provided by the 1374 approach would streamline the calculation of built-in gains and built-in losses for taxpayers and the administration of section 382(h) for the IRS. In developing the 2019 proposed regulations, the Treasury Department and the IRS also considered the ''338 approach'' (as described in Notice 2003–65) to be more complex than the 1374 approach and to result in overstatements of RBIG and RBIL.

The Treasury Department and the IRS received several comments in response to the 2019 proposed regulations, many of which were critical of the foregoing view. In response to the comments received, the Treasury Department and the IRS are withdrawing the 2019 proposed regulations and the 2020 proposed regulations.

The Treasury Department and the IRS are continuing to study the issues addressed in the 2019 proposed regulations and expect to issue a revised notice of proposed rulemaking regarding such issues. By the terms of Notice 2003–65, taxpayers may continue to rely on the approaches set forth therein for purposes of applying section 382(h) to an ownership change that occurs prior to the effective date of temporary or final regulations under section 382(h). *See* Notice 2003–65, Part V.

Drafting Information

The principal author of this notice is Brian R. Loss of the Office of Associate Chief Counsel (Corporate). However, other personnel from the Treasury Department and the IRS participated in its development.

List of Subjects in 26 CFR Part 1

Income Taxes, Reporting and recordkeeping requirements.

Withdrawal of Proposed Amendments to the Regulations

Under the authority of 26 U.S.C. 7805, the notices of proposed rulemaking (REG–125710–18) that were published in the **Federal Register** on September 10, 2019 (84 FR 47455), and January 14, 2020 (85 FR 2061), are withdrawn.

Edward T. Killen,

Acting Chief Tax Compliance Officer.

[FR Doc. 2025–12193 Filed 7–1–25; 8:45 am]

BILLING CODE 4830–01–P

DEPARTMENT OF LABOR

Employment and Training Administration

29 CFR Parts 29 and 30

[Docket No. ETA–2025–0006]

RIN 1205–AC21

Prohibiting Illegal Discrimination in Registered Apprenticeship Programs

AGENCY: Employment and Training Administration, Labor.

ACTION: Proposed rule, request for comments.

SUMMARY: The Department of Labor (DOL or the Department) is issuing this notice of proposed rulemaking (NPRM) to remove undue regulatory burdens on registered apprenticeship program sponsors. The Department's proposal would rescind certain regulatory provisions that it believes are unlawful. It also includes conforming, technical changes to the Department's regulation that addresses Labor Standards for the Registration of Apprenticeship Programs. This proposed rule would streamline and simplify sponsors' obligations, while maintaining broad and effective nondiscrimination protections for apprentices and those seeking entry into apprenticeship programs. A brief summer of this document may be found at *regulations.gov* by searching by the RIN 1205–AC21.

DATES: Interested persons are invited to submit written comments on the proposed rule on or before September 2, 2025.

ADDRESSES: You may send comments, identified by Docket No. ETA–2025–0006 and Regulatory Identification Number (RIN) 1205–AC21, by any of the following methods:

Federal Rulemaking Portal: https://www.regulations.gov. Search for the above-referenced RIN, open the proposed rule, and follow the on-screen instructions for submitting comments.

Instructions: All submissions received must include the agency name and docket number for this rulemaking or ''RIN 1205–AC21.''

Please be advised that the Department will post comments received that relate to this proposed rule to *https://www.regulations.gov,* including any personal information provided. The *https://www.regulations.gov* website is the Federal e-Rulemaking Portal and all comments posted there are available and accessible to the public. Please do not submit comments containing trade secrets, confidential or proprietary commercial or financial information, personal health information, sensitive personally identifiable information (for example, social security numbers, driver's license or state identification numbers, passport numbers, or financial account numbers), or other information that you do not want to be made available to the public. Should the agency become aware of such information, the agency reserves the right to redact or refrain from posting sensitive information, libelous, or otherwise inappropriate comments, including those that contain obscene, indecent, or profane language; that contain threats or defamatory statements; or that contain hate speech. Please note that depending on how information is submitted, the agency may not be able to redact the information and instead reserves the right to refrain from posting the information or comment in such situations.

Docket: For access to the docket to read background documents, comments received, or the plain-language summary of the proposed rule of not more than 100 words in length required by the Providing Accountability Through Transparency Act of 2023, go to *https://www.regulations.gov* (search using RIN 1205–AC21 or Docket No. ETA–2025–0006). If you need assistance to review the comments, contact the Office of Policy Development and Research at 202–693–3700 (this is not a toll-free number).

FOR FURTHER INFORMATION CONTACT: Luke Murren, Acting Administrator, Office of Policy Development and Research, U.S. Department of Labor, Employment and Training Administration, 200 Constitution Avenue NW, Room N–5641, Washington, DC 20210, Telephone: 202–693–3700 (voice) (this is not a toll-free number). For persons with a hearing or speech disability who need assistance using the telephone system, please dial 711 to access telecommunications relay services.

SUPPLEMENTARY INFORMATION:

Preamble Table of Contents

I. Background

A. Registered Apprenticeship

For nearly a century, registered apprenticeship has stood as a foundational, employer-led model of workforce development anchored in private sector leadership and real-world skill development that accelerates the recruitment, training, and retention of highly proficient workers in the skilled occupations employers need. This training model supports the development of high quality, skilled workers without the high cost or inefficiencies often associated with traditional academic pathways. Registered apprenticeship offers a high-quality, industry-driven career pathway in which employers can develop and prepare their future workforce, and individuals can obtain paid work experience with a mentor and receive progressive wage increases; classroom instruction; and a portable, nationally recognized credential. Registered apprenticeship programs are industry-vetted and are approved and validated by DOL or a State Apprenticeship Agency (SAA).

Employers and industry stakeholders continuously refine the registered apprenticeship model to meet the changing workforce system demands and emerging skills needs. Apprentices gain affordable, hands-on training while earning wages and receiving guidance from qualified journeyworkers. Program sponsors use registered apprenticeship to build a skilled, job-ready workforce that enhances their competitiveness and yields strong returns on investment. According to the Common Reporting Information System, individuals who complete registered apprenticeship programs earn an average annual salary of approximately $84,000, exceeding the average earnings of associate degree holders, which range from $50,000 to $56,000 per year.[1] Employers also report positive outcomes resulting from their participation in registered apprenticeship; for example, an Abt Associates report that surveyed employers who participate in registered apprenticeship found that registered apprenticeship programs delivered a return on investment of 44 percent, reduce staff turnover, boost productivity, and strengthen the talent pipeline.[2]

Registered apprenticeship programs also yield a 90 percent employment retention rate, indicating that most graduates remain in the workforce after completing their training.[3] Over the course of their careers, registered apprenticeship completers earn more than $300,000 (including benefits) above what their non-apprentice peers earn on average, highlighting the long-term economic advantage of this training model.[4]

Registered apprenticeship programs are voluntarily sponsored by a wide range of organizations, including employers of all sizes—among them Federal, State, and local governments, employers groups, associations, joint labor-management organizations, workforce intermediaries, and educational institutions. Together, these stakeholders comprise the National Apprenticeship System, a voluntary network of registered apprenticeship programs and their sponsors, SAAs, and industry leaders who design apprenticeship training to meet their workforce needs.[5]

On April 23, 2025, President Trump issued Executive Order (E.O.) 14278, *Preparing Americans for High-Paying Skilled Trade Jobs of the Future,* directing the Secretaries of Labor, Education, and Commerce to strengthen the nation's workforce development system. The E.O. affirms the Administration's commitment to expanding access to high-quality, skills-based career pathways aligned with emerging labor market demands and national economic priorities, including the nationwide goal of reaching and surpassing one million active apprentices. E.O. 14278 positions registered apprenticeship as a key workforce development strategy by promoting expansion into ''new industries and occupations, including high-growth and emerging sectors'' and by enhancing alignment with career and technical education.

As of Fiscal Year (FY) 2025, the registered apprenticeship system supports 678,014 active apprentices nationwide. This represents an 88.45% increase in participation since FY 2015. The data reflects sustained long-term growth in registered apprenticeship participation across industries and geographies, with Texas and Ohio among the leading states by apprentice volume. The data shows that registered apprenticeship programs are scalable, and an effective workforce development model aligned with both industry demand and national economic goals.[6]

Despite the growth it has achieved over the past decade, registered apprenticeship remains an underutilized approach for developing the skills of America's workforce. In the United States, the proportion of workers who have participated in registered apprenticeship programs constitutes approximately 0.2 percent of the labor force; this is a significantly lower figure than the percentage of apprentices in the labor force seen in several other nations with highly developed apprenticeship systems, including Canada (2.2 percent), Britain (2.7 percent), Australia (3.7 percent), and Germany (3.7 percent).[7] The Department is currently seeking ways to promote greater uptake of registered apprenticeship in the United States, including removing unnecessary administrative barriers to the registration of new apprenticeship programs that have inhibited the accelerated adoption of this proven workforce development model. Broader adoption of registered apprenticeship by employers across industries and occupations will be necessary to achieve the Administration's goal of one million

[1] U.S. Department of Labor Employment and Training Administration/Kansas Department of Commerce, Common Reporting Information System (CRIS), FY2025 Q1 publication, retrieved Feb. 7, 2025.

[2] Daniel Kuehn, Sonia M. De La Rosa, Robert I. Lerman, and Kevin Hollenbeck, Abt Associates and Urban Institute, ''Do Employers Earn Positive Returns to Investments in Apprenticeship? Evidence from Registered Programs under the American Apprenticeship Initiative,'' 2022, *https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/AAI/AAI_ROI_Final_Report_508_9-2022.pdf.*

[3] CRIS, FY2025 Q1 publication, supra note 1.

[4] Kevin Hollenbeck, Mathematica Policy Research, ''An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States,'' 2012.

[5] In registered apprenticeship programs, such training plans are referred to as ''work process schedules.''

[6] U.S. Department of Labor, ''Apprentices by State Dashboard,'' *https://www.apprenticeship.gov/data-and-statistics/apprentices-by-state-dashboard,* last visited June 27, 2025.

[7] Robert I. Lerman, Brookings Institution, ''*Expanding Apprenticeship Opportunities in the United States,*'' 2014, 3, *https://www.hamiltonproject.org/assets/legacy/files/downloads_and_links/expand_apprenticeship_opportunities_united_states_lerman.pdf.*

active apprentices. More importantly, widespread adoption of the registered apprenticeship model will ensure that more American workers possess the occupational skills and competencies that employers require to drive innovation and economic expansion.

B. Regulatory History of the 29 CFR Part 30 Regulation

The National Apprenticeship Act of 1937 (NAA) authorizes the Department to formulate and promote labor standards necessary to safeguard the welfare of apprentices.[8] Within the Department, this responsibility falls to the Employment and Training Administration's (ETA) Office of Apprenticeship (OA). OA registers apprenticeship programs that meet the regulatory requirements set forth in the Code of Federal Regulations (CFR) at 29 CFR parts 29 and 30. The original version of the regulation at 29 CFR part 29 (part 29), titled ''Labor Standards of Apprenticeship,'' was issued in 1977, and amended in 2008. Part 29 implements the NAA by establishing minimum labor standards necessary to safeguard the welfare of apprentices. These include: policies and procedures for the registration, cancellation, and deregistration of apprenticeship programs; safety requirements; progressive wage standards; apprentice-to-journeyworker ratios; apprenticeship agreement content; and the criteria for the recognizing SAAs as Registration Agencies.[9]

The first version of the regulation at 29 CFR part 30 (part 30), titled ''Nondiscrimination in Apprenticeship and Training,'' was published in December of 1963,[10] more than six months before President Lyndon B. Johnson signed the Civil Rights Act into law in July of 1964. Title VII of the Civil Rights Act contains landmark protections for workers against employment discrimination, and its protections extend to apprentices.[11] The 1963 version of the Department's part 30 regulation prohibited discrimination based on race, creed, color, or national origin in all phases of a registered apprenticeship program. In the preamble of the NPRM that preceded the publication of the 1963 version of the part 30 final rule, the Department declared that ''discrimination based on race, creed, color, or national origin has no place in American life today, particularly in the programs by which young people acquire the skills that determine their future employment prospects,'' (see 28 FR 11313).

In 1971, the Department revised part 30, renaming it *Equal Employment Opportunity in Apprenticeship and* Training. The 1971 amendments to the regulation prohibited program sponsors from discriminating against apprentices on the basis of sex and religion (thus bringing the regulation into alignment with Title VII of the Civil Rights Act of 1964) and introduced a new requirement for apprenticeship programs with five or more apprentices to establish a written affirmative action program (AAP).[12] The 1971 revision also clarified that such AAPs must include female apprentices.

In 2016, the Department again revised the content of part 30 by expanding the scope of protected characteristics covered by the nondiscrimination provision of the regulation to include, among other things, age, disability, and genetic information. The 2016 version of the part 30 regulation [13] (2016 final rule) also subjected apprenticeship program sponsors to an expanded set of administratively burdensome requirements, such as: mandating that sponsors provide anti-harassment training to apprentices and to all personnel connected with the administration of their apprenticeship program; imposing a highly complex scheme of demographic and utilization analyses on sponsors to determine whether apprenticeship programs with five or more apprentices were meeting their respective AAP goals; and requiring program sponsors subject to the AAP provision of the regulation to review their personnel practices on an annual basis to determine their continuing compliance with the foregoing requirements.

The 2016 final rule imposed excessive administrative requirements—as well as affirmative action obligations that are legally vulnerable (which are described in greater detail below)—upon apprenticeship program sponsors. In the Department's view, the imposition of such onerous and burdensome regulatory mandates on sponsors impede the goal of apprenticeship expansion. Such governmental overreach can serves to undermine the establishment, development, and expansion of innovative, high-quality apprenticeship programs. At a time when the rapid expansion of high-quality apprenticeship training is urgently needed to equip Americans of all backgrounds with the occupational skills they need to succeed in a competitive global marketplace, it is imperative that the Department revise and rescind outdated, burdensome, and legally vulnerable regulatory provisions that prevent the accelerated expansion of registered apprenticeship. The Department invites public comments from all interested parties on this proposal to significantly revise the part 30 regulation. The Department is particularly interested in comments from registered apprenticeship stakeholders about any reliance interests that may be impacted by this proposed rule.

C. Need for the Rulemaking

The Department has determined that revising part 30 is necessary to remove regulatory requirements that impose unnecessary administrative burdens on registered apprenticeship program sponsors and hinder the continued growth of this successful workforce development model. In addition to advancing the Department's broader goal of expanding registered apprenticeship, the proposed changes are intended to bring the regulation into alignment with nondiscrimination law. These revisions would eliminate a duplicative and outdated equal employment opportunity framework that applies only to registered apprenticeship and would instead adopt a streamlined approach consistent with the Administration's directive to reduce regulatory burdens. By simplifying compliance obligations and focusing on core legal protections, the Department anticipates that this proposed deregulatory action will support broader program participation and expand

[8] 29 U.S.C. 50.

[9] 73 FR 64402. These regulations can be accessed on OA's website at *http://www.doleta.gov/oa/pdf/FinalRule29CFRPart29.pdf.*

[10] The Department's promulgation of the original part 30 regulation was set in motion by the issuance of a statement by President John F. Kennedy on June 4, 1963, that directed the Secretary of Labor, in the conduct of his duties under the National Apprenticeship Act of 1937, ''to require that the admission of young workers to apprenticeship programs be on a completely nondiscriminatory basis.'' Office of the Federal Register, National Archives and Records Service, Public Papers of President John F. Kennedy, ''Statement of the President on Equal Employment Opportunity in Federal Apprenticeship and Construction Programs,'' 1963, 439.

[11] Specifically, title VII of the Civil Rights Act of 1964 and its subsequent amendments protect employees, applicants, and training or apprenticeship program participants from discrimination on the basis of race, color, religion, sex, and national origin. 42 U.S.C. 2000e–2(a); 42 U.S.C. 2000e–3(a); 42 U.S.C. 2000e–2(d). Among other things, title VII bars discrimination against applicants or employees in hiring, firing, compensation, or any term, condition, or privilege of employment. 42 U.S.C. 2000e–2(a)(1). Under title VII, an employer initiative, policy, program, or practice may be unlawful if it involves an employer or other covered entity taking an employment action motivated—in whole or in part—by race, sex, or another protected characteristic. *See* 42 U.S.C. 2000e–2(m).

[12] 36 FR 6810 (Apr. 8, 1971).

[13] 81 FR 92026 (Dec. 19, 2016).

registered apprenticeship opportunities for all Americans.

Recent U.S. Supreme Court decisions have clarified the legal limitations on race- and sex-conscious measures under the Equal Protection Clause and Federal civil rights laws. These developments raise serious questions about the validity of certain affirmative action-related provisions in part 30, particularly those that incentivize or induce sponsors to make decisions based on protected characteristics. In light of recent court decisions, the Department has determined that revising part 30 is necessary to ensure the regulatory framework for registered apprenticeship is fully aligned with nondiscrimination standards and legal precedent.[14]

Part 30 was last revised in 2016 and contained an expanded range of nondiscrimination and affirmative action requirements for registered apprenticeship program sponsors. The prescriptive affirmative action planning and recordkeeping requirements, among others, have proven burdensome, duplicative, and—following recent legal decisions—potentially unlawful. For example, the protected characteristics contained in § 30.3(a) of the current part 30 rule are duplicative of the nondiscrimination requirements contained in a number of Federal civil rights statutes, including Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and the Age Discrimination in Employment Act (ADEA). In addition, the Department believes that the affirmative action requirements found throughout the existing part 30 regulation conflict with merit principles, may potentially induce the illegal selection of apprentices based on race and sex, and likely will no longer withstand legal scrutiny.

This rulemaking would streamline the part 30 regulation to reduce administrative complexity and compliance burdens, especially for small and mid-sized employers, while preserving core protections against unlawful discrimination. The Department has determined that part 30, as currently structured, is overly prescriptive and unnecessarily restrictive, characteristics which impede the diversification of industries within the registered apprenticeship ecosystem and are not necessary to safeguard the welfare of apprentices. The Department believes that establishing a clear and concise requirement to comply with all Federal and State laws and regulations prohibiting discrimination aligns more closely with the Department's fundamental statutory mandate to safeguard the welfare of apprentices under the NAA.

Finally, the proposed revision to the part 30 regulation would align with and effectuate the directives contained in recent Executive Orders issued by the current Administration. E.O. 14278, *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* (90 FR 1525, April 28, 2025), directs Federal agencies to identify barriers that prevent the acceleration of the workforce system, including the expansion of registered apprenticeship. Additionally, E.O. 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity* (90 FR 8633, Jan. 31, 2025), directs Federal agencies to ''terminate all discriminatory and illegal preferences, mandates, policies, programs, activities, guidance, regulations, enforcement actions, consent orders, and requirements.'' This NPRM provides clarity to registered apprenticeship stakeholders on the Department's plans to implement and align with these Executive Orders and the Administration's priority to promote economic prosperity.

II. Goals of the Rulemaking

In the Department's view, imposing an elaborate set of affirmative action requirements upon registered apprenticeship program sponsors (particularly those that enroll five or more apprentices) is not only administratively burdensome and vulnerable to legal challenge under the laws governing nondiscrimination; it also tends to promote the development of pernicious and divisive group-based preferences within our society, thereby undermining the goal of ensuring equality of opportunity for every individual that participates in the labor force. The Department holds to a more egalitarian vision that is consistent with longstanding American values: that all applicants for registered apprenticeship programs should be evaluated and selected strictly on the basis of individual merit and demonstrated potential, and that a person's race, color, religion, national origin, sex, or age must never be considered by a sponsor as a basis for either rejecting or granting preferential treatment to anyone seeking admission to a registered apprenticeship program.

Accordingly, this proposed revision to part 30 seeks to ensure genuine equality of opportunity for all persons enrolled in (or seeking admission into) an apprenticeship program by restoring the original focus and purpose of the 1963 version of the regulation: namely, to require that all registered apprenticeship programs be operated on a nondiscriminatory basis. To realize this goal, the proposed revision to part 30 would reaffirm the obligation of sponsors to conduct their apprenticeship programs in accordance with all applicable Federal and State laws governing nondiscrimination in the workplace, while also rescinding the provisions of the current regulation that obligate sponsors to engage in legally questionable affirmative action practices. This proposed rebalancing of the regulation would thus bring the content of part 30 into alignment with the governing law on nondiscrimination and, at the same time, substantially reduce the administrative burdens placed on program sponsors.

A. Revising 29 CFR Part 30 Regulation To Align With Governing Nondiscrimination Law

Recent Supreme Court Rulings Regarding Nondiscrimination Law

In light of recent Supreme Court decisions addressing the use of racial preferences in admission selections, the Department believes that the affirmative action obligations in part 30 imposed on registered apprenticeship sponsors with five or more apprentices are legally vulnerable, and should be rescinded. As the Court stated in *Students for Fair Admissions (SFFA)* v. *President and Fellows of Harvard College,* ''[d]istinctions between citizens solely because of their ancestry are by their very nature odious to a free people whose institutions are founded upon the doctrine of equality.'' 600 U.S.181, 208 (2023) (hereinafter *SFFA*). This principle, according to the Supreme Court, ''cannot be overridden except in the most extraordinary case.'' *Id.* While the current version of the part 30 regulation requires that apprentice selections be made on a nondiscriminatory basis, other provisions within the regulation may incentivize and induce sponsors with five or more apprentices in their programs to consider characteristics like race, ethnicity, and sex when making employment decisions concerning apprentices. This creates an untenable legal conflict where sponsors are required to operate their programs on a

[14] *See, e.g., Students for Fair Admissions, Inc.* v. *President and Fellows of Harvard College,* 600 U.S. 181 (2023) (holding that race-conscious admissions policies violate the Equal Protection Clause); *Muldrow* v. *City of St. Louis,* 601 U.S. __ (2024) (clarifying the threshold for employment discrimination claims under Title VII); *Groff* v. *DeJoy,* 600 U.S. 447 (2023) (strengthening religious accommodation standards under Title VII); and *Ames* v. *Ohio Dep't of Youth Servs.,* 605 U.S. __, (2025) (addressing burdens in proving disparate treatment in employment).

nondiscriminatory basis, while being simultaneously incentivized and induced to engage in the disparate treatment of applicants.

The affirmative action provisions currently found in part 30 require covered sponsors to establish specific numerical goals for the inclusion of women and racial and ethnic minorities in the program based on their prevalence in the local labor force. These statistical goals are imposed without regard to the many nondiscriminatory factors that may explain demographic disparities between an employer's workforce and the demographics of the available local labor market—and without any finding that the sponsor has engaged in unlawful discrimination. Sponsors that fail to demonstrate a ''good faith'' effort to meet these goals may face enforcement actions, including the possible deregistration of the apprenticeship program by a Registration Agency. However, part 30's regulatory mandate that a program sponsor adopt placement goals based on race and sex could be considered, in the absence of a finding of discriminatory conduct, vulnerable to legal challenge.

In the Department's view, the non-remedial affirmative action requirements in part 30 effectively place a finger on the scale for certain apprenticeship applicants based on their race, ethnicity, or sex—without any showing that a given sponsor has engaged in discriminatory conduct warranting remedial action. These provisions raise legal concerns similar to those addressed by the Supreme Court in *SFFA,* where the Court rejected college affirmative action programs that ''concluded, wrongly, that the touchstone of an individual's identity is not challenges bested, skills built, or lessons learned but the color of their skin.'' 600 U.S. at 215–216, 231. Regulations that incentivize and induce the adoption of certain practices that can lead to disparate treatment in employment decisions based on race, color, ethnicity, or sex ''cannot be reconciled with the guarantees of the Equal Protection Clause.'' *Id.* at 230. As such, they must be rescinded.

A similar principle was affirmed in *Ames* v. *Ohio Department of Youth Services,* 605 U.S. __, (2025) (slip op.), where a unanimous Supreme Court held that, ''[a]s a textual matter, Title VII's disparate-treatment provision draws no distinctions between majority-group plaintiffs and minority-group plaintiffs. Rather, [42 U.S.C. 2000e–2(a)(1)] makes it unlawful 'to fail or refuse to hire or to discharge *any individual,* or otherwise to discriminate against *any individual* with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin' (emphasis added).'' Thus, even if the use of placement goals or action-oriented measures could potentially be justified on a theory of underutilization under *Ames,* there is no legal justification for limiting the placement goals and action-oriented measures to only women and minorities. As Justice Jackson's opinion in *Ames* explains, Supreme Court caselaw has long been ''clear that the standard for proving disparate treatment under Title VII does not vary based on whether or not the plaintiff is a member of a majority group.'' *Id.* at *6. Similarly, nothing in the NAA justifies creating different standards or regulatory requirements for women or minorities or treating race and sex differently from the other protected categories of religion and national origin. If men, whites, or persons of a particular religion or national origin were also being underutilized based on the DOL's statistical regulatory formula, the regulations failed to impose any affirmative action measures or require placement goals to ensure persons with those characteristics were entitled to equal opportunity in employment.

Moreover, the Department's prior rationale for establishing non-remedial affirmative action requirements on employers and sponsors rested on the abstract premise that an employer's or sponsor's workforce should mirror the demographic composition of the available local labor force—even in the absence of any evidence that disparities were caused by unlawful discrimination. This theory relied on a set of unsupported assumptions. In reality, there are numerous nondiscriminatory factors that may explain differences between a sponsor's workforce and the available local labor force, including applicant interest, qualifications, geography, industry-specific dynamics, and other variations on an individualized basis. Nevertheless, the current regulation imposes demographic utilization goals and compliance obligations on sponsors without accounting for these legitimate variables. And apart from the flawed foundational premise of the rationale, the statistical analyses that sponsors are required to undertake in determining whether utilization goals are required by regulation rely on inconsistent line drawing in determining what is the relevant recruitment area against which to compare the sponsor's apprenticeship program workforce. That sponsors and not the registration agency are the ones who determine the relevant recruitment area pursuant to the regulations does not make this exercise any less inconsistent. It is actually more inconsistent given that two similarly situated apprenticeship sponsors in the same geographic area could select different geographic lines for the relevant recruitment area analysis—and as a result, one sponsor could conclude that utilization goals are regulatorily required and the other sponsor could conclude those measures are not regulatorily required. The potential unlike outcomes between similarly situated sponsors violates the fundamental principle that regulations should lead to like outcomes between regulated entities.

Streamlining Federal Nondiscrimination Enforcement and Eliminating the Duplicative Oversight and Enforcement Framework in Registered Apprenticeship

The Department's proposal to significantly streamline the part 30 regulation and focus on compliance with existing nondiscrimination laws also reflects its conclusion that a separate oversight, investigative, and enforcement framework specific to registered apprenticeship is not necessary. While the current part 30 regulation imposes substantial administrative burdens—which may deter employers from registering apprenticeship programs—it has not demonstrated clear benefits in terms of improved protections against unlawful discrimination for apprentices. The Department has determined that the costs and disadvantages of maintaining this duplicative and complex regulatory framework—including complex burdens, stakeholder confusion, and a chilling effect on program participation—outweigh any potential benefits. As such, if finalized as proposed, this rule would eliminate redundant requirements while preserving core legal protections through existing Federal and State nondiscrimination enforcement systems.

Part 30 was originally intended to ensure that registered apprenticeship programs operated on a nondiscriminatory basis, with deregistration available as a remedy for noncompliance. However, the Department's historical records show that it has never initiated deregistration proceedings against a sponsor based on a violation of part 30. Although the Department has received a relatively small number of complaints over the years from apprentices alleging

instances of discrimination, its longstanding practice has been to refer such complaints to the Equal Employment Opportunity Commission (EEOC), the Federal agency with primary authority to enforce Federal laws that prohibit discrimination against employees and job applicants.

Regardless of part 30, any employee of, or job applicant for employment with, a covered employer in the United States—including apprentices—may file a charge of unlawful discrimination with the Equal Employment Opportunity Commission (EEOC) against covered employers. Apprentices may also seek relief through other established enforcement entities, such as State fair employment practice agencies or State attorneys general offices. These enforcement bodies are better positioned than Registration Agencies (OA or SAAs) to investigate discrimination allegations and facilitate appropriate resolution. Under the Department's proposal, OA would retain the authority to deregister an apprenticeship program if a competent enforcement agency or court issues a final determination of unlawful discrimination.

Modernizing the Federal Apprenticeship Regulations To Maintain Consistency With Applicable Nondiscrimination Laws

As discussed above, part 30 not only imposes significant administrative burdens on registered apprenticeship program sponsors, but also creates legal uncertainty in light of applicable nondiscrimination law. Many of its requirements—such as establishing utilization goals based on race and other demographic characteristics—closely resemble policies that have been struck down by the Supreme Court for inserting impermissible racial preferences into selection processes (*e.g., SFFA*). As a result, the Department has concluded that part 30 regulation is increasingly misaligned with, and in some respects contrary to, current nondiscrimination law.

Moreover, part 30 regulation reflects a static and prescriptive framework that lacks the flexibility to evolve and adapt. Its requirements are duplicative of existing Federal and State protections provided in nondiscrimination law, ineffective in achieving their intended goals, and in some cases, legally questionable. To address these concerns, the Department proposes replacing the current part 30 regulatory structure with a simplified standard: that all registered apprenticeship sponsors must comply with applicable Federal and State laws prohibiting discrimination based on race, color, religion, national origin, sex, age (40 or older), genetic information, or disability. By anchoring the nondiscrimination obligation to existing legal authorities concerning nondiscrimination, the proposed approach ensures that registered apprenticeship programs remain aligned with the full scope of civil rights protections—without the need for continual regulatory revisions.

With respect to the requirement contained in § 30.7 of the current regulation that establishes a 7 percent utilization goal for the employment of qualified individuals with disabilities as apprentices, the Department's experience in administering the disability AAP provisions has shown them to be overly burdensome for sponsors who struggle to understand the complex steps of conducting the workforce and utilization analyses, as well as the requirements surrounding the request for and maintenance of self-identification information. In line with the directives of Executive Orders 14192 and 14278, the Department is proposing to remove these regulatory burdens that impose costs on stakeholders and serve as barriers inhibiting broader sponsor participation in the registered apprenticeship system. The Department is therefore proposing to remove these requirements.

The utilization goal also raises the risk that employers will engage in pre-employment disability-related inquiries of apprentice applicants before a conditional job offer is made, which is generally not allowed by the Americans with Disabilities Act.

B. Implementation of Recent Executive Orders Pertaining to Federal Regulations and Apprenticeship

President Trump has recently issued a number of Executive Orders intended to advance the Administration's goals of building a skilled workforce, unleashing prosperity, removing restraints on national economic growth through deregulation, and restoring merit-based opportunity. The Department is committed to developing strategies and enacting bold changes to align its programs and policies with the Administration's policy directives. The Department's proposal to streamline the part 30 regulation for registered apprenticeship represents a critical, strategic policy change that addresses policy directives across several of the Administration's Executive Orders, as discussed below.

In E.O. 14192, *Unleashing Prosperity Through Deregulation,* 90 FR 9065 (issued on January 31, 2025), the President directed Federal agencies to assess their regulations and pursue deregulatory actions to eliminate regulations that impose costs, create confusion, hamper innovation, or otherwise restrain economic growth and opportunities for Americans. The Department has applied this lens to its programs and their governing regulations and has identified a wide range of deregulatory actions to support the Administration's deregulatory policy priorities, including this proposal to substantially revise and streamline the part 30 regulation. The proposed rule would eliminate eleven entire sections of the part 30 regulation, including sections on affirmative action plans that contain various burdensome requirements for program sponsors. The Department's proposed part 30 regulation would only contain one straightforward requirement for program sponsors—that they comply with all applicable Federal and State nondiscrimination laws—which would not impose any additional costs for sponsors. The Department's analysis of the potential cost savings associated with its proposal to remove all part 30 requirements beyond the streamlined nondiscrimination requirement estimates that sponsors and Registration Agencies would save over $65 million per year.[15] This significant cost savings, along with the increased clarity for the regulated community that would result from streamlining the part 30 regulation, aligns with the Administration's deregulatory policy directives as stated in E.O. 14192.

In E.O. 14173, *Ending Illegal Discrimination and Restoring Merit Based Opportunity,* 90 FR 8633 (Jan. 31, 2025), the President maintained that his Administration was committed to enforcing, for the benefit of all Americans, the protections contained in longstanding civil rights laws that prohibit discrimination based on race, color, religion, sex, and national origin. At the same time, the President stated in the E.O. that the utilization of pernicious race- and sex-based preferences and policies by the Federal Government and other influential institutions of American society not only contravenes the letter and spirit of these civil rights laws, but also operates to undermine the traditional American values of individual initiative, excellence, and hard work. Accordingly, section 2 of E.O. 14173 directs all executive departments and agencies ''to

[15] For the methodology of this estimate, see the cost savings estimated for sponsors from the removal of current part 30 regulations under the proposed rule as described in the cost-benefit description of the proposed rule in the Regulatory Impact Analysis section of this NPRM.

terminate all discriminatory and illegal preferences, mandates, policies, programs, activities, guidance, regulations, enforcement actions, consent orders, and requirements'' which operate to undermine the protections against discrimination afforded to individual Americans by longstanding Federal civil rights laws.

In E.O. 14278, *Preparing Americans for High-Paying Skilled Trade Jobs of the Future,* 90 FR 17525 (April 28, 2025), President Trump directed the Secretaries of Labor, Commerce, and Education to develop a plan to reach and surpass 1 million new active apprentices in Registered Apprenticeship programs. The President's E.O. also expressed the Administration's commitment to further protecting and strengthening Registered Apprenticeships as a means of unlocking the limitless potential of the American worker.

To facilitate the accomplishment of the Administration's important policy goals described in the foregoing Executive Orders, the Department is determined to rescind legally questionable regulatory mandates and to reduce, to the extent feasible, any existing administrative and regulatory burdens on employers, apprenticeship program sponsors, SAAs, workforce intermediaries, and other stakeholders. In particular, the Department's proposed revisions to the part 30 regulation are targeted to remove regulatory requirements that impose onerous administrative burdens and costs on stakeholders, that are misaligned with emergent policy priorities, that unnecessarily expose stakeholders to legal risk, and that inhibit the accelerated establishment and growth of high-quality registered apprenticeship programs.

In evaluating the regulations for registered apprenticeship programs under part 30, the Department has identified provisions that conflict with recent presidential directives and raise legal concerns. Specifically, the requirement that sponsors with five or more apprentices develop affirmative action plans contravenes the directive in E.O. 14173 to ''terminate all discriminatory preferences'' embedded in federal regulation. Similarly, the reference to ''gender identity'' that appears in the ''equal opportunity pledge'' at 29 CFR 30.3(c) of the current regulation is at odds with the policy directives contained in E.O. 14168.

C. Accelerating Growth of the National Apprenticeship System

Growing Registered Apprenticeship To Meet Employer Needs

The Trump Administration has identified registered apprenticeship as a cornerstone of its strategy to build a demand-driven, skilled workforce. As labor market demands continue to evolve, the need for an apprenticeship system that is simultaneously scalable and employer-responsive has become increasingly urgent. In facing that reality, the Department is committed to the exponential expansion of registered apprenticeship—a feat that can only be accomplished through the promulgation of thoughtful regulations free of unnecessary administrative burden.

This rulemaking addresses key structural and regulatory barriers that have long inhibited broader participation in the registered apprenticeship system. Among deterrents to participation in the voluntary system cited by employers, in particular small businesses, are barriers related to compliance with the Equal Employment Opportunity (EEO) regulations at part 30. The simplification of regulatory obligations, while maintaining a strong baseline commitment to nondiscrimination, preserves key protections that serve to safeguard the health and welfare of apprentices. This action serves as a recalibration that will foster expansion, drive employer interest, and bolster registered apprenticeship as the premier workforce development model.

The expansion of registered apprenticeship is predicated on the voluntary participation of employers across a wide range of industries. Stakeholders have long held that the prescriptiveness of part 30 poses a substantial barrier to employer entry and program sustainability. It is certainly understandable how such challenges might be particularly acute for small businesses, which comprise the majority of American employers and figure prominently in the Administration's economic development agenda. Absent sufficient legal or human resources capacity, many employers have suggested that compliance with part 30 constitutes a significant barrier to participation in registered apprenticeship. In light of these sentiments, DOL is concerned that the continued imposition of the extensive administrative requirements contained in part 30 could restrain the system's full growth potential and undermine the Department's ambitious goals to expand the system.

The Department concedes that prescriptive regulatory mandates are antithetical to the promotion and support of an employer-centric model. Creating a compliance environment that is both responsive and adaptive while eliminating unnecessary burden will not only serve to attract additional employers in sectors that have long held strongholds in the registered apprenticeship system but will also be a beacon to employers in new and emerging sectors. By proactively demonstrating an understanding of the operational priorities of employers, the Department increases the likelihood of increased employer buy-in and long-term registered apprenticeship system participation.

As mentioned previously, the registered apprenticeship system has seen consistent growth over the last decade while maintaining strong outcomes, suggesting that the model's continued growth would provide even more opportunities for Americans to access high-skilled and high-paying jobs.

While construction remains the largest sector for apprenticeships, accounting for approximately 244,858 active apprentices (about 36% of the national total), there has been notable diversification. As of FY 2025, more than 430,000 apprentices are now training in non-construction sectors, including public administration (149,782), educational services (83,777), manufacturing (30,479), and health care and social assistance (18,824). These trends point to growing interest across a wider range of industries—but also highlight where barriers to entry may be limiting broader adoption.

Despite these advancements, a barrier to the further growth and occupational diversification of the apprenticeship model has been the onerous and time-consuming requirements for sponsors to initially receive and consistently maintain registration for an apprenticeship program. In a survey of employers participating in the Department's American Apprenticeship Initiative (AAI),[16] the mean registration cost per apprentice was found to be over $1,000, with one employer reporting a cost of over $12,000 per apprentice.

The current part 30 requirements, such as requiring the development of an affirmative action plan, require

[16] Daniel Kuehn, Sonia M. De La Rosa, Robert I. Lerman, and Kevin Hollenbeck, Abt Associates and Urban Institute, ''Do Employers Earn Positive Returns to Investments in Apprenticeship? Evidence from Registered Programs under the American Apprenticeship Initiative,'' 2022, *https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/AAI/AAI_ROI_Final_Report_508_9-2022.pdf.*

substantial staff time and contribute to these significant costs. Many of these costs are also ongoing instead of one-time costs associated with the initial registration of a program. These ongoing costs under part 30 include the requirements to establish an equal employment opportunity (EEO) coordinator (29 CFR 30.3(b)(1)), conduct anti-harassment training (29 CFR 30.4(i)), meet record-keeping requirements (29 CFR 30.12), and (for programs with more than five apprentices) conducting workforce and utilization analyses (29 CFR 30.5(b)).[17] The Department estimated that the current part 30 regulations cost over $65 million annually. These costs create burdens for the sponsors of apprenticeship programs and disincentivize registering an apprenticeship program.

The current requirements under part 30 also create a perverse incentive to enroll fewer apprentices. Since sponsors with fewer than five apprentices are exempt from the affirmative action plan requirements under part 30, the current regulation creates a disincentive for sponsors to recruit further apprentices and grow the size of their program. A sponsor may avoid further growing their program to more than five apprentices to avoid having to dedicate staff time and resources to meet the requirements of an affirmative action plan if the program exceeds five apprentices. These costs imposed on sponsors under part 30 are likely more significant for smaller firms who have fewer staff and resources or less expertise in human resource management.

The costs and disincentives created by the current part 30 regulations may also be greater in new and emerging industries that are less familiar with the requirements of registered apprentices. Without familiarity of the registered apprenticeship system or contacts within their industry to demystify the process, potential sponsors in these newer industries may need to spend more time to research the existing requirements and how to comply with the highly complex regulatory requirements mandated by part 30. Sponsors and employers in these newer industries may also overestimate the time and resources needed to comply with the requirements under part 30 because of their unfamiliarity and may forgo developing or registering an apprenticeship program altogether because of concerns about the compliance burden and resources needed.

Streamlining part 30 to focus on ensuring registered programs to comply with existing laws would eliminate these burdens and program registration barriers for sponsors and employers and remove perverse incentives that may artificially limit the number of apprentices served by each program. These proposed changes to part 30 would ultimately help further accelerate the overall growth of the registered apprenticeship model and allow it to spread to additional industries less familiar with the system, and with fewer barriers.

Benefits of Reduced System Bifurcation

To further its commitment to building a modern and cohesive National Apprenticeship System that delivers high-quality training and career pathways to all American workers, this proposed rulemaking also aims to actively address the key challenge of bifurcation between states operated under the direction of the OA States and those operated by federally recognized SAA States. While this dual structure has been foundational to increased flexibility throughout the system, it has also led to divergent standards and operational inconsistencies that hamper compliance due to varying interpretations of part 30 regulatory requirements.

By revising part 30 to prioritize nondiscrimination and remove both legally suspect and burdensome reporting requirements, the Department will strengthen standards alignment and reduce systemic fragmentation while promoting universal participation. Streamlining the existing part 30 requirements—particularly those that have proven difficult to implement uniformly across State systems—will lessen the regulatory disparities that have driven bifurcation and uneven access across the national system.

The NAA allows for both federal and state-level administration of registered apprenticeship programs. In OA States, direct oversight of the state's registered apprenticeship system is the exclusive responsibility of the Department, including the enforcement of the requirements outlined in current part 30. In SAA States, State entities recognized by the Department are responsible for oversight of registered apprenticeship programs, in accordance with State-specific laws or regulations that conform with Federal regulation, including the registration of programs for both State and Federal purposes.

In practice, variances in application of the complex part 30 requirements have persisted between OA States and SAA States. In some SAA States, different constructions of State laws and regulations pertaining to EEO in apprenticeship have resulted in divergent sets of rules and requirements for registered apprenticeship program sponsors, particularly as it relates to affirmative action plans, collection of demographic information for apprentices, and targeted outreach strategies. Resistance from registered apprenticeship stakeholders compounds those challenges, resulting in registration delays and limited or uneven compliance enforcement. These divergences exacerbate negative perceptions of the registered apprenticeship system—particularly among sponsors operating in multiple jurisdictions—which has negatively impacted apprenticeship expansion.

Through this proposed rulemaking, the Department articulates a unified approach to nondiscrimination in registered apprenticeship and eliminates the requirement for SAA States to establish complex EEO State laws specific to registered apprenticeship that reach beyond nondiscrimination and impose administratively burdensome and legally suspect mandates on apprenticeship sponsors. Adoption of the proposed text will result in OA States and SAA States adhering to identical regulations that align the nondiscrimination standards for apprenticeship sponsors, registered for federal purposes, to all applicable Federal and State nondiscrimination laws, while facilitating the removal of State apprenticeship regulations, laws or policies that impose additional mandates on registered apprenticeship sponsors, and that fail to conform to or exceed what is required under the proposed revision of part 30. The Department recognizes that SAA States have developed their State apprenticeship regulations, laws or policies to conform with the administratively burdensome and legally suspect requirements imposed under the current part 30, and that achieving conformity with the proposed revision of part 30 will require States to update their policies to align with the streamlined regulatory approach to nondiscrimination in registered apprenticeship. While the proposed part 30 will establish an identical regulatory approach to nondiscrimination across the National Apprenticeship system by tying the nondiscrimination standard to compliance with Federal and State nondiscrimination laws, the proposed regulation will achieve the deregulatory

[17] 29 CFR part 30, ''Equal Employment Opportunity in Apprenticeship,'' *https://www.ecfr.gov/current/title-29/subtitle-A/part-30.*

goals of this rulemaking while recognizing States' ability to establish general nondiscrimination laws that apply to entities operating in their jurisdiction. This proposed regulatory approach is intended to promote the cohesion of and prevent unnecessary fragmentation within the National Apprenticeship System, while also encouraging the accelerated adoption of registered apprenticeship by potential sponsors as a proven model for upskilling the workforce.

III. Section-by-Section Discussion

Removing Burdensome Requirements From the Part 30 Regulation Proposed Recission of AAP Requirements (§§ 30.4–30.9 and 30.11)

Affirmative Action Programs (§ 30.4)

Existing § 30.4 requires non-exempt sponsors to adopt affirmative action programs, the components of which are captured at existing §§ 30.4, 30.5, 30.6, 30.7, 30.8, 30.9, and 30.11, and to set forth that program in a written plan.

The affirmative action program requirements include conducting utilization analyses and setting goals if underutilized on the basis of race, sex, and ethnicity. As part of their affirmative action programs, sponsors are also required to review their personnel processes on an annual basis and conduct targeted outreach, recruitment and retention activities. There are also specific requirements related to individuals with disabilities, including measuring progress towards meeting a utilization goal set by OA and inviting applicants for apprenticeship to self-identify as individuals with disabilities.

As a general matter, the Department has determined that the affirmative action components of existing part 30 are unnecessarily burdensome, ineffective, and, in some cases, legally vulnerable. The specific rationale for rescinding each affirmative action component is discussed in the respective sections, below. The Department solicits comments from all interested parties, including registered apprenticeship stakeholders, regarding its proposal to rescind the AAP requirements from the part 30 regulation, particularly the extent to which the administrative burdens associated with AAP requirements have impacted the operation of their program or their decision to participate in registered apprenticeship.

Utilization Analysis for Race, Sex, and Ethnicity (§ 30.5)

Existing § 30.5 requires sponsors maintaining AAPs to assess and compare the racial, sex, and ethnic representation within each major occupation group of their program to the racial, sex, and ethnic representation available in the sponsor's relevant recruitment area. Pursuant to this section, when the sponsor's utilization of women, Hispanics or Latinos, or a particular racial minority group is significantly less than would be reasonably expected, the sponsor is required to establish a utilization goal for the affected group in accordance with § 30.6.

As discussed above, the Department believes that these provisions that cause sponsors to focus on the race, sex and ethnicity composition of the apprentice workforce are legally vulnerable because they may induce sponsors to engage in illegal race and/or sex-based decision-making in apprenticeship. The AAP requirements to set race, sex, and ethnicity-based goals may have the effect of pressuring sponsors to engage in impermissible discrimination in favor of underutilized groups. The Supreme Court's decision in *SFFA* v. *Harvard* makes clear that race-conscious selection decisions would be subject to exacting scrutiny, and an apprenticeship system that incentivizes such improper preferences would not survive legal challenge. Furthermore, the Supreme Court's recent decisions in *Ames* v. *Ohio* and *Muldrow* v. *St. Louis* held that the standard for proving disparate treatment under Title VII does not vary based on whether or not the plaintiff is a member of a majority group. No. 23–1039, 605 U. S.____ , (2025) (slip op. at 6). Thus, any individual can bring a discrimination suit under Title VII by demonstrating, as a threshold matter, that he or she suffered ''some harm'' in relation to an allegation of unlawful discrimination in employment (such as being adversely impacted by an employer's affirmative action policy).

For these reasons, the Department proposes to rescind the affirmative action provisions requiring utilization analysis on the basis of race, sex, and ethnicity.

Establishment of Utilization Goals for Race, Sex, and Ethnicity (§ 30.6)

Pursuant to existing § 30.6, sponsors maintaining AAPs are required to set a utilization goal equal to availability for any racial, sex, or ethnic group that is underutilized in the apprenticeship program. While § 30.6 further states that these goals are not to be used as quotas, preferences, set-asides, or as a basis for departure from merit principles, the Department has determined that the incentive created by this goal-setting provision creates too great a risk that, in practice, sponsors may use impermissible race and sex-based preferences to meet the utilization goal. Accordingly, the Department is proposing to rescind these requirements.

Utilization Goals for Individuals With Disabilities (§ 30.7)

Existing § 30.7 requires sponsors maintaining AAPs to compare the representation of individuals with disabilities in their program to the 7% benchmark set by the Administrator. Where sponsors determine that their utilization of individuals with disabilities is less than the 7% goal, they must take steps to determine whether and/or where impediments to equal opportunity exist and undertake action-oriented programs designed to correct any problem areas.

The Department's experience in administering the disability AAP provisions (including §§ 30.7 and 30.11, discussed further below) has shown them to be overly burdensome for sponsors who struggle to understand the complex steps of conducting the workforce and utilization analyses, as well as the requirements surrounding the request for and maintenance of self-identification information. Combined with the fact that only approximately 25% of sponsors are required to maintain AAPs, the Department does not feel that these requirements have moved the needle in a meaningful way in terms of data collection or advancing equal opportunity for all apprentices. The Department is also concerned that this requirement may improperly incentivize employers to make unlawful disability-related inquiries prior to extending a conditional job offer.

The Department notes that all sponsors with 15 or more employees remain covered by title I of the Americans with Disabilities Act, 42 U.S.C. 12101, *et seq.,* which provides robust protections against unlawful discrimination of individuals with disabilities in all terms, conditions and privileges of employment. 42 U.S.C. 12112; 29 CFR 1630.4.

In line with the directives of Executive Orders 14192 and 14278, the Department is proposing to remove these regulatory burdens that impose costs on stakeholders and serve as barriers inhibiting broader sponsor participation in the registered apprenticeship system. The substantial staff time required to collect the self-identification information and conduct the accompanying utilization analyses are ongoing costs and creates a disincentive for sponsors to recruit

further apprentices and grow the size of their program. Accordingly, the Department is proposing to remove these requirements.

Targeted Outreach, Recruitment, and Retention (§ 30.8)

Existing § 30.8 requires sponsors that have found underutilization to undertake targeted outreach, recruitment, and retention activities that are likely to generate an increase in applications for apprenticeship and improve retention of apprentices from the targeted group or groups and/or from individuals with disabilities, as appropriate. As these activities are targeted to be race and/or sex-conscious, the Department believes that these required activities present the same legal risks as those posed by the utilization goals based on race, sex, and ethnicity. These requirements may put ''official pressure'' upon sponsors to recruit candidates of a particular race, sex, or ethnicity and thus subject persons of different races to unequal treatment by inducing sponsors to use limited recruiting resources only to the benefit of certain minority groups. *MD/DC/DE Broadcasters Ass'n* v. *FCC,* 236 F.3d 13, 15, 20–21 (D.C. Cir. 2001), *cert. denied,* 534 U.S. 1113 (2002).

Thus, for the same reasons discussed in § 30.5, the Department is proposing to rescind these requirements.

Review of Personnel Processes (§ 30.9)

Existing § 30.9 requires sponsors maintaining an AAP to engage in an annual review of their personnel processes related to the administration of their apprenticeship program to ensure that the program is free from unlawful discrimination.

Similar to other AAP provisions, the Department has found this requirement to be unnecessarily burdensome and confusing to sponsors. Most sponsors are subject to federal and State nondiscrimination laws and likely already have their own mechanisms and reviews in place to ensure compliance with those laws. The Department does not need to prescribe an overly detailed and onerous method for doing so; rather, the Department trusts sponsors to determine the best means of ensuring compliance with nondiscrimination laws for their program. This approach will allow for sponsor innovation, avoids a one-size-fits-all scheme, and would align with the Administration's policy to ''significantly reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity . . . .'' E.O. 14192. This flexibility will also prevent duplication of nondiscrimination compliance efforts already being made by employers that participate in registered apprenticeship programs.

Invitation To Self-Identify as an Individual With a Disability (§ 30.11)

Existing § 30.11 requires sponsors maintaining an AAP to invite applicants and current apprentices to identify as an individual with a disability.

For the reasons discussed above at § 30.7, the Department has found this requirement to generate confusion among sponsors and SAAs, and has resulted in greater burden than expected on sponsors as they attempt to comply while simultaneously maintaining apprentice confidentiality and engaging with the Registered Apprenticeship Partners Information Data System (RAPIDS) system. Because the Department has concluded that the burden and confusion caused by this requirement outweighs any benefit from the invitation—due to limited and unreliable data collection—the Department now proposes to rescind it.

Proposed Rescission of 30.10, Selection of Apprentices

The Department proposes to rescind § 30.10, which governs how sponsors may select apprentices. The section provides that sponsors may use any method of combination of methods for selection of apprentices provided the method(s) meet the criteria set out in the section. These provisions are duplicative of Title VII's prohibition against discrimination in selections, and thus are unnecessary. Title VII contains detailed prohibitions against unlawful employment practices, including practices related to selection. See 42 U.S.C. 2000e–2. Additionally, current § 30.10 contains requirements that exceed what is required by Title VII. Specifically, the Uniform Guidelines on Employee Selection Procedures (UGESP)—with which current § 30.10 requires compliance—only provides guidance for EEOC and employers regarding the validity of selection procedures. *See* 29 CFR 1607.1 (''These guidelines incorporate a single set of principles which are designed to assist employers . . . to comply with the requirements of Federal [nondiscrimination] law''); *Equal Emp. Opportunity Comm'n* v. *Crothall Servs. Grp., Inc.,* No. CV 15–3812, 2016 WL 3519710, at *7 (E.D. Pa. June 28, 2016) (internal citations omitted) (courts have found nonbinding ''UGESP's discretionary principles for determining the validity of selection procedures,'' in contrast to its recordkeeping requirement). This inconsistency between OA and Title VII standards, which sponsors also currently must follow, has created confusion for sponsors. This proposal removes the conflicting framework that was created by existing § 30.10.

The Department's proposed approach eliminates § 30.10 in favor of a single, consistent requirement that sponsors comply with applicable federal and State nondiscrimination laws. The proposal eliminates the requirement that employers use a more proscriptive selection procedure for apprentices than they would for other employees. This will reduce compliance complexity and legal uncertainty while preserving strong protections against discriminatory selection practices. It will also reduce confusing and burdensome requirements that deter sponsors from participating in registered apprenticeship, in line with the Department's goal of growing high-quality, skills-based career pathways, including apprenticeship opportunities in new sectors.

Proposed Rescission of 30.17, Intimidation and Retaliation Prohibited

The Department proposes to rescind § 30.17, which prohibits intimidation, and retaliation against individuals exercising rights under part 30. While the Department supports protections against retaliation, similar protections are already well-established and enforceable under existing federal and State civil rights laws.

Maintaining a separate, apprenticeship-specific retaliation provision is both duplicative and legally unnecessary. The Department believes it is more appropriate and effective for such allegations to be addressed by agencies with jurisdiction and enforcement authority under those statutes, such as the EEOC.

Accordingly, the Department proposes to remove § 30.17 and instead require sponsors to comply with all applicable laws prohibiting retaliation and interference, thereby streamlining the regulatory framework while preserving robust protections for apprentices.

A. The Revised Part 30 Regulation—Prohibiting Illegal Discrimination in Registered Apprenticeship

Section 30.1—Purpose and Applicability

The ''Purpose and Applicability'' introductory section of the proposed rule would substantially revise and streamline the content of the corresponding ''Purpose, applicability, and relationship to other laws''

provision that is found at section 1 of the current part 30 regulation. Among other things, the revised § 30.1 would, consistent with the policies and rationales outlined and described above, remove all references to affirmative action efforts and would also dispense with redundant and repetitive language pertaining to protected bases and complaint processes, each of which are addressed fully in later sections of the updated regulatory text. The revised § 30.1 states clearly that the purpose of the part 30 regulation is to ''establish a uniform Federal standard prohibiting illegal discrimination against apprentices (including applicants for apprenticeship) in registered apprenticeship programs,'' as well as assert that the nondiscrimination requirements are applicable to program sponsors and SAAs. The revised purpose section also notes that the revised rule seeks to provide clarity to the foregoing interested parties regarding the scope and content of compliance reviews, compliance assistance, and enforcement actions by Registration Agencies.

Section 30.2—Definitions

This section of the proposed rule would delete all of the definitions that are set forth in the current part 30 regulation and would adopt by reference each of the applicable existing definitions found in the labor standards of apprenticeship regulation at 29 CFR part 29. The Department has determined that each of the definitions contained in 29 CFR 30.2 are either duplicative of existing definitions found at 29 CFR 29.2 or have been rendered unnecessary or obsolete by the extensive revisions to the substantive provisions of part 30 made in this proposal. The Department believes that the resulting consolidation of all apprenticeship-related definitions within the existing regulatory text of 29 CFR part 29 will lessen the administrative burdens on registered apprenticeship program sponsors and other interested parties by providing a single definitional reference point within the Federal apprenticeship regulations. The Department invites comments from all interested parties on the proposed consolidation of definitions in part 29, including whether the Department should include any additional definitions based on the content of this proposed rule.

Section 30.3—Nondiscrimination Standards Applicable to All Sponsors

Section 30.3 of the proposed rule obligates every sponsor of a registered apprenticeship program to comply with all applicable Federal and State laws and regulations that prohibit illegal discrimination on the basis of race, color, religion, national origin, sex, age (40 or older), genetic information, or disability. The Department notes that the foregoing list of protected bases upon which registered apprenticeship sponsors may not discriminate is fully consistent with the content and scope of currently applicable Federal civil rights statutes, including Title VII of the Civil Rights Act of 1964 and its subsequent amendments, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, as amended, and the Genetic Information Non-Discrimination Act of 1998. This proposed regulatory provision further stipulates that a failure by a registered apprenticeship program sponsor to comply with applicable Federal and State nondiscrimination laws may constitute grounds for enforcement action or deregistration proceedings by a Registration Agency pursuant to § 30.5 of the proposed rule, provided that such non-compliance is related to illegal discrimination against an apprentice (or an applicant for apprenticeship) with respect to any benefit, term, or condition of employment associated with an apprenticeship. The Department has an interest in only conferring the benefit of registration upon sponsors that operate in a manner fully compliant with the applicable laws governing nondiscrimination. Accordingly, the Department is confident that this straightforward and streamlined regulatory provision will facilitate the realization of this fundamental policy objective.

Section 30.4—Complaints

The Department proposes to rescind the provisions covering complaints in the existing part 30 regulation. In its place, the Department proposes a significantly streamlined complaints framework at proposed § 30.4, which would clarify that the Registration Agency will refer any individuals alleging unlawful discrimination to an enforcement agency with appropriate jurisdiction over, and expertise in, investigating compliance with Federal or State nondiscrimination laws or regulations. Such entities include the EEOC, the U.S. Attorney General or a State Attorney General, or an applicable State enforcement agency (*e.g.,* a Fair Employment Practices Agency).

The Department has determined that the existing regulatory requirements for part 30 complaints represent a cumbersome, confusing, and ineffective framework that is much less capable of investigating or resolving issues arising from apprentice complaints alleging discrimination than the enforcement entities outlined in proposed § 30.4 and described in this NPRM.

Based on its experience overseeing the National Apprenticeship System and implementing the part 30 regulatory requirements over the past eight years, the Department has determined that maintaining a separate and unique discrimination complaint framework for apprenticeship does not serve apprentices' interests and does not align with the Administration's explicit directive to remove burdensome regulatory requirements and promote flexibility for stakeholders of programs overseen by Federal agencies. The Department recognizes that requiring that apprentices file complaints through an official form unique to the apprenticeship system (the OMB-approved ETA Form 9039) is overly prescriptive, limiting, and may cause confusion for apprentices in knowing the agency from which to seek relief. The Department further recognizes that prescribing other requirements for complainants (such as dictating who may file and the time period for filing) and program sponsors (such as the requirement that sponsors communicate their program's complaint policy using specific ''notice'' language prescribed at 30.14(b)) only serves to delay and dilute any potential relief for apprentices alleging violations pertaining to illegal discrimination. Accordingly, the Department proposes to rescind the existing complaint provisions at 30.14(a) and (b) which prescribe complaint requirements for apprentices and sponsors.

The existing part 30 regulation also established an extensive set of requirements for the Registration Agencies in the part 30 complaints framework. In response to complaints received, the Department has either referred or investigated each complaint according to the process set forth at current 30.14(c)(1). The Department acknowledges that Registration Agency staff lack the capacity and expertise to investigate workplace discrimination and is unaware of any evidence that their involvement in apprenticeship-related complaints has provided meaningful protections for apprentices. Accordingly, the Department proposes to rescind the existing requirements for Registration Agencies at current 30.14(c). Instead, the Department proposes to replace the existing, extensive requirements for part 30 complaints with a simple and clear requirement explaining what Registration Agencies are to do if they receive discrimination complaints (*i.e.,* refer the individual to an appropriate

enforcement agency with jurisdiction over the complaint, such as the EEOC).

The Department believes such a streamlined and simplified approach to discrimination complaints in registered apprenticeship would preserve Federal and State enforcement, oversight, and investigative resources, and would align with the Administration's directives to undertake deregulatory actions where existing regulations impose unnecessary and burdensome requirements. Most importantly, the Department believes that clarifying the most appropriate and effective avenue for filing discrimination complaints and pursuing relief from any discriminatory actions would be in apprentices' best interests and would align with the Department's guiding statutory mandate to protect apprentices' welfare.

Section 30.5—Nondiscrimination Compliance Reviews and Enforcement

In addition to the proposed removal of the extensive EEO and affirmative action requirements found in the current version of part 30, the Department proposes to modify the compliance and enforcement framework that is set forth in § 30.13 and § 30.15 of the existing regulation by streamlining and consolidating these provisions under a new provision (§ 30.5) of the proposed rule. Currently, the Department conducts regular ''EEO compliance reviews'' to assess sponsors' compliance with the extensive requirements found throughout the existing part 30 regulation, with a particular focus on the development and implementation of an AAP that is required for programs with five or more apprentices under current § 30.4 (the specific contents of which are set forth in § 30.5 through § 30.9 and in § 30.11 of the current rule). The existing part 30 regulation also includes various additional requirements applicable to all sponsors that the Department proposes to rescind, including the obligation that sponsors maintain extensive records pertaining to the full suite of current part 30 requirements, invite apprentices to self-report their disability status at registration and annually thereafter, and post an ''EEO Pledge'' with specific wording in a visible location at the program's worksite(s), among others. As discussed at length in this preamble, the Department has determined that it is unnecessarily burdensome and confusing, to impose an extensive set of nondiscrimination, EEO, and affirmative action requirements on registered apprenticeship sponsors, and that the perpetuation of such onerous regulatory requirements will only serve to inhibit the accelerated expansion of registered apprenticeships. Accordingly, the Department proposes to revise and consolidate the content of the existing § 30.13 and § 30.15 by combining the compliance reviews and enforcement actions elements of the proposed part 30 regulation within a new section—''Nondiscrimination compliance reviews and enforcement.'' The subjects covered by this new section of the proposed rule would align closely with the overarching policy focus of the streamlined part 30—that sponsors must operate their program in a completely nondiscriminatory manner.

In the context of registered apprenticeship, the Department is committed to focusing its resources—including staff expertise—on matters pertaining to the quality of apprenticeship programs. As subject-matter experts in the various apprenticeship program-related topics that are set forth in the ''Labor standards for the registration of apprenticeship programs'' regulation at 29 CFR part 29, Registration Agency staff have the knowledge and experience to assess registered apprenticeship program quality. Registration Agency staff, who are focused primarily on matters pertaining to apprenticeship quality, are not well-positioned, and are not suitably equipped, to make the legal determinations [18] necessary to assess registered apprenticeship programs' adherence to the elaborate nondiscrimination, EEO, and affirmative action requirements found in the existing part 30 regulation. Accordingly, the Department proposes eliminating these extensive requirements and substituting in their place a clear, universal standard of compliance with applicable Federal and State nondiscrimination laws for all registered apprenticeship programs.

To assess program compliance with this revised and consolidated regulatory provision, the Department proposes to rely solely on final determinations made by courts. These entities are equipped with the necessary competencies and resources, along with the applicable authority and jurisdiction, to investigate, adjudicate, and impose remedial actions in response to allegations of discrimination in employment. The Department expects that relying on the expertise and authority of such entities to determine whether sponsors (or other apprenticeship stakeholders, such as an employer participating in a registered apprenticeship program) have engaged in illegal discrimination in violation of applicable Federal or State statutes or regulations will lead to a more efficient compliance and oversight framework, improved accountability, greater clarity for stakeholders, and more relevant and effective relief for any victims of unlawful discrimination, harassment, or other illegal treatment in the registered apprenticeship context.

Under proposed § 30.5(a), the Department proposes that compliance reviews for the streamlined part 30 nondiscrimination requirement would occur concurrently with a registered apprenticeship program's normal program review to assess compliance with part 29. At proposed § 30.5(b), the Department sets forth the process for determining sponsors' compliance with the streamlined nondiscrimination requirement and the threshold for initiating enforcement actions. The Department proposes that Registration Agencies may only initiate enforcement actions over a violation of the part 30 nondiscrimination requirement when a final determination of a violation of applicable nondiscrimination laws or regulations is made pertaining to an apprentice or applicant for an apprenticeship, without any remaining right to appeal, by a court with jurisdiction over allegations of discrimination in employment (including alleged discrimination against apprentices or an applicant to apprenticeship program). Such an approach is intended to ensure that a Registration Agency does not act on any complaints while such matters are being adjudicated, which is consistent with due process principles. Proposed § 30.5(c) describes the process for Registration Agencies to initiate enforcement, which includes working with the sponsor to develop a compliance action plan that aligns with the remedy for the alleged discrimination prescribed by the court, and brings the program into compliance with the part 30 nondiscrimination requirement. Under proposed § 30.5(c), Registration Agencies may pursue further enforcement actions, including the suspension of the sponsor's right to register new apprentices or the initiation of formal deregistration

[18] Under the current regulation, such legal determinations include assessing: whether a sponsor's selection procedures are ''facially neutral'' or whether sponsors have adequately assessed their selection procedures' impact on race, sex, and ethnic groups per the Uniform Guidelines on Employee Selection Procedures (per current § 30.10); whether sponsors' affirmative outreach, recruitment, and retention plans have been effective in meeting sponsors' utilization goals (per current §§ 30.6, 30.8); and whether allegations of discrimination have violated applicable antidiscrimination requirements (per current § 30.14).

proceedings (set forth at 29 CFR 29.8), if the Registration Agency determines that the sponsor is not implementing the compliance action plan according to the remedy prescribed by the court.

The Department believes that this streamlined approach to compliance and enforcement of the part 30 regulation would preserve Registration Agencies' critical role in conferring the benefit of program registration, and in rescinding registration when such enforcement is necessary.

Section 30.6—Reinstatement of Program Registration

The Department proposes to retain the ''Reinstatement of program registration'' provision from the existing part 30 regulation at current § 30.16. The Department has determined that its proposal to streamline and simplify the part 30 regulation should retain a provision allowing sponsors to seek and receive reinstatement of their program registration if they demonstrate, to the satisfaction of the Registration Agency and the relevant court which issued a final determination confirming a violation of an applicable nondiscrimination statute or regulatory requirement that the apprenticeship program is being operated in accordance with this part. The Department retains the existing provision's language that sponsors must present ''adequate evidence'' that they are operating in compliance with part 30. Under the framework proposed in this NPRM, any violations of part 30 would be confirmed by acourt of competent jurisdiction over nondiscrimination in employment statutes or regulations; accordingly, the Department would require sponsors to provide adequate evidence that they have alleviated any issues giving rise to the nondiscrimination complaint to the satisfaction of the court, including implementing any remedial actions. The Department has determined that keeping a regulatory provision on the reinstatement of a program's registration aligns with the proposed compliance framework and the Department's goal, in streamlining the regulation, to promote regulatory flexibility for registered apprenticeship stakeholders.

Section 30.7—State Apprenticeship Agencies

The Department proposes to rescind parts of current § 30.18, the provision covering State Apprenticeship Agencies in the existing part 30 regulation. Existing regulatory requirements for SAAs under part 30 have been ineffective in setting a consistent standard for nondiscrimination in registered apprenticeship. As evidenced by varying degrees of conformity with existing § 30.18, the current part 30 regulation has not been fully successful in achieving a uniform national standard for nondiscrimination in registered apprenticeship and equality of opportunity. For instance, existing § 30.18(a) requires that an SAA have a State EEO Plan that ''at a minimum'' includes ''draft State apprenticeship language corresponding to the requirements of this part.'' This language has created inconsistencies across SAAs. In its place, the Department proposes a new § 30.7 that would eliminate burdensome and legally suspect administrative requirements for SAAs, including the requirements for State-specific laws that exclusively apply to nondiscrimination in registered apprenticeship; the Department believes that such State laws specific to registered apprenticeship only serve to complicate and splinter the National Apprenticeship System. Accordingly, § 30.7 would facilitate the establishment of a uniform standard governing nondiscrimination in registered apprenticeship and reduce SAA administrative burdens by stipulating that compliance with applicable federal and State nondiscrimination laws is sufficient to conform with the requirements of the updated part 30.

Proposed § 30.7(a) requires that, within one year of the effective date of the final rule, all SAAs seeking to obtain or maintain recognition under current § 29.13 must ensure that their apprenticeship laws, regulations, policies, and procedures exclusively pertaining to nondiscrimination and equality of opportunity for apprentices ''conform only to the requirements of this part [30].'' This proposed provision would relieve SAA States from having to impose the complex, burdensome, and legally suspect set of regulatory obligations that are found in current version of part 30 and would substitute a straightforward requirement that such states conform to the nondiscrimination requirements found in applicable federal and State laws. Accordingly, the purpose of this proposed provision is to establish a nationally uniform standard for nondiscrimination protections across all States participating in the National Apprenticeship System. The establishment of such a uniform standard at proposed § 30.7(a) seeks to ensure that State laws and regulations concerning nondiscrimination and equality of opportunity in registered apprenticeship are coextensive in their substance and scope with the requirements of revised part 30 and consistent with federal and State nondiscrimination laws; the attainment of such a result would be particularly helpful for sponsors that register and operate their programs in multiple States, and would foster an environment that is conducive to accelerating the expansion of registered apprenticeship programs. In addition, the allowance of a ''good cause'' extension stipulated by proposed § 30.7(a) would allow needed flexibility for States with differing legislative or regulatory processes to enact and implement laws that conform only to the requirements stipulated herein.

Proposed § 30.7(b) and related subsections set forth the elements of State Plans for nondiscrimination in apprenticeship for States seeking new or continued SAA recognition. Proposed § 30.7(b)(1)(i) stipulates that State plans include all of a State's statutes, regulations, and policies pertaining exclusively to nondiscrimination in apprenticeship, and that they conform only to the requirements of the proposed part 30. This language helps to prevent operational fragmentation within State-registered programs and ensures consistent application of nondiscrimination standards. Proposed § 30.7(b)(1)(ii) further stipulates that all State-registered programs comply with a State's DOL-approved State plan within 180 days from the date that the Department approves the State Plan submitted under proposed (a). The Department believes that a 180-day compliance window ensures an orderly and timely transition to full implementation at the program level, particularly since sponsors must already be operating their apprenticeship program in compliance with the applicable Federal and State nondiscrimination laws. The Department invites comments from all interested parties, and from SAAs in particular, about the proposed timeline for compliance with the revised part 30 requirements.

Proposed § 30.7(b)(2) mirrors the purpose of existing § 30.18(a)(2)(i-iii) as it outlines the review process that OA will undertake upon receipt of the State plan, including provision of technical assistance to support conformity with Federal regulations. Similarly, proposed § 30.7(b)(3) stipulates that if an SAA State does not submit a revised State plan that adequately responds within 90 days to OA's provision of technical assistance on nonconformity issues, OA may initiate derecognition proceedings set forth in § 29.14 and proposed § 30.7(e) to formally derecognize the SAA. This provision is intended to

provide both due process and accountability for the State. Proposed § 30.7(b)(4) reaffirms the requirement of existing § 30.18(a)(4) by proposing that any subsequent amendments to the State Plan for nondiscrimination in apprenticeship are submitted to the OA Administrator for review and approval prior to implementation. This requirement is intended to promote alignment between State plans and the Federal nondiscrimination framework described herein.

The recordkeeping requirements stipulated by proposed § 30.7(c) largely replicate the SAA recordkeeping obligations currently found in § 30.18(b), which require a recognized SAA to keep only records pertaining to program compliance reviews, complaint investigations, and any other records pertinent to a determination of compliance with this part. These records must be maintained for five years from the date of their creation. The proposed provision supports OA's ability to continue overseeing and auditing compliance over time. It also ensures that there is adequate documentation to make informed decisions about SAA recognition status.

Proposed § 30.7(d)(1) states that OA retains full authority to conduct compliance reviews of all registered programs for Federal purposes, even programs registered by an SAA. Similarly, proposed § 30.7(d)(2) reiterates that any SAA that fails to comply with the requirements of this proposed rulemaking is subject to deregistration proceedings as provided in existing §§ 29.8(b) and 29.10. The recission of existing § 30.18(c)(2) and (c)(4)(i) through (iii) is in accordance with proposed § 30.4 which proposes a significantly streamlined complaints framework. The purpose of these revisions is to more efficiently deploy agency resources while preventing duplication of investigatory efforts with those civil rights enforcement agencies that possess the statutory authority and expertise to conduct such inquiries. Accordingly, under this proposal, the Department would not retain any authority to independently investigate or resolve complaints of discrimination in registered apprenticeship. However, OA retains the authority to refer complaints to appropriate civil rights enforcement agencies (under proposed § 30.4), and to take appropriate enforcement action (under proposed § 30.5) based on another agency's findings regarding discriminatory conduct by apprenticeship program sponsors.

Proposed § 30.7(e) replicates the content of current § 30.18(d). This derecognition provision may be utilized by the Department in appropriate circumstances to assure full conformity by SAA states with federal nondiscrimination obligations contained in this part.

Section 30.8—Exemptions

The Department proposes to retain the Exemptions provision from the existing part 30 regulation at current § 30.19. The Department's proposed revisions are intended to provide relief to registered apprenticeship stakeholders from burdensome regulatory requirements, and the Department has determined that preserving the part 30 Exemptions provision serves this goal and retains the regulatory flexibility built into the current part 30 regulation. Under the existing provision, which the Department proposes to retain, sponsors must submit requests for an exemption from part 30 requirements in writing to the Registration Agency, which may issue the exemption for good cause. The Department also proposes to retain the requirement that SAAs in receipt of any exemption requests from sponsors in their State must receive approval from OA before granting the exemption. Accordingly, proposed § 30.8 reflects identical regulatory language to the existing provision at § 30.19.

C. Technical and Conforming Edits to Part 29

The Department proposes technical and conforming edits to 29 CFR part 29. The scope of the proposed changes would be narrow and primarily confined to necessary adjustments to align with proposed changes to 29 CFR part 30.

First, the Department proposes to amend various provisions in part 29 to update cross-references and terminology to reflect the proposed revisions to part 30. For example, the Department proposes to revise § 29.3(b)(2) and § 29.5(b)(21) to refer explicitly to the revised nondiscrimination requirements set forth in 29 CFR part 30, as amended. These edits ensure that all registered apprenticeship programs will be subject to the new streamlined nondiscrimination obligations.

Second, the Department proposes revisions to § 29.12 (Complaints) to clarify that complaints alleging illegal discrimination—on the basis of race, color, religion, national origin, sex, age, disability, or other protected characteristics—must be referred by the Registration Agency to the appropriate enforcement authority, as specified in proposed § 30.4. This edit conforms to the proposed part 30 regulatory structure, under which enforcement actions related to discrimination are handled by agencies with jurisdiction under applicable nondiscrimination statutes, such as the Equal Employment Opportunity Commission (EEOC), the U.S. Department of Justice, or equivalent State-level enforcement agencies.

Third, the Department proposes edits to § 29.7 (Apprenticeship Agreement) to reflect the current statutory language and legal standards governing nondiscrimination. Specifically, § 29.7(j) is revised to prohibit discrimination in apprenticeship on the basis of race, color, religion, national origin, sex, age (40 or older), genetic information, or disability. This ensures consistency with Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Genetic Information Nondiscrimination Act.

The Department also proposes to modify the text of the current Section 29.7(l), by removing the specific references to the apprentice's race, sex, ethnicity, and disability status, and replacing these references with a more general request to collect demographic data about the apprentice. The Department has determined that requesting specific types of demographic data, such as the apprentice's disability status, in the Apprenticeship Agreement is not consistent with the Department's proposal. In addition, the Department believes that a more general authorization to request ''demographic information'' about apprentices would provide greater flexibility for apprenticeship stakeholders and the Registration Agency. Accordingly, the Department proposes a conforming edit to modify section 29.7(l) to replace the specific demographic categories and instead require that the Apprenticeship Agreement simply contain a ''request for demographic data about the apprentice.''

The Department also proposes edits to provisions governing SAA recognition and operation. Sections 29.13 and 29.14 are revised to require State apprenticeship laws, nondiscrimination plans, and enforcement procedures conform to the streamlined federal requirements in revised part 30. These edits are intended to reduce regulatory bifurcation between OA and SAA states, eliminate inconsistent nondiscrimination standards across jurisdictions, and promote uniformity in the application and enforcement of apprenticeship regulations nationwide.

Finally, conforming changes are proposed throughout part 29 to update

outdated references and clarify that nondiscrimination enforcement responsibilities lie with appropriate civil rights agencies. These include proposed revisions to § 29.11 (Limitations) to reflect applicable law and Executive Orders, and updates to recordkeeping provisions in §§ 29.13 and 29.14 to ensure continued access to compliance-related documents by the Department.

IV. Procedural Issues and Regulatory Review

A. Executive Orders 12866 (Regulatory Planning and Review), 13563 (Improving Regulation and Regulatory Review), and 14192 (Unleashing Prosperity Through Deregulation)

Under E.O. 12866, the Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs (OIRA) determines whether regulatory action is significant and, therefore, subject to the requirements of the executive order and review by OMB. *See* 58 FR 51735 (Oct. 4, 1993). This proposed rule is an economically significant regulatory action under section 3(f)(1) of E.O. 12866, and OIRA has reviewed it.

E.O. 13563 directs agencies to propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs; the regulation is tailored to impose the least burden on society, consistent with achieving the regulatory objectives; and in choosing among alternative regulatory approaches, the agency has selected those approaches that maximize net benefits. E.O. 13563 recognizes that some benefits are difficult to quantify and provides that, where appropriate and permitted by law, agencies may consider and discuss qualitatively values that are difficult or impossible to quantify.

The Department derives benefit and cost estimates for this proposed rule by comparing the baseline (the benefits and costs of the current part 30 regulation) with the benefits and costs of implementing the provisions in the proposed rule. Only the additional benefits and costs that are expected to be incurred due to the changes in this regulation are included in the analysis.

The Department sought to quantify and monetize the benefits and costs of the proposed rule where feasible. Where we were unable to quantify benefits and costs—for example, due to data limitations—we describe them qualitatively. This analysis covers a 10-year period (2026 through 2035) to ensure it captures major benefits and costs that accrue over time. In this analysis, we have sought to present benefits and costs both undiscounted and discounted at 7 and 3 percent, respectively.[19]

All costs from the proposed rule are incurred in the first year and total $9.11 million. The 10-year monetized benefits of the proposed rule range from $748.76 million to $ 891.95 million (with 7 and 3 percent discounting, respectively). The annualized monetized benefits of the Final Rule are $74.88 million (with 7 percent discounting) and $89.19 million (with 3 percent discounting).

After considering both the quantified and non-quantified benefits of the proposed rule, the Department has concluded that the estimated benefits would justify the costs of the proposed rule. Below, we present an analysis of the costs and benefits of the proposed rule in the first year and over the 10-year analysis period.

The Department has examined this proposed rule and has determined that it is consistent with the policies and directives outlined in E.O. 14192, ''Unleashing Prosperity Through Deregulation.'' This rulemaking is expected to be an E.O. 14192 deregulatory action.

A. Estimates of Sponsors Impacted by the Rule Across the 10-Year Period

The Department's analysis considers the expected benefits and costs of the changes to part 30. This analysis measures the costs and benefits as they accrue to sponsors and State partnering agencies. It is estimated that the number of sponsors will grow over time and our annual cost calculations reflect this growth. The Department based its estimate of the number of sponsors in each year using data from RAPIDS regarding the number of registered apprenticeship programs and based its estimate of the annual growth in registered apprenticeship programs on the average annual growth rate from FY2020 to 2024. The Department also used the same RAPIDS data to develop an estimate of the number of registered apprenticeship programs that have five or more apprentices in each year of the analysis.[20] While the Department expects that the number of registered apprentices will increase after part 30 is streamlined, we used prior data to estimate future growth because it is common practice in cost-benefit analysis, it is difficult to quantify how much the streamlining of part 30 will increase the growth of apprenticeship programs.[21]

This analysis primarily discusses how the first-year costs were calculated and indicates that the analysis repeats that calculation across the 10-year time frame using the appropriate number of sponsors in any given year. Exhibit 1 presents the estimated number of total active and new active program sponsors, and the estimated number total and new active sponsors with five or more apprentices projected for each year in the analysis.

EXHIBIT 1

Year	Total active sponsors	New sponsors	Total active sponsors with five or more apprentices	New sponsors with five or more apprentices
2026	29,969	1,781	7,902	401
2027	31,863	1,894	8,324	422
2028	33,877	2,014	8,768	444
2029	36,018	2,141	9,237	468
2030	38,294	2,276	9,730	493

[19] Office of Management and Budget, Circular A–4, ''Regulatory Analysis,'' Sept. 17, 2003, *https://trumpwhitehouse.archives.gov/sites/whitehouse.gov/files/omb/circulars/A4/a-4.pdf.* As noted in E.O. 14192, ''Unleashing Prosperity Through Deregulation,'' on January 31, 2025, regulations should be consistent with the 2003 version of Circular A–4.

[20] The Department identified 26,512 total programs and 7,121 programs with five or more apprentices in RAPIDS as the starting point. The annual average growth rate for all programs was 6.32 percent and 5.34 percent for programs with five or more apprentices between FY2020 and FY2024. These data are used to estimate the projected number of total programs and those with five or more apprentices for each year in the analysis.

[21] The Department's cost-benefit analysis finds that the majority of the benefits from streamlining part 30 accrue to sponsors of registered apprenticeship programs. If the Department estimated a higher growth rate to registered apprenticeship, the estimated benefits of the proposed rule would be higher.

EXHIBIT 1—Continued

Year	Total active sponsors	New sponsors	Total active sponsors with five or more apprentices	New sponsors with five or more apprentices
2031	40,714	2,420	10,249	520
2032	43,287	2,573	10,797	547
2033	46,023	2,736	11,373	577
2034	48,932	2,909	11,980	607
2035	52,024	3,092	12,620	640

Benefits

The Department first presents the benefits that accrue under the proposed rule. Most of these benefits arise from cost-savings to the sponsors of registered apprenticeship programs because the proposed rule eliminates several requirements of the current part 30 regulations. The savings from eliminating these requirements are discussed in greater detail below.

In addition to the savings discussed below, there are several other benefits from streamlining the nondiscrimination requirements under part 30 that are not included in the Department's analysis. Under the proposed rule, sponsors will benefit from a more streamlined and less complex part 30 regulation, reducing confusion and the time required to answer questions or address confusion regarding compliance requirements. The proposed rule would also benefits sponsors by removing the legally questionable components of the current part 30 regulations, thereby eliminating legal risk that sponsors could be sued or legally challenged for actions taken to comply with part 30, such as setting utilization goals regarding the race or sex of program participants.

Since the proposed rule reduces the barriers for sponsors to create and operate registered apprenticeship programs, it may also lead to the registration of additional apprenticeship programs. The enhanced growth of registered apprenticeship programs could improve access for individuals to enroll in apprentices and receive high-quality job training—boosting their long-term earnings and having spill-over effects in the local economy. The increased proliferation of registered apprenticeship programs could also benefit local employers, as the creation of additional skilled apprentices could expand local talent pools and allow employers to more easily fill in-demand occupations.

Finally, chief among these benefits is the elimination of regulatory provisions that have the effect of encouraging the use of race- and gender-based preferences in apprenticeship selection and advancement decisions. By removing these requirements, the proposed rule promotes a return to individual, merit-based evaluation, consistent with the principle that all Americans should be treated as individuals rather than as members of demographic groups. The Department believes this shift will strengthen public confidence in the fairness of the apprenticeship system, reduce legal uncertainty, and encourage broader participation by sponsors who may have been deterred by the prior rule's prescriptive and group-based mandates.

While these benefits could be substantial, the Department did not include these benefits in its analysis because of data limitations that raise concern about our ability to accurately quantify these benefits. Collectively however, these benefits reinforce the Department's conclusion that the advantages of this proposal outweigh any potential costs.

A. Eliminating One-Time Costs for Sponsors of New Registered Apprenticeship Programs

Under the current part 30 regulation, sponsors must post their equal opportunity pledge on bulletin boards and through electronic media, such that it is accessible to all apprentices and applicants to apprenticeship programs. This requirement imposes costs on sponsors operating a registered apprenticeship program for the first time, as they are required to take staff time to post this pledge. Under Title VII (42 U.S.C. 2000e–10) and the ADA (42 U.S.C. 12115), employers are already required to post a notice summarizing Federal laws prohibiting discrimination in employment. Removing this comparable requirement from part 30 would therefore lead to savings for new sponsors of registered apprenticeship programs without depriving apprentices of crucial information about their employment rights.

The Department assumes that new sponsors choose to put up a physical copy of the pledge and also post it on their website. The Department assumes it takes a sponsor 5 minutes (0.08 hours) to post the pledge and that this task is performed by an administrative assistant. To calculate the hourly compensation rate, the Department used the median hourly wage rate for Secretaries and Administrative Assistants, Except Legal, Medical, and Executive (SOC code 43–6014) of $22.26,[22] and assumed a 17% overhead cost[23] and a 42-percent benefit cost.[24] The total hourly compensation rate is [$22.26 + ($22.26 × 42%) + ($22.26 × 17%)], or $35.39. We multiplied the time estimate for this provision by the hourly compensation rate to obtain a total labor cost per sponsor of $2.83 ($35.39 × 0.08). To estimate the materials cost, the Department assumed that the pledge is one page, and that the cost per page for photocopying is $0.10, resulting in a materials cost of $0.10 ($0.10 × 1) per sponsor. The total cost of putting up a physical copy of the pledge per sponsor is therefore $2.93 ($2.83 + $0.10). Additionally, the Department also assumes it takes a sponsor 10 minutes (0.17 hours) to post the pledge on its website and that this task is performed by a web developer at an hourly compensation rate of $69.51.[25] The cost of posting the pledge

[22] BLS, ''2024 National Occupation Employment and Wage Estimates for Secretaries and Administrative Assistants, Except Legal, Medical, and Executive (43–6014), Hourly median wage,'' retrieved June 17, 2025, *https://www.bls.gov/oes/tables.htm*.

[23] Cody Rice, U.S. Environmental Protection Agency, ''Wage Rates for Economic Analyses of the Toxics Release Inventory Program,'' June 10, 2002, *https://www.regulations.gov/document?D=EPA-HQ-OPPT-2014-0650-0005*.

[24] Benefit cost is derived from the ''Employer Costs for Employee Compensation Summary'' for March 2025 release from BLS, available at *https://www.bls.gov/news.release/ecec.nr0.htm*. The total benefits value was compared to the wages and salary amount at the 50th wage percentile for private industry workers. This calculation, $9.79 ÷ $23.18, produced a benefits cost of 42 percent of wages.

[25] Median wage for Web Developer (Occupation code: 15–1134) is $52.47 (source: BLS, ''National Occupation Employment and Wage Estimates by Ownership,'' 2024, *http://www.bls.gov/oes/current/000001.htm#11-0000*). The fully adjusted wage rate for a web developer accounting for overhead and benefits is 43.72 + (43.72 × 0.17) + (43.72 × 0.42), which equals $69.51.

on the sponsor's website is $11.82 ($69.51 × 0.17). In total, the current provision requiring the posting of physical copy of the pledge and the posting of the pledge on the sponsor's website costs $14.75 ($2.93 + $11.82) per new sponsor.

The Department estimates that there are 1,781 new sponsors in the first year (see Exhibit 1) that would incur these costs. Multiplying this sum ($14.75) by the estimate of new sponsors (1,781) in the first year (2026) results in a cost-benefit of $26,270 from eliminating this provision. Looking over the full ten-year period, the annualized savings from eliminating the cost of posting the EEO pledge are $25,534 (with 7 percent discounting) and $30,430 (with 3 percent discounting).

B. Eliminating On-Going Costs for All Sponsors

The current part 30 regulations also require that each sponsor conduct orientation and periodic information sessions for apprentices, journeyworkers who directly supervise apprentices, and other individuals connected with the administration or operation of the sponsor's apprenticeship program to inform and remind such individuals of the sponsor's equal employment opportunity policy with regard to apprenticeship (current § 30.3(b)(2)(iii)). Under current § 30.3(b)(4)(i), sponsors are also required to provide anti-harassment training, which we assume are incorporated into periodic orientation and information sessions. This training must include active participation by trainees, such as attending a training session in person or completing an interactive training online and includes, at a minimum, communications to apprentices and journeyworkers who directly supervise apprentices that harassing conduct will not be tolerated, the definition of harassment and types of conduct that constitute harassment, and the right to file a harassment complaint.

Using data from RAPIDS, the Department calculated that there are on average 25.4 apprentices per sponsor, so we round down to 25 apprentices per program.[26] The Department further assumes a one-to-one ratio between an apprentice and journeyworker in estimating the cost of orientations and periodic information sessions. The Department first estimated that the 29,969 programs in the first year (2026) will hold one 45-minute regular orientation and information session with an average of 25 apprentices ($33.39 per hour)[27] and 25 journeyworkers ($52.47 per hour)[28] per sponsor. The Department estimated that a human resource manager ($107.04)[29] will need to spend 2 hours to develop and prepare written materials for the session in the first year, and 2 hours to cover maintaining the training materials that were already saved on the computer in subsequent years.

This calculation results in a total cost-saving benefit for removing this provision of approximately $54.66 million in the first year (2026). It is assumed that all sponsors would hold one 45-minute regular orientation and information session annually if this requirement was not eliminated by the rule. This calculation is therefore repeated in subsequent years. The annualized savings from the elimination of this cost ranges from $53.13 million (with 7 percent discounting) to $63.31 million (with 3 percent discounting).

Additionally, under the current part 30, all sponsors are required to reach out to a variety of recruitment sources, including organizations that serve individuals with disabilities, to ensure universal recruitment (current § 30.3(b)(3)). Sponsors are required to develop a list of recruitment sources that generate referrals of women, minorities, and persons with disabilities with contact information for each source. Further, sponsors are required to notify these sources in advance of any apprenticeship opportunities and while a firm deadline is not set, the part 30 regulations suggest 30 days' notice if possible. This current outreach protocol may lead employers to incur costs due to the additional delay in the hiring process resulting from this rule. The Department, however, does not have enough information to estimate the potential costs sponsors currently incur from these delays.

The kinds of activities sponsors engage in to satisfy this requirement include distributing announcements and flyers detailing job prospects, holding seminars, and visiting some of the sources who are likely able to provide access to designated groups. The Department assumed that the cost to sponsors to distribute information to designated groups will be the labor cost to comply with this provision. We also assumed that the activity to satisfy this provision will be performed by a human resource manager and an administrative assistant with hourly compensation rates of $107.04 and $35.39, respectively. We assumed this task takes 30 minutes (0.5 hour) of a human resource manager's time and 30 minutes (0.5 hour) of an administrative assistant's time per targeted source. We calculated the cost of this provision per affected sponsor by multiplying the time each staff member devotes to this task by their associated hourly compensation rates. We then multiplied the total labor cost by the assumed number of outreach sources (5) and by the total number of sponsors. All sponsors are assumed to conduct this outreach in all years. The resulting savings from eliminating this outreach provision are therefore $10.67 million in the first year, with an annualized savings from the elimination of this cost for sponsors ranging from $10.37 million (with 7 percent discounting) to $12.36 million (with 3 percent discounting).

C. Savings From Eliminating Costs of Performing Utilization and Workforce Analysis Costs for Sponsors With Five or More Apprentices

The current part 30 regulations require sponsors with five or more apprentices to establish utilization goals for women and minorities (current §§ 30.5 through 30.7). First, sponsors conduct a workforce analysis to identify the racial, sex, and ethnic composition of their apprentices. Second, an availability analysis will establish a benchmark against which the existing composition of apprentices will be compared. Sponsors establish utilization goals and engage in targeted outreach, recruitment, and retention efforts when the sponsor's utilization of women, Hispanics or Latinos, or individuals in racial minority groups are ''significantly less than would be reasonably expected given the availability of such individuals for apprenticeship.'' Registration Agencies work closely with sponsors during compliance reviews to assist in the development of an availability analysis and setting or reassessing utilization goals for race, sex, and ethnicity. The

[26] This estimate is from RAPIDS data at the end of FY2024.

[27] We calculated the hourly compensation rate for an apprentice by multiplying the average hourly wage of $21.00 (as published by ZipRecruiter, last updated June 16, 2025, *https://www.ziprecruiter.com/Salaries/Apprenticeship-Salary*) by 1.59 to account for private-sector employee benefits and overhead. Thus, the hourly compensation rate for an apprentice is $33.39 ($21.00 × 1.59).

[28] We calculated the hourly compensation rate for a journeyworker by multiplying the average hourly wage of $33.00 (as published by ZipRecruiter, last updated June 16, 2025, *https://www.ziprecruiter.com/Salaries/Journeyman-Salary*) by 1.59 to account for private-sector employee benefits and overhead. Thus, the hourly compensation rate for a journeyworker is $52.47 ($33.00 × 1.59).

[29] We calculated the hourly compensation rate for a human resource manager (Occupation code 11–3121) by multiplying the median hourly wage of $67.32 by 1.59 to account for private-sector employee benefits and overhead. Thus, the hourly compensation rate for a human resource manager is $107.04 (67.32 × 1.59).

Department also provides a data tool to assist in the collection and analysis of relevant demographic data for the purposes of goal setting.

The Department has determined that eliminating the utilization goal requirement will create three types of cost-savings benefits: Savings from the elimination of costs associated with the familiarization with the data tool for new sponsors, savings from the elimination of costs associated with the workforce analysis, and savings from the elimination of costs associated with the utilization analysis.

To quantify the savings from the elimination of costs associated with new sponsors' familiarization with the data tool, the Department assumes that new sponsors with five or more apprentices (401 in 2026) will incur one hour of HR manager labor ($107.04 per hour) to familiarize the organization with the tool. This is estimated to create $42,876 in savings from the elimination of these tool familiarization costs in the first year of 2026. We repeated this calculation for the following years. Removing the utilization goal requirement from part 30 therefore creates an annualized savings of $40,004 (with 7 percent discounting) and $47,537 (with 3 percent discounting) from the elimination of new sponsors' tool familiarization costs.

To calculate the savings from removing the workforce analysis requirements from part 30, the Department determined that the methodology for conducting workforce analyses under the current part 30 results in 2 hours of HR manager labor ($107.04 per hour) for all sponsors with five or more apprentices (7,902 in 2026). Under the current part 30 regulations, all sponsors with five or more apprentices must conduct workforce analysis every 2.5 years. In calculating the savings for each year, the Department divided the number of applicable sponsors in each year by 2.5 to reflect the assumption that sponsors would have conducted the analysis per the 2.5-year timeline. This means that in any given year 40 percent of these sponsors would have conducted the workforce analysis or that it would have taken 2.5 years to have these sponsors conduct new workforce analyses. The cost-savings from eliminating the requirement to conduct workforce analyses in the first year is therefore $676,642 ($7{,}902 \times 0.4 \times \$107.04 \times 2$ hours). We repeated this calculation for the following years using the appropriate number of sponsors in any given year, resulting in an annualized savings from the removal of the workforce analysis requirement of $631,313 (with 7 percent discounting) and $750,187 (with 3 percent discounting) for sponsors.

To calculate the savings from the removal of the utilization analysis requirement, the Department determined that the utilization analysis results in 0.5 hour of HR manager time ($107.04 per hour) for all sponsors with five or more apprentices (7,902 in 2026) every 5 years. The cost-savings from removing the requirement to conduct utilization analyses in the first year is $84,580 (0.5 hour $\times$ $107.04 $\times$ (7,902/5 years)). We repeated this calculation for the following years, and the savings to sponsors from not having to conduct utilization analyses has an annualized benefit of $78,914 (with 7 percent discounting) and $93,773 (with 3 percent discounting) for sponsors.

In addition to the normal outreach, recruitment, and retention activities required of all sponsors under current part § 30.3(b), the current part 30 regulations require a sponsor of an apprenticeship program, whose utilization analyses revealed underutilization of a particular designated group or groups of individuals pursuant to current § 30.6 and/or who has determined pursuant to current § 30.7(e) that there are impediments to EEO for individuals with disabilities, to engage in targeted outreach, and retention for all underutilized groups in current § 30.8. We assumed that this additional outreach happens in the same manner as the universal outreach discussed above.

We assumed that the current cost to sponsors to distribute information about apprenticeship opportunities to organizations serving individuals with disabilities is the labor cost. We also assumed that the labor for this provision will be performed by a human resource manager and an administrative assistant with hourly compensation rates of $107.04 and $35.39, respectively. The Department estimated that this dissemination task takes 30 minutes (0.5 hour) of a human resource manager's time and 30 minutes (0.5 hour) of an administrative assistant's time per targeted source. The cost of the current provision per affected sponsor is the time each staff member devotes to this task multiplied by their associated hourly compensation rates. This calculation resulted in a labor cost of $71.22 (($107.04 $\times$ 0.5) + ($35.39 $\times$ 0.5)) per source.

We estimated that the number of sponsors who need to engage in targeted outreach and recruitment for at least one relevant demographic group is 95 percent of the total sponsors with five or more apprentices. We understand this is likely an over-estimate of the number of sponsors that must conduct this outreach, as more than 5 percent of sponsors may meet their utilization goal for all demographic groups and may not have to conduct outreach, however the Department does not have complete or reliable data to produce an alternative estimate. We then multiplied this total labor cost by the share of sponsors with five or more apprentices (7,902), the share of sponsors that undertake a utilization analysis in any given year (20 percent [30]) and the share of sponsors that are estimated to identify underutilization and/or problem areas in one or more of the relevant demographic groups—(95 percent). This calculation ($71.22 $\times$ 7,902 $\times$ 0.20 $\times$ 0.95) results in a total cost of the current outreach provision of approximately $106,928 in 2026. The benefit from eliminating this requirement is equal to these estimated costs since sponsors will no longer need to conduct this outreach. We repeated this calculation for the following years using the appropriate number of sponsors in any given year. The annualized savings to sponsors from not having to conduct this additional outreach ranges from $99,755 (with 7 percent discounting) to $118,538 (with 3 percent discounting).

D. Savings From Eliminating Affirmative Action Program Review Costs for Sponsors With Five or More Apprentices

Affirmative action program reviews in the current part 30 regulations result in three additional costs for sponsors: personnel process reviews, written affirmative action plan updates during compliance reviews, and written affirmative action plan updates within three years of compliance reviews (estimated to occur 2.5 years later in this analysis). The current part 30 requires sponsors with five or more apprentices to review personnel processes annually (§ 30.9). The Department estimated the current costs of each of these components and summed them to estimate the savings to sponsors from eliminating affirmative action program reviews.

To calculate the current costs imposed on sponsors from personnel process reviews, the Department calculated the cost for all sponsors in 2026 with five or more apprentices (7,902) to spend 8 hours of HR manager labor ($107.04 per hour) conducting the

[30] This is the percentage of sponsors that undergo compliance review each year, as determined by the 5-year schedule on which sponsors undergo compliance reviews.

review. This provision is estimated to result in an undiscounted cost of $6.77 million in 2026 (7,902 × 8 hours × $107.04).

To determine the current cost of the written affirmative action plan update at the time of the compliance review, the Department calculated the cost for all sponsors in 2026 with five or more apprentices (7,902) to spend 12 hours [31] of HR manager labor every 5 years at the time of the compliance review. With the existing compliance review rate at 20 percent, this means that approximately one in five of these sponsors undergo a compliance review every year. This provision currently results in an undiscounted cost of approximately $2.03 million in 2026 (7,902 × 12 hours × (1 ÷ 5) × $107.04).

To determine the cost of the written affirmative action plan update within three years of the compliance review, the Department calculated the cost for all sponsors in 2026 with five or more apprentices (7,902) to spend 6 hours [32] (estimated to be less because of the lesser workload from not overlapping with the compliance review) of HR manager time every 5 years. This provision results in an undiscounted cost of $1.01 million in 2026 (7,902 × 6 hours × (1/5) × $107.04). We repeated this calculation for the following years using the appropriate number of sponsors in any given year.

The total cost of the current affirmative action plan program provision, and therefore the savings from it being eliminated, is approximately $9.8 in 2026 (6.77 million + $2.03 million + 1.01 million). The annualized savings from eliminating affirmative action program reviews ranges from $9.15 million to $10.88 million at 7 percent and 3 percent, respectively.

E. Invitation To Self-Identify as an Individual With a Disability

The current part 30 regulations under § 30.11 require sponsors with five or more apprentices to invite applicants for apprenticeship to voluntarily self-identify as an individual with a disability protected by this part at two stages: (1) At the time they apply or are considered for apprenticeship; and (2) after they are accepted into the apprenticeship program but before they begin their apprenticeship. Each year, all sponsors with five or more apprentices are required to administer the invitation to self-identify twice: Once to all applicants prior to the offer of apprenticeship, and once after the offer of apprenticeship to those who were extended offers. The Department estimated that sponsors post 42 positions in 2026 and receive 15 applicants per posting.[33] Of those positions, the Department estimated that 42 offers of enrollment are made and 42 apprentices choose to enroll in 2026. The Department estimated that it would take an apprentice ($33.39 per hour) 5 minutes (0.08 hours) to complete the form. Furthermore, an administrative assistant ($35.39 per hour) would need to spend 0.5 hour annually to record and keep the forms. As a result, this requirement has an undiscounted cost in 2026 of $1.42 million (7,902 × ((15 applications × 42 job listings × .08) + (42 offers of apprenticeship × .08)) × $35.39 + 7,902 × 0.5 × $35.39). For the 10-year analysis period, this provision has an annualized cost of $1.33 million and $1.58 million (at 7 percent and 3 percent discounting, respectively).[34] In addition, sponsors with five or more apprentices are required to remind apprentices yearly that they can update their invitation to self-identify. The Department assumed that these sponsors send out an annual reminder email at the cost of $22,372 (7,902 × 0.08 hour × $35.39). We repeated this calculation for each remaining year in the analysis period using the estimated number of sponsors for each year. This provision in total has an annualized cost of $20,873 and $24,803 (at 7 percent and 3 percent discounting, respectively).

Costs

Below, the Department presents the costs incurred on relevant stakeholders, mainly program sponsors and SAAs, from this proposed rule. These costs are broken into two major categories: costs to sponsors of familiarizing themselves with the regulatory change, and the cost to SAAs. These two main costs of the proposed rules and other provisions of the proposed rule the Department found to have minimal to no costs compared to the current part 30 are discussed below. This provision in total has an annualized cost of $20,873 and $24,803 (at 7 percent and 3 percent discounting respectively).

A. Familiarization With Regulatory Change

To estimate the cost of initial rule familiarization, we multiplied the number of apprenticeship sponsors in 2026 (26,512)—the first full year in which the change will be in effect—by the amount of time required to read the new rule (1 hour) and by the average hourly compensation of a private-sector human resources manager ($107.04). This cost is only incurred in the first year of the change, so the total cost to sponsors for time spent on familiarization amounts is approximately $3.21 million in labor costs. There are no familiarization costs for future years because sponsors will already be complying with nondiscrimination laws.

B. Updating Standards for Compliance

Pre-existing sponsors of registered apprenticeship programs will also need to develop language or make adjustments and updates to existing standards to comply with the proposed changes to part 30. This will be a one-time cost only imposed on pre-existing sponsors that already had standards prior to the publication of final rule. The Department estimates that updating standards to comply with part 30 will mainly be removing items currently required by part 30 and therefore estimates the burden will be minimal. Accordingly, the Department estimates the average response time for the projected 28,188 pre-existing apprenticeship programs in FY2026 to ensure standards comply with part 30 is 20 minutes (0.33 hours).[35] The estimated annual burden is 9,301 hours (28,188 × 0.33). The Department assumes the standards will be updated by an administrative assistant. Therefore, the Department estimates that the annualized cost is $329,194 (9,301 × $35.39).

Registration agency staff are responsible for reviewing and providing input on a sponsor's apprenticeship program standards to ensure compliance with the requirements in part 30.

[31] A workforce analysis (1); a utilization analysis (2); goal-setting (if necessary) (3); and a full update of the written affirmative action plan (4) need to be undertaken at the compliance review. Because we have already costed out (1), (2), and (3), the sponsor would need additional 12 hours to fully update the written affirmative action plan.

[32] A written affirmative action program review within three years of compliance reviews contains (1) workforce analysis and (2) updating the written affirmative action plan to include the updated workforce analysis and a description of the review of personnel practices and any changes made as a result of that review (see 30.9(b)). Because we have already costed out (1), the 6 hours are for including updated the workforce analysis and a description of the review of personnel practices and any changes made as a result of that review (see current 30.9(b)).

[33] The Department determined the number of positions posted from conversations with programs of various sizes. We determined that the largest, statewide programs post more than 15 jobs, but the Department used this as an average for all apprentices to avoid under-estimating the costs.

[34] It is assumed that there will be 100 percent participation in the invitation to self-identify and therefore, the cost of this provision is likely overestimated.

[35] There are 28,1888 pre-exiting sponsors in FY2026 because there are 29,969 projected sponsors in FY2026 and 1,781 of these sponsors are new. (29,969 − 1,781 = 28,188).

Registration agencies will therefore incur a one-time cost to review updated standards for pre-existing programs. The Department estimates that the review and input provided by registration agency staff for program sponsors will take 10 minutes, which results in 4,792 annual burden hours (28,188 × 0.17 hours). Using the State employee wage calculated above, the total cost to registration agency of this one-time review is $412,342 (4,792 hours × $86.05).

C. Revision of State Plan

The process of updating a State equal opportunity plan may potentially involve various different people at different stages of implementation. Updating the plan will include drafting the new plan, ensuring conformity and that State laws and practices do not exceeding the proposed rule, and completing all administrative procedures that may apply, such as revisions to a State's apprenticeship law or policy that may require a public notice and comment period, training for SAA staff on the revised State plan, and outreach to program sponsors to inform them of the relevant aspects of the revised State plan once it has been approved by the Department. The updates to State equal opportunity plans include changing language and existing requirements such that they align with the regulatory changes herein. To calculate the costs, the Department assumed that the process to revise the State plan will take a full year of effort (2,080 hours) to complete.[36] This is the Department's best estimate for updating the existing State plan. For simplicity, we assumed that an SAA human resource manager will complete the task at an hourly compensation rate of $86.05.[37] This amounts to a one-time cost of $5.9 million in the first year (2,080 hours × $86.05 × 33 SSA States).[38] *Complaint Referral Procedures* § 30.4 within the proposed rule directs the Registration agencies to refer complainants alleging illegal discrimination to the appropriate enforcement agency. Since the complaint process is not a new process, the Department does not expect that these provisions will add significantly to the burden on Registration Agencies as these agencies are currently required to refer complaints to other EEO agencies under current § 30.14(c)(3).

D. Adopting Uniform Procedures Under 29 CFR Parts 29 and 30 for Deregistration, Derecognition, and Hearings

The proposed rule generally aligns part 30 with part 29 procedures for deregistration of apprenticeship programs, derecognition of SAAs, and hearings (§§ 30.6 through 30.7). These provisions are not expected to impose a burden because SAAs are already following these procedures in part 29.

Summary of Cost-Benefit Analysis

Exhibit 2 presents a summary of the first-year benefits and costs of the proposed rule, as described above. As shown in the exhibit, the total first-year benefit of the proposed rule is $77.51 million and the total first year costs are $9.86 million.

EXHIBIT 2

Provision	Entity affected	Monetized costs ($ million)
No longer posting equal opportunity pledge	Sponsor	−0.03
No longer conducting universal outreach	Sponsor	−10.67
No longer conducting EO training	Sponsor/Apprentice	−54.66
No longer conducting Utilization and Workforce Analysis	Sponsor	−0.80
No longer Conducting Affirmative Action Program Reviews	Sponsor	−9.81
No longer providing an invitation to Self-Identify as an individual with a disability	Sponsor/Apprentice	−1.45
Familiarization with Regulatory Change	Sponsor	3.21
Revision of State Equal Opportunity Plan	SSA	5.91
Updating Standards to Align with Revised Part 30 Regulation	Sponsor/Registration Agencies	0.74
Total First-Year Costs		−67.57

Exhibit 3 presents a summary of the monetized costs and benefits associated with the final rule over the 10-year analysis period. The monetized costs and benefits displayed are the yearly summations of the calculations described above. Costs and benefits are presented as undiscounted 10-year totals, and as present values with 7 and 3 percent discount rates.

EXHIBIT 3

Year	Monetized benefit ($million/year)	Monetized cost ($million/year)
2026	77.53	9.86
2027	82.31	

[36] Note that this calculation is only the administrative costs of updating the State EEO plan, as opposed to the costs of implementing the new plan, or any new burdens on State Agencies. Since the updated State plan for non-discrimination in apprenticeship should reflect the Federal regulations, these costs should be accounted for and addressed elsewhere in the analysis under discussions of costs.

[37] We calculated the hourly compensation rate for a human resource manager at a State agency by multiplying the hourly wage of $48.07 (GS–13 step 5) by 1.62 for public sector employee benefits (source: BLS, ''National Compensation Survey, Employer Costs for Employee Compensation,'' *https://www.bls.gov/ecec/data.htm* (last visited May 27, 2025). For State and local government workers, wages and salaries averaged $38.45 per hour worked in 2024, while benefit costs averaged $23.81, which is a benefits rate of 62 percent) and 1.17 to account for overhead costs (source: Cody Rice, U.S. Environmental Protection Agency, ''Wage Rates for Economic Analyses of the Toxics Release Inventory Program,'' June 10, 2002, *https://www.regulations.gov/document/EPA-HQ-OPPT-2014-0650-0005* (last visited May 27, 2025)) to account for state and local employee benefits. The hourly compensation rate for a human resource manager at a State agency is thus $86.05 (($48.07 × 1.17) + ($48.07 × 1.62)).

[38] The estimated time to complete the revisions is 12 months (2,080 hours). The calculation used the hourly compensation rate for a state human resource manager ($86.05) multiplied by 2,080 (the assumed number of work hours in a year) and by the total number of State Apprenticeship Agencies (33) to obtain the total cost. This cost only accrues in the first year of the ten-year analysis period.

EXHIBIT 3—Continued

Year	Monetized benefit ($million/year)	Monetized cost ($million/year)
2028	87.39	
2029	92.78	
2030	98.50	
2031	104.58	
2032	111.03	
2033	117.89	
2034	125.17	
2035	132.90	
Undiscounted	1,030.06	9.86
7% Discounted	748.76	9.86
3% Discounted	891.95	9.86
Annualized 7%	74.88	0.99
Annualized 3%	89.19	0.99

As mentioned above, due to data limitations, the Department did not quantify several important benefits to society provided by the proposed rule. The proposed rule is expected to result in several overarching benefits to apprenticeship programs and specific benefits resulting from a less legally ambiguous, and more streamlined rule. The proposed rule will reduce barriers to register and operate a registered apprenticeship program, allowing the creation of additional programs that allow more individuals to receive training and benefiting businesses in meeting their skills needs.

Regulatory Alternatives

In addition to the proposed rule, the Department has considered three regulatory alternatives: (a) Repeal Part 30 entirely; (b) Only eliminate the additional affirmative action requirements pertaining to sponsors with five or more apprentices while retaining the reminder of the 2016 final rule; (c) Take no action, that is, to leave the 2016 final rule intact.

The Department conducted economic analyses of the three alternatives to better understand their costs and benefits and the implied tradeoffs (in terms of the costs and benefits that would be realized) relative to the proposed rule. Below is a discussion of each alternative along with an estimation of their costs and benefits. All costs and benefits use the 2016 final rule as the baseline for the analysis.

A. Repeal Part 30 Entirely

This alternative yields many of the same benefits as the proposed rule but would also remove the cost to Registration Agencies (the Department of Labor's Office of Apprenticeship (OA) or SAAs) related to the referral of complaints, leading to additional cost-saving benefits.

The Department assumed that, when a Registration Agency receives a complaint, it takes 15 minutes (0.25 hours) for a public-sector human resource manager (86.05 per hour) to refer the complaint to the correct entity. The Department estimates that 421 apprentices file a complaint in the first year and the number of complaints rises by 9 percent each year.[39] Based on this assumption, the Department estimated that the savings to registration agencies from not having to refer complaints is $36,227 in the first year. The Department estimates that this has an annualized savings benefit of $39,413 and $47,337 (at 7 percent and 3 percent discounting, respectively).

The Department assumes sponsors would still have to refer complaints to the relevant agencies that oversee nondiscrimination laws to comply with those laws and therefore would receive minimal to no cost savings from not having to refer these complaints to the registration agency as well.

Additionally, removing part 30 would remove the costs associated with deregistering programs and derecognizing SAA that are violating part 30. However, as mentioned in the preamble, the Department is unaware of any instance in which a program or an SAA has been deregistered or derecognized because of failure to comply with part 30 (current § 30.15, § 30.16, and § 30.18(d)). The Department therefore assumes that removing the deregistration or derecognition components of the current part 30 rule would create minimal to no cost savings. The benefits of this alternative would therefore be the same in each year as the proposed rule, with additional cost-savings from the elimination of referral requirements.

In estimating costs, the Department believes that the elimination of part 30 entirely would remove conformity across the registered apprenticeship system by creating an inconsistent regulatory framework across states. If some states left their current apprenticeship affirmative action laws in place, it would be harder for sponsors to navigate and comply with this system. This lack of conformity would therefore create confusion and hinder the deregulatory goals of the rulemaking from being achieved on a nationwide basis. Additionally, if some states retained the use of race- and gender-based preferences in apprenticeship selection and advancement decisions, the apprenticeship system in these states would continue to conflict with the merit-based principles that the apprenticeship system, and overall American workforce, should represent.

While the Department believes these costs from a lack of conformity and conflict with merit principles could be substantial, these costs are largely intangible and would be difficult to estimate. As a result, the Department estimates that the only monetized costs would be the one-time cost of removing references to Part 30 in apprenticeship program standards, which was estimated to be $741,536, due to data and other limitations referenced above, there would be no quantifiable costs to repealing part 30 entirely because states

[39] The EEOC reports that there were 88,531 charges in FY2024 and that the number of complaints between FY2023 to FY2024 rose by 9.22% (Source: Enforcement and Litigation Statistics, EEOC. Accessed June 20, 2025. *https://www.eeoc.gov/data/enforcement-and-litigation-statistics-0*). Based on this growth rate, we estimate there will be 105,184 complaints in 2026. We assume apprentices file the same percentage of complaints as their share of the workforce. We understand this may be an over or underestimate as apprentices may be less or more likely to fill complaints than the broader workforce. Since apprentices make up 0.4% of the workforce, we assumed that they file 421 complaints a year (105,184 × 0.4%). We repeat this calculation each year to account for the growth in complaints each year.

would not have to submit updated State plans and sponsors would not need to familiarize themselves with the rule change. Exhibit 4 presents a summary of the monetized costs of this alternative option over the 10-year analysis period. Costs are presented as undiscounted 10-year totals, and as present values, using 7 percent and 3 percent discount rates.

EXHIBIT 4

Year	Monetized benefit ($million/year)	Monetized cost ($million/year)
2026	77.57	0.74
2027	82.35	0.00
2028	87.43	0.00
2029	92.82	0.00
2030	98.55	0.00
2031	104.63	0.00
2032	111.09	0.00
2033	117.95	0.00
2034	125.24	0.00
2035	132.98	0.00
Undiscounted	1,030.61	0.74
7% Discounted	749.15	0.74
3% Discounted	892.42	0.74
Annualized 7%	74.88	0.07
Annualized 3%	89.24	0.07

B. Only Remove Additional Requirements Pertaining to Programs With Five or More Apprentices

This alternative yields only the cost-savings that come from eliminating the provisions under the current part 30 that require sponsors with five or more apprentices to take additional affirmative action steps. This more limited change would therefore eliminate the following costs: new sponsors' familiarization with apprenticeship utilization data tool, cost of the workforce analysis, cost of the utilization analysis, the additional dissemination of resources for designated demographic groups if a sponsor is found to be underutilizing said group, costs related to Affirmative Action Program reviews, and the cost of inviting apprentices to self-identify as an individual with a disability (as well as sending email reminders about this self-identification). Sponsors would still incur the costs of orientation and information sessions and universal outreach. New sponsors would also continue to incur the cost of posting EEO pledges.

Under this alternative, the Department assumes that sponsors would still incur the same rule familiarization costs and SSAs would still have to submit revised State plans under current § 30.18. Only pre-existing programs with five or more apprentices would incur costs from updating standards. The Department estimates that there will be 7,501 pre-existing programs with more than 5 apprentices in FY2026.[40] Based on the methodology described above, we estimated sponsors with five or more apprentices will incur $87,605 from the cost of updating standards and registration agencies will incur $109,732 in costs from reviewing updated standards, for a total cost of $197,337 of updating standard for programs with five or more apprentices. This cost is lower because fewer sponsors (*i.e.,* only those with five or more apprentices) would need to update standards. The total cost of this option is therefore $9.31 million.

Exhibit 5 presents a summary of the monetized costs of this alternative option over the 10-year analysis period. Costs are presented as undiscounted 10-year totals, and as present values, using 7 percent and 3 percent discount rates.

EXHIBIT 5

Year	Monetized benefit ($million/year)	Monetized cost ($million/year)
2026	12.17	9.31
2027	12.82	
2028	13.50	
2029	14.22	
2030	14.98	
2031	15.78	
2032	16.63	
2033	17.52	
2034	18.45	
2035	19.44	

[40] There were estimated to be 7,902 sponsors with five or more apprentices in total in FY2026, 401 of which would be new sponsors. Subtracting new programs, it is estimated that there will be 7,501 pre-existing sponsors with five or more apprentices in FY2026.

EXHIBIT 5—Continued

Year	Monetized benefit ($million/year)	Monetized cost ($million/year)
Undiscounted	155.52	9.31
7% Discounted	113.54	9.31
3% Discounted	134.92	9.31
Annualized 7%	11.35	0.93
Annualized 3%	13.49	0.93

C. Take No Action

This alternative yields no additional costs or benefits to society because it does not deviate from the baseline, that is, the 2016 final rule. However, the Department notes that taking no action would prevent the benefits that would accrue from this proposed rule. In addition to decreasing the burden on sponsors and registration agencies, chief among the benefits from the proposed rule is the elimination of regulatory provisions that have the effect of encouraging the use of race- and gender-based preferences in apprenticeship selection and advancement decisions. By removing these requirements, the proposed rule promotes a return to individual, merit-based evaluation, consistent with the principle that all Americans should be treated as individuals rather than as members of demographic groups. Without this change, the Department believes the public's confidence in the fairness of the apprenticeship system could be undermined, that legal uncertainty would remain for current sponsors, and that prospective sponsors may be deterred by the prior rule's prescriptive and group-based mandates.

B. Regulatory Flexibility Act, Small Business Regulatory Enforcement Fairness Act of 1996, and Executive Order 13272 (Proper Consideration of Small Entities in Agency Rulemaking)

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601 *et seq.,* as amended by Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Public Law 104–121 (Mar. 29, 1996), hereafter jointly referred to as the RFA, requires agencies to prepare an initial regulatory flexibility analysis (IRFA) when proposing, and a final regulatory flexibility analysis (FRFA) when issuing, regulations that will have a significant economic impact on a substantial number of small entities.

The Department conducted the analysis below of the burden on small entities from the proposed rule and, based on that analysis, certifies that this rule will not have a significant economic impact on a substantial number of small entities.

1. Why Action Is Being Considered

The Department has determined that the proposed deregulatory action is necessary to remove administrative barriers to participation in registered apprenticeship. As described throughout the preamble for this NPRM, in the Department's view, the proposed changes to the regulation at 29 CFR part 30 would significantly reduce administrative burdens for existing registered apprenticeship sponsors, and could alleviate concerns expressed by employers (including small businesses) regarding the amount of administrative burden they would have to take on to participate in registered apprenticeship. The Department is considering this deregulatory action because these outcomes would help accelerate the expansion of registered apprenticeship, in line with the Administration and the Department's ambitious goals to grow the system, including in industries and sectors where registered apprenticeship is not currently widespread. In addition, the Department is considering this deregulatory action in light of the Administration's call for Federal agencies to review their regulations and remove regulations that impose undue or unnecessary burdens on stakeholders.

2. Objectives of, and Legal Basis for, the Proposed Rule

The primary objective of the proposed rule is to alleviate administrative burden for registered apprenticeship stakeholders and promote a more straightforward framework for the regulated community to participate in the system and maintain compliance with the governing regulations (at 29 CFR parts 29 and 30). In addition, this proposed rule seeks to eliminate a duplicative and ineffective (and, in light of recent case law, legally questionable) regulatory framework for antidiscrimination protections in registered apprenticeship. These objectives align with the broader goals of the Administration and the Department to identify and modify burdensome regulations, preserve limited enforcement resources, and keep pace with evolving issues in antidiscrimination law. The National Apprenticeship Act of 1937 stands as the Department's statutory basis for promulgating regulations on apprenticeship.

3. Classes of Small Entities

A small entity is one that is independently owned and operated and that is not dominant in its field of operation. 5 U.S.C. 601(3); 15 U.S.C. 632. The definition of small entity varies from industry to industry to properly reflect industry size differences. 13 CFR 121.201. An agency must either use the SBA definition for a small entity or establish an alternative definition for the industry. Using SBA size standards, the Department has conducted a small entity impact analysis on small entities in the five industry categories with the most registered apprenticeship programs and for which data were available: Construction, Educational Services, Manufacturing, Other Services, and Healthcare.[41] These top five industry categories account for 57 percent of the total number of apprenticeship sponsors who had active apprenticeships in FY 2018.[42]

One industry, Public Administration, made the initial top-five list but is not included in this analysis because no data on the revenue of small local jurisdictions were available. Local jurisdictions are classified as small when their population is less than 50,000. 5 U.S.C. 601(5).

Registered apprenticeship program sponsors may be employers, employer associations, industry associations, or labor management organizations and, thus, may represent businesses, multiple businesses, and not-for-profit organizations. The requirements of the

[41] According to RAPIDS, the percent of programs (of all sizes) in the selected sectors in 2024 were as follows: Construction, 33.5 percent; Educational Services, 24.1 percent; Manufacturing, 4.3 percent; Other Services, 3.7 percent; Health Care and Social Assistance, 3.6 percent. Public Administration was 24.1 percent and 11.6 percent of programs did not have an industry available.

[42] RAPIDS includes a portion of all registered apprenticeship programs and apprentices nationwide because SAAs that are recognized by the Department of Labor to serve as the Registration Agency may choose, but are not required, to participate in RAPIDS.

proposed rule, however, fall on the sponsor, and therefore we used sponsor data to create industry breakdowns.

4. Impact on Small Entities

The Department has estimated the incremental costs for small entities from the baseline of the 2016 Final Rule.[43] This analysis reflects the incremental cost of the proposed rule, as it adds to the requirements of the 2016 Final Rule. Using available data, we have estimated the costs to sponsors of familiarizing themselves with the rule change. A significant economic burden results when the total incremental annual cost as a percentage of total average annual revenue is equal to or exceeds 3 percent.[44] Because the estimated annual burden of the proposed rule is less than 1 percent of the average annual revenue of each industry category, the proposed rule is not expected to cause a significant economic impact to small entities. These entities include individual employers, groups of employers, labor management organizations, or industry associations that sponsor apprenticeships. As explained in detail below, the total impact amounts to approximately $118.89 per affected small entity in the first year. All costs are incurred in the first year. Because all the proposed rule provisions will have a similar impact on entities across economic sectors, we calculated impacts to a representative single entity.[45]

Costs

a. Familiarization With Regulatory Change

During the first year after implementation of the eventual final rule, sponsors will need to learn about the new regulatory requirements. We estimated this cost for a hypothetical small entity by multiplying the time required to read the new rule (1 hours) by the average hourly compensation rate of a human resources manager ($107.04, as calculated above). Thus, the resulting cost per small entity is 107.04 ($107.04 × 1). This cost occurs only in the year after the final rule is published.

b. Updating Standards for Compliance

Sponsors of registered apprenticeship programs will also need to develop language or make adjustments and updates to existing standards to comply with the proposed changes to part 30. The Department estimates that updating standards to comply with part 30 will mainly be removing items currently required by part 30 and therefore estimates the burden will be minimal. The Department assumes news sponsors will take a similar amount of time to ensure the standards they develop do not conflict with part 30. Accordingly, the Department estimates the average response time for sponsors to ensure standards comply with part 30 is 20 minutes (0.33 hours). Thus, the resulting cost per small entity is $11.85 (0.33 × $35.91).

For a hypothetical small entity in the top five industry categories, the first-year cost of this rule is $118.89 ($107.04 + $11.85). There are no costs in subsequent years.

Total Cost Burden for Small Entities

For a hypothetical small entity in the top five industry categories, the first-year cost of this rule is $118.89 ($107.04 + $11.85). There are no costs in subsequent years.

The total cost impacts, as a percentage of revenue, are all well below the 3 percent threshold for determining a significant economic impact.

The Department used the following steps to estimate the cost of the proposed rule per registered apprenticeship program sponsor as a percentage of annual receipts. First, the Department used the Small Business Administration's Table of Small Business Size Standards to determine the size thresholds for small entities within each major industry.[46] Next the Department obtained data on the number of firms, number of employees, and annual revenue by industry and firm size category from the Census Bureau's Statistics of U.S. Businesses.[47] Then, the Department divided the estimated first-year cost per sponsor by the average annual receipts per firm to determine whether the proposed rule would have a significant economic impact on sponsors in each size category.[48] Finally, the Department divided the number of firms in each size category by the total number of small firms in the industry to determine whether the proposed rule would have a significant economic impact on a substantial number of small entities.[49]

The results are presented in the following five tables, one for each major industry sector with the most registered apprenticeship programs and for which data are available: Construction, Educational Services, Manufacturing, Other Services, and Healthcare. As shown in the five tables below, the first-year costs for sponsors in these five industries are not expected to have a significant economic impact (3 percent or more) on small entities of any size. Therefore, the Department certifies that the proposed rule is not expected to have a significant economic impact on a substantial number of small entities.

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[43] **Federal Register:** Apprenticeship Programs; Equal Employment Opportunity.

[44] See Small Business Association, *A Guide for Government Agencies: How to Comply with the Regulatory Flexibility Act,* 17–19 (June 2010), *available at http://www.sba.gov/content/guide-government-agencies-how-comply-with-regulatory-flexibility-act-0* (last accessed Apr. 7, 2011). The Department has used the 3 percent threshold in previous regulations.

[45] A large entity could have a single apprentice or a small entity could have multiple apprentices.

[46] U.S. Small Business Administration, ''Table of Small Business Size Standards,'' Mar. 17, 2023, *https://www.sba.gov/document/support-table-size-standards.* The size standards, which are expressed in either average annual receipts or number of employees, indicate the maximum allowed for a business in each subsector to be considered small.

[47] U.S. Census Bureau, ''Statistics of U.S. Businesses,'' *https://www.census.gov/programs-surveys/susb/data.html.*

[48] For purposes of this analysis, the Department used a 3-percent threshold for ''significant economic impact.'' The Department has used a 3-percent threshold in prior rulemakings.

[49] For purposes of this analysis, the Department used a 15-percent threshold for ''substantial number of small entities.'' The Department has used a 15-percent threshold in prior rulemakings.

Construction Industry							
Small Business Size Standard: $19.0 million – $45.0 million							
	Number of Firms[1]	Number of Firms as Percent of Small Firms in Industry[2]	Total Number of Employees[3]	Annual Receipts[4]	Average Receipts per Firm[5]	First Year Cost per Firm	First Year Cost per Firm as Percent of Receipts[6]
Enterprises with receipts below $100,000	167,522	24.0%	156,090	$8,725,609,000	$52,086	$119	0.2%
Enterprises with receipts of $100,000 to $499,999	247,074	35.5%	544,141	$59,292,938,000	$239,980	$119	0.0%
Enterprises with receipts of $500,000 to $999,999	89,351	12.8%	444,318	$64,312,630,000	$719,775	$119	0.0%
Enterprises with receipts of $1,000,000 to $2,499,999	95,739	13.7%	828,261	$151,543,429,000	$1,582,881	$119	0.0%
Enterprises with receipts of $2,500,000 to $4,999,999	45,814	6.6%	707,745	$160,596,928,000	$3,505,412	$119	0.0%
Enterprises with receipts of $5,000,000 to $7,499,999	17,860	2.6%	416,512	$108,352,122,000	$6,066,748	$119	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	9,233	1.3%	283,971	$79,262,068,000	$8,584,649	$119	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	9,925	1.4%	401,418	$119,793,304,000	$12,069,854	$119	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	5,029	0.7%	270,176	$85,738,468,000	$17,048,810	$119	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	3,089	0.4%	200,568	$67,308,726,000	$21,789,811	$119	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	2,011	0.3%	150,472	$53,427,366,000	$26,567,561	$119	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	1,396	0.2%	119,403	$43,667,793,000	$31,280,654	$119	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	1,056	0.2%	99,968	$37,941,329,000	$35,929,289	$119	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	1,466	0.2%	166,727	$63,454,897,000	$43,284,377	$119	0.0%

[1] Source: U.S. Census Bureau, Statistics of U.S. Businesses.
[2] Number of firms ÷ Small firms in industry
[3] Source: U.S. Census Bureau, Statistics of U.S. Businesses.
[4] Source: U.S. Census Bureau, Statistics of U.S. Businesses.
[5] Annual receipts ÷ Number of firms
[6] First year cost per firm with 7% discounting ÷ Average receipts per firm
[7] Annualized cost per firm with 7% discounting ÷ Average receipts per firm

Educational Services Industry							
Small Business Size Standard: $9.0 million – $47.0 million							
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts	Average Receipts per Firm	First Year Cost per Firm	First Year Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	22,439	24.3%	42,944	$1,072,923,000	$47,815	$119	0.2%
Enterprises with receipts of $100,000 to $499,999	37,156	40.3%	197,950	$9,253,888,000	$249,055	$119	0.0%
Enterprises with receipts of $500,000 to $999,999	11,425	12.4%	139,745	$8,015,282,000	$701,556	$119	0.0%
Enterprises with receipts of $1,000,000 to $2,499,999	9,837	10.7%	237,256	$15,395,145,000	$1,565,024	$119	0.0%
Enterprises with receipts of $2,500,000 to $4,999,999	4,948	5.4%	227,231	$17,182,220,000	$3,472,559	$119	0.0%
Enterprises with receipts of $5,000,000 to $7,499,999	2,051	2.2%	142,147	$12,111,348,000	$5,905,094	$119	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	1,085	1.2%	99,135	$8,953,268,000	$8,251,860	$119	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	1,217	1.3%	149,025	$13,862,557,000	$11,390,762	$119	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	788	0.9%	130,304	$12,669,721,000	$16,078,326	$119	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	405	0.4%	83,052	$8,138,742,000	$20,095,659	$119	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	266	0.3%	72,713	$6,484,352,000	$24,377,263	$119	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	193	0.2%	53,118	$5,395,885,000	$27,957,953	$119	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	157	0.2%	49,519	$4,946,014,000	$31,503,274	$119	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	230	0.2%	84,073	$8,636,464,000	$37,549,843	$119	0.0%

Manufacturing Industry							
Small Business Size Standard: 500 – 1,500 employees							
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts	Average Receipts per Firm	First Year Cost per Firm	First Year Cost per Firm as Percent of Receipts
Enterprises with 0-4 employees	102,242	41.5%	188,002	$41,641,473,000	$407,283	$119	0.0%
Enterprises with 5-9 employees	45,821	18.6%	306,025	$54,272,680,000	$1,184,450	$119	0.0%
Enterprises with 10-19 employees	37,549	15.2%	511,380	$97,477,689,000	$2,596,013	$119	0.0%
Enterprises with 20-99 employees	46,089	18.7%	1,872,005	$434,974,512,000	$9,437,708	$119	0.0%
Enterprises with 100-499 employees	12,397	5.0%	2,162,360	$684,189,119,000	$55,189,894	$119	0.0%
Enterprises with 500-749 employees	1,127	0.5%	526,397	$212,921,994,000	$188,928,122	$119	0.0%
Enterprises with 750-999 employees	608	0.2%	370,263	$145,396,128,000	$239,138,368	$119	0.0%
Enterprises with 1,000-1,499 employees	578	0.2%	487,897	$230,429,698,000	$398,667,298	$119	0.0%

Other Services Industry							
Small Business Size Standard: $8.0 million – $47.0 million							
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts	Average Receipts per Firm	First Year Cost per Firm	First Year Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	170,736	24.6%	255,297	$8,652,069,000	$50,675	$119	0.2%
Enterprises with receipts of $100,000 to $499,999	317,048	45.7%	1,077,568	$78,960,123,000	$249,048	$119	0.0%
Enterprises with receipts of $500,000 to $999,999	102,517	14.8%	754,571	$71,799,849,000	$700,370	$119	0.0%
Enterprises with receipts of $1,000,000 to $2,499,999	68,210	9.8%	955,461	$103,187,937,000	$1,512,798	$119	0.0%
Enterprises with receipts of $2,500,000 to $4,999,999	20,419	2.9%	564,101	$69,277,561,000	$3,392,799	$119	0.0%
Enterprises with receipts of $5,000,000 to $7,499,999	6,414	0.9%	280,574	$37,605,902,000	$5,863,097	$119	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	2,783	0.4%	161,164	$22,887,699,000	$8,224,110	$119	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	2,571	0.4%	195,893	$28,880,096,000	$11,233,021	$119	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	1,264	0.2%	119,626	$19,348,930,000	$15,307,698	$119	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	692	0.1%	72,568	$13,156,352,000	$19,012,069	$119	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	506	0.1%	63,532	$11,408,938,000	$22,547,308	$119	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	325	0.0%	42,921	$8,458,331,000	$26,025,634	$119	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	292	0.0%	37,383	$8,496,715,000	$29,098,339	$119	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	326	0.0%	49,042	$10,596,957,000	$32,506,003	$119	0.0%

Health Care and Social Assistance Industry							
Small Business Size Standard: $9.0 million – $47.0 million							
	Number of Firms	Number of Firms as Percent of Small Firms in Industry	Total Number of Employees	Annual Receipts	Average Receipts per Firm	First Year Cost per Firm	First Year Cost per Firm as Percent of Receipts
Enterprises with receipts below $100,000	105,782	16.3%	144,258	$5,157,367,000	$48,755	$119	0.2%
Enterprises with receipts of $100,000 to $499,999	247,273	38.0%	919,768	$66,746,907,000	$269,932	$119	0.0%
Enterprises with receipts of $500,000 to $999,999	130,435	20.0%	1,066,795	$92,688,993,000	$710,614	$119	0.0%
Enterprises with receipts of $1,000,000 to $2,499,999	102,005	15.7%	1,733,292	$155,576,671,000	$1,525,187	$119	0.0%
Enterprises with receipts of $2,500,000 to $4,999,999	32,793	5.0%	1,269,403	$112,848,383,000	$3,441,234	$119	0.0%
Enterprises with receipts of $5,000,000 to $7,499,999	11,292	1.7%	768,478	$67,880,384,000	$6,011,369	$119	0.0%
Enterprises with receipts of $7,500,000 to $9,999,999	6,073	0.9%	587,923	$51,322,879,000	$8,450,993	$119	0.0%
Enterprises with receipts of $10,000,000 to $14,999,999	6,282	1.0%	843,098	$74,388,140,000	$11,841,474	$119	0.0%
Enterprises with receipts of $15,000,000 to $19,999,999	3,193	0.5%	582,465	$52,937,196,000	$16,579,141	$119	0.0%
Enterprises with receipts of $20,000,000 to $24,999,999	1,945	0.3%	432,978	$41,376,894,000	$21,273,467	$119	0.0%
Enterprises with receipts of $25,000,000 to $29,999,999	1,297	0.2%	333,840	$33,402,569,000	$25,753,715	$119	0.0%
Enterprises with receipts of $30,000,000 to $34,999,999	939	0.1%	287,523	$28,762,117,000	$30,630,583	$119	0.0%
Enterprises with receipts of $35,000,000 to $39,999,999	672	0.1%	251,011	$23,637,148,000	$35,174,327	$119	0.0%
Enterprises with receipts of $40,000,000 to $49,999,999	903	0.1%	357,594	$37,602,128,000	$41,641,338	$119	0.0%

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5. Relevant Federal Rules Duplicating, Overlapping, or Conflicting With the Proposed

The Department has not identified any federal rules that may duplicate, overlap, or conflict with this proposed rule. Instead, this proposed rule is removing duplication that currently exists because sponsors will no longer have to refer complaints to the SAAs. Requiring sponsors to refer complaints to the SAAs is duplicative because, in practice, SAAs referred complaints to the appropriate non-discrimination enforcement agencies and employers are already required to refer such complaints to the relevant non-discrimination enforcement agency.

6. Alternatives to the Proposed Rule

Regarding significant alternatives to the proposed rule that accomplishes the objectives of applicable statutes and minimizes any significant economic impact of the proposed rule on small entities, the Department believes there are limited options. Repealing part 30 entirely would still require sponsors who are small entities to update their standards to remove reference to part 30, costing $11.85 per sponsor. There could be lower to no rule familiarization costs for small entities if part 30 was repealed entirely, since there would be no rule that entities would have to be familiarized with, however sponsors would still need to be informed of the change and may review the **Federal Register** notice. However, the Department believes that removing part 30 entirely would prevent conformity across the Registered Apprenticeship System, as some states may choose to impose additional requirements for sponsors to conduct legally questionable affirmative action or other EEO activities that expand beyond the scope of the Department's proposed part 30 rule. If part 30 was repealed entirely and states were to impose additional EEO requirements, these new requirements and the resulting confusion from a patchwork of different requirements across jurisdictions could ultimately lead to greater costs for small entities.[50]

Alternatively, the Department considered publishing a direct final rule or an interim final rule to make changes to the part 30 regulation. However, the

[50] The Department is not able to estimate or monetize the cost of the additional potential EEO requirements states may pursue if part 30 is repealed, because it is unknown what requirements states would impose on small entities.

Department determined that these approaches to rulemaking would have given smaller entities no advanced notice of changes to the part 30 regulation, given that the changes would take effect immediately upon (or soon after) publication, and would have denied small entities the opportunity to provide robust feedback on the changes. Accordingly, the Department believes a proposed rule is more appropriate and will allow the Department to better account for small businesses' viewpoint and needs.

C. Paperwork Reduction Act

The purpose of the PRA, 44 U.S.C. 3501 *et seq.,* includes minimizing the paperwork burden on affected entities. The PRA requires certain actions before an agency can adopt or revise a collection of information, including publishing for public comment a summary of the collection of information and a brief description of the need for and proposed use of the information.

As part of its continuing effort to reduce paperwork and respondent burden, the Department conducts a preclearance consultation program to provide the public and Federal agencies with an opportunity to comment on proposed and continuing collections of information in accordance with the PRA. *See* 44 U.S.C. 3506(C)(2)(A). Furthermore, the PRA requires all Federal agencies to analyze proposed and final regulations for potential time burdens on the regulated community created by provisions in the regulations that require any party to obtain, maintain, retain, report, or disclose information. The ICRs also must be submitted to OMB for approval. Such submissions often accompany a proposed and final rulemaking that seeks to modify an existing IC, introduce new ICs, or both.

A Federal agency may not conduct or sponsor a collection of information unless it is approved by OMB under the PRA and displays a currently valid OMB control number. The public also is not required to respond to a collection of information unless it displays a currently valid OMB control number. In addition, notwithstanding any other provisions of law, no person will be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. *See* 44 U.S.C. 3512.

This rulemaking affects specific information collections (OMB Control Number 1205–0223, which includes OMB-approved forms ETA–671, ETA–9186, and ETA–9039). Changes to these collections will be communicated through an upcoming 60-day **Federal Register** Notice.

1. Labor Standards and Equal Employment Opportunity for Registered Apprenticeship Programs—Registration and Reporting Requirements

Agency: DOL–ETA.

Title of Collection: Labor Standards and Equal Employment Opportunity for Registered Apprenticeship Programs—Registration and Reporting Requirements.

Type of Review: Revision.

OMB Control Number: 1205–0223.

Description:

Affected Public: State, Local, and Tribal Governments; Private Sector; Individuals or Households.

Obligation to Respond: Required to Obtain or Retain Benefits.

Estimated Total Annual Respondents: placeholder.

Estimated Total Annual Responses: placeholder.

Estimated Total Annual Burden Hours: placeholder.

Estimated Total Annual Burden Costs: placeholder.

Estimated Total Annual Other Burden Costs: placeholder.

Regulations Sections: placeholder.

D. Congressional Notification

As required by 5 U.S.C. 801, if finalized, DOL will report to Congress on the promulgation of this rule before its effective date. The report will state that it has been determined that the rule is a ''major rule'' as defined by 5 U.S.C. 804.

E. Executive Order 13132 (Federalism)

The Department has reviewed this proposed rule in accordance with E.O. 13132 and found that it will have Federalism implications because it will have substantial direct effects on States. Although matters of Federalism in the National Registered Apprenticeship System are primarily established through part 29, Labor Standards for Registration of Apprenticeship Programs, which establishes the requirements for the recognition of SAAs as Registration Agencies, the proposed revisions to part 30 also have direct effect on a State's method of administering registered apprenticeship for Federal purposes. In particular, the proposed rule requires an SAA that seeks to obtain or maintain recognition as the Registration Agency for Federal purposes, submit State apprenticeship legislation, regulations, policies, and operational procedures related to the nondiscrimination obligation conformity requirements of part 30, and requires all program sponsors registered with the State for Federal purposes to comply with the State plan. This NPRM also requires OA's Administrator to provide written concurrence on any subsequent modifications to the State plan, as provided in proposed § 29.13(b)(9).

The Department has determined that these requirements are essential to ensure that SAAs conform to the new requirements of part 30, as a precondition for recognition. OA regularly consults and collaborates with State partners and organizations, including when developing and promulgating updates to parts 29 or 30 impacting the National Apprenticeship System. The Department and OA will continue consulting and collaborating with State partners, which the Department views as central to OA's role in promoting and maintaining quality registered apprenticeship programs.

F. Unfunded Mandates Reform Act of 1995

Title II of the Unfunded Mandates Reform Act of 1995 (UMRA), 2 U.S.C. 1532, requires each Federal agency to prepare a written statement assessing the effects of any Federal mandate in a final rule that may result in $100 million or more in expenditures (adjusted annually for inflation) in any one year by State, local, and Tribal governments, in the aggregate, or by the private sector. The current threshold after adjustment for inflation is $177 million, using the most current (2022) Implicit Price Deflator for the Gross Domestic Product.

This proposed rule does not meet or exceed the expenditure threshold in any one year when adjusted for inflation. The requirements of title II of UMRA, therefore, do not apply, and the Department has not prepared a statement under the Act.

G. Executive Order 13175 (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.

List of Subjects

29 CFR Part 29

Apprenticeship agreements and complaints, Apprenticeship programs,

Program standards, Registration and deregistration, Sponsor eligibility, State Apprenticeship Agency recognition and derecognition, Suitability for registered apprenticeship criteria.

29 CFR Part 30

Administrative practice and procedure, Apprenticeship, Employment, Equal employment opportunity, Reporting and recordkeeping requirements, Training.

For the reasons stated in the preamble, the Employment and Training Administration proposes to amend 29 CFR parts 29 and 30 as follows:

PART 29—LABOR STANDARDS FOR THE REGISTRATION OF APPRENTICESHIP PROGRAMS

■ 1. The authority citation for part 29 continues to read as follows:

Authority: 29 U.S.C. 50; 40 U.S.C. 3145; 5 U.S.C. 301; 5 U.S.C. App. P. 534.

■ 2. Amend § 29.3 by revising paragraph (b)(2) to read as follows:

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

* * * * *

(b) * * *

(2) It is in conformity with the requirements of the Department's nondiscrimination in apprenticeship regulation at 29 CFR part 30, as amended.

* * * * *

■ 3. Amend § 29.5 by revising paragraph (b)(21) to read as follows:

§ 29.5 Standards of apprenticeship.

* * * * *

(b) * * *

(21) Compliance with 29 CFR part 30, including 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 nondiscrimination in apprenticeship.

* * * * *

■ 4. Amend § 29.6 by revising paragraph (b)(1)(ii) to read as follows:

§ 29.6 Program performance standards.

* * * * *

(b) * * *

(1) * * *

(ii) Compliance Reviews; and

* * * * *

■ 5. Amend § 29.7 by revising paragraph (j) and revising paragraph (l) to read as follows:

§ 29.7 Apprenticeship agreement.

* * * * *

(j) A statement that the apprentice will not be illegally discriminated against on the basis of race, color, religion, national origin, sex, age (40 or older), genetic information, or disability in any phase of apprenticeship employment and training.

* * * * *

(l) A request for demographic data about the apprentice.

■ 6. Amend § 29.11 by revising paragraph (b) to read as follows:

§ 29.11 Limitations.

* * * * *

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

■ 7. Amend § 29.12 by revising paragraph (a) to read as follows:

§ 29.12 Complaints.

(a) This section is not applicable to any complaint concerning illegal discrimination; all such complaints received by a Registration Agency must be submitted to the relevant enforcement authority, as set forth in 29 CFR 30.4, or according to applicable provisions of the State Plan for nondiscrimination.

* * * * *

■ 8. Amend § 29.13 by revising paragraphs (a)(3), (b)(4), (h)(2), and (j)(1) and (2) to read as follows:

§ 29.13 Recognition of State Apprenticeship Agencies.

(a) * * *

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

* * * * *

(b) * * *

(4) Establish policies and procedures to prohibit illegal discrimination in registered apprenticeship programs in conformity with the requirements set forth in 29 CFR part 30;

* * * * *

(h) * * *

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

* * * * *

(j) * * *

(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 nondiscrimination in apprenticeship as submitted to, and approved by, the Office of Apprenticeship pursuant to 29 CFR part 30.

(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 nondiscrimination in apprenticeship regulation in 29 CFR part 30, as amended.

■ 9. Amend § 29.14 by revising paragraphs (a) and (h)(1) to read as follows:

§ 29.14 Derecognition of State Apprenticeship Agencies.

* * * * *

(a) Derecognition proceedings for failure to adopt or properly enforce a State Plan for nondiscrimination in apprenticeship must be processed in accordance with the procedures prescribed in this part.

* * * * *

(h) * * *

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

* * * * *

■ 11. Revise part 30 to read as follows:

PART 30—PROHIBITING ILLEGAL DISCRIMINATION IN REGISTERED APPRENTICESHIP PROGRAMS

Sec.

Authority: Sec. 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, 3 CFR 1949–53 Comp. p. 1007.

§ 30.1 Purpose and applicability.

(a) *Purpose.* The purpose of this part is to establish a uniform Federal standard prohibiting illegal discrimination against apprentices (including applicants for apprenticeship) in registered apprenticeship programs. To achieve this purpose, this part sets forth nondiscrimination requirements for program sponsors and State Apprenticeship Agencies (SAAs), and clarifies the scope and content of compliance reviews, compliance assistance, and enforcement actions by Registration Agencies.

(b) *Applicability.* This part applies to all sponsors of apprenticeship programs registered with either the U.S. Department of Labor or a recognized SAA.

§ 30.2 Definitions.

The definitions in § 29.2 of this title also apply to this part.

§ 30.3 Nondiscrimination standards applicable to all sponsors.

Compliance with Federal and State nondiscrimination laws. Registered apprenticeship program sponsors must comply with all applicable Federal and State laws and regulations prohibiting illegal discrimination on the basis of race, color, religion, national origin, sex, age (40 or older), genetic information, or disability. Failure to comply with such nondiscrimination laws is grounds for deregistration or the imposition of other enforcement actions in accordance with § 30.5(c), if such non-compliance is related to illegal discrimination against apprentices or an applicant to an apprenticeship program with respect to any benefit, term, or condition of employment associated with an apprenticeship.

§ 30.4 Complaints.

Referral of complaints to other agencies. If the Registration Agency receives any complaints from apprentices (including applicants for apprenticeship) alleging illegal discrimination, it will immediately refer the individual to:

(a) The EEOC;

(b) The United States Attorney General; or

(c) For an SAA, to its Fair Employment Practices Agency.

§ 30.5 Nondiscrimination compliance reviews and enforcement.

(a) *Conduct of compliance reviews.* Concurrently with a Registration Agency's review of a registered apprenticeship program for conformity with the requirements of 29 CFR part 29, a Registration Agency will assess a program's compliance with the nondiscrimination requirement of section 30.3(a) of this part.

(b) *Determining compliance.* For the purpose of determining compliance under this part, the Registration Agency may initiate enforcement actions against a sponsor for failure to comply with the nondiscrimination requirement at § 30.3(a) in instances where a final determination of a violation of an applicable nondiscrimination law, without any remaining right to appeal, has been made by an enforcement entity or court with jurisdiction over a matter, and authority to issue a final determination, relating to an apprentice or an applicant to an apprenticeship program.

(c) *Compliance and enforcement actions.* Upon learning of a final determination made by an enforcement entity or court with respect to a sponsor's violation of an applicable nondiscrimination law (as described in paragraph (b) of this section), the Registration Agency may work with the sponsor to develop a compliance action plan that aligns with the remedy prescribed by the enforcement entity or court and brings the program into compliance with this part. If the Registration Agency determines that a compliance action plan is not being implemented in accordance with the remedy prescribed by the enforcement entity or court, the Registration Agency may initiate enforcement actions that will remain in place until the violation is resolved to the satisfaction of the Registration Agency. Enforcement actions by the Registration Agency include:

(1) Suspension of the sponsor's right to register new apprentices, or

(2) The initiation of deregistration proceedings set forth in part 29 of this subtitle.

§ 30.6 Reinstatement of program registration.

An apprenticeship program that has been deregistered pursuant to this part may be reinstated by the Registration Agency upon presentation of adequate evidence that the apprenticeship program is operating in accordance with this part.

§ 30.7 State apprenticeship agencies.

(a) *State laws pertaining to apprenticeship.* Within 1 year of the effective date of this final rule, unless an extension for good cause is sought and granted by the Administrator, an SAA that seeks to obtain or maintain recognition under § 29.13 of this title must submit a State plan for nondiscrimination in apprenticeship, as described in paragraph (b) of this section, that demonstrates that the State's apprenticeship laws, regulations, policies, and operational procedures related to the nondiscrimination obligation conform only to the requirements of this part.

(b) *Elements of the State plan for nondiscrimination in apprenticeship.*

(1) The State plan for nondiscrimination in apprenticeship must—

(i) Include current State statutes, regulations, policies and operational procedures pertaining exclusively to nondiscrimination in apprenticeship that conform only to the requirements of this part; and

(ii) Require all apprenticeship programs registered with the State for Federal purposes to comply with the requirements of the State's plan within 180 days from the date that OA provides written approval of the State plan submitted under paragraph (a).

(2) Upon receipt of the State plan, OA will review the plan to determine if the plan conforms to this part. OA will:

(i) Grant the SAA continued recognition during this review period;

(ii) Provide technical assistance, if necessary, to facilitate conformity, and provide written notification of the areas of nonconformity, if any; and

(iii) Upon successful completion of the review process, notify the SAA of OA's determination that the State plan conforms to this part.

(3) If the State does not submit a revised State plan that adequately responds to OA's technical assistance within 90 days from the date that OA provides the SAA with written notification of the areas of nonconformity, OA is authorized to initiate the process set forth in § 29.14 of this title to rescind recognition of the SAA.

(4) An SAA that seeks to obtain or maintain recognition must obtain the Administrator's written concurrence in any proposed State plan, as well as any subsequent modification to that plan, as provided in § 29.13(b)(9) of this title.

(c) *Recordkeeping requirements.* A recognized SAA must keep all records pertaining to program compliance reviews and any other records pertinent to a determination of compliance with this part. These records must be maintained for five years from the date of their creation.

(d) *Retention of authority.* As provided in § 29.13 of this subtitle, OA retains the full authority to:

(1) Conduct compliance reviews of all registered apprenticeship programs;

(2) Deregister for Federal purposes an apprenticeship program registered with

a recognized SAA as provided in §§ 29.8(b) and 29.10 of this chapter; and

(e) *Derecognition.* A recognized SAA that fails to comply with the requirements of this section will be subject to derecognition proceedings, as provided in § 29.14 of this chapter.

§ 30.8 Exemptions.

Requests for exemption from these regulations, or any part thereof, must be made in writing to the Registration Agency and must contain a statement of reasons supporting the request. Exemptions may be granted for good cause by the Registration Agency. SAAs must receive approval to grant an exemption from the Administrator, prior to granting an exemption from these regulations.

Susan Frazier,

Acting Assistant Secretary for Employment and Training, Labor.

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DEPARTMENT OF LABOR

Wage and Hour Division

29 CFR Part 552

RIN 1235–AA51

Application of the Fair Labor Standards Act to Domestic Service

AGENCY: Wage and Hour Division, Department of Labor.

ACTION: Proposed rule; request for comments.

SUMMARY: In 1974, Congress applied the Fair Labor Standards Act (FLSA) to ''domestic service'' employees, but exempted employees who provide ''companionship services'' from the minimum wage and overtime requirements and also exempted live-in domestic service employees from overtime. In 1975, the Department promulgated regulations defining companionship services and permitting third party employers to claim these exemptions. These regulations remained substantially unchanged for nearly 40 years. In 2013, the Department revised the regulations to narrow the definition of companionship services and prevent third party employers from claiming either of the exemptions. Because the Department is concerned that the 2013 regulations might not reflect the best interpretation of the FLSA and might discourage essential companionship services by making these services more expensive, the Department is proposing to return to the 1975 regulations. This summary can be found at *https://www.regulations.gov* by searching by the RIN: 1235–AA51.

DATES: Comments must be received by September 2, 2025.

ADDRESSES: You may submit comments, identified by Regulatory Information Number (RIN) 1235–AA51, by either of the following methods:

- *Electronic Comments:* Submit comments through the Federal eRulemaking Portal at *https://www.regulations.gov.* Follow the instructions for submitting comments.
- *Mail:* Address written submissions to: Division of Regulations, Legislation, and Interpretation, Wage and Hour Division, U.S. Department of Labor, Room S–3502, 200 Constitution Avenue NW, Washington, DC 20210.

Instructions: Response to this NPRM is voluntary. The Department requests that no business proprietary information, copyrighted information, or personally identifiable information be submitted in response to this NPRM. Commenters submitting file attachments on *https://www.regulations.gov* are advised that uploading text-recognized documents—*i.e.,* documents in a native file format or documents which have undergone optical character recognition (OCR)—enable staff at the Department to more easily search and retrieve specific content included in your comment for consideration.

Anyone who submits a comment (including duplicate comments) should understand and expect that the comment, including any personal information provided, will become a matter of public record and will be posted without change to *https://www.regulations.gov.* The Department posts comments gathered and submitted by a third-party organization as a group under a single document ID number on *https://www.regulations.gov.* All comments must be received by 11:59 p.m. ET on September 2, 2025, for consideration in this rulemaking; comments received after the comment period closes will not be considered.

The Department strongly recommends that commenters submit their comments electronically via *https://www.regulations.gov* to ensure timely receipt prior to the close of the comment period. Please submit only one copy of your comments by only one method.

Docket: Go to the Federal eRulemaking Portal at *https://www.regulations.gov* for access to the rulemaking docket, including any background documents and the plain-language summary of the proposed rule of not more than 100 words in length required by the Providing Accountability Through Transparency Act of 2023.

FOR FURTHER INFORMATION CONTACT: Daniel Navarrete, Director, Division of Regulations, Legislation, and Interpretation, Wage and Hour Division, U.S. Department of Labor, Room S–3502, 200 Constitution Avenue NW, Washington, DC 20210; telephone: (202) 693–0406 (this is not a toll-free number). Alternative formats are available upon request by calling 1–866–487–9243. If you are deaf, hard of hearing, or have a speech disability, please dial 7–1–1 to access telecommunications relay services.

Questions of interpretation or enforcement of the agency's existing regulations may be directed to the nearest WHD district office. Locate the nearest office by calling the WHD's toll-free help line at (866) 4US–WAGE ((866) 487–9243) between 8 a.m. and 5 p.m. in your local time zone, or log onto WHD's website at *https://www.dol.gov/agencies/whd/contact/local-offices* for a nationwide listing of WHD district and area offices.

SUPPLEMENTARY INFORMATION:

I. Background

The FLSA requires that most employees in the United States must be paid at least the federal minimum wage (currently $7.25 per hour) for all hours worked and overtime pay at not less than time and one-half the employee's regular rate of pay for all hours worked over 40 hours in a workweek.[1] The FLSA also requires covered employers to ''make, keep, and preserve'' certain records regarding employees,[2] though recordkeeping requirements are relaxed for employees who are exempt from the Act's wage and hour provisions.[3]

Prior to 1974, the FLSA's minimum wage and overtime compensation provisions did not apply to domestic service workers unless those workers were employed by covered enterprises (generally those that had at least a certain annual dollar threshold in business). In 1974, Congress amended the FLSA to extend coverage to all domestic service workers, including those employed by private households or small companies previously not covered by the Act.[4] At the same time, Congress created FLSA exemptions for two categories of domestic service employees. First, in section 13(a)(15), Congress added an exemption from the Act's minimum wage and overtime compensation requirements for ''any employee employed on a casual basis in

[1] *See* 29 U.S.C. 206(a), 207(a).

[2] *See* 29 U.S.C. 211(c).

[3] *See* 29 CFR part 516 Subpart B.

[4] *See* Fair Labor Standards Amendments of 1974, Public Law 93–259 § 7, 88 Stat. 55, 62 (1974).