

Texas Federal Court Blocks Enforcement of Key Portions of Fair Pay and Safe Workplaces Rules

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A U.S. District Court Judge has ordered a nationwide preliminary injunction blocking the labor law violation disclosure requirements and restriction on use of arbitration agreements portions of the Fair Pay and Safe Workplaces Final Rule and Guidance (“Final Rule”), which were set to take effect on October 25, 2016. *Associated Builders and Contractors of Southeast Texas, et al. v. Rung, et al.*, No. 1:16-cv-00425 (E.D. Tex. Oct. 24, 2016). The Pay Transparency requirements, which take effect on January 1, 2017, were not enjoined. (For more on the Final Rule, see our article, [DOL and FAR Council Publish Final ‘Fair Pay and Safe Workplaces’ Rules for Government Contractors.](#))

In its ruling, the court found the plaintiffs, several large construction and security industry groups, demonstrated a likelihood of success on the merits and irreparable harm, warranting injunctive relief on the labor violation disclosure and arbitration provisions.

The construction and security industry groups [filed a lawsuit](#) to block the Fair Pay and Safe Workplaces Executive Order 13673 and related rule. In response, the court set a temporary restraining order (TRO) hearing for October 21, 2016, just four days before the Executive Order’s requirements were set to go into effect on October 25. (See our article, [Fair Pay and Safe Workplaces Rules ‘Misguided,’ ‘Unlawful’ and Must be Blocked, Says Texas Lawsuit – TRO Hearing Scheduled for October 21.](#))

We will be reporting further on the impact of the court’s order and next steps in the litigation process, which will include a full hearing on the merits of all provisions of the Final Rule.

Executive Order 13673 and Rule, often referred to as the “blacklisting” rules, were finalized in August (see our [fact sheet](#), [article](#), and [webinar](#)).

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