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29 CFR Part 29

**Apprenticeship Programs, Labor
Standards for Registration, Amendment of
Regulations; Proposed Rule**

DEPARTMENT OF LABOR**29 CFR Part 29**

RIN 1205-AB50

Apprenticeship Programs, Labor Standards for Registration, Amendment of Regulations**AGENCY:** Employment and Training Administration, Labor.**ACTION:** Notice of Proposed Rulemaking (NPRM); Request for comments.

SUMMARY: The Department of Labor (DOL or Department) is issuing a Notice of Proposed Rulemaking (NPRM) to update the regulations that implement the National Apprenticeship Act of 1937, 29 U.S.C. 50. On February 18, 1977, the Department promulgated 29 Code of Federal Regulations (CFR) part 29 to establish, for certain Federal purposes, labor standards, policies and procedures for the registration, cancellation and deregistration of apprenticeship programs, and apprenticeship agreements. Part 29 also provided for the recognition of a State Apprenticeship Agency as an agency authorized to register local apprenticeship programs for Federal purposes, and for the revocation of such recognition. In the succeeding 30 years, the American economy and workforce have changed significantly. The proposed rule addresses those changes by both making the procedures for apprenticeship program registration more flexible and by strengthening oversight of program performance. The proposed rule also updates part 29 to incorporate gender neutral terms and technological advances in the delivery of related technical instruction. Such revisions will enable DOL to promote apprenticeship opportunity in the 21st century while continuing to safeguard the welfare of apprentices.

DATES: The Department invites interested persons to submit comments on this proposed rule. To ensure consideration, comments must be in writing and must be received on or before February 11, 2008.

ADDRESSES: You may submit comments, identified by Regulatory Information Number (RIN) 1205-AB50, by either one of the two following methods:

- *Federal e-Rulemaking Portal:* www.regulations.gov. Follow the Web site instructions for submitting comments.
- *Mail/Hand Delivery/Courier:* Written comments, disk, and CD-Rom submissions may be mailed or delivered by hand delivery/courier to Thomas M. Dowd, Administrator, Office of Policy

Development and Research, U.S. Department of Labor, 200 Constitution Avenue NW., Room N-5641, Washington, DC 20210.

Instructions: Please submit one copy of your comments by only one method. All submissions received must include the agency name, as well as RIN 1205-AB50.

Please be advised that the Department will post all comments received on www.regulations.gov without making any change to the comments, including any personal information provided. The www.regulations.gov Web site is the Federal e-rulemaking portal and all comments posted there are available and accessible to the public. Therefore, the Department recommends that commenters safeguard their personal information such as Social Security Numbers, personal addresses, telephone numbers, and e-mail addresses included in their comments. It is the responsibility of the commenter to safeguard his or her information.

Also, please note that due to security concerns, postal mail delivery in Washington, DC, may be delayed. Therefore, in order to ensure that comments receive full consideration, the Department encourages the public to submit comments via the Internet as indicated above.

Docket: The Department will make all the comments it receives available for public inspection during normal business hours at the above address. If you need assistance to review the comments, the Department will provide you with appropriate aids such as readers or print magnifiers. The Department will make copies of the proposed rule available, upon request, in large print or electronic file on computer disk. The Department will consider providing the proposed rule in other formats upon request. To schedule an appointment to review the comments and/or obtain the proposed rule in an alternate format, contact the office of Thomas M. Dowd at (202) 693-3700 (VOICE) (this is not a toll-free number) or (877) 889-5627 (TTY/TDD). You may also contact Mr. Dowd's office at the address listed above.

FOR FURTHER INFORMATION CONTACT: Sherril Hurd, Acting Regulation Unit Team Leader, Office of Policy Development and Research, U.S. Department of Labor, 200 Constitution Avenue NW., Room N-5641, Washington, DC 20210; E-mail hurd.sherril@dol.gov; Telephone (202) 693-3700 (this is not a toll-free number).

Individuals with hearing or speech impairments may access the telephone

number above via TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION: This preamble is divided into three sections. Section I provides general background information on the development of the proposed revisions to 29 CFR part 29. Section II is a section-by-section analysis of the proposed regulatory text. Section III covers the administrative requirements for this proposed rulemaking as mandated by statute and executive order.

I. Background

The National Apprenticeship Act of 1937 authorized DOL

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, and to cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship

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In the 30 years since the Department promulgated the existing standards at 29 CFR part 29 that provide for the registration of apprenticeship programs, technological advances, demographic changes, and globalization have significantly altered the context in which apprenticeship programs operate. The revision of part 29 will enable the National Apprenticeship System to keep pace with changes in the economy and corresponding workforce challenges, continue apprenticeship's vital role in developing a skilled, competitive workforce, and further promote registered apprenticeship as an important talent development strategy offered through the public workforce investment system. For example, the proposed revisions enhance flexibility in the requirements for provision of related technical instruction, permit competency-based progression through an apprenticeship program, and establish requirements for education and training of apprenticeship instructors that align with developments in the workforce and education systems.

In developing the proposed rule, DOL consulted extensively with its Advisory Committee on Apprenticeship (ACA). Chartered under the Federal Advisory Committee Act (FACA), the ACA provides advice and recommendations to the Secretary of Labor (Secretary) on a wide range of matters related to apprenticeship. The ACA is comprised of approximately 30 members with equal representation of employers, labor organizations, and the public. In June

2006, the ACA unanimously adopted the draft regulatory text developed by the Committee's Work Group on Regulations and Competency-Based Training and, in August 2006, forwarded the recommended text to the Department. The ACA's recommendations focused on the provisions of existing part 29 (§§ 29.1 through 29.11) that pertain to apprenticeship program standards, registration and deregistration.

In addition to updating the provisions that address DOL's registration and oversight of apprenticeship programs, the Department proposes to revise the provisions of existing part 29 (§§ 29.12 and 29.13) that pertain to administration of the National Apprenticeship System. The Department drafted the proposed regulatory text with input from the National Association of State and Territorial Apprenticeship Directors (NASTAD) and from State Apprenticeship Agencies. The proposed provisions effectuate the Department's mandate under the National Apprenticeship Act by establishing clear accountability within the National Apprenticeship System.

II. Summary and Discussion of Regulatory Provisions: Labor Standards for the Registration of Apprenticeship Programs

Throughout the proposed rule, the name of the organization in DOL that is responsible for apprenticeship has been changed from the Bureau of Apprenticeship and Training (BAT) to reflect its current name, the Office of Apprenticeship. All language that was gender specific has been modified to a gender-neutral term (e.g., journeyman has been changed to journeyworker).

Purpose and Definitions (§§ 29.1 and 29.2)

Proposed revisions in § 29.1(b) add an additional purpose to this section to "promote apprenticeship opportunity." This addition would further articulate the Department's mandate under the National Apprenticeship Act of 1937 to expand the National Apprenticeship System. In recent years, the Department has engaged in several pilot and demonstration programs to expand apprenticeship opportunities for workers in industries that have not traditionally used the registered apprenticeship model. This proposed addition would implement the Department's intention to further expand registered apprenticeship into new industries and occupations, and to continue to align registered apprenticeship with the changing

workforce needs of business and industry.

The Department proposes to delete existing § 29.1(c), which provides contact information for individuals requesting further information about part 29. The information in this paragraph is out-of-date. The Department has determined that contact information should not be codified, given the rate at which it becomes obsolete, so § 29.1(c) is proposed for deletion.

Proposed § 29.2 clarifies and redesignates existing definitions and establishes new definitions for certain terms used in the registration of apprenticeship programs and in the ongoing operations of the National Apprenticeship System. Proposed § 29.2 organizes the definitions alphabetically. Thus, there is no longer a need to designate paragraphs in this section using an alphanumeric format. In addition, the proposed rule adds new definitions for the terms "competency," "electronic media," "interim credential," "journeyworker," "Office of Apprenticeship," "provisional registration," "State office," "supplemental instruction," "technical assistance," and "transfer." Most of the revisions and additions reflect changes that State Apprenticeship Agencies, apprenticeship program sponsors, and the Department have incorporated into the National Apprenticeship System in the last decade. Those proposed definitions provide underpinnings for proposed provisions that offer greater flexibility for registered apprenticeship programs to address changing workforce demands.

The Department proposes to carry forward the following existing definitions for terms defined in the current regulations: "administrator," "apprentice," "apprenticeship program," "cancellation," "Department," "employer," "Federal purposes," "registration of an apprenticeship agreement," "registration of an apprenticeship program," "sponsor," and "State." Accordingly, the Department is not inviting comment on those terms.

Proposed § 29.2 revises the existing definitions for "apprenticeship agreement" and "apprenticeship committee" to clarify that an apprenticeship agreement is between an apprentice and either the apprentice's program sponsor, or an apprenticeship committee acting as an agent for the program sponsor. Program sponsor is a more appropriate term than "employer," which is used in the current regulations for the entity with which the apprentice enters an apprenticeship agreement

because the apprenticeship program sponsor is the entity that signs the apprenticeship agreement. The revision to "apprenticeship committee" clarifies that the committee acts as an agent for the sponsor in the administration of an apprenticeship program.

Proposed § 29.2 revises the existing term "certification" to be "certification or certificate" and revises the existing definition. The proposed definition carries forward the existing provisions for certification of National Guidelines for Apprenticeship Standards and certification that an individual is eligible for probationary employment as an apprentice under a registered apprenticeship program. The proposed definition also incorporates two circumstances (issuance of a certificate that documents completion of apprenticeship, as provided in § 29.5(b)(15), and issuance of a Certificate of Registration, as provided in § 29.3(f)) that correspond to existing requirements but have not been previously included in the definition of certification. The proposed definition also adds the circumstance where a Registration Agency determines that an apprentice has successfully met the requirements to receive an interim credential. This added component of the definition facilitates compliance with proposed § 29.5(b)(15), which provides for the issuance of an interim credential.

Proposed § 29.2 adds definitions for two related terms, "interim credential" and "competency." These definitions would be added because, in the past 6 years, business, industry, and labor have requested a more flexible and accountable National Apprenticeship System that meets their workforce development needs. To address these requests, the Department conducted pilot programs in which sponsors measured apprentices' attainment of certain skills and competencies rather than using the traditional, time-based approach.

To this end, the Department has defined "interim credential" as "a document issued by the Registration Agency upon request of the appropriate sponsor as certification of competency attainment by an apprentice;" and "competency" as "the attainment of manual or technical skills and knowledge, as specified by an occupational standard." Rather than providing that an apprentice could only receive one credential (certificate of completion of apprenticeship), which is the norm under a time-based apprenticeship approach, the proposed definitions and the associated regulatory provisions would enable apprentices to obtain portable credentials

commensurate with increasing skills and competencies acquired and demonstrated throughout an apprenticeship program.

These proposed definitions also implement the Department's intention to provide multiple points of entry to and exit from apprenticeship programs, and would codify the Department's existing practice of registering apprenticeship programs that issue interim credentials. These provisions will formalize the process used in the pilot programs and further promote apprenticeship opportunities to employees and employers that have not previously participated in the National Apprenticeship System.

Proposed § 29.2 adds a new definition for "electronic media" for use in related technical instruction and defines the term to mean "media that utilize electronics or electromechanical energy for the end user (audience) to access the content, and includes, but is not limited to, electronic storage media, transmission media, the Internet, extranet, lease lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic media and/or interactive distance learning." This definition provides for increased flexibility in the related technical instruction component of an apprenticeship program and enables the National Apprenticeship System to keep pace with the changing dynamics and progressive nature of education through distance learning and multiple delivery approaches. Additionally, the proposed definition would clarify that related technical instruction in the National Apprenticeship System is not confined to a physical classroom setting. The Department based this proposed definition on consultations with the ACA and NASTAD.

Proposed § 29.2 adds a new definition, "journeyworker," which is "a worker who has attained a level of skill and competency recognized within an industry as having mastered the skills and competencies required for the occupation." The Department proposes to add this definition to provide a designation of a level of skill, ability and knowledge possessed by an individual in a specific occupation, as defined and used by employers, industry, and labor, which is recognized as having attained mastery of that occupation. The definition is based on industry norms and common language used in the National Apprenticeship System.

Proposed § 29.2 adds a new term, the "Office of Apprenticeship," which is defined as "the office designated by the

Employment and Training Administration to administer the National Apprenticeship System or its successor organization." This definition would be added in anticipation of any future name changes to the DOL entity responsible for oversight of the National Apprenticeship System. The definition is based on DOL's organizational structure for administration of the National Apprenticeship System.

Proposed § 29.2 adds a new term, "provisional registration" which refers to the 1 year provisional approval of a newly registered apprenticeship program. This definition has been added to facilitate compliance with § 29.3(g), through which the Department seeks to ensure that new program sponsors are focused on development of successfully functioning apprenticeship programs.

Further, proposed § 29.2 expands the current definition of "Registration Agency," by listing the primary responsibilities of a registration agency to facilitate compliance with the requirements of this part.

Proposed § 29.2 revises the current definition of "related instruction," by adding "related technical instruction" as part of the defined term. The proposed text specifies the methods by which related instruction may be provided and adds distance learning through "electronic media" as defined in this section to the instructional methods that traditionally have been used. The revisions are based on the need for clarification of what constitutes related technical instruction and the acceptable methods for delivering related instruction.

Proposed § 29.2 revises the existing definition of "Secretary" to mean the Secretary of Labor or any person designated by the Secretary. This revision explains who has authority to implement the revisions of this part.

The Department proposes to revise the definitions for State Apprenticeship Agency and State Apprenticeship Council by separately defining the two entities. "State Apprenticeship Agency" is defined as "an agency of a State government that has responsibility and accountability for apprenticeship within the State." The proposed revisions provide that State Apprenticeship Agencies may seek recognition and authority from the Office of Apprenticeship to register and oversee apprenticeship programs and agreements for Federal purposes. The proposed revisions also reflect the Department's view that it is best to recognize only State government entities, in order to ensure accountability for oversight and

management of a State's apprenticeship system for Federal purposes.

The Department proposes to separately define "State Apprenticeship Council" to help underscore the role a council would play in a State Apprenticeship Agency. The proposed revisions clarify that a State Apprenticeship Council is ineligible for recognition as the State's Registration Agency. The definition is based on the Department's view that it is best to recognize only State government agencies as Registration Agencies. The proposed definition also clarifies that a State Apprenticeship Council operates at the direction and discretion of the State Apprenticeship Agency. Depending on this direction and discretion, a State Apprenticeship Council may provide regulatory or advisory functions for the operation of the State's apprenticeship system.

Proposed § 29.2 adds a definition for "State office," to facilitate compliance with proposed § 29.13(b)(3) and the requirements for recognition of a State Apprenticeship Agency. The definition is based on the need to have a single identified point of contact with whom the Department will conduct the business of the National Apprenticeship System.

Proposed § 29.2 adds a new term, "supplemental instruction," which is defined as "instruction in non-core related requirements, for example, job site management, leadership, communications, first-aid/CPR, field trips, and new technologies/processes." This new definition would facilitate compliance with proposed §§ 29.5(b)(4) and 29.7(e). The Department proposes this definition to make it clear that supplemental instruction focuses on non-core job requirements in response to requests from business, industry, and labor seeking clarification on the difference between related technical instruction and supplemental instruction.

Proposed § 29.2 adds a new term, "technical assistance," to clarify the types of guidance and assistance that Registration Agencies provide to program sponsors for the implementation of this part. This new definition would spell out the guidance that a Registration Agency would provide to help program sponsors comply with the requirements of this part.

Proposed § 29.2 adds a new term, "transfer," which is defined as "a shift of apprenticeship registration from one program to another, or from one employer within a program to another employer within that same program. Transfer may be initiated either by the

employer, the sponsor, or the apprentice." The definition has been added to correspond to the process addressed in proposed § 29.5(b)(13) for the transfer of an apprentice between and within apprenticeship programs. Apprentices' ability to transfer reduces the need for cancellation and re-registration of an apprentice, thereby promoting continuity of participation in apprenticeship.

Eligibility and Procedure for Registration of an Apprenticeship Program (§ 29.3)

Section 29.3 covers the eligibility criteria and procedure for registering a program of apprenticeship. The proposed revisions and additions to § 29.3 update the process by which the Department or a recognized State Apprenticeship Agency determines a program's eligibility for registration and oversees the operations of registered apprenticeship programs. While the substance of the proposed § 29.3 is based largely on the existing rule, some changes are proposed in order to further ensure high quality among all registered apprenticeship programs. Additionally, the revisions will assist program sponsors by providing for early intervention and technical assistance to enable program sponsors to continue their apprenticeship programs. Further, these provisions provide program sponsors with the means to measure apprentice progress and also encourage the development of a closer working relationship between the apprenticeship sponsor and Registration Agency staff.

The Department proposes changes in paragraphs (a), (c), and (f) of proposed § 29.3 to update and clarify terms, which are not intended to change the substance of those paragraphs. Proposed § 29.3(b) is a revised statement of the criteria for apprenticeship program and agreement registration by a Registration Agency, that is substantially the same as the current regulation.

Proposed § 29.3(d) establishes a requirement for the appropriate Registration Agency to be notified within the first 45 days of an apprentice's probationary employment. This is a change from the existing 90-day requirement. Proposed § 29.3(e) would require program sponsors to notify the appropriate Registration Agency within 45 days of the completion of an apprenticeship program and notice to the Registration Agency of transfers and the cancellation or suspension of any apprenticeship agreement with a statement of the reasons therefore. This would be a change to existing § 29.3(e), which simply requires "prompt" notice to the

"appropriate registration office." The Department proposes these changes to §§ 29.3(d) and 29.3(e) to require specific and consistent timeframes which are intended to enhance the efficiency of the National Apprenticeship System.

Proposed § 29.3(g) is a new provision which establishes provisional approval of 1 year for new programs that the Registration Agency preliminarily determines comply with part 29. The Department would add this paragraph to increase the success rate of new programs by prescribing a review after the first year of program registration. Also, provisional registration would potentially discourage applications from prospective sponsors that do not have a long-term commitment to provide employment and training for registered apprentices.

Proposed § 29.3(h) is another new provision which establishes the process by which a registered program would move beyond provisional approval and provides for subsequent reviews at the completion of the first full training cycle, normally a 5-year period. Proposed paragraphs (g) and (h) are intended to ensure adequate oversight over apprenticeship programs and to further improve quality in the National Apprenticeship System.

Proposed § 29.3(i) addresses the timeframe for processing a sponsor's request for modification of a registered program, to improve customer service and promote consistency across the National Apprenticeship System. The proposed rule would require the Registration Agency to complete action on the request, whether by approving or by rejecting with appropriate guidance, within 45 days of receipt. This would differ from the existing rule, § 29.3(g), which simply provides for "prompt" submission of requests for modification and sets no timeframe for response from the Registration Agency and provides no guidance on what the Registration Agency must do to process the application or modification.

Proposed § 29.3(j) would revise the timeframe set by existing § 29.3(h), "not less than 30 days nor more than 60 days," to provide that a union has 45 days to submit comments about a program application proposed by an employer or employers' association, where a union has the right, under a collective bargaining agreement or other instrument, to participate in an apprenticeship program but does not participate in any manner in the operation of substantive matters of the apprenticeship program. This reduced timeframe would further improve efficiency in the program registration process.

Proposed paragraph § 29.3(k) simply carries forward the provisions of existing § 29.3(i), which covers program registration by an employer or group of employers where the employees to be trained do not have a collective bargaining agent, and adds employer associations to the groups that can propose programs for registration.

Criteria for Apprenticeable Occupations (§ 29.4)

Proposed § 29.4 updates the criteria for determining when an occupation qualifies as apprenticeable. Based on over 30 years of experience in implementing the current regulations, the Department proposes to revise the existing introductory language to indicate that apprenticeable occupations are specified by industry, including employers and labor representatives. Changes to paragraphs (a) and (b) align these paragraphs with the proposed format for this section, and are not intended to change the substance of those paragraphs. The proposed revision to § 29.4(c) updates the provision to reflect changes to the means of progression through an apprenticeship program as discussed further in § 29.5(b)(2).

Proposed § 29.4(d) is the same as the current regulation except that it adds "learning" after "training." This proposed addition clarifies that registered apprenticeship involves learning subject matter relevant to an occupation, as well as training in that occupation.

Standards of Apprenticeship (§ 29.5)

Proposed § 29.5 updates the existing standards for registered apprenticeship programs to increase the flexibility of requirements for on-the-job learning, and related and supplemental instruction as defined in proposed § 29.2, and provides for granting advanced standing or credit. Existing § 29.5(b)(8), (b)(9), (b)(10) and (b)(14) would be carried forward unchanged and therefore are not being presented for comment. These sections are reprinted below for ease of reference.

The proposed introductory text and paragraph (a) minimally revise the existing provisions for the sake of clarity. Proposed § 29.5(b) outlines the proposed requirements for program standards. Changes to paragraphs (b)(1), (b)(3), (b)(5), (b)(6), (b)(7), (b)(16), and (b)(22) in proposed § 29.5 update language to use current common terms such as "skilled occupation," rather than "skilled trade;" and "must" rather than "shall."

Proposed § 29.5(b)(2), which is based on the existing requirement that work

experience must be consistent with industry practice, presents three methods by which an individual apprentice may progress toward the industry standard for work experience required under § 29.4(c). These methods are: (i) a time-based approach involving completion of at least 2,000 hours of on-the-job work experience; (ii) a competency-based approach involving successful demonstration of acquired skills and knowledge by an apprentice, as verified by the program sponsor; and (iii) a hybrid approach involving completion of a specified minimum number of hours plus the successful demonstration of competency. The time-based approach retains the 2,000-hour minimum of on-the-job work experience set by existing § 29.4(c). In a competency-based approach, a program sponsor would allow an individual apprentice to demonstrate the requisite competencies for an apprenticeable occupation without having to satisfy a minimum number of hours of on-the-job work experience. In a hybrid approach, a program sponsor would provide an opportunity for an individual apprentice to demonstrate requisite competencies for an apprenticeable occupation after having completed a specified minimum number of hours of on-the-job work experience. For example, an apprentice may be required to complete 1,500 hours of on-the-job work experience to attain basic skills and knowledge and then permitted to show the attainment of the required skills and knowledge through demonstrated competencies. The competency-based and hybrid approaches may enable an apprentice to progress through the program in less time than would be required under a time-based approach. Proposed § 29.5(b)(2) will provide greater flexibility for registered apprenticeship programs to address career development plans of registered apprentices. This proposed approach reflects the experience of the traditional building and construction trades and industrial sectors with registered apprenticeship, and addresses the needs of new and emerging industries seeking to participate in the National Apprenticeship System.

Proposed § 29.5(b)(4) allows for related technical instruction to be accomplished through methods such as classroom, occupational or industry courses, electronic media, or other instruction approved by the Registration Agency. Proposed paragraph (b)(4) would also establish requirements for an apprenticeship instructor, which would be similar to States' requirements such

as meeting the State Department of Education's requirements for vocational-technical instructor, and/or being recognized as a subject matter expert. It would also require that instructors have training in teaching techniques and adult learning styles. The Department has proposed these changes to further ensure quality in the related technical instruction component of registered apprenticeship by establishing minimum standards for apprenticeship instructors. Proposed paragraph (b)(4) provides flexibility to accommodate variations in the requirements for instructors in different industries and occupations.

Proposed revisions to § 29.5(b)(11) clarify that a written apprenticeship agreement must meet the requirements of the laws and regulations of a recognized Registration Agency.

Proposed § 29.5(b)(12) revises the existing requirements for granting an apprentice advanced standing or credit to include demonstrated competencies. This addition provides greater flexibility for an apprentice to progress through an apprenticeship program. Proposed § 29.5(b)(13) clarifies and revises the existing requirements for transfer of apprentices between apprenticeship program sponsors. While existing paragraph (b)(13) only governs transfers within the same program, the proposed paragraph governs transfers between programs as well.

Proposed paragraph (b)(13)(i) would require the program sponsor or committee to provide the transferring apprentice with a transcript of related training and on-the-job learning completed. This would provide the apprentice with a portable credential that could, for example, enable the apprentice to attain advanced standing or credit under § 29.5(b)(12). Proposed paragraph (b)(13)(ii) permits the transfer to be either to the same or to a related occupation in contrast to the current regulation which only mentions transfer to another employer in the same program. Proposed paragraph (b)(13)(iii) requires the execution of a new apprenticeship agreement. This expansion of transferability provides greater flexibility for apprentices, and is intended to accommodate variations in apprentices' career development plans in which an apprentice may need to transfer between apprenticeship programs, not just within one apprenticeship program.

Proposed § 29.5(b)(15) provides recognition for successful completion of apprenticeship or the attainment of an interim credential. The proposed revisions clarify that a certificate would be issued by a Registration Agency. The

provision for interim credential has been added to ensure that apprentices receive credit for attaining particular skills or satisfying certain requirements as they progress in apprenticeship.

Proposed § 29.5(b)(17) clarifies that any modifications or amendments to program standards must be submitted to the Registration Agency for approval.

Proposed § 29.5(b)(18) simply incorporates the proposed term "Registration Agency" into the existing requirement for the program sponsor to notify the Registration Agency of apprenticeship completion, transfer, suspension, and cancellation of apprenticeship agreements and makes a few other clarifying changes.

Proposed § 29.5(b)(19) replaces the existing term "termination" with a more appropriate term, "cancellation," to describe the cessation of an apprenticeship agreement between an apprentice and program sponsor prior to successful completion or transfer. The term cancellation does not carry the negative connotations associated with termination, and cancellation reflects the more common language. The proposed paragraph also provides that cancellations during an apprentice's probationary period will not adversely impact the sponsor's completion rates. The proposed rule adds this provision in recognition of the fact that apprentices leave apprenticeship programs, particularly during the probationary period, for numerous reasons, many of which have nothing to do with the quality of the apprenticeship program. Excluding such cancellations from the completion rate data is appropriate to avoid stigmatizing programs that happen to have a high attrition rate during the probationary period.

Proposed § 29.5(b)(20) simply consolidates the requirements for compliance with 29 CFR part 30 from the existing § 29.5(b) introductory text and existing § 29.5(b)(20) and provides some clarifying language.

Proposed § 29.5(b)(21) updates the existing requirement for name and address of the appropriate authority to receive, process and make disposition of complaints. The proposed paragraph simply adds telephone number and e-mail address as potential forms of contact information.

Program Performance Standards (§ 29.6)

Proposed § 29.6 is a new provision that would set new requirements for program performance. Proposed § 29.6(a) provides that an apprenticeship program must have at least one registered apprentice in order to be designated and retain designation

as a registered apprenticeship program. This provision reflects the common sense notion that it would be pointless to have a registered program without apprentices.

Proposed § 29.6(b) provides a non-exclusive list of the tools and factors that must be considered in evaluating program performance. In particular, programs will be reviewed based on quality assurance assessments, Equal Employment Opportunity Compliance Reviews, and completion rates. These factors have been specified because they would enable a Registration Agency to develop a fair understanding of program quality. The Department recognizes that other tools and factors may also be useful. Therefore, the proposed provisions in § 29.6(b) are not intended to limit the Registration Agency's discretion to use other factors and tools in addition to those listed.

Proposed § 29.6(c) provides for evaluation of completion rates of programs located in the same geographical areas, and as necessary, further review and provision of technical assistance to maintain and improve program performance. Under proposed § 29.6(d), the cancellation of apprenticeship agreements during the probationary period will not have an adverse impact on a sponsor's completion rate. The use of completion rates in program reviews is not intended to limit or terminate existing apprenticeship programs that receive technical assistance from a Registration Agency and demonstrate improved program performance, or to impede prospective apprenticeship program sponsors. Rather, the use of completion rates will focus on strengthening the program outcomes of the National Apprenticeship System. The Office of Apprenticeship will provide guidance to its field staff and to State Apprenticeship Agencies about establishing bench marks for completion rates for use in program reviews as proposed in this section. Such guidance will enable the Registration Agency to use appropriate data in formulating bench marks, incorporate analysis of relevant data in program reviews, and provide technical assistance. While every reasonable effort will be made to improve program performance, the Department contemplates that a program that demonstrates persistent deficiencies will be proposed for deregistration under § 29.8 of this part. This approach will maximize program sponsors' ability to improve program performance. These provisions will ensure program quality and accountability in the National Apprenticeship System.

Apprenticeship Agreement (§ 29.7)

Proposed § 29.7, which is based on existing § 29.6, sets the requirements for apprenticeship agreements. An apprenticeship agreement, as defined in § 29.2, is the written agreement between an apprentice and either the apprentice's program sponsor or committee acting as agent for the program sponsor(s), which contains the terms and conditions of the employment and training of the apprentice. Except for proposed paragraphs (b), (e), and (j), the changes simply update terminology and do not alter the existing requirements.

Proposed § 29.7(b) carries forward the existing requirement that the agreement include the apprentice's date of birth and adds provision for a space on the agreement in which apprentices would voluntarily provide their Social Security Number. The Registration Agency will use apprentices' Social Security Numbers for performance management and Davis Bacon Act purposes; in particular, for use in calculating employment outcomes of the National Apprenticeship System as defined in the Department's common measures for Federal job training programs. The Office of Management and Budget (OMB) has approved the request for Social Security Number information on an apprenticeship agreement (OMB Control Number 1205-0223).

Proposed § 29.7(e) updates the Apprenticeship Agreement to accommodate the information about the approach to apprenticeship progression (either time-based approach, competency-based approach, or hybrid approach, as defined in § 29.5(b)(2)) that the apprenticeship sponsor has selected. The Department proposes to carry forward the existing requirement about the number of hours to be spent in related technical and supplemental instruction. The number of hours of related instruction specified in an Apprenticeship Agreement is unaffected by the approach to progression through an apprenticeship program chosen by the sponsor.

Proposed § 29.7(j) carries forward existing requirements regarding equal opportunity in all phases of apprenticeship employment and training.

Deregistration of a Registered Program (§ 29.8)

Proposed § 29.8 clarifies the existing § 29.7 provisions for deregistration of registered apprenticeship programs. The existing regulation refers to "Bureau [Office of Apprenticeship] registered programs." References to the Federal

registration agency have been removed to make it clear that the section applies to registrations with all Registration Agencies. In addition, we propose to delete the phrase "but not limited to" in the introductory language to proposed § 29.8(a) because it contributes nothing to the meaning of the paragraph. Proposed § 29.8(a) also replaces the term "registration officer" with the term "Registration Agency" and establishes a requirement for sponsors whose program has been deregistered to refer all impacted apprentices to the Registration Agency for information about potential transfer to other registered apprenticeship programs. Proposed paragraphs 29.8(b)(1) through (b)(8) outline deregistration by the Registration Agency based upon reasonable cause.

Additionally, proposed § 29.8(b)(7) shifts Departmental decision making and action from the Secretary to the Administrator of the Office of Apprenticeship, the Office of Administrative Law Judges (OALJ) and the Administrative Review Board (ARB). The proposed revisions, which are consistent with revisions in proposed §§ 29.10 and 29.13, implement Secretary's Order 1-2002, 67 FR 64272, Oct. 17, 2002.

Reinstatement of Program Registration (§ 29.9)

Proposed § 29.9 is revised to provide that requests for reinstatement must be filed with and decided by the Registration Agency.

Hearings (§ 29.10)

Proposed § 29.10 would institute a new procedure for appeals of deregistration decisions more in line with current practice at DOL. As noted in the discussion of § 29.8, this procedure shifts Departmental decision making and action from the Secretary to the Administrator of the Office of Apprenticeship, the OALJ and the ARB. The proposed revisions implement Secretary's Order 1-2002, 67 FR 64272, Oct. 17, 2002.

Under proposed § 29.10(a), requests for hearing will be sent to the Administrator who will forward them to the OALJ. The OALJ will assign an Administrative Law Judge (ALJ) to hear the case. The ALJ will issue a notice of hearing. Under proposed § 29.10(b), the ALJ would generally govern the hearing under the OALJ's rules of procedure in 29 CFR part 18. Under proposed § 29.10(c), discretionary appeals to the ARB would be available to any party dissatisfied with the ALJ's decision. The request for appeal must be filed within 15 days and must specify the parts of

the decision to which exception is taken. The ARB must decide whether to accept the appeal within 30 days, and must issue its decision within 180 days after the close of the record.

Limitations (§ 29.11) and Complaints (§ 29.12)

All modifications in these sections are changes to language that simply harmonize these sections with provisions and language updates discussed in other sections.

Recognition of State Apprenticeship Agencies (§ 29.13)

Proposed § 29.13 would revise the provisions (in current § 29.12) that address the recognition of State Apprenticeship Agencies for Federal purposes. These proposed revisions clarify how the Office of Apprenticeship oversees the National Apprenticeship System.

Proposed § 29.13(a) differs significantly from the existing regulation (§ 29.12(a)), in that it does not include State Apprenticeship Councils as entities eligible for recognition. Proposed § 29.13(a) provides that the Department will “recognize” a State Apprenticeship Agency which complies with the specified requirements, granting that agency authority to register apprenticeship programs and apprentices for Federal purposes. The Department has proposed this change to ensure that the governmental entity to be held accountable for conformity with part 29 is clearly identified. Current regulations do not specify that a recognized Registration Agency must be a government entity. Proposed § 29.13(a) clarifies this requirement and further aligns the proposed regulations for the National Apprenticeship System with the National Apprenticeship Act, which states that the Department is to “cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship.”

Additionally, proposed § 29.13(a) provides that the Department’s recognition of State Apprenticeship Agency confers “non-exclusive authority” to determine whether an apprenticeship program meets published standards and is eligible for those Federal purposes which require such a determination. With this provision and corresponding language in proposed § 29.13(j), the Department retains full authority to register programs and apprentices located in all States and Territories where the Office of Apprenticeship has determined such action is necessary to further the interests of the National Apprenticeship System. These provisions clarify the

Department’s interpretation of the existing rule and codify existing practice. The Department has long used its authority to register apprenticeship programs in Federal enclaves and has stepped in to register programs when a State Apprenticeship Agency has been unable to timely register apprenticeship programs.

Proposed § 29.13(a)(2) consolidates the provisions related to the State Apprenticeship Councils from existing § 29.12(a)(2) and § 29.12(b)(2). Proposed § 29.13(b)(2) also deletes language in the existing regulation § 29.12(b)(2) regarding voting procedures in a State Apprenticeship Council. These deletions are proposed because, under the proposed new rule under which only State government agencies will be recognized as State Apprenticeship Agencies, issues pertaining to State Apprenticeship Councils are under the direction and the discretion of the State Apprenticeship Agency, and are no longer appropriate matters for the Department to direct through the requirements of this part. Proposed § 29.13(a)(3) through (a)(5) carry forward existing provisions in § 29.12(a)(3) through (a)(5).

Proposed § 29.13(a)(6) establishes a new requirement for the State Apprenticeship Agency to integrate registered apprenticeship into the State’s economic development strategies and public workforce investment system. Such integration would further the National Apprenticeship Act mandate to bring together employers and labor for the formulation of programs of apprenticeship. Through increased coordination, State Apprenticeship Agencies can promote registered apprenticeship to a broader audience and further expand apprenticeship into high growth, high demand occupations. This effort would promote registered apprenticeship as a critical post-secondary education, training, and employment option available through the One Stop Career Center system.

Proposed § 29.13(b) further clarifies basic requirements for the Department’s recognition of a State Apprenticeship Agency. Proposed paragraph (b)(2) requires that State Apprenticeship Agencies provide sufficient budget and staff to carry out the functions of a Registration Agency. The Department is adding this provision to ensure that if a State that wishes to undertake the responsibilities required of a State Apprenticeship Agency, it must be prepared to commit the resources necessary to carry out those responsibilities. Currently, some State Apprenticeship Agencies depend

completely on DOL staff to maintain registered apprenticeship functions in their States. Under the proposed rule, a State that seeks the authority to register apprenticeship programs and apprentices, for Federal purposes, within its jurisdiction, must assume corresponding responsibilities. The proposed rule deletes existing § 29.12(b)(1) language that prescribes the location of a State Apprenticeship Agency and subsumes existing § 29.12(b)(4), which requires the State to designate the entity responsible for registration and deregistration. This proposed deletion would increase States’ flexibility to determine where within the State government the State Apprenticeship Agency authority resides.

Proposed § 29.13(b)(3) includes a new requirement to delineate powers and duties of the State Apprenticeship Agency, in addition to those of the State office and State Apprenticeship Council. Proposed § 29.13(b)(4) restates the corresponding provisions of existing § 29.12(b)(5). Proposed § 29.13(b)(5) effectively restates the corresponding provisions of existing § 29.12(b)(6).

Proposed § 29.13(b)(6) revises the existing provisions in § 29.12(b)(7) for registration of apprenticeship programs to emphasize occupations in high growth and high demand occupations. This provision aligns with the Department’s focus on addressing industry demands, particularly in high growth occupations.

Proposed § 29.13(b)(7) expands the provisions of existing § 29.12(b)(8), which currently provide for reciprocal recognition for programs and standards other than in the building and construction trades. The proposed revision would cover all registered apprentices, apprenticeship programs, and standards, with no exceptions, for Federal purposes. This would enable apprentices registered in one State to work as registered apprentices in other States, if their apprenticeship program sponsor requests reciprocal recognition for Federal purposes from the Registration Agency. This proposed expansion promotes the National Apprenticeship Act’s requirement for the furtherance of labor standards necessary to safeguard the welfare of apprentices. Additionally, this expansion of reciprocity will enable the National Apprenticeship System to further address the needs of businesses and labor, while maintaining high quality standards for apprenticeship programs.

Proposed § 29.13(b)(8) carries forward the provisions of current § 29.12(b)(9)

with regard to cancellation of programs and apprenticeship agreements.

Proposed § 29.13(b)(9) is a new provision that has been added to clarify requirements for State Apprenticeship Agencies to submit proposed modifications in the State's apprenticeship legislation, regulations, policies, and/or operational procedures for Departmental review and approval prior to implementation for conformity with the National Apprenticeship Act and the implementing regulations in 29 CFR parts 29 and 30. The State Apprenticeship Agency's submission of proposed legislation, regulations, policies and/or operational procedures will enable the Department to identify and take action to resolve concerns.

The proposed rule deletes existing § 29.12(b)(10) because this requirement for employers to consult with collective bargaining agents about proposed unilateral apprenticeship program duplicates existing § 29.3(h), which is being carried forward as proposed § 29.3(j).

The proposed language implements the Department's authority to administer the National Apprenticeship System. The current regulations could be interpreted to permit States to change their laws and practices after approval of their applications, without the Department's review and approval. Such an interpretation could lead to a situation in which a State Apprenticeship Agency violated 29 CFR part 29 without consequences. This was never the Department's intent. The proposed provision clarifies that to be recognized as a State Apprenticeship Agency, a State's law and procedures must conform with part 29, initially, and must continue to comply with those requirements.

Proposed § 29.13(c), which is based on existing § 29.12(c), addresses the process by which State Apprenticeship Agencies apply for recognition from the Department. State Apprenticeship Agencies recognized by the Department under current regulations would be required to reapply for recognition within 1 year from effective date of the final rule. This shift furthers the Department's efforts to ensure continuing conformity with part 29, and effectuates the Department's authority to administer the National Apprenticeship System under the National Apprenticeship Act.

Proposed § 29.13(d) is a new provision that establishes a 5-year period for recognition of a State Apprenticeship Agency by the Department and provides a process for renewal and maintenance of

added to ensure consistency and quality across the National Apprenticeship System. The existing regulations confer open-ended recognition on State Apprenticeship Agencies for Federal purposes and do not clearly specify that a State Apprenticeship Agency must continue to meet regulatory requirements for continued recognition. In the Department's view, a 5-year period provides a reasonable level of continuity for State Apprenticeship Agencies, while providing an efficient way to ensure that State Apprenticeship Agencies remain in conformity with Federal requirements.

Proposed § 29.13(e) is a new provision that addresses Departmental review and monitoring of Registration Agencies for compliance with the requirements of this part. This provision would effectuate the Department's authority to administer the National Apprenticeship System. The requirements of proposed paragraph (e), which provide for on-site review; self-assessment; and monitoring of the State's apprenticeship law and procedures, simply codify the Department's existing procedures for determining if State Apprenticeship Agencies are complying with part 29. The monitoring and reviews outlined in this proposed approach would form the basis for the Office of Apprenticeship's decision whether to continue recognition every 5 years.

Proposed § 29.13(f) is a new provision that would provide for the steps to be taken if a State Apprenticeship Agency is found to be out of compliance with part 29. These provisions are based on the Department's current practice of compliance assistance. Those practices include the provision of technical assistance, and, where problems are found, conferral of "Conditional Recognition" for 45 days during which the State Apprenticeship Agency must submit a corrective action plan to remedy the conforming activity for failure to maintain compliance. These proposed procedures are necessary to ensure that non-conformity with part 29 is detected and addressed expeditiously.

Proposed § 29.13(g), which is based on existing § 29.12(d), simplifies and clarifies the process for determining whether to deny a State Apprenticeship Agency recognition and provides the procedures for appeal of that decision. The proposed new procedure provides for a direct appeal by the State Apprenticeship Agency to the OALJ, for a hearing before an ALJ which will result in a recommended decision, with a final decision by the ARB. The hearing will be governed by the OALJ procedural rules in 29 CFR part 18 with some exception to ensure the reception

of documentary evidence and to relax the application of formal rules of evidence.

Proposed § 29.13(h), which is based on existing § 29.12(e), carries forward the requirements for conformity with pertinent law and the Office of Apprenticeship registration of apprenticeship programs and apprentices under certain conditions.

Proposed § 29.13(i) is a new provision which provides a process and procedure for a State to voluntarily relinquish its authority to administer registered apprenticeship for Federal purposes. This new section clarifies the Department's requirements for States seeking to transition administration of registered apprenticeship for Federal purposes from a State Apprenticeship Agency to the Office of Apprenticeship. These requirements include submitting a formal notice of intent, timely provision of all original, pertinent documents, and full cooperation during any transition period. These provisions would ensure smooth, seamless continuity of operations in the National Apprenticeship System, and further support the Department in fulfilling its obligations and responsibilities to registered apprentices and program sponsors. The proposed requirements in § 29.13(i)(2) and (3) are identical to the corresponding provisions in proposed § 29.14(h), which sets the requirements for transition when the Department has withdrawn recognition.

Proposed § 29.13(j) provides that the Department retains full authority to register apprenticeship programs and apprentices, for Federal purposes, in all States and Territories where the Office of Apprenticeship determines that such action is necessary to further the interests of the National Apprenticeship System. This new provision clarifies that the Department's granting of recognition to a State Apprenticeship Agency does not confer exclusive authority to register apprenticeship programs and apprentices for Federal purposes in that State. The Department has determined that this clarification is necessary to ensure that all current and potential program sponsors seeking to participate in the National Apprenticeship System have full access to a Registration Agency regardless of their geographic location. Further, this clarification codifies the Office of Apprenticeship's existing practice. When State Apprenticeship Agencies have unreasonably delayed or denied registration to apprenticeship programs that meet the criteria established in this part, the Department has used its authority to register such apprenticeship programs for Federal purposes. The

National Apprenticeship Act and § 29.1, "Purpose and scope," of the existing regulations provide the Office of Apprenticeship the authority to register apprenticeship programs and apprentices for Federal purposes, as defined in existing regulations at § 29.2.

Derecognition of State Agencies (§ 29.14)

The Department also proposes to revise the provisions for derecognition of State Apprenticeship Agencies (existing § 29.13, proposed § 29.14) to further enhance the Department's oversight of the National Apprenticeship System. Proposed paragraphs (a), and (b), of proposed § 29.14 carry forward existing procedures used under the current regulations and incorporate the updated term "Office of Apprenticeship."

Proposed § 29.14(c) clarifies how the Department will proceed with derecognition, depending on how the State Apprenticeship Agency responds to the notice issued under proposed § 29.14(b). Proposed paragraph (c)(1) provides for suspension of the derecognition process, if the Office of Apprenticeship determines that the State Apprenticeship Agency has sufficiently specified proposed remedial actions and committed the State to remedying identified deficiencies. Proposed paragraph (c)(1)(i) provides for termination of derecognition proceedings, if the Office of Apprenticeship determines that the State's corrective action has addressed the identified concerns. Proposed paragraph (c)(1)(ii) provides the Administrator must issue a notice proposing derecognition and offering the opportunity for a hearing if the Administrator finds that the corrective action has failed to remedy the identified concerns.

Proposed paragraphs (c)(2) and (3) provide a new procedure from existing § 29.13(c)(2). Proposed paragraph (c)(2) provides that, where the State Apprenticeship Agency fails to either comply with the notice issued under § 29.14(b) or request a hearing, the Administrator must take the steps described in § 29.14(d), (e), (f), and (g) to assume control of registration in the State for Federal purposes and to transfer State registered programs to Federal registration.

Proposed paragraph (c)(3) adopts the hearing and appeal procedures of § 29.13(g) to govern the hearing, leading to a final decision by the ARB. In particular, this paragraph specifies the use of an ALJ to develop proposed findings and a recommended decision that would be referred to the ARB for

final decision. As provided under Secretary's Order 1-2002, 67 FR 64272, Oct. 17, 2002, paragraph (a)(25), the Secretary has delegated the authority to review and make final decisions on administrative adjudication regarding the National Apprenticeship Act to the ARB. Therefore, the final decision on derecognition would be issued by the ARB.

Proposed § 29.14(d) and (e) carries forward the procedures for transferring the registration of apprenticeship programs from State to Federal registration under existing § 29.13(d). Proposed paragraphs (d)(1) and (d)(2) present the notice requirements with which the Office Apprenticeship must comply. Proposed paragraph (e) carries forward the existing provisions that enable apprenticeship program sponsors impacted by State Apprenticeship Agency derecognition to request registration with the Office of Apprenticeship.

Proposed § 29.14(f) carries forward existing provisions in § 29.13(e) that address the situation where a sponsor fails to request registration with the Office of Apprenticeship. Proposed § 29.14(g) carries forward existing provisions in § 29.13(f) that require sponsors to notify apprentices of the impact of derecognition for Federal purposes, and imposes a new requirement on sponsors to refer all apprentices to the Office of Apprenticeship for information about potential transfer to other registered apprenticeship programs.

Proposed § 29.14(h) would establish requirements for a State Apprenticeship Agency whose recognition has been withdrawn for Federal purposes to provide all documents relating to the State's apprenticeship programs to the Department and to cooperate fully during the transition period. The proposed requirements are identical to the corresponding provisions in proposed § 29.13(i)(2) and (3).

Proposed § 29.14(i) carries forward the existing § 29.13(g) provisions that address the circumstances in which a derecognized State Apprenticeship Agency may regain recognition. The State Apprentice Agency would have to establish, to the satisfaction of the Office of Apprenticeship, that the State Apprenticeship Agency has remedied the non-conformity that led to derecognition, has cooperated with the Office of Apprenticeship in the transfer process, and is otherwise operating in compliance with part 29.

III. Administrative Requirements for the Proposed Rulemaking

Executive Order (E.O.) 12866

This proposed rule to revise 29 CFR part 29 is not economically significant because it will not materially alter the budgetary impact of entitlements, grants, user fees, or loan programs; nor will it have an annual effect on the economy of \$100 million or more; or adversely affect the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities in any material way. However, the proposed rule is a significant regulatory action under E.O. 12866 at § 3(f) because it raises novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the E.O. This proposed rule updates existing regulations. Therefore, the Department has submitted this proposed rule to the OMB for review.

Paperwork Reduction Act (PRA)

Registration of apprentices described in this proposed rule contains requirements for Registered Apprenticeship Program Sponsors and apprentices to submit Apprenticeship Agreement forms to DOL or to the appropriate State Registration Agency. These requirements were previously reviewed and approved for use by OMB under 29 U.S.C. 50 and 29 CFR 29.1, and assigned OMB control number 1205-0223 under the provisions of the Paperwork Reduction Act of 1995. 44 U.S.C. 3501 Additionally, in accordance with the PRA, OMB has approved the Department's information collection request for the Apprenticeship Agreement at proposed § 29.7, including the apprentice's Social Security Number (OMB Control Number 1205-0223). The Department has determined that this proposed rule contains no new information collection requirements, nor that any of these requirements are substantively or materially modified by the proposed changes contained herein.

Executive Order 13132: Federalism

The Department has reviewed this proposed rule in accordance with E.O. 13132 and found it may have Federalism implications because it may have substantial direct effects on States and on the relationship between the National government and the States. In particular, the proposed rule may affect internal State organizational structures with regard to State Apprenticeship Agencies and State Apprenticeship Councils and it extends the requirements for reciprocal approval of

programs registered in other States. However, in developing these regulations, the Department undertook to consult with representatives of affected State officials, and the resulting proposed rule has been drafted to meet the concerns of such officials.

In the development of the proposed rule the Department included several mechanisms for consultation with State officials. The Department relied upon advice from the ACA, and consultation with State apprenticeship agencies and the NASTAD, the organization representing apprenticeship officials from the District of Columbia, 27 States, and three Territories. The ACA, which contains representatives of two associations of State labor and apprenticeship officials (including NASTAD), offered specific suggestions on matters relating to apprenticeship program standards, and registration and deregistration of apprenticeship programs. Upon consideration of the ACA's advice, the Department ultimately agreed with the ACA's recommendations and has incorporated them into the proposed rule.

The Department has consulted with NASTAD on provisions that more directly affect States and the relationship between the National government and the States. In response to a request from the Office of Apprenticeship, the President of NASTAD submitted a letter on behalf of NASTAD membership in December 2006, outlining recommendations for changes to regulations governing the recognition of State agencies to register apprenticeship programs for Federal purposes. In February 2007, Office of Apprenticeship personnel attended a NASTAD meeting to discuss and obtain feedback from NASTAD members on proposed revisions to this part.

As a result of this consultation, NASTAD identified concerns pertaining to six specific areas:

(a) State Apprenticeship Councils should be established within State Apprenticeship Agencies as provided under State law, and the director of the State Apprenticeship Agency should be empowered to implement approved State apprenticeship law and regulations in compliance with 29 CFR part 29;

(b) State Apprenticeship Councils should be composed of persons who are directly associated with registered apprenticeship, should be comprised of an equal number of employee and employer representatives, and should include public representatives in numbers not exceeding the number of employee or employer representatives;

(c) Apprenticeship program sponsors registered in one State that seek reciprocal recognition in another State must abide by the policies, procedures, legislation, and regulations of the State in which they are seeking registration;

(d) The appropriate term for the entity applying for recognition from the Department is "State Agency" and not the State Council;

(e) The title of the DOL entity responsible for oversight of the National Apprenticeship System should be changed to its current name, "Office of Apprenticeship;" and

(f) A State Apprenticeship Agency's recognition status should not be affected by revisions to this part.

The Department considered this input in developing the proposed rule, and has adopted most of NASTAD's recommendations. For example, the NPRM provides that the State Apprenticeship Agency must establish a State Apprenticeship Council and that only a State Apprenticeship Agency can exercise the authority of a Registration Agency. Further, the Department construes NASTAD's recommendations for the composition of a State Apprenticeship Council as supportive of the existing requirements in § 29.12(b)(2), carried forward in proposed § 29.13(a)(2). In addition, proposed § 29.13(b)(7) expands the existing reciprocity requirement (§ 29.12(b)(8)), which applies only to programs other than those for the building and construction trades, while taking into account NASTAD's concern that out-of-State programs comply with the law of the States where they are seeking reciprocity. Indeed, proposed § 29.13(b)(7) simply requires a State Registration Agency to acknowledge that a particular program is, in fact, registered for Federal purposes. The State Registration Agency would retain the authority to enforce its State labor law, such as the provisions covering apprentice wage rates. Therefore, employers using apprentices registered by other State Registration Agencies would not gain a competitive advantage over in-State employers. Moreover, the Department adopted NASTAD's recommendations and has proposed to replace outmoded references with references to the "Office of Apprenticeship" and the "State Apprenticeship Agency."

While the Department considered NASTAD's recommendation that a State Apprenticeship Agency's recognition status should not be affected by revisions to this part, it determined that the interest in continuity was outweighed by the national interest in further aligning the National

Apprenticeship System with the significant changes in the economy and the workforce that have occurred in the 30 years since regulations for registered apprenticeship were first promulgated. Therefore, in order to fulfill the Department's responsibility to safeguard the welfare of apprenticeship and to promote apprenticeship opportunity, each currently recognized State will be required to update its policies and procedures in accordance with the revisions to this part in order to maintain recognition.

In order to further a smooth transition, proposed § 29.13(c) provides that the recognition of currently recognized State Apprenticeship Agencies would continue for at least 1 year from the effective date of the final rule and outlines the process for State Apprenticeship Agencies to apply for recognition under the revised rule. Therefore, the Department has allowed currently recognized State Apprenticeship Agencies sufficient time to achieve compliance.

Separately, NASTAD recommended non-substantive revisions to the requirement (existing § 29.12(b)(10)) for employers to consult with collective bargaining agents about proposed unilateral apprenticeship programs. Under the proposed rule, existing § 29.12(b)(10) will be deleted because it duplicates existing § 29.3(h), which is being carried forward as proposed § 29.3(j). The Department considered, but did not adopt, the wording changes suggested by NASTAD in proposed § 29.3(j).

Unfunded Mandates Reform Act of 1995

This regulatory action has been reviewed in accordance with the Unfunded Mandates Reform Act of 1995 at 2 U.S.C. 1531 and E.O. 12875. The Department has determined that this rule does not include any Federal mandate that may result in increased expenditures by State, local or tribal governments, in the aggregate, or the by private sector, of \$100 million or more in any 1 year. Accordingly, the Department has not prepared a budgetary impact statement.

Assessment of Federal Regulations and Policies on Families

The Department certifies that this proposed rule has been assessed according to section 654 of Public Law 105-277, 112 Stat. 2681, for its effect on family well-being. The Department concludes that the rule will not adversely affect the well-being of the Nation's families. Rather, it should have a positive effect by safeguarding the welfare of registered apprentices.

Regulatory Flexibility Act (RFA)/Small Business Regulatory Enforcement Act of 1996 (SBREFA)

We have notified the Chief Counsel for Advocacy, Small Business Administration, and made the certification pursuant to the RFA at 5 U.S.C. 605(b), that this proposed rule will not have a significant economic impact on a substantial number of small entities. Under the RFA, no regulatory flexibility analysis is required where the rule "will not have" have a significant economic impact on a substantial number of small entities. A small entity is defined as a small business, small not-for-profit organization, or small governmental jurisdiction. 5 U.S.C. 601(3)-(5). Therefore, the definition of the term "small entity" does not include States or individuals.

The rule revises and updates procedures for labor standards for registered apprenticeship programs administered by the States and the Department and not by small governmental jurisdictions. Therefore, the Department certifies that this proposed rule will not have a significant impact on a substantial number of small entities, and as a result, no regulatory flexibility analysis is required.

In addition, the Department certifies that this proposed rule is not a major rule as defined by section 804 of the SBREFA. 5 U.S.C. 804. Under section 804 of SBREFA, a major rule is one that is an "economically significant regulatory action" within the meaning of E.O. 12866. Because this proposed rule is not economically significant under E.O. 12866, we certify that it also is not a major rule under SBREFA.

Executive Order 13175: Consultation and Coordination With Indian Tribal Governments

The Department has reviewed this proposed rule in accordance with E.O. 13175 and has determined that it does not have "tribal implications." The proposed rule does not "have substantial direct effects on one or more Indian tribes, on the relationship between the Federal government and Indian tribes, or on the distribution of power and responsibilities between the Federal government and Indian tribes."

Executive Order 12988: Civil Justice

This proposed rule has been drafted and reviewed in accordance with E.O. 12988, Civil Justice Reform, and will not unduly burden the Federal court system. The proposed rule has been written so as to minimize litigation and provide a clear legal standard for affected conduct, and has been reviewed

carefully to eliminate drafting errors and ambiguities.

Catalogue of Federal Domestic Assistance Number

This program is listed in the Catalog of Federal Domestic Assistance at No. 17.201.

List of Subjects in 29 CFR Part 29

Apprentice agreement and complaints, Apprenticeship criteria, Program standards, registration and deregistration, Sponsor eligibility, State Apprenticeship Agency recognition and derecognition.

Signed at Washington, DC, on December 10, 2007.

Emily Stover DeRocco,

Assistant Secretary, Employment and Training Administration.

For reasons stated in the preamble, the Department of Labor proposes to revise 29 CFR part 29 to read as follows:

PART 29—LABOR STANDARDS FOR THE REGISTRATION OF APPRENTICESHIP PROGRAMS

Sec.

- 29.1 Purpose and scope.
- 29.2 Definitions.
- 29.3 Eligibility and procedure for registration of an apprenticeship program.
- 29.4 Criteria for apprenticeable occupations.
- 29.5 Standards of apprenticeship.
- 29.6 Program performance standards.
- 29.7 Apprenticeship agreement.
- 29.8 Deregistration of a registered program.
- 29.9 Reinstatement of program registration.
- 29.10 Hearings for deregistration.
- 29.11 Limitations.
- 29.12 Complaints.
- 29.13 Recognition of State apprenticeship agencies.
- 29.14 Derecognition of State apprenticeship agencies.

Authority: Section 1, 50 Stat. 664, as amended (29 U.S.C. 50; 40 U.S.C. 276c; 5 U.S.C. 301) Reorganization Plan No. 14 of 1950, 64 Stat. 1267 (5 U.S.C. App. P. 534)

§ 29.1 Purpose and scope.

(a) The National Apprenticeship Act of 1937, section 1 (29 U.S.C. 50), authorizes and directs 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, and to cooperate with the office of Education under the Department of Health, Education, and Welfare * * * ." Section 2 of the Act

authorizes the Secretary of Labor to "publish information relating to existing and proposed labor standards of apprenticeship", and to "appoint national advisory committees * * * ." (29 U.S.C. 50a)

(b) The purpose of this part is to set forth labor standards to safeguard the welfare of apprentices, promote apprenticeship opportunity, and to extend the application of such standards by prescribing policies and procedures concerning the registration, for certain Federal purposes, of acceptable apprenticeship programs with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship. These labor standards, policies and procedures cover the registration, cancellation and deregistration of apprenticeship programs and of apprenticeship agreements; the recognition of a State agency as an authorized agency for registering apprenticeship programs for certain Federal purposes; and matters relating thereto.

§ 29.2 Definitions.

Administrator means the Administrator of the Office of Apprenticeship, or any person specifically designated by the Administrator.

Apprentice means a worker at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, who is employed to learn an apprenticeable occupation as provided in § 29.4 under standards of apprenticeship fulfilling the requirements of § 29.5.

Apprenticeship Agreement means a written agreement, complying with § 29.7, between an apprentice and either the apprentice's program sponsor, or an apprenticeship committee acting as agent for the program sponsor(s), which contains the terms and conditions of the employment and training of the apprentice.

Apprenticeship Committee (Committee) means, those persons designated by the sponsor to act as an agent for the sponsor in the administration of the program. A committee may be either joint or non-joint, as follows:

(1) A joint committee is composed of an equal number of representatives of the employer(s) and of the employees represented by a bona fide collective bargaining agent(s).

(2) A non-joint committee which may also be known as a unilateral or group non-joint (may include workers) committee has employer representatives but does not have a bona fide collective bargaining agent as a participant.

Apprenticeship Program means a plan containing all terms and conditions for the qualification, recruitment, selection, employment and training of apprentices, as required under 29 CFR parts 29 and 30, including such matters as the requirement for a written apprenticeship agreement.

Cancellation means the termination of the registration or approval status of a program at the request of the sponsor or termination of an Apprenticeship Agreement at the request of the apprentice.

Certification or Certificate means documentary evidence that:

(1) The Office of Apprenticeship has approved a set of National Guidelines for Apprenticeship Standards developed by a national committee or organization, joint or unilateral, for policy or guideline use by local affiliates, as conforming to the standards of apprenticeship set forth in § 29.5;

(2) A Registration Agency has established that an individual is eligible for probationary employment as an apprentice under a registered apprenticeship program;

(3) A Registration Agency has registered an apprenticeship program as evidenced by a Certificate of Registration or other written indicia;

(4) A Registration Agency has determined that an apprentice has successfully met the requirements to receive an interim credential; or

(5) A Registration Agency has determined that an individual has successfully completed apprenticeship.

Competency means the attainment of manual or technical skills and knowledge, as specified by an occupational standard.

Department means the U.S. Department of Labor.

Electronic media means media that utilize electronics or electromechanical energy for the end user (audience) to access the content; and includes, but is not limited to, electronic storage media, transmission media, the Internet, extranet, lease lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic media and/or interactive distance learning.

Employer means any person or organization employing an apprentice whether or not such person or organization is a party to an Apprenticeship Agreement with the apprentice.

Federal Purposes includes any Federal contract, grant, agreement or arrangement dealing with apprenticeship; and any Federal financial or other assistance, benefit, privilege, contribution, allowance,

exemption, preference or right pertaining to apprenticeship.

Interim credential means a credential issued by the Registration Agency, upon request of the appropriate sponsor, as certification of competency attainment by an apprentice.

Journeyworker means a worker who has attained a level of skill and competency recognized within an industry as having mastered the skills and competencies required for the occupation. (Use of the term may also refer to a mentor, technician, specialist or other skilled worker who has documented sufficient skills and knowledge of an occupation, either through formal apprenticeship or through practical on-the-job experience, and formal training.)

Office of Apprenticeship means the office designated by the Employment and Training Administration to administer the National Apprenticeship System or its successor organization.

Provisional registration means the 1-year provisional approval of newly registered programs after which program approval may be made permanent, continued as provisional, or rescinded following a review by the Registration Agency.

Registration Agency means the Office of Apprenticeship or a recognized State Apprenticeship Agency that has responsibility for registering apprenticeship programs and apprentices; providing technical assistance; conducting reviews for compliance with 29 CFR parts 29 and 30 and quality assurance assessments.

Registration of an apprenticeship agreement means the acceptance and recording of an apprenticeship agreement by the Office of Apprenticeship or a recognized State Apprenticeship Agency as evidence of the apprentice's participation in a particular registered apprenticeship program.

Registration of an apprenticeship program means the acceptance and recording of such program by the Office of Apprenticeship, or registration and/or approval by a recognized State Apprenticeship Agency, as meeting the basic standards and requirements of the Department for approval of such program for Federal purposes. Approval is evidenced by a Certificate of Registration or other written indicia.

Related instruction or related technical instruction means an organized and systematic form of instruction designed to provide the apprentice with the core knowledge of the theoretical and technical subjects related to the apprentice's occupation. Such instruction may be given in a

classroom through occupational or industrial courses, or by correspondence courses of equivalent value, or electronic media, or other forms of self-study approved by the Registration Agency.

Secretary means the Secretary of Labor or any person designated by the Secretary.

Sponsor means any person, association, committee, or organization operating an apprenticeship program and in whose name the program is (or is to be) registered or approved.

State means any of the 50 States of the United States, the District of Columbia, or any Territory or possession of the United States.

State Apprenticeship Agency means an agency of a State government that has responsibility and accountability for apprenticeship within the State. Only a State Apprenticeship Agency may seek recognition by the Office of Apprenticeship as an agency which has been properly constituted under an acceptable law or Executive order, and authorized by the Office of Apprenticeship to register and oversee apprenticeship programs and agreements for Federal purposes.

State Apprenticeship Council is an entity established to assist the State Apprenticeship Agency. A State Apprenticeship Council is ineligible for recognition as the State's Registration Agency. A regulatory State Apprenticeship Council may promulgate apprenticeship law at the direction of the State Apprenticeship Agency. An advisory State Apprenticeship Council provides advice and guidance to the State Apprenticeship Agency on the operation of the State's apprenticeship system.

State office means that individual office or division of State government designated as the point of contact for the State Apprenticeship Agency

Supplemental instruction means instruction in non-core related requirements, for example, job site management, leadership, communications, first-aid/CPR, field trips, and new technologies/processes.

Technical assistance means guidance provided by Registration Agency staff in the development, revision, amendment, or processing of a potential or current program sponsor's Standards of Apprenticeship, Apprenticeship Agreements, or advice or consultation with a program sponsor to further compliance with this part or guidance from the Office of Apprenticeship to a State Apprenticeship Agency on how to remedy nonconformity with this part.

Transfer means a shift of apprenticeship registration from one program to another or from one employer within a program to another employer within that same program. Transfer may be initiated either by the employer, the sponsor or the apprentice.

§ 29.3 Eligibility and procedure for registration of an apprenticeship program.

(a) Eligibility for registration of an apprenticeship program for various Federal purposes is conditioned upon a program's conformity with the apprenticeship program standards published in this part. For a program to be determined by the Secretary as being in conformity with these published standards the program must apply for registration and be registered with the Office of Apprenticeship or with a State Apprenticeship Agency recognized by the Office of Apprenticeship. The determination by the Secretary that the program meets the apprenticeship program standards is effectuated only through such registration.

(b) Only an apprenticeship program or agreement that meets the following criteria is eligible for Office of Apprenticeship or State Apprenticeship Agency registration:

(1) It is in conformity with the requirements of this part and the training is in an apprenticeable occupation having the characteristics set forth in § 29.4 of this part, and

(2) It is in conformity with the requirements of the Department's regulation on "Equal Employment Opportunity in Apprenticeship and Training" in 29 CFR part 30, as amended.

(c) Except as provided under paragraph (d) of this section, apprentices must be individually registered under a registered program. Such individual registration may be effected:

(1) By filing copies of each individual apprenticeship agreement with the Registration Agency; or

(2) Subject to prior Office of Apprenticeship or recognized State Apprenticeship Agency approval, by filing a master copy of such agreement followed by a listing of the name, and other required data, of each individual when apprenticed.

(d) The names of persons in probationary employment as an apprentice under an apprenticeship program registered by the Office of Apprenticeship or a recognized State Apprenticeship Agency, if not individually registered under such program, must be submitted within 45 days of employment to the Office of Apprenticeship or State Apprenticeship

Agency for certification to establish the apprentice as eligible for such probationary employment.

(e) The appropriate Registration Agency must be notified within 45 days of persons who have successfully completed apprenticeship programs; and of transfers, suspensions, and cancellations of apprenticeship agreements and a statement of the reasons therefor.

(f) Operating apprenticeship programs, when approved by the Office of Apprenticeship are accorded registration evidenced by a Certificate of Registration. Programs approved by recognized State Apprenticeship Agencies must be accorded registration and/or approval evidenced by a similar certificate or other written indicia. When approved by the Office of Apprenticeship, National Apprenticeship Guideline Standards for policy or guidance will be accorded a certificate.

(g) Applications for new programs that the Registration Agency preliminarily determines comply with this part must be given provisional approval for a period of 1 year. All new programs must be reviewed for quality and for conformity with the requirements of this part at the end of the first year and the findings must be filed with the Registration Agency. Programs not in operation or not conforming to regulations during the provisional approval period, must be recommended to the Registration Agency for deregistration procedures. After the initial review, all programs not recommended for deregistration will continue to be provisionally approved and must be reviewed for quality and for conformity with the requirements of this part at the completion of the first full training cycle.

(h) A satisfactory review at the end of the first full training cycle will result in the removal of provisional approval. Subsequent reviews will be normally completed on a 5 year cycle. Programs not in operation or not conforming to regulations during the first full training cycle must be recommended to the Registration Agency for deregistration procedures.

(i) Any sponsor proposals or applications for modification(s) or change(s) to registered programs or certified National Guidelines for Apprenticeship Standards must be submitted to the Registration Agency. The Registration Agency must make a determination on whether to approve such submissions within 45 days from the date of receipt. If approved, the modification(s) or change(s) will be recorded and acknowledged within 45

days as an amendment to such program. If not approved, the sponsor must be notified of the disapproval and provided the appropriate technical assistance.

(j) Under a program proposed for registration by an employer or employers' association, where the standards, collective bargaining agreement or other instrument, provides for participation by a union in any manner in the operation of the substantive matters of the apprenticeship program, and such participation is exercised, written acknowledgement of union agreement or no objection to the registration is required. Where no such participation is evidenced and practiced, the employer or employers' association must simultaneously furnish to the existing union, which is the collective bargaining agent of the employees to be trained, a copy of its application for registration and of the apprenticeship program. The Registration Agency must provide for receipt of union comments, if any, within 45 days before final action on the application for registration and/or approval.

(k) Where the employees to be trained have no collective bargaining agreement, an apprenticeship program may be proposed for registration by an employer or group of employers, or an employer association.

§ 29.4 Criteria for apprenticeable occupations.

An apprenticeable occupation is one which is specified by industry and which must:

(a) Involve skills that are customarily learned in a practical way through a structured, systematic program of on-the-job supervised training.

(b) Be clearly identified and commonly recognized throughout an industry.

(c) Involve the progressive attainment of manual, mechanical or technical skills and knowledge which, in accordance with the industry standard for the occupation, requires the completion of at least 2,000 hours of on-the-job work experience to attain.

(d) Require related instruction to supplement the on-the-job training/learning.

§ 29.5 Standards of apprenticeship.

An apprenticeship program, to be eligible for approval and registration by a Registration Agency, must conform to the following standards:

(a) The program must have an organized, written plan (program standards) embodying the terms and conditions of employment, training, and supervision of one or more apprentices

in an apprenticeable occupation, as defined in this part, and subscribed to by a sponsor who has undertaken to carry out the apprentice training program.

(b) The program standards must contain provisions that address:

(1) The employment and training of the apprentice in a skilled occupation.

(2) The term of apprenticeship, which for an individual apprentice may be measured either through the completion of the industry standard for on-the-job work experience (at least 2,000 hours) (time-based approach), the attainment of competency (competency-based approach), or a blend of the time-based and competency-based approaches (hybrid approach).

(i) The time-based approach measures skill acquisition through the individual apprentice's completion of at least 2,000 hours of on-the-job experience as described in work process schedule.

(ii) The competency-based approach measures skill acquisition through the individual apprentice's successful demonstration of acquired skills and knowledge, as verified by the program sponsor.

(iii) The hybrid approach measures the individual apprentice's skill acquisition through a combination of specified minimum number of hours of on-the-job work experience and the successful demonstration of competency as described in a work process schedule.

(3) An outline of the work processes in which the apprentice will receive supervised work experience and training on the job, and the allocation of the approximate amount of time to be spent in each major process.

(4) Provision for organized, related and supplemental instruction in technical subjects related to the occupation. A minimum of 144 hours for each year of apprenticeship is recommended. This instruction in technical subjects may be accomplished through such media as: Classroom, occupational or industry courses, electronic media, or other instruction approved by the administering Registration Agency. All apprenticeship instructors must meet the State Department of Education's requirements for vocational-technical instructor in the State of registration and/or be recognized as a subject matter expert, for example, a journeyworker for specific instruction in an occupation or a math instructor to instruct the math portion of the related instruction. All instructors must have training in teaching techniques and adult learning styles.

(5) A progressively increasing schedule of wages to be paid to the

apprentice consistent with the skill acquired. The entry wage must not be less than the minimum wage prescribed by the Fair Labor Standards Act, where applicable, unless a higher wage is required by other applicable Federal law, State law, respective regulations, or by collective bargaining agreement.

(6) Periodic review and evaluation of the apprentice's performance on the job and in related instruction; and the maintenance of appropriate progress records.

(7) A numeric ratio of apprentices to journeyworkers consistent with proper supervision, training, safety, and continuity of employment, and applicable provisions in collective bargaining agreements, except where such ratios are expressly prohibited by the collective bargaining agreements. The ratio language must be specific and clearly described as to its application to the jobsite, work force, department or plant.

(8) A probationary period reasonable in relation to the full apprenticeship term, with full credit given for such period toward completion of apprenticeship.

(9) Adequate and safe equipment and facilities for training and supervision, and safety training for apprentices on the job and in related instruction.

(10) The minimum qualifications required by a sponsor for persons entering the apprenticeship program, with an eligible starting age not less than 16 years.

(11) The placement of an apprentice under a written Apprenticeship Agreement that meets the requirements of § 29.7 or the State apprenticeship law of a recognized Registration Agency. The agreement must directly, or by reference, incorporate the standards of the program as part of the agreement.

(12) The granting of advanced standing or credit for demonstrated competency, acquired experience, training, or skills for all applicants equally, with commensurate wages for any progression step so granted.

(13) The transfer of an apprentice between apprenticeship programs and within an apprenticeship program, whether at the initiative of the apprentice or the initiative of the employer or the program sponsor. Transfers must occur without adverse impact on the apprentice, the employer, or the program, and must comply with the following requirements:

(i) The transferring apprentice must be provided a transcript of related training and on-the-job learning by the committee or program sponsor;

(ii) Transfer must be to a related occupation or within the same occupation; and

(iii) A new apprenticeship agreement must be executed when the transfer occurs between program sponsors.

(14) Assurance of qualified training personnel and adequate supervision on the job.

(15) Recognition for successful completion of apprenticeship or attainment of an interim credential, as evidenced by an appropriate certificate issued by the Registration Agency.

(16) Identification of the Registration Agency.

(17) Provision for the registration, cancellation and deregistration of the program; and for the prompt submission of any program standard modification or amendment to the Registration Agency for approval.

(18) Provision for registration of apprenticeship agreements, modifications, and amendments; notice to the Registration Agency of persons who have successfully completed apprenticeship programs; and notice of transfers, suspensions, and cancellations of apprenticeship agreements and a statement of the reasons therefore.

(19) Authority for the cancellation of an apprenticeship agreement during the probationary period by either party without stated cause; cancellation during the probationary period will not have an adverse impact on the sponsor's completion rate.

(20) Compliance with 29 CFR part 30, including the equal opportunity pledge prescribed in 29 CFR 30.3(b); an affirmative action plan complying with 29 CFR 30.4; and a method for the selection of apprentices authorized by 29 CFR 30.5, or compliance with parallel requirements contained in a State plan for equal opportunity in apprenticeship adopted pursuant to 29 CFR part 30 and approved by the Department. The apprenticeship standards must also include a statement that the program will be conducted, operated and administered in conformity with applicable provisions of 29 CFR part 30, as amended, or, if applicable, an approved State plan for equal opportunity in apprenticeship.

(21) Contact information (name, address, telephone number and e-mail address if appropriate) of the appropriate authority under the program to receive, process and make disposition of complaints.

(22) Recording and maintenance of all records concerning apprenticeship as may be required by the Office of Apprenticeship or recognized State

Apprenticeship Agency and other applicable law.

§ 29.6 Program performance standards.

(a) Every registered apprenticeship program must have at least one registered apprentice.

(b) In order to evaluate performance of a registered apprenticeship program, the tools and factors to be considered must include, but are not limited to:

- (1) Quality assurance assessments;
- (2) Equal Employment Opportunity (EEO) Compliance Reviews; and
- (3) Completion rates.

(c) In order to evaluate completion rates, like industry and occupation programs of the same geographical areas may be evaluated. Programs with dramatically different completion rates will be subject to further review. Based on the review, the Registration Agency will provide technical assistance or take other appropriate action.

(d) Cancellation of apprenticeship agreements during the probationary period will not have an adverse impact on a sponsor's completion rate.

§ 29.7 Apprenticeship agreement.

The apprenticeship agreement must contain explicitly or by reference:

(a) Names and signatures of the contracting parties (apprentice, and the program sponsor or employer), and the signature of a parent or guardian if the apprentice is a minor.

(b) The date of birth and, on a voluntary basis, Social Security number of the apprentice.

(c) Contact information of the Program Sponsor and Registration Agency.

(d) A statement of the occupation in which the apprentice is to be trained, and the beginning date and term (duration) of apprenticeship.

(e) A statement showing:

(1) The number of hours to be spent by the apprentice in work on the job in a time-based program, or a description of the skill sets to be attained by completion of a competency-based program; or the minimum number of hours to be spent by the apprentice and a description of the skill sets to be attained by completion of hybrid program; and

(2) The number of hours to be spent in related and supplemental instruction in technical subjects related to the occupation, which is recommended to be not less than 144 hours per year.

(f) A statement setting forth a schedule of the work processes in the occupation or industry divisions in which the apprentice is to be trained and the approximate time to be spent at each process.

(g) A statement of the graduated scale of wages to be paid the apprentice and

whether or not the required school time is compensated.

(h) Statements providing:

(1) For a specific period of probation during which the apprenticeship agreement may be cancelled by either party to the agreement upon written notice to the registration agency, without adverse impact on the sponsor.

(2) That, after the probationary period, the agreement may be:

(i) Cancelled at the request of the apprentice, or

(ii) Suspended, or cancelled by the sponsor, for good cause, with due notice to the apprentice and a reasonable opportunity for corrective action, and with written notice to the apprentice and to the Registration Agency of the final action taken.

(i) A reference incorporating as part of the agreement the standards of the apprenticeship program as they exist on the date of the agreement and as they may be amended during the period of the agreement.

(j) A statement that the apprentice will be accorded equal opportunity in all phases of apprenticeship employment and training, without discrimination because of race, color, religion, national origin, or sex.

(k) Contact information (name, address, phone and e-mail if appropriate) of the appropriate authority, designated under the program to receive, process and make disposition of controversies or differences arising out of the apprenticeship agreement when the controversies or differences cannot be adjusted locally or resolved in accordance with the established procedure or applicable collective bargaining provisions.

§ 29.8 Deregistration of a registered program.

Deregistration of a program may be effected upon the voluntary action of the sponsor by submitting a request for cancellation of the registration in accordance with paragraph (a) of this section, or upon reasonable cause, by the Registration Agency instituting formal deregistration proceedings in accordance with paragraph (b) of this section.

(a) *Deregistration at the request of the sponsor.* The Registration Agency may cancel the registration of an apprenticeship program by written acknowledgment of such request stating the following matters:

(1) The registration is cancelled at the sponsor's request, and the effective date thereof;

(2) That, within 15 days of the date of the acknowledgment, the sponsor will notify all apprentices of such

cancellation and the effective date; that such cancellation automatically deprives the apprentice of individual registration; that the deregistration of the program removes the apprentice from coverage for Federal purposes which require the Secretary of Labor's approval of an apprenticeship program, and that all apprentices are referred to the Registration Agency for information about potential transfer to other registered apprenticeship programs.

(b) *Deregistration by the Registration Agency upon reasonable cause.*

(1) Deregistration proceedings may be undertaken when the apprenticeship program is not conducted, operated, and administered in accordance with the program's registered provisions or with the requirements of this part.

Deregistration proceedings for violation of equal opportunity requirements must be processed in accordance with the provisions under 29 CFR part 30, as amended.

(2) Where it appears the program is not being operated in accordance with the registered standards or with requirements of this part, the Registration Agency must so notify the program sponsor in writing.

(3) The notice sent to the program sponsor's contact person must:

(i) Be sent by registered or certified mail, with return receipt requested;

(ii) State the shortcoming(s) and the remedy required; and

(iii) State that a determination of reasonable cause for deregistration will be made unless corrective action is effected within 30 days.

(4) Upon request by the sponsor for good cause, the 30-day term may be extended for another 30 days. During the period for corrective action, the Registration Agency must assist the sponsor in every reasonable way to achieve conformity.

(5) If the required correction is not effected within the allotted time, the Registration Agency must send a notice to the sponsor, by registered or certified mail, return receipt requested, stating the following:

(i) The notice is sent pursuant to this subsection;

(ii) Certain deficiencies were called to the sponsor's attention (enumerating them and the remedial measures requested, with the dates of such occasions and letters), and that the sponsor has failed or refused to effect correction;

(iii) Based upon the stated deficiencies and failure to remedy them, a determination has been made that there is reasonable cause to deregister the program and the program may be deregistered unless, within 15 days of

the receipt of this notice, the sponsor requests a hearing with the applicable Registration Agency; and

(iv) If the sponsor does not request a hearing, the entire matter will be submitted to the Administrator, Office of Apprenticeship, for a decision on the record with respect to deregistration.

(6) If the sponsor does not request a hearing, the Registration Agency will transmit to the Administrator, a report containing all pertinent facts and circumstances concerning the nonconformity, including the findings and recommendation for deregistration, and copies of all relevant documents and records. Statements concerning interviews, meetings and conferences will include the time, date, place, and persons present. The Administrator will make a final order on the basis of the record presented.

(7) If the sponsor requests a hearing, the Registration Agency will transmit to the Administrator, a report containing all the data listed in paragraph (b)(6) of this section and the Administrator will refer the matter to the Office of Administrative Law Judges. An Administrative Law Judge will convene a hearing in accordance with § 29.10; and submit proposed findings and a recommended decision to the Administrative Review Board for final agency action.

(8) Every order of deregistration must contain a provision that the sponsor must, within 15 days of the effective date of the order, notify all registered apprentices of the deregistration of the program; the effective date thereof; that such cancellation automatically deprives the apprentice of individual registration; that the deregistration removes the apprentice from coverage for Federal purposes which require the Secretary of Labor's approval of an apprenticeship program; and that all apprentices are referred to the Registration Agency for information about potential transfer to other registered apprenticeship programs.

§ 29.9 Reinstatement of program registration.

Any apprenticeship program deregistered under § 29.8 of this part may be reinstated upon presentation of adequate evidence that the apprenticeship program is operating in accordance with this part. Such evidence must be presented to the Registration Agency.

§ 29.10 Hearings for deregistration.

(a) Within 10 days of receipt of a request for a hearing, the Administrator of the Office of Apprenticeship must contact the Department's Office of

Administrative Law Judges to request the designation of an Administrative Law Judge to preside over the hearing. The Administrative Law Judge shall give reasonable notice of such hearing by registered mail, return receipt requested, to the appropriate sponsor. Such notice will include:

(1) A reasonable time and place of hearing;

(2) A statement of the provisions of this part pursuant to which the hearing is to be held; and

(3) A concise statement of the matters pursuant to which the action forming the basis of the hearing is proposed to be taken.

(b) The procedures contained in 29 CFR part 18 will apply to the disposition of the request for review except that:

(1) The Administrative Law Judge will receive, and make part of the record, documentary evidence offered by any party and accepted at the hearing. Copies thereof will be made available by the party submitting the documentary evidence to any party to the hearing upon request.

(2) Technical rules of evidence will not apply to hearings conducted pursuant to this part, but rules or principles designed to assure production of the most credible evidence available and to subject testimony to test by cross-examination will be applied, where reasonably necessary, by the Administrative Law Judge conducting the hearing. The Administrative Law Judge may exclude irrelevant, immaterial, or unduly repetitious evidence.

(c) The Administrative Law Judge should issue a written decision within 90 days of the close of the hearing record. The Administrative Law Judge's decision constitutes final agency action unless, within 15 days from receipt of the decision, a party dissatisfied with the decision files a petition for review with the Administrative Review Board, specifically identifying the procedure, fact, law or policy to which exception is taken. Any exception not specifically urged is deemed to have been waived. A copy of the petition for review must be sent to the opposing party at the same time. Thereafter, the decision of the Administrative Law Judge remains final agency action unless the Administrative Review Board, within 30 days of the filing of the petition for review, notifies the parties that it has accepted the case for review. The Administrative Review Board may set a briefing schedule or decide the matter on the record. The Administrative Review Board must decide any case it accepts for review within 180 days of

the close of the record. If not so decided, the Administrative Law Judge's decision constitutes final agency action.

§ 29.11 Limitations.

Nothing in this part or in any apprenticeship agreement will operate to invalidate:

(a) Any apprenticeship provision in any collective bargaining agreement between employers and employees establishing higher apprenticeship standards; or

(b) Any special provision for veterans, minority persons, or women in the standards, apprentice qualifications or operation of the program, or in the apprenticeship agreement, which is not otherwise prohibited by law, Executive Order, or authorized regulation.

§ 29.12 Complaints.

(a) This section is not applicable to any complaint concerning discrimination or other equal opportunity matters; all such complaints must be submitted, processed and resolved in accordance with applicable provisions in 29 CFR part 30, as amended, or applicable provisions of a State Plan for Equal Employment Opportunity in Apprenticeship adopted pursuant to 29 CFR part 30 and approved by the Department.

(b) Except for matters described in paragraph (a) of this section, any controversy or difference arising under an apprenticeship agreement which cannot be adjusted locally and which is not covered by a collective bargaining agreement, may be submitted by an apprentice, or the apprentice's authorized representative, to the appropriate Registration Authority, either Federal or State, which has registered and/or approved the program in which the apprentice is enrolled, for review. Matters covered by a collective bargaining agreement are not subject to such review.

(c) The complaint must be in writing and signed by the complainant, or authorized representative, and must be submitted within 60 days of the final local decision. It must set forth the specific matter(s) complained of, together with relevant facts and circumstances. Copies of pertinent documents and correspondence must accompany the complaint.

(d) The Office of Apprenticeship or recognized State Apprenticeship Agency, as appropriate, will render an opinion within 90 days after receipt of the complaint, based upon such investigation of the matters submitted as may be found necessary, and the record before it. During the 90-day period, the

Office of Apprenticeship or recognized State Apprenticeship Agency will make reasonable efforts to effect a satisfactory resolution between the parties involved. If so resolved, the parties will be notified that the case is closed. Where an opinion is rendered, copies of same will be sent to all interested parties.

(e) Nothing in this section precludes an apprentice from pursuing any other remedy authorized under another Federal, State, or local law.

(f) A State Apprenticeship Agency may adopt a complaint review procedure differing in detail from that given in this section provided it is submitted for review and approval by the Office of Apprenticeship.

§ 29.13 Recognition of State apprenticeship agencies.

(a) *Recognition.* The Department may exercise its authority to grant recognition to a State Apprenticeship Agency. Recognition confers non-exclusive authority to determine whether an apprenticeship program conforms to the published standards and whether the program is, therefore, eligible for those Federal purposes which require such a determination by the Department. Such recognition shall be accorded upon the State's submission of, the Department's approval of, and the State's compliance with the following:

(1) The State Apprenticeship Agency must submit a State apprenticeship law, whether instituted through statute, Executive order, regulation, or other means, that conforms to the requirements of 29 CFR parts 29 and 30;

(2) The State Apprenticeship Agency must establish and continue to use a State Apprenticeship Council. The State Apprenticeship Council may be either regulatory or advisory and must meet the following requirements:

(i) It must be composed of persons familiar with apprenticeable occupations, and

(ii) It must include an equal number of representatives of employer and of employee organizations and include public members who shall not number in excess of the number named to represent either employer or employee organizations;

(3) The State Apprenticeship Agency must submit a State Plan for Equal Employment Opportunity in Apprenticeship that conforms to the requirements published in 29 CFR part 30;

(4) The State Apprenticeship Agency's submission must include a description of the basic standards, criteria, and requirements for program registration and/or approval;

(5) The State Apprenticeship Agency's submission must include a description of policies and operating procedures which depart from or impose requirements in addition to those prescribed in this part; and

(6) The State Apprenticeship Agency's submission must include a description of policies, procedures, and plans that demonstrate how the State's economic development strategies and public workforce investment system incorporate and integrate registered apprenticeship as a critical post-secondary education, training, and employment option available through the One Stop Career Center system.

(b) *Basic requirements.* In order to obtain and maintain recognition as provided under paragraph (a) of this section, the State Apprenticeship Agency must conform to the requirements of this part. To accomplish this, the State must:

(1) Establish and maintain an administrative entity (the State Apprenticeship Agency) that is capable of performing the functions of a Registration Agency under 29 CFR part 29;

(2) Allocate sufficient staff and budget to carry out the functions of a Registration Agency, including: Outreach and education; registration of programs and apprentices; provision of technical assistance, and monitoring as required to fulfill the requirements of this part;

(3) Clearly delineate the respective powers and duties of the State office, the State Apprenticeship Agency, and of the State Apprenticeship Council;

(4) Establish policies and procedures to promote equality of opportunity in apprenticeship programs pursuant to a State Plan for Equal Employment Opportunity in Apprenticeship which adopts and implements the requirements of 29 CFR part 30, as amended, and to require apprenticeship programs to operate in conformity with such State Plan and 29 CFR part 30, as amended;

(5) Prescribe the contents of apprenticeship agreements, in conformity with § 29.7 of this part;

(6) Ensure that the registration of apprenticeship programs occurs only in apprenticeable occupations as provided in § 29.4, including occupations in high growth and high demand industries;

(7) Accord reciprocal approval for Federal purposes to apprentices, apprenticeship programs and standards that are registered in other States by the Office of Apprenticeship or a Registration Agency if such reciprocity is requested by the apprenticeship program sponsor;

(8) Provide for the cancellation and/or deregistration programs, and for temporary suspension, cancellation, and/or deregistration of apprenticeship agreements; and

(9) Submit all proposed modifications in legislation, regulations, policies and/or operational procedures planned or anticipated by a State Apprenticeship Agency, either at the time of application for recognition or subsequently, to the Office of Apprenticeship for review, and obtain the Office of Apprenticeship's approval prior to implementation.

(c) *Application for recognition.* A State Apprenticeship Agency desiring new or continued recognition as a Registration Agency must submit to the Administrator, Office of Apprenticeship, the documentation specified in § 29.13(a) of this part. A currently recognized State desiring continued recognition by the Office of Apprenticeship must submit to the Administrator, Office of Apprenticeship, the documentation specified in paragraph (a) of this section within 1 year of the effective date of the final rule. The recognition of a currently recognized State shall continue for up to 1 year from the effective date of this regulation and during any extension period granted by the Administrator. An extension of time within which to comply with the requirements of this part may be granted by the Administrator for good cause upon written request by the State, but the Administrator shall not extend the time for submission of the documentation required by paragraph (a) of this section. Upon approval of the State Apprenticeship Agency's application for recognition and any subsequent modifications to this application as required under paragraph (b)(9) of this section, the Administrator shall so notify the State Apprenticeship Agency in writing.

(d) *Duration of recognition.* The recognition of a State Apprenticeship Agency shall last for 5 years from the date recognition is granted under paragraph (c) of this section. The Administrator shall notify each State Registration Agency at least 180 days prior to the expiration of the 5-year period whether the Registration Agency is in conformity with this part. If the notification states that the State Apprenticeship Agency is in conformity, recognition will be renewed for an additional 5-year period. If the notification states that the State Apprenticeship Agency is not in conformity, the notification shall specify the areas of non-conformity, require corrective action, and offer technical assistance. After the

Administrator determines that a State Apprenticeship Agency has corrected the identified non-conformities, recognition will be renewed for an additional 5-year period.

(e) *Compliance.* The Office of Apprenticeship will monitor a State Registration Agency for compliance with the recognition requirements of this part through:

(1) On-site reviews conducted by Office of Apprenticeship staff.

(2) Self-assessment reports, as required by Office of Apprenticeship.

(3) Review of State Apprenticeship Agency legislation, regulations, policies, and/or operating procedures required to be submitted under paragraphs (a)(1), (a)(5) and (b)(9) of this section for review and approval as required under § 29.13(a).

(4) Determination whether, based on the review performed under paragraphs (e)(1), (2), and (3) of this section, the State Registration Agency is in compliance with part 29. Notice to the State Registration Agency of the determination will be given within 45 days of receipt of proposed modifications to legislation, regulations, policies, and/or operational procedures required under paragraphs (a)(1), (a)(5) and (b)(9) of this section.

(f) *Accountability/Remedies for non-conformity.*

(1) State Registration Agencies that fail to maintain compliance with the requirements of this part, as provided under paragraph (e) above, will:

(i) Receive technical assistance from Office of Apprenticeship in an effort to remedy the non-conforming activity; and

(ii) Be placed on "Conditional Recognition" for a period of 45 days during which the State Apprenticeship Agency must submit a corrective action plan to remedy the non-conforming activity. Upon request from the State Apprenticeship Agency for good cause, the 45-day period may be extended.

(2) Failure to comply with these requirements will result in rescission of recognition, for Federal Purposes as provided under § 29.14.

(g) *Denial of State Apprenticeship Agency Recognition.* A denial by the Office of Apprenticeship of a State Apprenticeship Agency's application for new or continued recognition must be in writing and must set forth the reasons for denial. The notice must be sent by certified mail, return receipt requested. In addition to the reasons stated for the denial, the notice must specify the remedies which must be undertaken prior to consideration of a resubmitted request. A request for administrative review of a denial of recognition may be

made within 30 calendar days of receipt of the notice of denial by the Department. Such request must be made by mail and addressed to the Chief Administrative Law Judge for the Department. The mailing address is Office of Administrative Law Judges, U.S. Department of Labor, Suite 400 North, 800 K Street, NW., Washington, DC 20001-8002. Within 30 calendar days of the filing of the request for review, the Administrator must prepare an administrative record for submission to the Administrative Law Judge designated by the Chief Administrative Law Judge.

(1) The procedures contained in 29 CFR part 18 will apply to the disposition of the request for review except that:

(i) The Administrative Law Judge will receive, and make part of the record, documentary evidence offered by any party and accepted at the hearing. Copies thereof will be made available by the party submitting the documentary evidence to any party to the hearing upon request.

(ii) Technical rules of evidence will not apply to hearings conducted pursuant to this part, but rules or principles designed to assure production of the most credible evidence available and to subject testimony to test by cross-examination will be applied, where reasonably necessary, by the Administrative Law Judge conducting the hearing. The Administrative Law Judge may exclude irrelevant, immaterial, or unduly repetitious evidence.

(2) The Administrative Law Judge should submit proposed findings and a recommended decision and a certified record of the proceedings to the Administrative Review Board, within 90 calendar days after the close of the record.

(3) Within 20 days of the receipt of the recommended decision, any party may file exceptions. Any party may file a response to the exceptions filed by another party within 10 days of receipt of the exceptions. All exceptions and responses must be filed with the Administrative Review Board with copies served on all parties and amici.

(4) After the close of the period for filing exceptions and responses, the Administrative Review Board may issue a briefing schedule or may decide the matter on the record before it. The Administrative Review Board shall issue a final decision within 180 days after receipt of the record and the expiration of time for the filing of the appellate briefs. The decision of the Administrative Review Board

constitutes final action by the Department.

(h) *State apprenticeship programs.*

(1) An apprenticeship program submitted to a State Registration Agency for registration must, for Federal purposes, be in conformity with the State apprenticeship law, regulations, and with the State Plan for Equal Employment Opportunity in Apprenticeship as submitted to and approved by the Office of Apprenticeship pursuant to 29 CFR 30.15, as amended.

(2) In the event that a State Apprenticeship Agency is not recognized by the Office of Apprenticeship for Federal purposes or that such recognition has been withdrawn, or if no State Apprenticeship Agency exists, registration with the Office of Apprenticeship may be requested. Such registration must be granted if the program is conducted, administered and operated in accordance with the requirements of this part and the equal opportunity regulation in 29 CFR part 30, as amended.

(i) *Withdrawal from recognition.* Where a State Apprenticeship Agency's voluntarily relinquishes its recognition for Federal purposes, the State must:

(1) Send a formal notice of intent to the Administrator, Office of Apprenticeship;

(2) Provide all apprenticeship program standards, apprenticeship agreements, completion records, cancellation and suspension records, Equal Employment Opportunity Compliance Review files and any other documents relating to the State's apprenticeship programs, to the Department; and

(3) Cooperate fully during a transition period.

(j) *Retention of authority.*

Notwithstanding any grant of recognition to a State Apprenticeship Agency under this section, the Office of Apprenticeship retains the full authority to register apprenticeship programs and apprentices in all States and Territories where the Office of Apprenticeship determines that such action is necessary to further the interests of the National Apprenticeship System.

§ 29.14 Derecognition of State apprenticeship agencies.

The recognition for Federal purposes of a State Apprenticeship Agency may be withdrawn for the failure to fulfill, or operate in conformity with, the requirements of parts 29 and 30. Derecognition proceedings for reasonable cause will be instituted in accordance with the following:

(a) Derecognition proceedings for failure to adopt or properly enforce a State Plan for Equal Employment Opportunity in Apprenticeship must be processed in accordance with the procedures prescribed in 29 CFR 30.15.

(b) For causes other than those under paragraph (a) of this section, the Office of Apprenticeship must notify the respondent and appropriate State sponsors in writing, by certified mail, with return receipt requested. The notice must set forth the following:

(1) That reasonable cause exists to believe that the respondent has failed to fulfill or operate in conformity with the requirements of this part;

(2) The specific areas of nonconformity;

(3) The needed remedial measures; and

(4) That the Office of Apprenticeship proposes to withdraw recognition for Federal purposes unless corrective action is taken, or a hearing request mailed, within 30 days of the receipt of the notice.

(c) If, within the 30-day period, the State Apprenticeship Agency:

(1) Acknowledges that the State is out of conformity, specifies its proposed remedial action and commits itself to remedying the identified deficiencies, the Office of Apprenticeship will suspend the derecognition process to allow reasonable period of time for the State Apprenticeship Agency to implement its corrective action plan.

(i) If the Office of Apprenticeship determines that the State's corrective action has addressed the identified concerns, the Office of Apprenticeship must so notify the State and the derecognition proceedings shall be terminated.

(ii) If the Office of Apprenticeship determines that the State has not addressed or failed to remedy the identified concerns, the Administrator must notify the State, in writing, of its failure, specifying the reasons therefore, and offer the State an opportunity to request a hearing within 30 days.

(2) Fails to comply or to request a hearing, the Office of Apprenticeship shall decide whether recognition should be withdrawn. If the decision is in the affirmative, the Administrator must begin the process of transferring registrations in paragraph (d).

(3) Requests a hearing:

(i) The Administrator shall refer the matter to the Office of Administrative Law Judges. An Administrative Law Judge will convene a hearing in accordance with § 29.13(g) and submit proposed findings and a recommended decision to the Administrative Review Board for final agency action.

(d) If the Administrative Review Board determines to withdraw recognition for Federal purposes or if the Office of Apprenticeship has decided that recognition should be withdrawn under paragraph (c)(2) of this section, the Administrator must:

(1) Notify the registration agency and the State sponsors of such withdrawal and effect public notice of such withdrawal.

(2) Notify the sponsors that, 30 days after the date of the order withdrawing recognition of the State's registration agency, the Department shall cease to recognize, for Federal purposes, each apprenticeship program registered with the State Apprenticeship Agency, unless within that time, the sponsor requests registration with the Office of Apprenticeship.

(e) Apprenticeship program sponsors affected by derecognition of a State Apprenticeship Agency may request registration with the Office of Apprenticeship in accordance with the following:

(1) The Office of Apprenticeship may grant the request for registration on an interim basis. Continued recognition will be contingent upon its finding that the State apprenticeship program is operating in accordance with the requirements of this part and of 29 CFR part 30, as amended.

(2) The Office of Apprenticeship must make a finding on this issue within 30 days of receipt of the request.

(3) If the finding is in the negative, the State sponsor must be notified in writing that the interim registration with the Office of Apprenticeship has been revoked and that the program will be deregistered unless the sponsor requests a hearing within 15 days of the receipt of the notice. If a hearing is requested, the matter will be forwarded to the Office of Administrative Law Judges for a hearing in accordance with § 29.10.

(4) If the finding is in the affirmative, the State sponsor must be notified in

writing that the interim registration with the Office of Apprenticeship has been made permanent based upon compliance with the requirements of this part.

(f) If the sponsor fails to request registration with the Office of Apprenticeship, the written notice to such State sponsor must further advise the recipient that any actions or benefits applicable to recognition for Federal purposes are no longer available to the participants in its apprenticeship program as of the date 30 days after the date of the order withdrawing recognition.

(g) Such notice must also direct the State sponsor to notify, within 15 days, all its registered apprentices of the withdrawal of recognition for Federal purposes; the effective date thereof; and that such withdrawal removes the apprentice from coverage under any Federal provision applicable to their individual registration under a program recognized or registered by the Secretary of Labor for Federal purposes. Such notice must direct that all apprentices are referred to the Office of Apprenticeship for information about potential transfer to other registered apprenticeship programs.

(h) Where a State Apprenticeship Agency's recognition for Federal purposes has been withdrawn; the State must:

(1) Provide all apprenticeship program standards, apprenticeship agreements, completion records, cancellation and suspension records, Equal Employment Opportunity Compliance Review files and any other documents relating to the State's apprenticeship programs, to the Department; and

(2) Cooperate fully during a transition period.

(i) A State Apprenticeship Agency whose recognition has been withdrawn under this part may have its recognition reinstated upon presentation of adequate evidence that it has fulfilled the requirements established in § 29.13(i) and § 29.14(g) and (h) and is operating in conformity with the requirements of this part.

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