CLIENT ALERTS & INSIGHTS

The Faster Labor Contracts Act Would Permit Federal Government to Impose Union Contract Terms on Employers

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Key Takeaways:

- The proposed Faster Labor Contracts Act would require parties to begin bargaining promptly and, if necessary, submit unresolved first contract negotiations to binding arbitration.
- This change could limit the duration of first-contract negotiations and introduce the potential for arbitrators to set terms that impact employer costs and operations.
- Employers should proactively review their labor relations strategies and ensure internal teams are prepared for a more compressed and structured bargaining timeline.

The federal government may soon be able to impose the terms of first collective bargaining agreements ("CBAs") on private sector employers and unions.

On May 21, 2026, the U.S. House of Representatives obtained the 218 signatures needed on a discharge petition to advance a bill titled, "Faster Labor Contracts Act" ("FLCA") to a floor vote later this month. The legislation has bipartisan support in both the House and Senate, and some observers have speculated that President Trump may ultimately support the measure.

If enacted, the FLCA would fundamentally alter the process by which employers and newly certified unions negotiate first CBAs. Under current federal labor law, there are no time deadlines for parties to negotiate or reach agreement on their first contract. Although employers are required to bargain in good faith, they are not obligated to agree to any particular union proposal. As a result, negotiations for an initial CBA can often extend for many months or even multiple years. In some cases, prolonged negotiations result in unions losing employee support-and bargaining authority-before a first contract is reached.

The proposed legislation would amend the National Labor Relations Act to require employers to begin bargaining within ten (10) days after receiving a request from a newly recognized or certified union. The parties would then have ninety (90) days to negotiate a first CBA. If no agreement is reached, either party may request federal mediation.

If mediation fails to produce an agreement within thirty (30) days, the dispute would be submitted to a three-member arbitration panel. One arbitrator would be selected by the union, one by the employer, and a third would be jointly selected by the parties. The panel would then establish the terms of the parties' first CBA, and those terms would be binding for a minimum of two years.

Of particular concern to employers is the prospect that arbitrators with limited familiarity with a company's operations, financial condition, competitive environment, and workforce needs could impose contract provisions with significant operational and economic consequences. Terms relating to wages, benefits, vacations, scheduling, overtime, discipline, staffing levels, seniority, and job bidding could substantially increase employer labor costs and reduce their operational flexibility.

Given the possibility that this legislation may become law, employers should ensure that human resources professionals and labor relations personnel are aware of these potential changes and are prepared for a significantly accelerated bargaining process in the event employees seek and obtain union representation. Employers who oppose the proposed legislation may also wish to contact their Representatives and Senators to express their views against the measure.

Benesch's Labor and Employment attorneys are available for employers seeking guidance on the proposed FLCA and how to best prepare for negotiations under its new bargaining structure.