



Construction Industry Round Table

Regulatory News

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2/13/09 – Obama Signs EO Favoring PLAs on Federal Projects

President Obama signed an Executive Order on Friday, February 6, 2009 that essentially reverses the discretionary nature of “allowing” but not favoring or requiring Project Labor Agreements (PLAs) under the Bush Administration (EO 13202). This order was high on the unions list of desired changes with an Obama win – which they backed with dollars and organization on the ground. The operative language in the new EO states: “it is the policy of the Federal Government to encourage executive agencies to consider requiring the use of project labor agreements in connection with large-scale construction projects” (which are defined as \$25 million or more – pretty modest in size). Although the new EO does not “mandate” PLAs, only “encourages” their use – it is pretty clear that most contracting agencies are not going to buck the system and resist their application. Once the agency invokes the need for or the desirability of such a PLA, then it can “require that every contractor or subcontractor on the project agree, for that project, to negotiate or become a party to a project labor agreement with one or more appropriate labor organizations.” The potential problems with negotiating such agreements (with a favorable wind at the back of the unions), and/or how they would impact other jobs that may be under privately negotiated PLAs or not under one at all – are up in the air. No question the balance between unions and management has been tilted toward labor – both here and with respect other issues mentioned recently in CIRT stories.