



## Unanimous Supreme Court Clarifies Scope of State Law on the Outer Continental Shelf

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On June 10, 2019, a unanimous Supreme Court held that State laws are only applicable on the U.S. Outer Continental Shelf (OCS) as a surrogate Federal law when Federal law does not address a specific issue. In the case of *Parker Drilling Management Services v. Newton*, Newton, a worker on an oil rig off of California, had filed suit to be paid for his standby time, on the basis of California's minimum wage and overtime laws. The U.S. District Court had denied Newton's claim because the U.S. Federal Fair Labor Standards Act was comprehensive and did not leave any "gaps" for the State law to fill. However, the U.S. Ninth Circuit Court of Appeals disagreed and ruled that because the California law pertained to the issue and was not incompatible with Federal law, the State law did apply. The Supreme Court overturned the case again and agreed with the District Court, basing its decision on the whole context of the Outer Continental Shelf Lands Act (OCSLA). The Court made clear that the test is not whether a State law would be preempted by the relevant Federal law. Rather, because the OCS is governed by Federal law, the only circumstance under which State law will be applied is when Federal law does not govern the issue in dispute, in which case the law of the adjacent state will be adopted as a surrogate Federal law. The decision should provide greater clarity for offshore employers and their workers.

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