

Congress of the United States
Washington, DC 20515

October 13, 2017

The Honorable Alexander Acosta
Secretary of Labor
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Secretary Acosta,

Connecting Americans to the jobs of today and tomorrow has been the U.S. Department of Labor's ("Department") key mission for decades. Job-driven, registered apprenticeships are among the surest pathways to provide American workers from all backgrounds with the skills and knowledge they need to acquire good-paying jobs and grow the economy. In fact, during the Department's budget request hearings in front of the both the House and Senate Labor, Health and Human Services, Education and Related Agencies appropriations subcommittees, you testified that: "It's a proven strategy that works. High quality apprenticeships, and the emphasis on high quality, enable workers to be involved in the training of their future workforce so that they can be sure that new hires possess the skills that are needed for the job." However, we are deeply concerned by the Trump Administration's recent steps to undermine high-quality apprenticeship programs, potentially opening the door to allow corporations taking advantage of their workers.

Critical to the registered apprenticeship model's success is that all registered programs include paid, on-the-job training with a mentor, progressive wage increases, related classroom instruction, and a transferrable credential. They also provide important labor protections for workers. Evidence shows that over 90 percent of apprentices are employed after completing their programs, with an average starting wage above \$60,000. Without the registration embedded in registered apprenticeships, we would not know how effective programs are. The return on investment for employers is also impressive — international studies suggest that for every dollar spent on apprenticeships, employers get an average of \$1.47 back in increased productivity and greater front-line innovation.

This is why we reached an historic bipartisan agreement to create the first-ever dedicated funding for registered apprenticeships in the fiscal year 2016 spending bill. This initiative is supporting 37 states and 14 sector partnerships in creating thousands of new apprenticeships and careers in diverse industries, including health care, advanced manufacturing, and information technology. According to the Department, over 500,000 people held apprenticeships in the United States last year through 2,100 publicly funded programs. As you know, we increased this investment in the fiscal year 2017 spending bill and directed your Department to build off of the success of the program and continue funding registered apprenticeships.

While we are pleased that President Trump has identified apprenticeships as a shared priority, and note that the Statement of Administration Policy strongly opposed the elimination of apprenticeship grants funding in the House passed fiscal year 2018 spending bill, we are deeply


concerned about your recent cancelation of the initiative's contracts and your lack of commitment to continue funding the State grantees. We strongly urge you to continue funding what we know works and make continuation awards for the 2016 State grantees. As you know, the original grant solicitation indicated that successful States would be provided two additional rounds of continuation awards to expand this proven workforce strategy.

We are also very concerned about the executive order President Trump recently signed to create a duplicative non-registered apprenticeship program and directing the Department to propose new rules that could open the door to any unqualified employer to develop a low-wage and lower quality program and call it a registered apprenticeship. The President's executive order directs your Department to "consider proposing regulations" in this area but makes no mention of key protections for workers, and there is no indication that this rulemaking effort is being conducted in a fair and transparent manner. For example, the requirement for a transferrable credential contained in the current registered apprenticeship program ensures that workers can move between employers in order to support themselves and their families. If apprentices do not retain a credential, they will be entirely beholden to one employer, and not be able to document their skills for other job opportunities.

Over the last decade, research and experience has demonstrated that relaxing standards backfires. The United Kingdom tried this approach in an attempt to increase apprenticeships, and it led to a government supported website advertising "apprentice sandwich artists," for which Subway would pay below minimum wage for apprentices to work full time and fulfill all the same duties as a regular employee. We strongly caution your Department against circumventing and undermining the registered apprenticeship program that Congress created. Furthermore, we request that you provide our offices with a full description of the Department's current status of any rulemaking, including consultations with the Secretary of Education and how the Department plans to enforce the protections of registered apprenticeships within any proposed rule.

It is critical to focus federal dollars where there is strong evidence and a return on investment, rather than on a duplicative system that does not guarantee quality training opportunities and provides fewer safeguards for workers and employers. By providing State grantees and national intermediaries with continued funding, the apprenticeship initiative will help strengthen and expand this proven model throughout our country.

Sincerely,


ROSA L. DeLAURO
Member of Congress


PATTY MURRAY
United States Senator

Cc: The Honorable Mick Mulvaney Director
The White House Office of Management & Budget
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