

U.S. Department of Agriculture Proposes Rule Requiring Contractors to Certify Labor Law Compliance

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The U.S. Department of Agriculture ("USDA") recently published a proposed rule that would require all federal contractors to certify compliance with 16 applicable labor laws. The certification requires an affirmative statement attesting compliance and further requires contractors to "promptly report[] to the contracting officer if and when adjudicated evidence of noncompliance occurs." Under the rule, contractors must further affirm, to the best of their knowledge, that all subcontractors and suppliers are also compliant with all applicable labor laws.

The rule is reminiscent of the Obama Administration's Fair Pay and Safe Workplaces Executive Order, commonly known as the "Blacklisting Rule," which required federal contractors to disclose violations of federal and state labor laws as part of the contract bidding process. The Blacklisting Rule and its implementing regulations were short lived, with President Trump revoking the executive order and signing into law a Congressional Joint Resolution of Disapproval that revoked the regulations on March 27, 2017.

While the Blacklisting Rule applied to all federal contractors with contracts above a certain amount, the USDA's proposed rule would apply exclusively to USDA contracts. Nevertheless, the proposed rule reflects an effort to resurrect the spirit of the Blacklisting Rule, at least in part, and portends the possibility other agencies will implement their own labor law compliance rules for their contracts.

The deadline to provide comments is March 21, 2022. We will continue to monitor and report on any new developments.

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