

## Bruce Behrens - Project Labor Agreement Announcement

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**From:** <peter.rogoff@dot.gov>  
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**Subject:** Project Labor Agreement Announcement  
**Attachments:** Project Labor Agreements Feb. 2011.pdf

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Dear Colleague:

I write to announce the availability of guidance on the use of project labor agreements (PLA) in projects receiving Federal Transit Administration (FTA) financial assistance, and to encourage you to use PLAs in FTA funded projects.

As you know, large-scale construction projects are challenging to complete on time and within budget. One of the tools that can be used to control costs is the project labor agreement. A PLA spells out the specific terms and conditions that govern the employment of labor on a project for the duration of the project. A properly drafted project labor agreement can create structure and ensure labor stability throughout the duration of a project by coordinating wages, work rules, and other terms of employment by providing mechanisms for resolving grievances and by prohibiting work stoppages for the duration of a project.

On February 6, 2009, President Obama signed Executive Order 13502, encouraging Federal agencies and their grant recipients to consider the use of project labor agreements on large-scale construction projects. The Order describes the special challenges posed to large-scale construction projects performed by employers who typically do not have a permanent workforce. In these circumstances, the Order explains, the use of a project labor agreement may ensure a steady supply of labor, prevent labor disputes and uncertainty about the terms and conditions of employment, and promote the efficient and timely completion of construction projects. Also of note: the Order revokes the previous prohibition on the use of PLAs in projects receiving FTA financial assistance.

In order to help its grantees to use project labor agreements on FTA-funded projects, FTA has published new guidance on its website at [http://www.fta.dot.gov/laws/leg\\_reg\\_7211.html](http://www.fta.dot.gov/laws/leg_reg_7211.html). I encourage you to read this guidance and to make use of project labor agreements whenever possible.

If you have questions or need further assistance, please contact your FTA regional office and ask to speak with the Regional Counsel.

Sincerely yours,

Peter Rogoff