination, and this involves development in skills, hearts, and minds. We've done "Train the Trainer" with Mandalay Resort Group. When all of these participants graduate they will go through a roll out where the supervisors and shop stewards educate the bargaining unit workforce about the process. We will be doing "Train the Trainers" in other locations as well. Right now, twice a year all new supervisors and front line managers and shop stewards are trained by union and management trainers. It was estimated that the San Francisco project would have cost \$350,000 in consultant money to do what the FMCS for free, but we are appropriated to do this. This is part of our core work and we will continue to train the trainers so that the parties have ownership—that's the bottom line. If the parties take ownership and recommit on an ongoing basis this will not only work, it will work better and better and better with the growth and development.

Winograd: This morning when we were chatting, the three of them did a quick calculation and figured that about 70 percent of the work force on the Strip is covered now by this First Step Process. The interrelationship between this First Step Process and the grievance process—how does it dovetail with it, how do you preserve those rights?

McCracken: We're sort of working that out, and it's not completely settled. The practice is that people file what they would normally file to start a grievance and the union actually prepares a grievance but doesn't file it. There is a protocol for holding things open so the time limits don't go by. It's necessary to protect against

the loss of grievances by the passage of time and the parties have developed their own protocols for making sure that that doesn't happen.

Winograd: Harriet, within management ranks how do you keep track of all of these empowered relationships and what they are resolving in a way that's consistent with what you, as counsel, want to see happening?

Lipkin: The resolutions in the formal IRP process are placed in writing and they are submitted to the company's labor relations folks and to the people at the union hall that are responsible for monitoring. My sense is that IRP process issues that might have gone to a grievance previously or might have resulted in other problems previously, simply don't happen because the channels of communication are open. The things that can't be monitored I suspect are the very issues that arise with respect to differing managerial styles, one supervisor to another, one department to another, one shift or one station to another. These properties are huge: there are 5,000 employees, with 2,000 represented by the Culinary Union at a typical location. These people are working three shifts a day, seven days a week. There are various methods for addressing everything that happens at the workplace in various departments, at various shifts, and at various stations.

Ritter: The leadership has formulated the concept of a labor oversight committee at each property made up of labor and management representatives from the floor from hotel, food, beverage, and slots. That oversight committee meets usually once a month or so to review the recent results of the initial resolution processes. They also talk about those that never went to the formalized form but were resolved on the floor. They also consider other problems, barriers, challenges, and where we are meeting with resistance. Settlements are nonprecedential in nature and the contract says that, but when both union and management leadership agree that a particular settlement is valuable, a memorandum of understanding will be prepared, making it precedential.

McCracken: On a couple of occasions the settlements they worked out actually made more sense than what we had going already and we put together memoranda of understanding to memorialize them. I think that it is important that people not start counting wins and losses. We've seen evidence of counting in the discharge arbitration process. When people start counting wins and losses, then the attitudes start changing. If people start count-

ing who wins and who loses, then it's going to start getting rigid again.

Winograd: Speaking more generally, what is the effect of labor relations developments in this industry on other employers doing business here. If you have a fully funded health and welfare plan and the union will step in at times to be a short-term protector of the integrity of these funds—what is the impact on other employers?

Ritter: I don't know if I can or should, as a federal mediator, answer that question directly. I would like to say that when I was transferred to Las Vegas in 1995 there were very few parties that could spell cooperation. I think, however, underlying this very strong labor management community was a desire to work together cooperatively and since that time some of the things that we have done in the casino industry have been picked up elsewhere. The building trades have a southern Nevada Labor Alliance at the test site. They have used interest-based bargaining to renew two five-year contracts. The metropolitan police department and three of their unions, one of them the uniformed staff, AFL-CIO affiliated, used interest-based bargaining to achieve their contract negotiation results. The Clark County School District and three of their four unions took some interest-based negotiation training and for the first time in their history did not have to go to interest arbitration to settle their negotiations. What happens in this industry certainly affects its suppliers, e.g., the laundry industry. The gaming industry drives the economy here, and it drives everything else in the collective bargaining process.

Winograd: Harriet, you have a situation now that Rich referred to of a certain balance of power in the negotiating process—the card check process, which has been so innovative here in Las Vegas on a mass scale. You represent clients elsewhere that do not have this same balance of power situation. What are the particular consequences that you see in your practice, going from this scene to another?

Lipkin: I don't know that I agree that there is a balance of power, but I do agree that the union is a very strong, very dynamic player in the relationship and it is not a union that comes crawling to the employers begging for something. This is a strong union that has accomplished some very remarkable results. I suspect that when you compare that relationship with other jurisdictions, where the union is not present or doesn't have the same strength, the union probably cannot accomplish what it does for employees here.

Winograd: Let me throw out another question that has to do with politics. Nevada is a state without an income tax, and much of its revenue comes from this industry. Does the union find itself allied with the industry on political questions that are outside the immediate domain of day-to-day labor relations, but that are integral to the success of the industry and therefore the union?

McCracken: I'll paint a little scene for you. It's on the steps of the governor's mansion in Carson City, Nevada. It is in the middle of the 2003 legislative session, and the Nevada legislature only meets every other year and only for a few days. When they do meet, it's an intense time and the budget crisis here was worse than in other states because there is no income tax. Proposals were made to tax some of the businesses besides the casinos and these proposals were bitterly opposed by most of the Republicans in the legislature. However, here on the steps of the Republican governor's mansion were representatives from the Culinary Union, representatives from the Nevada Resort Association (the hotel casino association), and representatives from the large non-union chain of hotels that rings the neighborhoods in Las Vegas. All were there together promoting the same idea—that we need a broader tax base in order to solve the budget crisis.

Winograd: And the outcome?

McCracken: We got a broader tax base. It was a tremendous fight in which these otherwise not really compatible people were joined together.

From the Floor: I probably average about 10 or 12 arbitrations a year on the Atlantic City casinos but I can't think of the last time one of them went to hearing. So I have a strong feeling that the Atlantic City casinos and Local 54 have evolved a similar plan to resolve grievances. Do any of the panelists have any knowledge on that?

Lipkin: I started working in Atlantic City in the late 1980s. I noticed a substantial difference in the attitude of management toward the union and vice versa. There was a tremendous amount of contention and it wasn't necessarily productive. I think the industry in Atlantic City may be maturing, following the Las Vegas approach.

McCracken: Let me say one quick thing about Las Vegas and arbitrations and hearings. We're not out of the arbitration business. We send about 200 cases a year to arbitration and we probably settle most of those on the steps of the courthouse with the arbitrator present. We probably get about 30 to 40 arbitration

decisions a year. We're still very much in the arbitration business and I don't expect that to change because there are some fundamental differences between labor and management and they will result in arbitrations necessary in order to resolve those differences.

Lipkin: I think that per capita there were more arbitrations going on in Atlantic City than in Las Vegas. Nonetheless there are plenty of cases here in Las Vegas, but many of them resolve themselves at some point in the process.

McCracken: We start out with between 5,000 and 6,000 grievances a year.

From the Floor: This prompts all kind of questions: (1) Are union stewards elected? (2) What are the people involved in the first step of the resolution process authorized to do? (3) How about Weingarten rights?

McCracken: I'll take the steward part. Stewards are not elected in any kind of balloting or electoral sense. They are selected but based on the support of their co-workers.

Ritter: In the First Step Process at Caesars Entertainment and Mandalay, folks can handle up to and including suspensions. Discharges are precluded from First Step in both of those properties. Sexual harassment generally is out of scope because the liability falls so keenly on the employer to do an evenhanded investigation. These folks have been handling everything from scheduling and vacation issues up to and including a discussion of suspensions. Weingarten investigatory interviews are separate and apart from the First Step Process. Weingarten is what we teach in labor relations but it's separate and apart from the First Step Process.

From the Floor: Have these concepts had been transferred to the less organized private gaming centers such as my backyard of Tahoe and Reno and, if so, to what effect?

Ritter: FMCS was invited to both Circus Circus Reno, which is part of Mandalay Resort Group, and to the Reno Hilton, and we delivered the process two years ago. Reno Hilton and Circus Circus are the two organized properties up there. They've already been through the process, it seems to be working, and they seem happy with it.

Winograd: There is some cross-ownership in the two areas but there is a significant disparity in wage levels and in representation. You don't have the same scope or density in the Reno area.

McCracken: Northern Nevada and Southern Nevada are as different as Northern California and Southern California.

From the Floor: A brief mention was made of the use of joint committees for the resolution of discharge cases. I was wondering if someone could describe that process and the success of that process.

Lipkin: There are two representatives from the union and two representatives selected by the employer. The employer representatives are not management folks and the union representatives are not people who work in that department. The four of them can be a panel and they listen to a case that is presented by lay people from the company and from the union and the panel makes an initial determination. My understanding is that with some frequency, the board is able to find its way clear to resolve those cases. If they cannot, the case proceeds to arbitration.