



441 G St. N.W.
Washington, DC 20548

B-334653

October 17, 2022

The Honorable Patty Murray
Chairwoman
The Honorable Richard Burr
Ranking Member
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Bobby Scott
Chairman
The Honorable Virginia Foxx
Ranking Member
Committee on Education and Labor
House of Representatives

Subject: *Department of Labor: Apprenticeship Programs, Labor Standards for Registration*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Labor (DOL) titled “Apprenticeship Programs, Labor Standards for Registration” (RIN: 1205-AC06). We received the rule on September 27, 2022. It was published in the *Federal Register* as a final rule on September 26, 2022. 87 Fed. Reg. 58269. The effective date is November 25, 2022.

According to DOL, it is issuing this final rule to rescind its 2020 regulation that established a process under which the Department’s Office of Apprenticeship was authorized to grant recognition to qualified third-party entities, known as Standards Recognition Entities, which in turn were authorized to evaluate and extend recognition to Industry-Recognized Apprenticeship Programs. DOL stated that the final rule also makes necessary conforming changes to the regulations governing the registration of apprenticeship programs by DOL.

Enclosed is our assessment of DOL’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shari Brewster, Assistant General Counsel, at (202) 512-6398.

Shirley A. Jones
Managing Associate General Counsel

Enclosure

cc: Sherril Hurd
Supervisory Workforce Analyst
Department of Labor

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF LABOR
TITLED
“APPRENTICESHIP PROGRAMS,
LABOR STANDARDS FOR REGISTRATION”
(RIN: 1205-AC06)

(i) Cost-benefit analysis

The Department of Labor (DOL) prepared an economic analysis for this final rule. DOL stated that it estimated the cost savings of this final rule relative to the existing baseline. DOL also stated that it expressed the quantifiable impacts in 2021 dollars and it used discount rates of 3 and 7 percent. According to DOL, the final rule is expected to have first year cost savings of \$1.8 million in 2021 dollars. DOL stated that over the 10-year analysis period, the annualized cost savings are estimated at \$1.8 million at a discount rate of 7 percent in 2021 dollars. DOL estimates, over the first 10 years, the final rule will result in cost savings of \$12.9 million at a discount rate of 7 percent in 2021 dollars.

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

DOL certified that this final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

DOL determined that this final rule will not have an effect on state, local, or tribal governments, in the aggregate, or on the private sector, in excess of \$100 million in any one year when adjusted for inflation.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On November 15, 2021, DOL published a notice of proposed rulemaking in the *Federal Register*. 86 Fed. Reg. 62966. DOL stated that it received a total of 20 public comments. DOL also stated that the commenters represented a range of stakeholders from the public, private, and not-for-profit sectors, including: six labor organizations; three trade associations; two advocacy organizations; two state apprenticeship agencies; one organization that represents state apprenticeship agencies; one standards recognition entity; and one industry-recognized apprenticeship program. DOL stated further that it received comments from two individuals. DOL addressed comments in the preamble of the final rule.

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

The Department has submitted requests to discontinue Office of Management and Budget (OMB) Control Numbers 1205-0536 and 1205-0545, eliminating all paperwork burden associated with these information collections.

Statutory authorization for the rule

DOL promulgated this final rule pursuant to section 301 of title 5; section 50 of title 29; and section 3145 of title 40, United States Code, and the Reorganization Plan No. 14 of 1950.

Executive Order No. 12866 (Regulatory Planning and Review)

According to DOL, OMB's Office of Information and Regulatory Affairs has determined that this final rule is an economically significant regulatory action under the Order.

Executive Order No. 13132 (Federalism)

DOL determined that this final rule does not have federalism implications because it does not have substantial direct effects on the states, on the relationship between the national government and the states, or on the distribution of power and responsibilities among the various levels of government.