The coronavirus has significantly impacted supply chains across the globe, and while companies experiencing production limitations due to reduced inventories are turning to their supply agreements for remedies, these same companies may also face important labor and employment considerations as a result of this viral outbreak. Particularly, major disruptions in supply chains resulting from coronavirus may require employers to temporarily lay off employees in sequences not contemplated by the collective bargaining agreement in order to retain skill sets necessary to continue operations not impacted by the supply chain shortage. Additionally, companies may face employee travel concerns related to coronavirus. Where coronavirus is causing either of these concerns, companies must carefully consider their legal options.

If a company employs a unionized labor force and is anticipating a layoff due to
supply chain shortages, it should look to the collective bargaining agreement first for options to implement the layoff. Depending on the contents of the collective bargaining agreement, the company has different options for relief.

- If the collective bargaining agreement contains a force majeure provision[^1], such provision *may* permit an employer to take unilateral measures that would otherwise require bargaining.

- If the collective bargaining agreement does not contain a force majeure provision, the National Labor Relations Board's narrow "economic exigency exception"[^2] *may* provide relief.

- Notably, employers contemplating layoffs must also evaluate their obligations to provide notice to its employees (unionized and non-unionized) under the Worker Adjustment and Retraining Notification (WARN) Act.

Companies and company employees may also face concerns over employee travel and the threat of coronavirus. Where this is of concern, a company will want to give thought to the following:

- following State Department advisories regarding travel;
- offering and/or implementing alternatives to travel when appropriate; and,
- quarantine periods for employees returning from travel.

If your company is facing either of these coronavirus-related concerns, immediate action is likely in order.

For more information on how the coronavirus is impacting global supply chains, please see our previous advisory: [Coronavirus and Global Supply: Contractual Protections Can Be a Remedy to the Symptoms from Unhealthy Supply Chains](https://www.natlawreview.com/article/coronavirus-workplace-considerations-related-to-global-supply-shortages-and-employee)

[^1]: Such provisions commonly relieve the parties from performing their contractual obligations when certain circumstances beyond their control (Act of God) make performance inadvisable, commercially impractical, illegal or impossible.

[^2]: See RBE Electronics of S.D., Inc., 320 NLRB 80 (1995) (providing an exception where unforeseen extraordinary events cause major economic effects on the company and such events require the company to take immediate action)

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