

## Obama Issues Executive Orders Affecting Labor Practices of Federal Contractors and Subcontractors

On January 30, 2009, President Barack Obama issued three executive orders which revoke certain orders issued by former President George W. Bush and impose new obligations on federal contractors and subcontractors. In brief, these orders:

- [Prohibit](#) contractors and subcontractors from using government funds to influence employee choice in a union election;
- [Require](#) contractors and subcontractors to post workplace notices informing employees of their rights under the National Labor Relations Act and other federal labor laws; and
- [Require](#) successors to federal service contracts to offer the employees of the previous service contractors or subcontractors a right of first refusal of employment if the service contract is for the performance of the same or similar service at the same location.

These orders revoked two previous Bush administration orders: Executive Order 13201, which required contractors to post so-called “Beck Posters” notifying employees of their rights to refrain from joining a union or permitting their compulsory union dues to be expended on matters unrelated to their union’s representational activities; and Executive Order 13204, which President Bush issued to overturn a Clinton executive order requiring successor contractors to offer employment to the employees of predecessor contractors. President Obama has ordered the agencies with responsibility for executing these orders to issue rules and/or regulations implementing them within 120 to 180 days of their issue date.

### To Whom Do These Orders Apply?

These orders apply to employers (primary contractors) who have contracts in certain threshold amounts with an agency of the federal government for the purchase, sale, or use of personal property (such as supplies, and contracts for the use of real property) or for non-personal services (such as research, insurance, utilities, construction, transportation, and fund depository), as well as to employers (subcontractors) who perform, undertake or assume a primary contractor’s obligations under a federal contract or whose goods or services are necessary to the performance of the federal contract.

### When Are These Orders Effective?

These orders are effective immediately but will apply only to contracts resulting from solicitations issued on or after the dates on which the relevant rules and/or regulations become effective. Accordingly, they have no application to any current federal contract for which you may serve as the primary or subcontractor.

Ropes & Gray will continue to provide updates on these orders and any rules or regulations that result from them. If you have any questions about their application to your workplace, please contact any member of Ropes & Gray’s Labor & Employment Department.