



Fact Sheet

COMMITTEE ON EDUCATION & THE WORKFORCE DEMOCRATS

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The Hon. Bobby Scott • Ranking Member

Repealing the Fair Pay and Safe Workplaces Rule Gives Serial Labor Law Violators a Free Pass

This week the House will consider several Congressional Review Act Resolutions that would roll back protections for workers and the environment. This is the first part of an agenda that rewards special interests, such as those government contractors who repeatedly cheat workers out of their pay or endanger their safety at work.

- Numerous studies by GAO and other researchers show that federal contractors with histories of serious, willful, and repeated violations of labor, employment and non-discrimination laws continue to win contracts.
- To remedy this practice, President Obama [signed the Fair Pay and Safe Workplaces Executive Order](#) in July 2014, which requires federal contractors and bidders to disclose labor law violations under 14 labor, civil rights, disability and workplace safety statutes.
- The rule directs federal contracting officers to consider labor law violations when evaluating whether prospective contractors are “responsible” entities under the Federal Acquisition Rules with “a satisfactory record of integrity and business ethics.”
- The rule ensures that contractors entrusted with taxpayers’ dollars cannot exploit their workers and that repeated lawbreakers do not get a competitive advantage. The rule applies to approximately 24,000 federal contractors and subcontractors with contract awards of at least \$500,000 per year.
- Two months after the rule was issued in August 2016, a federal district court for the Eastern District of Texas granted contracting associations’ request for a preliminary injunction blocking most of the rule. The case is now on appeal to the 5th Circuit Court of Appeals.
- Republicans and special interest groups falsely claim that this is a “blacklisting” rule. The rule actually encourages contractors to come into compliance—it does not debar or suspend them. This rule gives contractors new tools they do not have under current law to avoid debarment or suspension.

If this rule is repealed under the CRA:

- Workers on government contracts would be at greater risk of wage theft or unsafe working conditions by unscrupulous employers.
- Law-abiding companies would be forced into unfair competition with lawbreakers and corner cutters, because most labor violations will not be disclosed to contracting officers.
- A future administration would be barred from issuing a “substantially similar” rule or one with changes to this rule, due to a restriction in the Congressional Review Act. The only fix at that point would be new legislation.