

Congress Moving Quickly to Squelch Worker Complaints at Federal Contractors Through Forced Arbitration

FOR IMMEDIATE RELEASE: FEBRUARY 2, 2017 || Contacts: Lauren Saunders (lsaunders@nclc.org) or Jan Kruse (jkruse@nclc.org); 617.542.8010

Workers would lose right to have health, safety, wage, and discrimination disputes heard by an impartial judge or jury in open court

(WASHINGTON) Under legislation up for a vote today by House lawmakers, workers employed by federal contractors would be stripped of their day in court if their employer fails to pay them for hours worked, has an unsafe workplace, discriminates against a mother, or other violations of labor or civil rights laws.

The House is scheduled to vote (with the Senate quickly to follow) on overturning the Fair Pay and Safe Workplaces rule, which ensures that workers can hold corporations with federal contracts accountable in court for their promise to comply with the law rather than requiring employees to resolve disputes through a secretive, biased and lawless forced arbitration. The rule also helps contracting agencies identify companies with egregious violations. The rule applies to companies with government contracts worth at least \$1 million.

The rule is final, but members of Congress are attempting to use the obscure Congressional Review Act (CRA) to overturn it. The CRA provides an expedited process to block a rule from going into effect. If a rule is blocked, the agency is forever banned from enacting a substantially similar rule unless Congress authorizes it.

The vote on the Fair Pay and Safe Workplaces rule highlights the power of giant corporate interests and their allies on Capitol Hill. In recent years, corporations have increasingly used fine-print forced arbitration clauses to strip workers and consumers of their rights to hold corporations accountable.

National Consumer Law Center Associate Director Lauren Saunders made the following statement:

“We are disappointed that Congress is considering depriving workers of their day in court and giving lawbreaking employers a get-out-of-jail free card. Federal contractors have an obligation to provide a safe workplace and to follow labor standards and civil rights laws. Companies with the most egregious violations of workplace laws receive tens of billions of dollars in federal contracts. The Fair Pay and Safe Workplaces rule prevents employers that routinely violate workplace health and safety protections or discriminate against their employees from sweeping those violations under the rug. These essential protections should not be repealed.”

A 2013 Senate report found that government contractors are often among the worst violators of workplace safety and wage laws. Of the 200 largest penalties and assessments for violations of federal wage and safety laws over a five-year period, about 30 percent of the top violators continued to receive federal contracts.

###

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC's expertise includes policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness.