

March 18, 2024

#### **VIA FEDERAL E-RULEMAKING PORTAL**

Office of Policy Development and Research, U.S. Department of Labor, Employment and Training Administration 200 Constitution Avenue NW, Room N–5641 Washington, DC 20210

RE: National Electrical Contractors Association Comments Proposed Rule to Modernize Registered Apprenticeship Regulations Docket No. ETA-2023-0004 and Regulatory Identification Number (RIN) 1205-AC13

Dear Ms. Paczynski:

The National Electrical Contractors Association (NECA) is a National Trade Association and the leading voice of the \$225 billion electrical contracting industry that brings power, light, and communication technology to buildings and communities across the U.S. NECA collectively represents over 4,000 electrical contractor members served by 118 local chapters across the country. NECA employs a unionized workforce with contracts collectively bargained with the International Brotherhood of Electrical Workers (IBEW).

NECA is submitting comments on the U.S Department of Labor's ("DOL") Proposed Rule to Modernize Registered Apprenticeship ("Proposed Rule"). The Proposed rule attempts to amend existing regulations that federal registered apprenticeship programs have largely followed over the last 80 years with amendments within those years. This Proposed Rule is the largest overhaul of the federal registered apprenticeship system since the reorganization to the Employment and Training Administration ("ETA") and creation of the Office of Apprenticeship ("OA") in 2006.

NECA and IBEW understand firsthand the numerous benefits of quality, formalized training in the electrical construction industry. Over 70 years ago, NECA and IBEW developed the nonprofit Electrical Training Alliance (etA). The etA's affiliated local NECA-IBEW training programs have trained and graduated over 350,000 apprentices, making them the largest training providers for electrical workers in the nation. The Alliance's related training programs currently have some 300 construction training centers in operation<sup>2</sup> and contribute over \$200 million in annual investments in apprenticeship training efforts. Such training is provided at no cost to participants or taxpayers. Additionally, apprentices learn while they earn, and also receive health and retirement benefits. To combat the inherent safety risks of electrical construction and ensure that

<sup>&</sup>lt;sup>1</sup> Electrical Training Alliance, https://www.electricaltrainingalliance.org/AboutUs.

<sup>&</sup>lt;sup>2</sup> A map of the joint training programs of the National Electrical Contractors Association (NECA) and the IBEW is available at http://www.electricaltrainingalliance.org/locateaTrainingCenter/Inside.



projects are completed successfully, journey-level IBEW members obtain numerous safety and technical certifications as part of their apprenticeship training. IBEW electricians also obtain additional qualifications in various continuing education courses due to the ever-evolving technological advancements and safety imperatives that frequently arise within the electrical field.

#### I. Introduction

The registered apprenticeship system is one of the best tools the federal government has that connects workers with in-demand skills with good-paying jobs, as well as provide employers with a pipeline of talented workers. At the forefront of the registered apprenticeship system are the construction registered apprenticeship programs with over 220,000 registered apprentices comprising over 156,000 registered apprentices unionized in 2023, a growth of 63% since 2014<sup>3</sup>. According to the Department of Labor (DOL), 90 percent of people who complete a Registered Apprenticeship are employed upon completion, earning an average starting wage of above \$80,000 annually<sup>4</sup>. Businesses also earn \$1.44 back for every dollar invested in their Registered Apprenticeship program<sup>5</sup>.

Joint apprenticeship programs in the building trades advance economy and efficiency by continuously updating and improving the value and relevance of their training. This is done through ongoing national instructor preparation and upgrading, arranging for college credit for learning during apprenticeships, and expansion of journey-level update training. Research confirms that: (1) union programs enroll the majority of building trade registered apprentices, (2) the apprentice completion rates from union programs are higher than from non-union programs, (3) union programs enroll non-traditional populations in higher numbers and at higher rates than do non-union programs, and (4) the apprentice completion rates of non-traditional populations from union programs is higher than from non-union programs.<sup>6</sup>

This level of commitment and deep-rooted experience should be at the forefront of the Department's attention to ensure that any rulemaking does <u>not</u> undermine the existing registered apprenticeship system and programs in any way. While there are much needed reforms, clarifications, and changes 29 CFR 29 and 29 CFR 30, such as better alignment of the pre-apprenticeship definition, the framework of 'apprenticeability' and 'suitability', improvements to national guideline standards, and better alignment between OA and State Apprenticeship Agencies

<sup>&</sup>lt;sup>3</sup> See, <a href="https://www.apprenticeship.gov/data-and-statistics">https://www.apprenticeship.gov/data-and-statistics</a>

<sup>&</sup>lt;sup>4</sup> See, https://www.apprenticeship.gov/sites/default/files/IndustryFS-Apprenticeship101-081623-508.pdf

<sup>&</sup>lt;sup>5</sup> Kuehn, Daniel, Siobhan Mills De La Rosa, Robert Lerman, and Kevin Hollenbeck. 2022. *Do Employers Earn Positive Returns to Investments in Apprenticeship? Evidence from Registered Programs under the American Apprenticeship Initiative*. Report prepared for U.S Department of Labor Employment and Training Administration. Rockville, MD: Abt Associates; and Washington, DC: Urban Institute

<sup>&</sup>lt;sup>6</sup> Anneta Argyres and Susan Moir, *Building Trades Apprentice Training in Massachusetts: An Analysis of Union and Non-Union Programs*, 1997-2007 at iv (Oct. 2008), *available at* https://scholarworks.umb.edu/cgi/viewcontent.cgi?article=1001&context=lrc\_pubs.



(SAA). The Proposed Rule presents major concerns that threaten the overall registered apprenticeship system that the NECA, IBEW and the Alliance have relied on for over 70 years. The Department's new proposal of a 'CTE Apprentice' and 'CTE Apprenticeship Program' raises major concerns and could have detrimental effects on the existing construction trades apprenticeship programs, safety of apprentices and contractors, and exploitation of bad actors. The Proposed Rule also includes the new 'National Occupational Standards for Apprenticeship', minimum standards petition, and the prohibition on non-compete and non-disclosure clauses.

In fact, NECA's CEO David Long was appointed to the Department of Labor's Advisory Committee on Apprenticeship in 2021<sup>7</sup>, where over the course of two years developed a comprehensive report on numerous of ways to advance the registered apprenticeship system into the 21<sup>st</sup> century. While the Department has incorporated many of the proposals put forward by the committee, we are concerned some of the proposals included in this Proposed Rule were not recommended by the committee and rejected<sup>8</sup>.

As we continue to see the electrification of America, the reliance of NECA-IBEW JATCs to produce the workforce needed to perform this work is magnified to meet the demand. With the investments the 117<sup>th</sup> Congress made with the Bipartisan Infrastructure Law, CHIPs and Science Act, and the Inflation Reduction Act, the construction and energy sectors of the economy are seeing unprecedented investments. NECA and the IBEW are tirelessly working together to meet the demands from the federal government and private sector by finding innovative ways to increase our capacities within our JATC's all the while maintaining our 'gold standard' of training.

The phrase 'apprenticeship' and 'apprentice' have been gaining popularity in recent years as we see a trend from the college pathway and towards the attractiveness of the 'earn-while-you-learn' model. The building trades have exemplified that model in the construction industry and other industries such as nurses, auto mechanics, cooking, and teachers see this as a successful way to train the workforce tomorrow. While we understand the eagerness of these industries to participate in the registered apprenticeship system, it is imperative that any changes the Department intends to make should <u>not</u> in any way hurt existing registered apprenticeship programs, particularly those in the construction industry. The comments and recommendations provided are highly recommended for inclusion in the final rule.

# II. Career and Technical Education Apprenticeship (29 CFR 29.24(a) through 29.24(g)) NECA Oppose the Creation of CTE Apprenticeships:

The work performed in the building and construction trades involves hazardous work being performed especially in the electrical industry. NECA-IBEW JATC's provide a detailed

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<sup>&</sup>lt;sup>7</sup> See, "https://www.dol.gov/newsroom/releases/eta/eta20210920"

<sup>&</sup>lt;sup>8</sup> Advisory Committee on Apprenticeship (ACA), *Biennial Report to the Secretary of Labor*, p. 8-9, (May 10, 2023), <a href="https://www.apprenticeship.gov/sites/default/files/Final%20ACA%20Biennial%20Report%20-%20May%2010%202023.pdf">https://www.apprenticeship.gov/sites/default/files/Final%20ACA%20Biennial%20Report%20-%20May%2010%202023.pdf</a>



curriculum and credentialing to ensure that the apprentice is well versed in their craft. NECA-IBEW takes the safety of their workers seriously. The Department's proposal of 29 CFR 29.24 creates newly established 'CTE' registered apprenticeship for high school students and young adults. The Proposed Rule intended to align with secondary and postsecondary State-approved CTE programs, namely those funded by the Carl D. Perkins Career and Technical Education Act of 2006. According to the Proposed Rule, this new CTE model would create additional apprenticeship opportunities and would expand the benefits of apprenticeship and maximize its workforce development potential for "individuals who are in the early stages of career development, such as students in high school and postsecondary students...[and] businesses looking to expand their talent pipelines.<sup>9</sup>"

Under the Proposed Rule, CTE programs are required to meet a less stringent set of requirements than traditional registered apprenticeship programs would meet. The 'CTE program' would need to provide at least 900 hours of on-the-job training ("OTJ"). This is far less than the existing or proposed requirements of 2,000 hours of OTJ and 144 hours of RTI per year. It is to note, to be a journey worker electrician currently, you must complete 8,000 hours of OTJ and 900 hours of RTI currently required as of 2019 etA approved standards. The Proposed Rule continues on detailing this new model intends to provide CTE apprentices with 'industrywide skills and competencies' and an 'industry-recognized credential.' The end goal of such a program will have these CTE apprentices place into employment, postsecondary education, or enter into a registered apprenticeship program.

However, the Proposed Rule would undermine the work registered apprenticeship programs have already been done with CTE focused secondary education schools. North America's Building Trades Union (NABTU) and their signatory contractors have already developed the Multi-Craft Core Curriculum (MC3) specifically developed for the use in different educational settings, including adult re-entry programs, justice involved programs, and CTE high schools, to prepare students for entering registered apprenticeship programs<sup>10</sup>. According to Dale Belman at the Institute for Construction Economic Research, "Approximately 50 CTE high schools and community colleges across the US have adopted the MC3 as part of their CTE curriculum. NABTU has received formal approval for the MC3 by State Education Departments in California, Maryland, Michigan, Ohio, and Louisiana. State approval is pending in Texas, Florida, and New York. How the MC3 fits into a school's CTE curriculum and academic calendar is up to the school district and the local Building Trades Council, which has local jurisdiction over the MC3.<sup>11</sup>" The MC3 program has already developed and tested the requisite minimum 120 classroom hours to be taught to a wide range of potential students. This program has been widely successful in preparing CTE students into a full registered apprenticeship program having over 10,000 successfully complete the program and able to effectively recruit non-traditional workers into the trades with

<sup>&</sup>lt;sup>9</sup> Federal Register / Vol. 89, No. 11 / Wednesday, January 17, 2024 / Proposed Rules, "National Apprenticeship System Enhancements," p. 3190.

<sup>&</sup>lt;sup>10</sup> See, <a href="https://nabtu.org/apprenticeship-and-training/apprenticeship-readiness-programs/">https://nabtu.org/apprenticeship-and-training/apprenticeship-readiness-programs/</a>

<sup>&</sup>lt;sup>11</sup> **Belman, D.** (2022, July). Registered Apprenticeship in Construction: Built to Last?. [ICERES]. Retrieved from https://iceres.org/wp-content/uploads/2022/07/Registered-Apprenticeship-in-Construction-Built-to-Last.pdf



those demographics being 75 to 80 percent people of color and on average 20 to 25 percent women<sup>12</sup>.

The etA has also been following the lead of NABTU's MC3 program with their own preapprenticeship program. They have already begun with over 45 schools across the country with 15 or more to sign up for next years' school year. They have gained approval from for different states and inquiring with several others of how to gain approval.

Additionally, the Advisory Committee on Apprenticeship in their report gave no mention to a 'CTE apprentice' or the Department should explore any ulterior mode of apprenticeship other than the registered apprenticeship model. The committee in its interim report and biannual report specifically stated<sup>13</sup>:

"Youth apprenticeship program means an apprenticeship program registered with the U.S. Department of Labor or an authorized state apprenticeship agency that:

- (1) Fulfills all existing registered apprenticeship requirements;
- (2) Serves youth age 16-21 at the time of enrollment;
- (3) Requires high school graduation or equivalency as a requirement for apprenticeship completion;
- (4) May include pre-apprenticeship activities incorporated into the registered program for the first 2,000 OJT hours or 25% of OJT hours, whichever is less, to meet the unique onboarding needs of youth; and
- (5) May offer a part-time rather than full-time work schedule.

School-based youth apprenticeship program means an apprenticeship program registered with the U.S. Department of Labor or an authorized state apprenticeship agency that:

- (1) Fulfills all existing registered apprenticeship requirements;
- (2) Serves in-school youth age 16-21 at the time of program enrollment who have not yet received a high school diploma or equivalent and are attending secondary school, including alternative school;
- (3) Requires high school graduation or equivalency as a requirement for apprenticeship completion;
- (4) In partnership with the school, issues academic credit toward the high school diploma for documented on-the-job training work hours;
- (5) May include pre-apprenticeship activities incorporated into the registered program for the first 2,000 OJT hours or 25% of OJT hours, whichever is less, to meet the unique onboarding needs of youth; and
- (6) May offer a part-time rather than full-time work schedule."

This report by the subcommittee on pathways spent over two years with members from a diverse background to offer the best recommendations of how to enhance youth engagement into the

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<sup>12</sup> Id.at 11

<sup>&</sup>lt;sup>13</sup> U.S. Department of Labor, Employment and Training Administration. Pathways to Apprenticeship: Final Issue Paper. Retrieved from <a href="https://www.apprenticeship.gov/sites/default/files/Pathways%20Final%20Issue%20Paper.pdf">https://www.apprenticeship.gov/sites/default/files/Pathways%20Final%20Issue%20Paper.pdf</a>



registered apprenticeship system. The Department should revisit the subcommittee's report and the biannual report and reconsider their recommendations.

CTE programs sponsors in the Proposed Rule have the ability to petition the DOL for a waiver for any of the minimum standards or requirements, without articulating reasonable cause. Therefore, while the NPRM details minimum standards, including the core factors of a traditional registered apprenticeship program of progressive wage scales, apprentice-to-journeyworkers requirements, and industrial-aligned credentials, that can be subverted through these unvetted petitions.

Taking this all into consideration, the creation of the CTE Apprenticeship Program could itself be manipulated in such a way that would be harmful to the potential participants and to the registered apprenticeship system. The bad actors who intend to use such a program could exploit these CTE participants to maximize their own profits while providing the least amount of learning, training, and credentials intended to take place. The registered apprenticeship system has established procedures and mechanisms in place to provide across-the-board minimum standards that cannot be evaded or waivered. Additionally, this new CTE model could end up subverting the registered apprenticeship program entirely by providing just enough training and competencies to advance the CTE apprentice into the field. This can potentially create a broken workplace and an especially dangerous environment on construction worksites. The CTE Apprenticeship model proposed by the Department can intake participants as young as 16 years old into their program. This would model would not be applicable to the building and construction industry as the Department has repeatedly determined building and construction has hazardous work therefore prohibiting people under the age of 18 from performing a wide variety of construction tasks. The electrical industry poses inherit risks such as

- Medium and High Voltage Switching and Grounding
- Cable ID Cutting/Spiking Cables
- Live Line Barehand Work
- Helicopter Human External Cargo
- Wire splicing
- Arc Flash

Furthermore, the Department's Wage and Hour Division (WHD) has seen a concerning rising level of child labor law violations in recent years<sup>14</sup>. In response, the WHD initiated a national child labor strategic enforcement initiative in every investigation they conduct and have enter into an interagency task force on combating federal child labor violations<sup>15</sup>. In their findings they found almost 5,792 children had been illegally employed with 196 compliance actions with hazardous occupations and 502 cases of young workers employed in violation of hazardous occupation orders<sup>16</sup>. The CTE apprenticeship program proposed by the Department would run counter to what

<sup>&</sup>lt;sup>14</sup> U.S. Department of Labor, Wage and Hour Division. Child Labor - Charts. Retrieved from <a href="https://www.dol.gov/agencies/whd/data/charts/child-labor">https://www.dol.gov/agencies/whd/data/charts/child-labor</a>

<sup>&</sup>lt;sup>15</sup> U.S. Department of Labor, Wage and Hour Division. Child Labor - Data. Retrieved from <a href="https://www.dol.gov/agencies/whd/data/child-labor">https://www.dol.gov/agencies/whd/data/child-labor</a>

<sup>&</sup>lt;sup>16</sup> Id. at 15



other sub-agencies are working to combat child labor violations and give rise to conflicting initiatives that will only further compound the rise of child labor violations in the country and potential legitimize them.

NECA shares the same goal as the Department to increase youth participation in registered apprenticeship programs. Currently, the average age of an apprentice entering a NECA-IBEW JATC is approximately 28 years old. As we see an aging workforce, its imperative we bring in youth apprentices into our JATCs across the country. This would not only benefit NECA and IBEW by gaining new members, but also help the worker by avoiding taking on considerable student debts through college before entering our JATC.

CTE apprenticeship programs and the participants could be used in a bait-and-switch tactic as a cost saving mechanism by supplanting those from traditional registered apprenticeship programs. As detailed above, these programs provide far less OTJ, RTI, safety training, and can be petitioned to be modified or waivered without proper oversight thus reducing significant overhead costs to those in the CTE apprenticeship system. This could rapidly undercut the use of highly skilled apprentices and journeyworkers that are critically needed. While the definitions provide some clarity that CTE apprentice is different from an apprentice from a registered apprenticeship program it is critical the Department make absolute clear that CTE apprentice are not 'apprentices' for the purpose of enacted federal legislation that provides certain privileges and enhanced benefits on program sponsors of registered apprenticeship program and signatory employers.

If the Department so chooses to proceed further with the CTE apprenticeship model, it should make extremely clear all aspects of the CTE apprenticeship proposal should not infringe on Davis-Bacon and Related Acts, Prevailing Wage and Apprenticeship Utilization in the Inflation Reduction Act, Executive Order 14119—Scaling and Expanding the Use of Registered Apprenticeships in Industries and the Federal Government and Promoting Labor-Management Forums, or any other existing federal law, executive order, or subsequent regulations that may provide benefits to program sponsors and subsequent signatory contractors utilizing registered apprentices.

NECA recommends the best way to pursue this approach either modifying the existing registered apprenticeship system by providing new tools for 'youth-focused' registered apprenticeship training or by promoting the development of quality pre-apprenticeship programs such as the MC3 core program by NABTU or pre-apprenticeship curriculum provided by the etA detailed above. These pre-apprenticeship programs by NABTU and etA have established relationships with one or more registered apprenticeship programs that provide the skills needed at each step of the process. The Department can propose various tools and regulatory guidance on pre-apprenticeships that would allow the trustees of the JATCs to expand these programs to satisfy EEO requirements and design specific programs to target various classes without violating ERISA fiduciary obligations.



For the reasons provided above, NECA strongly recommends the Department remove 29 CFR 29.24 entirely from the final rule. Additionally, the Department should consider other methods to expand apprentice opportunities with youth, secondary education, and other specifically targeted classes, such as promoting the use of pre-apprenticeship programs that have a signed agreement with at least one registered apprenticeship program.

# III. "Apprenticeship Agreements" and Prohibitions on Non-Compete and Non-Disclosure Clauses

The Proposed Rule intends to instate a prohibition on non-compete agreements between the registered apprenticeship program sponsor or their signatory employers and an apprentice. Additionally, in the Proposed rule put forward presents an overly broad definition of what constitutes of a no-compete agreement and would be a chilling message to those agreements used by trustees in many of NECA-IBEW JATCs. These non-compete clauses, or as utilized in widely used agreements as 'scholarship loan agreements' (SLAs), do not prohibit the apprentice from economic or geographical mobility, nor should they be constituted as predatory. NECA asks the Department to take careful consideration of how these SLAs are implemented before issuance of the Final Rule.

To begin with, NECA-IBEW JATCs provided free training to apprentices across the country. Our JATCs collectively invest over \$200 million each year in private investments at no cost to the apprentice. The formulation of our JATCs is decided by an equal representation of employer and labor trustees that are duty bound by ERISA to ensure that these funds are spent to the betterment of the apprentice. These SLA's agreements detail the costs of the training being provided and agrees to repay those costs in primarily two forms:

- 1. In working within the trade for a signatory contractor that is required to make contributions into the JATC trust that funds apprentices and journeyworkers training
- 2. Reimbursement in cash from the apprentice

There has been an alarming trend to the use of non-compete agreements in the labor market, in particular, the trucking industry<sup>17</sup>. These types of agreements are made by the employer typically directly to the worker without any representation or clear understanding of what the worker is signing. These agreements restrict the workers geographical mobility, economic mobility, and able to seek new employment. The SLA's used by NECA-IBEW are done with the input of both parties at the table. One of the advantages of the NECA-IBEW training model is that apprentices and journeyworkers are able to have geographical freedom and be able to work across America because of the training from etA and their JATC. NECA-IBEW JATCs are able to provide national training and credentials that are nationally portable across the country. There's over 4,000 NECA signatory contractors across the country and with 300 approximate training centers. There is a clear abundance of opportunities for apprentices to maximize their apprenticeship training.

<sup>&</sup>lt;sup>17</sup> CNBC. (2023, January 5). US targets non-compete clauses that block workers from getting better jobs. Retrieved from <a href="https://www.cnbc.com/2023/01/05/us-targets-non-compete-clauses-that-block-workers-from-getting-better-jobs.html">https://www.cnbc.com/2023/01/05/us-targets-non-compete-clauses-that-block-workers-from-getting-better-jobs.html</a>



As stated above, SLA's are agreed upon terms from a collective bargaining agreement (CBA) represented of both employers and labor of how the JATC operates. These trustees and the trusts they govern under the legal purview of ERISA. The trustees must ensure that these funds are administered in accordance with their fiduciary duties for exclusively providing benefits to participants and their beneficiaries. By ensuring the funds they provide are properly administered, SLA's provide a safe harbor for trustees in line with ERISA.

If the Department decides to proceed as is with the Proposed rule, this may cause a chilling affect of training opportunities. Trustees may be less likely to enroll additional apprentices out of fear that they may leave the program. Accordingly, the trustees will become more risk-averse and need to seek other in-kind costs to make up the differences.

# IV. Development of National Occupational Standards for Apprenticeship, National Program Standards for Apprenticeship and National Guidelines for Apprenticeship Standards

The Department proposes in 29 CFR 29.13 the establishment of 'National Occupational Standards for Apprenticeship'. This new provision is described as industry-validated standards that are national in scope and can be used to accelerate the development of a registered apprenticeship program by enabling potential sponsors to quickly develop a set of standards of apprenticeship particular to their proposed program and aligning with the apprenticeship training standards for the occupation as advanced by stakeholders and experts in their industry. NECA finds this new method as duplicative because currently regulations already set out and provide for necessary minim standards for apprenticeship programs. The Department's already provides resources and tools to interested program sponsors to readily create standards for their own unique apprenticeship. While the Department acknowledged the engagement of stakeholders will not become a 'first-come, first-serve', but changing administrations would be selectively be able to choose who would get priority.

Additionally, under the current regulations NECA-IBEW JATCs operate under National Guideline Standards specifically intended for the local JATCs and can specifically tailor their program to meet the needs of state and local requirements and adjust to add specific advance training courses as they see fit. There are various state and local requirements i.e., licensing and certifications, to be able to perform in that locality and they need to have the flexibility to adapt to their specific needs.

Forcing a new model on the National Occupational Standards would create confusion and mass disagreement with those in the industry. Additionally, this would remove any local autonomy the local JATCs could have of designing their unique programs and require them to include frivolous requirements. This could create undue burdens on local JATCs by conforming to standards they may not had a say in, duplicative, or unrelated to the economic conditions in which the JATC is located. Lastly, the economic conditions of country rapidly change such as EV charging, hydrogen technologies, geothermal energy, and the development of small modular reactors. The registered



apprenticeship system needs to have the ability to adapt to new technologies that come into their local economy. These local JATCs cannot wait for new National Occupational Standards to be debated in order to meet the local economic needs of their area.

### V. Minimum On-The-Job Training and Related Instruction Requirements

NECA supports the Departments of 29 CFR 29.8(a)(4) proposal of setting minimum requirements of 2,000 hour of OTJ and 144 hours of RTI per every 2,000 hours of OTJ. NECA, IBEW, and our training partners of the etA have developed a strong curriculum to ensure the high level of training for apprentices through their apprenticeship. By setting these minimum standards, it not only recognizes what we already provide, but also increases the overall safety of all apprentices and journeyworkers on a job site.

### VI. Roles and responsibilities of OA

NECA supports the Department's 29 CFR 29.3(c) proposal which designates more authority to OA to determine which occupations are suitable for registered apprenticeship program. While the apprenticeship model has grown in popularity in recent years due to its ability to train a workforce while earn-while-you-learn model, that does not mean every occupation is suitable for an apprenticeship. There has been an alarming trend in recent years for State Apprenticeship Agencies (SAAs) that have not been following federal guidance as stated in 29 CFR 29.4 whether an occupation is 'apprenticeable' or now 'suitable'. As a result, states like Florida's Department of Education<sup>18</sup> and Virginia's Department of Labor and Industry<sup>19</sup> have approved 'solar technician' apprenticeship programs. These SAA's and registered programs run counter to what the National Apprenticeship Act was intended to prevent — the deskilling or splicing of existing registered apprenticeship programs. While these are just two examples of SAA's approving of registered apprenticeship programs, there has been an alarming rate of these programs wanting approval with the buzz word of 'green energy' circulating public discussion. Most of these 'green energy' jobs have been performed by traditional building and construction trades for decades prior and have only gained national discussion due to new federal incentives in the Bipartisan Infrastructure Law, CHIPs and Science Act, and Inflation Reduction Act. This issue became so prevalent within SAA states that in August 25, 2023 Administrator John Ladd had to issue a bulletin<sup>20</sup> reinforcing procedures laid out in a work process schedule, considering the criteria in 29 CFR 29.4, and ultimately made the decision that OA will not approve of solar panel installation occupations. NECA supports the OA in issuing out this bulletin but raises concerns that this had to be issued out in the first place.

<sup>&</sup>lt;sup>18</sup> Florida Solar Apprentice, FAQ, Retrieved from https://floridasolarapprentice.com/faq/

<sup>&</sup>lt;sup>19</sup> Misbrener, K. (2022, June 6). Secure Futures' apprenticeship program is creating solar jobs in Virginia coal country. Solar Power World. Retrieved from <a href="https://www.intuit.com/blog/social-responsibility/powering-renewable-career-pathways-through-solar-energy-in-virginia-and-west-virginia/">https://www.intuit.com/blog/social-responsibility/powering-renewable-career-pathways-through-solar-energy-in-virginia-and-west-virginia/</a>

<sup>&</sup>lt;sup>20</sup> U.S DOL, Office of Apprenticeship, Bulletin No. 2023-124 (August 25, 2023);



Therefore, NECA supports the revised changes in 29 CFR 29.26 that installs new procedures SAAs have when approving of registered apprenticeship program. SAA states have been delegating their authority to 'councils' or other bodies to grant them decision making of program registration. NECA opposes this and agrees with the Proposed Rule that this authority only is with OA or an approved SAA state within compliance. The National Apprenticeship Act makes clear in 29 CFR 29.1:

"Authorizes and direct the Secretary of Labor 'to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to extend the application of such standards by encouraging the inclusion thereof in contracts of apprenticeship, to bring together employers and labor for the formulation of programs of apprenticeship, to cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship'..."

This gives clear direction that the authority lies within the Department of Labor, the Secretary of Labor, and approved State government entities. While these councils have a voice that should be considered, the ultimate decision shall rest with the Department or in-compliance SAA. Therefore, NECA supports the Department's proposals of new recognition of SAAs and amending the roles and responsibilities.

## VII. Department use of New Apprenticeship Reporting Metrics

NECA is in favor of stronger reporting and enforcement provisions for registered apprenticeship programs. The Department should implement new program metrics, including completion rate and cohort completion rate. This will allow Department officials in regional offices and SAA states to have a better understanding of programs not meet basic goals of recruiting, training, and graduating apprentices. The Department continues that these poorly performing programs may benefit from technical assistance from the Department, but not clearly defining when those poor performance metrics cross into remedial or enforcement actions.

The Department should set minimum thresholds for deregistration of a program if a program fails to graduate zero apprentices for consecutive years or fails to graduate zero apprentices for multiple years within a given period. NECA acknowledges this enforcement should be narrowly tailored and specific to the building and construction trades due to its long-standing relationship with the registered apprenticeship system.

### VIII. Conclusion

NECA-IBEW JATCs have been the 'gold standard' of the registered apprenticeship system for the last 80 years and will continue to do so. The registered apprenticeship system has not been adequately updated since the Department reorganization almost 20 years ago to meet the demands of the 21<sup>st</sup> century economy. The Department in their rule making process must prioritize that any new rules governing these programs should only be to the benefit of the



building and construction registered apprenticeship programs. These programs are the backbone of the registered apprenticeship system and should continue to thrive into the 21<sup>st</sup> century. The Department should take careful consideration to ensure that programs like NECA-IBEW programs continue to thrive more now than ever, given the historic investments made possible by Bipartisan Infrastructure Law, CHIPs and Science Act, and the Inflation Reduction Act.

Sincerely,

David Long NECA CEO