



March 18, 2024

Brent Parton

Principal Deputy Assistant Secretary for Employment and Training

U.S. Department of Labor

Employment and Training Administration

200 Constitutional Ave NW

Washington, D.C. 20210

Re: National Apprenticeship System Enhancements (RIN: 1205-AC13)

Dear Mr. Parton,

We, the undersigned state labor secretaries, workforce development directors, and policy leaders, write to express our collective concerns and reservations regarding this proposed rule on the registered apprenticeship (RA) program issued by the U.S. Department of Labor. We strongly support apprenticeships as a workforce development tool for employers and workers, but the nearly 800-page proposed rule presents significant challenges that hinder rather than facilitate the effective implementation of RA programs at the state level.

Whether we operate a state apprenticeship agency or have direct federal oversight of our states' apprenticeship programs, each of us works with businesses in our states to develop and expand RA programs. We strive to utilize apprenticeships as a tool to achieve our state's workforce development goals, but the rigidity, bureaucracy, and high costs limit our options. Nevertheless, our state labor departments have been thoughtful, creative, and strategic in our deployment of funds to encourage the creation and expansion of RA programs. We receive regular requests from businesses to help cover their start-up costs for RA programs and have utilized federal and, increasingly, state funding to assist.

Over the last decade, our efforts have paid off, and the number of active apprentices in the U.S. has more than doubled.¹ Unfortunately, the new proposed rule will bring this progress to a halt and reverse the momentum we have generated. The proposed rule removes flexibility and imposes significant costs for businesses that wish to train apprentices. To start, it removes the option for businesses to pursue a competency-based approach to RA programs, in which they advance apprentices based on demonstrated skills, and instead requires a minimum number of hours for all programs. This is a completely backward way of approaching skills training. It will have the dual result of discouraging gifted employees who learn quickly as well as adding more costs for employers. A one-size-fits-all approach also fails to account for the variability in

¹ U.S. Department of Labor. (n.d.). Data and Statistics. Retrieved from <https://www.apprenticeship.gov/data-and-statistics>

learning curves across sectors, where some businesses can adequately train all apprentices in less time.

In addition, several provisions of the proposed rule impose significant new costs. One key example is the mandate for businesses to provide apprentices with the same benefits as full-time employees, which jeopardizes the viability of apprenticeship programs. Imposing identical benefit structures for apprentices and full-time employees disregards the fact that apprenticeships are inherently training programs. This additional financial burden may discourage businesses from participating in apprenticeship initiatives, exacerbating the existing workforce gap. As a recent editorial² from *The Wall Street Journal* pointed out, “White-collar interns aren’t typically entitled to the same fringe benefits as full-time workers, so why is DOL requiring employers with blue-collar trainees to do so?”

Lastly, the proposed rule contains several provisions that are irrelevant to the development of successful apprenticeship programs. In particular, the Diversity, Equity, and Inclusion (DEI) mandates embedded within the apprenticeship rule introduce unnecessary administrative burdens and distract from the primary goals of apprenticeship programs: meeting the workforce needs of businesses and creating paths to rewarding careers for workers. The rule would require employers to provide accessible and “equitable” facilities and gear for all workers, essentially removing the possibility that any small or medium-sized business will be able to afford to create an RA program for their business. Furthermore, any state that operates its own apprenticeship agency or hopes to move in this direction will be required to create a plan for advancing DEI in apprenticeship programs across the state. This adds a new layer of state-level bureaucracy and is an inappropriate insertion of governmental micromanagement into what should be industry-driven training programs.

Statistical evidence already shows that apprenticeships are falling short of meeting workforce demands. Despite their potential, apprenticeship programs have not scaled at a pace commensurate with the needs of our dynamic economy, in large part due to the significant investment of time and funds required by federal regulations. Rather than address this issue and reduce barriers to developing RA programs, the proposed rule introduces nearly 800 pages of new bureaucracy and requirements to interpret a national apprenticeship law that is itself only two pages long. Such excessive complexity only complicates the growth of apprenticeships in our states.

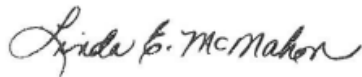
Our collective goal is to create an environment where businesses are incentivized to invest in the development of apprenticeship programs instead of hindered. Businesses are already grappling with the cumbersome and costly process of initiating apprenticeship programs. The proposed rule exacerbates these challenges, further discouraging businesses from engaging in RA initiatives. If it is implemented, states and businesses will be priced out of the RA process entirely and instead rely on other workforce development methods or create alternative, state-level apprenticeship programs that bypass federal requirements entirely.

² The Wall Street Journal Editorial Board. (2023, December 18). Biden to Apprentices: You're Fired. *The Wall Street Journal*. Retrieved from <https://www.wsj.com/articles/departments-of-labor-apprenticeship-rule-biden-administration-unions-ad7c7773>

In conclusion, the current proposed rule undermines state efforts to expand current RA programs and start new ones, adds high costs for businesses, and includes several provisions that are entirely unrelated to the creation of successful RA programs. We strongly urge the Department to reconsider the practical implications of this rule and instead work with states to streamline the process of establishing RA programs. By rescinding the proposed rule and working collaboratively with states, the Department can help develop a more responsive and efficient apprenticeship system that aligns with the diverse needs of our states and businesses.

Thank you for your attention to this matter. We look forward to the opportunity to work together to strengthen and expand apprenticeship opportunities across the Nation.

Respectfully Submitted,



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