



AGC
THE CONSTRUCTION
ASSOCIATION

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Oppose the Faster Labor Contracts Act



The Faster Labor Contracts Act would subject first-contract negotiations to federally mandated arbitration and imposed agreements. Promoted as a way to accelerate negotiations, the legislation threatens established construction bargaining relationships, increases project costs, and creates uncertainty for contractors, subcontractors, and workers. Bargaining would begin within 10 days. After 90 days, either party could request federal mediation; if mediation failed after 30 days, a panel could impose contract terms binding for two years. No finding of bad-faith bargaining would be required, and the bill would not provide workers with a ratification vote.

- **Replace negotiated agreements with imposed contracts.** Arbitrators could determine wages, benefits, staffing levels, work rules, subcontracting restrictions, and other employment conditions without adequately understanding individual contractors, local markets, or project requirements.
- **Disrupt established construction bargaining relationships.** Construction employers and unions have long relied on flexible bargaining arrangements under Section 8(f) of the National Labor Relations Act. Although the bill's first-contract arbitration provisions would specifically apply to Section 9(a) relationships, its language could create uncertainty for longstanding Section 8(f) relationships and interfere with established practices.
- **Increase costs on projects already under contract.** Construction projects are often bid months or years in advance. Unexpected increases in wages, benefits, staffing requirements, or other labor costs cannot always be recovered, potentially turning profitable projects into financial losses.
- **Expose sensitive financial and business information.** The legislation would require arbitrators to consider an employer's financial status and prospects. Contractors could face pressure to disclose confidential financial records, bidding information, bonding capacity, and other competitively sensitive business data.
- **Create pressure throughout the subcontracting chain.** Contract terms imposed on one contractor could become benchmarks for other employers or conditions for working on a project. Subcontractors and smaller firms could face pressure to accept similar terms even though they were not parties to the arbitration.
- **Disproportionately harm small and midsize contractors.** Companies operating with narrow margins, limited bonding capacity, and fewer financial resources are less able to absorb imposed labor costs or adjust to unexpected contractual obligations.
- **Undermine genuine collective bargaining.** Mandatory arbitration removes the incentive to negotiate in good faith, since either side can turn to an outside panel instead of reaching an agreement on their own. The bill would set no deadline for completing arbitration, meaning it would not guarantee a faster contract.

**ACTION
NEEDED**

Oppose H.R. 5408 and S. 844, and preserve voluntary collective bargaining, established construction-industry labor relationships, and the flexibility contractors need to deliver projects.