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New Labor Regulations Require that Federal Contractors and Subcontractors Notify Employees of Their Right to Unionize

On January 30, 2009, President Barack Obama signed Executive Order 13496 (the Executive Order), which requires federal contractors and subcontractors to notify employees about their rights under the National Labor Relations Act (NLRA). The NLRA is the primary law governing relations between unions and employers in the private sector. The NLRA guarantees employees' the rights to organize, to bargain collectively with their employers and to engage in other protected concerted activity with or without a union.

Recently, the Department of Labor (DOL) published its final rules implementing the Executive Order. Beginning on June 21, 2010, federal contractors and subcontractors will be required to post a notice that summarizes employee rights under the NLRA and provide examples of unlawful employer and union conduct that interferes with those rights. The notice must also provide the contact information for the National Labor Relations Board, the federal agency that enforces the NLRA. Employers must post this notice in conspicuous places in their plants and offices. If an employer posts notices to employees electronically, it must also post the required notice electronically. Additionally, federal contractors and subcontractors must include a provision in their contracts describing the notice requirement.

The penalties for noncompliance with the DOL's regulations include suspending or cancelling the contract. The government also may bar federal contractors from future federal contracts.

Employers with federal contracts or subcontracts may download copies of the required notice from the DOL's website at <http://www.olms.dol.gov>.

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