

President Trump Repeals DOL “Blacklisting” Rule

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On March 27, 2017, President Trump signed a bill repealing the U.S. Department of Labor’s Fair Pay and Safe Workplaces regulation. The President’s action ends any uncertainty surrounding the status of the rule, dubbed the “blacklisting” rule, which would have required certain federal contractors to disclose their labor law violations when bidding on federal contracts.

Adopted during the Obama administration, the rule would have required companies seeking federal contracts of \$50 million or more to disclose their labor law violations, such as wage theft and workplace safety violations, going back one year. In 2017, the contract threshold would have fallen to \$500,000, and in 2018, the “lookback” period would have increased to three years. Business groups and Republican lawmakers strongly opposed the rule, arguing it gave unions too much power and went too far, forcing contractors to report mere allegations of misconduct as well as proven violations. The rule was set to go into effect in October 2016, but a federal district court judge in Texas blocked the rule before it went into effect.

The new law signed by President Trump not only eliminates the blacklisting regulation proposed by the Obama DOL, but also prohibits the DOL from issuing a similar regulation in the future. Accordingly, federal contractors do not have to worry about having to comply with this type of rule for the foreseeable future.

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