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## United States Senate

COMMITTEE ON HEALTH, EDUCATION,  
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

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March 26, 2015

Secretary Thomas E. Perez  
U.S. Department of Labor  
Frances Perkins Building  
200 Constitution Ave., NW  
Washington, DC 20210

To the Honorable Secretary Perez:

We commend you for your critical work to prepare to implement President Obama's Executive Order *Fair Pay and Safe Workplaces* and write to urge you to issue guidance and coordinate with the Federal Acquisition Regulatory Council to issue regulations, in as timely a manner as possible. *Fair Pay and Safe Workplaces* will create a fair and consistent process to better ensure all federal contractors are responsible, and help ensure taxpayers get the best quality for their money.

As you know, in 2013 the Senate Health, Education, Labor, and Pensions Committee conducted an investigation that found almost 30 percent of the companies that have received the most severe penalties for worker safety and wage law violations in the past five years were still federal contractors. Overall, the investigation found that the contracting companies assessed the highest penalties over the previous five years were cited for 1,776 separate violations of safety and wage laws and paid \$196 million in fines -- yet were awarded \$81 billion in taxpayer dollars in fiscal year 2012.

This is unfair to the workers of these employers, violates the trust of the taxpayers and hurts the companies that are working hard and playing by the rules. *Fair Pay and Safe Workplaces* takes much-needed steps to ensure agencies consider an employer's record of providing workers with a safe workplace and paying workers the money they have earned before granting and renewing federal contracts. Each year, the federal government purchases more than \$500 billion in goods and services from the private sector, and according to some estimates, firms that contract with the federal government employ approximately 22 percent of the entire workforce. Yet the current practice provides no mechanism -- no matter how egregious the safety record of a company might be -- to look at the worker record of companies seeking contracts.

This Order creates a straightforward process. Companies that have not violated federal labor laws will simply be required to check a box to certify legal compliance. By allowing companies to improve worker health and safety records without facing the loss of all contracts, the Executive Order will incentivize improvement in worker practices while helping to level the playing field for companies with sound policies already in place.

Contractors that shortchange their workers and cut corners on health and safety requirements, can sometimes also cut estimated performance costs, putting contractors with good safety and wage records at a competitive disadvantage. But in many cases, these companies create more costs to taxpayers and increase inefficiency. Research shows that when contractors shortchange their workers and cut corners on health and safety requirements, they also risk poor performance. The Center for American Progress recently reported that of the companies that committed the worst workplace violations over a five-year period and later received federal contracts, one in four had significant performance problems, including submission of fraudulent bills to the government, cost overruns, and schedule delays during the development of major weapons systems that cost taxpayers billions of dollars. *Fair Pay and Safe Workplaces* is thus also a critical step to ensure efficiency in federal contracting.

Again, thank you for the critical work that your team has done to prepare to implement the Executive Order thus far. We hope that you will issue guidance to agencies as soon as possible to help level the playing field for law-abiding businesses, hold contractors accountable for federal taxpayer dollars they receive, and protect basic worker rights for the millions of Americans employed by federal contractors.

Sincerely,



Patty Murray  
Ranking Member, HELP Committee



Edward J. Markey  
U.S. Senator



Sherrod Brown  
U.S. Senator



Robert P. Casey  
U.S. Senator



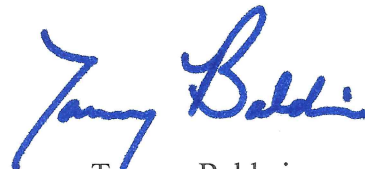
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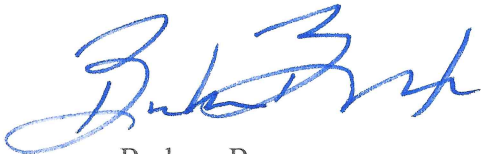
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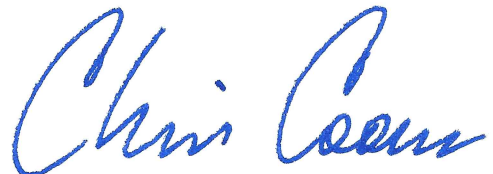
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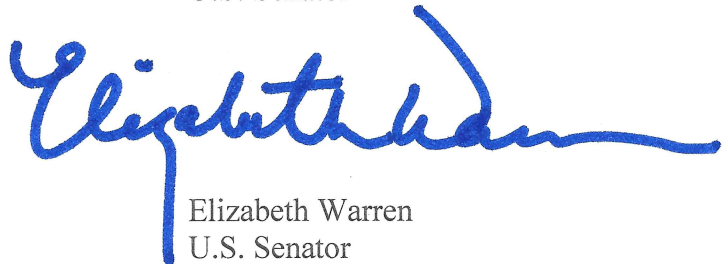
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