

Project Labor Agreements Coming to an Infrastructure Project Near You

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Construction contractors and subcontractors that do not typically have exposure to project labor agreements (PLAs) should expect to see them as a result of the new [Infrastructure Investment and Jobs Act \(IIJA\)](#), which became law on November 15, 2021.

At a historic \$1.2 trillion, the IIJA includes substantial money for transportation, roads, bridges, rail, broadband, utilities, and other infrastructure construction. The IIJA has been touted as the largest infrastructure bill since World War II.

While the IIJA does not mandate the use of PLAs, the Biden Administration encourages and prioritize PLAs on government-funded projects. State and local governments, likewise, encourage, prioritize, and sometimes even mandate the use of PLAs on government-funded projects, and sometimes refer to the PLAs as Community Workforce Agreements. A special type of construction industry agreement under Section 8(f) of the National Labor Relations Act, PLAs establish the terms and conditions of work on a specific construction site. PLAs require all contractors working on the project (whether union or not) to sign onto and be bound by the labor agreement with the building and construction trades for the duration of the project. PLAs are intended to end when the project ends.

In the 1940s, approximately 87 percent of the construction industry workforce was unionized. Today, it is nearly the reverse, with 87 percent of the construction industry workforce being non-union.

Consequently, most construction contractors may be unfamiliar with union labor agreements and may be faced with significant unanticipated costs and administrative burdens required by PLAs. For example, projects under PLAs typically require most workers be dispatched from the local union hiring hall subject to the union rules and requirements, the workers pay union dues or agency fees to the union, and the employer pay into union pension and healthcare trust funds. A contractor unfamiliar with such projects may be surprised to learn that it cannot use its own workforce or assign or subcontract work as it does on other projects.

Employers with questions about these and [other IIJA issues](#) should reach out to a Jackson Lewis attorney.

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