

- ii. Project labor agreements. The penalty payments required by paragraphs (c)(1)(ii) and (c)(3)(i)(B) of this section to cure a failure to satisfy the Prevailing Wage Requirements in paragraph (a) of this section do not apply with respect to a laborer or mechanic employed in the construction, alteration, or repair work of a qualified facility if the work is done pursuant to a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project (Qualifying Project Labor Agreement) and any correction payment owed to any laborer or mechanic is paid on or before the date on which the increased credit amount is claimed under section 45(b)(6). In order to be considered a Qualifying Project Labor Agreement, such agreement must at a minimum:
  - (A) Bind all contractors and subcontractors on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;
  - (B) Contain guarantees against strikes, lockouts, and similar job disruptions;
  - (C) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement;
  - (D) Contain provisions to pay prevailing wages at rates not less than the prevailing rates in accordance with subchapter IV of chapter 31 of title 40 of the United States Code;
  - (E) Contain provisions for referring and using qualified apprentices consistent with section 45(b)(8)(A) through (C) and guidance issued thereunder; and
  - (F) Be a collective bargaining agreement with one or more labor organizations (as defined in 29 U.S.C. 152(5)) of which building and construction employees are members, as described in 29 U.S.C. 158(f).