

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, DC 20515-6515

February 15, 2024

The Honorable Julie Su
Acting Secretary
Department of Labor
200 Constitution Ave. NW
Washington, DC 20210

Dear Secretary Su:

The House Committee on Small Business (the Committee) writes to inquire about the Department of Labor's (DOL) recently proposed rule, which seeks to enhance the National Apprenticeship System by modernizing regulations for registered apprenticeships.¹ The proposed rule would introduce significant changes to how training programs are structured, making it more difficult for small businesses to participate in the program.² This rule places an especially high burden on small businesses by imposing difficult administrative requirements ranging from mandatory disclosures for training program sponsors to providing details about the operation, performance, and advancement of the training program.³ It seems the DOL may not have properly considered small businesses in this rulemaking process.

The proposed rule, among other things, would require the adoption of a time-based model—eliminating the current flexible competency-based approaches to certify an individual has completed their training.⁴ Further, the rule adds additional quality and content requirements, and establishes new procedures concerning the registration, cancellation, and deregistration of apprenticeship programs.⁵ These new requirements will discourage small business participation in the apprenticeship programs. Discouraging participation in a program designed to bolster the American workforce is counterproductive. Especially given the labor shortage of skilled workers nationwide—nearly 90 percent of small business owners with job openings are struggling to find qualified applicants.⁶

It is important for agencies to examine the interests of small businesses—which make up 99.9 percent of all businesses in the United States—when passing any new rule. America's small

¹ National Apprenticeship System Enhancements, 89 F.R. § 3118 (2024) (to be codified at 29 C.F.R. §§ 29 & 30).

² *Id.*

³ National Apprenticeship System Enhancements, 89 FR 3118 (2024) (to be codified at 29 C.F.R. §§ 29 & 30).

⁴ Rebecca Rainey, *New Apprenticeship Proposal Draws Warning on Scope of Overhaul*, BLOOMBERG LAW (Dec. 27, 2023).

⁵ *Id.*

⁶ NAT'L FED'N OF INDEP. BUS., SMALL BUS. OPTIMISM INDEX, 2 (Dec. 2023).

businesses deserve to have their voices heard and considered. We therefore request the following documents and information as soon as possible but no later than February 29, 2024:

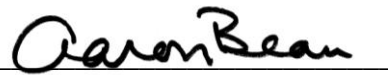
1. What additional incentives does the rule provide small businesses to offer apprenticeship opportunities given the increased costs being imposed on their operation by this rule?
2. To what extent would the proposed rule minimize revenue that could be used by small businesses to facilitate investment, consequently hindering their growth and development?
3. To what extent would the rule limit small businesses to offer job training opportunities given the veto authority labor unions will be entrusted with over new apprenticeship programs?
4. How might the rule's penalties for non-compliance impact the ability of small businesses to participate in the program compared to larger, more financially robust corporations?
5. Whether the DOL took into account how the rule change would affect the small business apprenticeship and job market given the current workforce shortages, and how that was factored into the analysis.

To schedule the delivery of your response or ask any related follow-up questions, please contact the Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate "problems of all types of small business" under House Rule X. Thank you in advance for your cooperation with this inquiry.

In God We Trust,



Roger Williams
Chairman
Committee on Small Business



Aaron Bean
Member
Committee on Small Business

cc: The Honorable Nydia M. Velasquez, Ranking Member
Committee on Small Business