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A 11	Attorneys for Amicus Curiae,		
	WESTERN ELECTRICAL CONTRACTORS ASSOCIATION, INC.		
6	BEF	FORE THE	
7		DEPARTMENT OF LABOR	
8		Case Nos. 2002-CCP-1; 2003-CCP-1	
9	In the Matters of:)	
10	U.S. DEPARTMENT OF LABOR, OFFICE OF APPRENTICESHIP)) 	
11	TRAINING, EMPLOYER AND LABOR SERVICES,	WESTERN ELECTRICAL CONTRACTORS ASSOCIATION, INC.'S AMICUS CURIAE BRIEF IN	
12	Prosecuting Party,	SUPPORT OF OATELS	
13	v.		
14	CAL EORNIA DEPARTMENT OF	Chief Administrative Law Judge The Honorable John M. Wittone	
15	INDUSTRIAL RELATIONS) The Honorable Joint W. Matton P	
16	Respondent		
17	and		
18	CALIFORNIA APPRENTICESHIP	(
19	COUNCIL		
	Respondent		
20	INTRODUCTION		
21	On or about August 25, 2004, the Western Electrical Contractors Association, Inc.		
22	("WECA") requested leave to participate in the above-entitled action by filing a brief as amicus		
23	("WECA") requested tave to purely curiae pursuant to 29 C.F.R. section 18.12. WECA hereby submits the instant brief in support of		
24	Curiae pursuant to 29 C.F.R. section 2012. OATELS' position that California Labor Code section 3075(b) violates 29 C.F.R. section 29.1 by		
2	OATELS' position that California Early Code South Code South		
2	26 limiting, rather than promoting, apprenticeship opportunities. 27 As stated in its <i>amicus</i> request, WECA is a statewide non-profit trade organization which		
2	As stated in its amicus request, wil	union) electrical contractors and thousands of their	
2	represents hundreds of ment shop (i.e. non	-union) electrical contractors and thousands of their	
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workers throughout the State of California. (See Declaration of L. Terry Seabury, filed herewith, (hereafter "Seabury Decl.") at ¶2). WECA also sponsors three unilateral (i.e. non-union) apprenticeship programs: a commercial electrician program, a residential electrician program and a sound and communication system installer program. (Seabury Decl. at ¶2).

In connection with its commercial electrician and sound and communication system installer apprenticeship programs, WECA has experienced first hand the detrimental impact Labor Code section 3075 has had on apprenticeship opportunities in the State of California. As explained in greater detail below, WECA has been involved in litigation pertaining to the application of Section 3075 to its programs since 2001. Thus far, the California Apprenticeship Council ("CAC") has used section 3075 as the basis for retroactively revoking the Division of Apprenticeship Standards' ("DAS") prior approval of WECA's statewide commercial electrician apprenticeship standards and is currently considering whether or not to approve WECA's resubmission of its statewide commercial electrician standards and new statewide standards for its sound and communication systems installer program under Labor Code section 3075(b). Not surprisingly, as a result of litigation involving both programs, WECA has been unable to sustain or increase the number of apprentices enrolled in its commercial electrician program and it has been unable to enroll new apprentices in its sound and communication system installer program, despite a significant demand for such apprentices by merit shop contractors.

BACKGROUND

Regulation of Apprenticeship Training

Apprenticeship training is regulated at both the federal and state levels. At the federal level, the Fitzgerald Act, enacted by Congress in 1937, empowers the United States Secretary of Labor to promote standards necessary to safeguard the welfare of apprentices. (29 U.S.C. § 50). The Fitzgerald Act is implemented through a detailed set of regulations found at Title 29, Code of Federal Regulations, sections 29.1-29.13. Among other things, these regulations provide for the registration, cancellation and de-registration of apprenticeship training programs by the Department of Labor, Bureau of Apprenticeship Training (BAT). (29 C.F.R. § 29 et seq.).

The federal regulations also allow BAT to delegate approval power to states which have

enacted apprenticeship laws in compliance with federal standards. (29 C.F.R. § 29.12). Thus, apprenticeship programs may be approved either by BAT or an authorized State Apprenticeship Council (SAC). California has been certified by BAT as a SAC state since 1978. (California DLSE v. Dillingham Construction (1997) 519 U.S. 316, 320 [117 S.Ct. 832]).

In California, apprenticeship training is governed by the Shelley-Maloney Apprenticeship Labor Standards Act of 1939 (Shelley-Maloney Act), which is codified at California Labor Code section 3070 et seq. The Shelley-Malone Act established the California Apprenticeship Council (CAC) as California's SAC for federal purposes. (Lab. Code § 3070). Of the CAC's 17 members, 14 are appointed by the Governor of the State of California for four year terms. The remaining three members are ex officio members representing the Chancellor of the California Community Colleges, the Superintendent of Public Instruction and the Director of the Department of Industrial Relations. (Lab. Code § 3070). A majority of the current CAC members were appointed by California's former Democratic and pro-union Governor, Gray Davis.

Among other things, the CAC's duties are to promulgate regulations relating to apprenticeship (Labor Code § 3071); these regulations are found at California Code of Regulations, title 8, sections 200 et seq.. Pursuant to the Fitzgerald Act, the Secretary of Labor has promulgated apprenticeship program standards (29 C.F.R. § 29.5); California has adopted its own apprenticeship standards that are supposed to be "substantively similar" to the federal standards. (Dillingham, supra, 519 U.S. at p. 320). The CAC uses it own standards whether approving an apprenticeship program for federal or state purposes. (Id. at p. 321).

Pursuant to the Shelley-Maloney Act, apprenticeship training is administered by the Division of Apprenticeship Standards (DAS) which is under the auspices of the Department of Industrial Relations (DIR). (Lab. Code § 3073). The Director of DIR serves as the Administrator of Apprenticeship. DAS is headed by a Chief, who is appointed by the Governor, and whose duties include the approval of applications for programs to train apprentices. The Chief DAS serves as the secretary to the CAC and the CAC's duties include hearing appeals from decisions of the Chief DAS. (Lab. Code §§ 3073, 3082).

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To register a program with either the BAT or a SAC, a program sponsor may designate an apprenticeship committee to administer the program. An apprenticeship program in California may be sponsored by an individual employer, an individual labor union, a group of employers, a group of labor organizations, or by a joint management-labor venture, *i.e.* a joint apprenticeship committee. (Lab. Code § 3075).

Although neither federal nor state approval is required for a sponsor to operate a training program, such approval enables the program to receive financial subsidies and allows the program to pay its apprentices less than the prevailing journeyman wage on public works projects. (29 C.F.R. § 29.2(k); Lab. Code § 1777.5). In addition, an apprentice who completes an approved training program obtains a certificate of completion naming him or her a skilled journeyman in the chosen trade, which increases the apprentice's marketability, as well as the marketability of his/her employer contractor. (Southern California Chapter of ABC v. CAC (1992) 4 Cal.4th 422, 429 [14 Cal.Rptr.2d 491], citing 8 C.C.R. § 224).

Pursuant to the federal Fitzgerald Act, regardless of who administers an apprenticeship program, it must conform to the applicable regulatory standards and any modification or change to a registered program first must be submitted to the appropriate agency for approval. (29 C.F.R. § 29.3(g)). CAC possesses the primary approval authority in California. Pursuant to CAC regulations, "apprenticeship programs shall be established by written standards approved by the Chief DAS." (Cal. Code Regs., tit. 8., § 212). The information that must be contained in a program's apprenticeship standards is set forth in detail in the California Code of Regulations, title 8, section 212 and the procedures for obtaining approval of an apprenticeship program are set forth in the California Code of Regulations, title 8, section 212.2.

History of Labor Code Section 3075(b)

Historically, union programs have dominated apprenticeship training in this state and have fought against the development of non-union programs in an effort to defend a jealously guarded monopoly on apprenticeship training. However, because a majority of the building and construction trades in California are non-union, non-union building contractors saw a need to develop their own apprenticeship programs in various building trades. Beginning in the early

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(1) There is no existing apprenticeship program approved under this

(2) Existing apprenticeship programs approved under this chapter that

chapter serving the same craft or trade and geographic area.

seeking to expand. (Bushman Decl. at ¶ 4 and Ex. 4 thereto at pg. 6, ¶ 16). In the late 1990's, the Chief of DAS thus approved WECA's statewide expansion, along with the statewide expansions of the PHCC and IRCC programs, without following the notice and comment procedure set forth in 8 C.C.R. section 212.2. (Bushman Decl. at ¶ 4 and Ex. 4 thereto at pg. 6, ¶ 15; see also Independent Roofing Contractors of California Unilateral Apprenticeship Committee v. California Apprenticeship Council (2004) 114 Cal.App.4th 1330, 1335 [9 Cal.Rptr.3d 477]). WECA's statewide expansion was approved as such on December 3, 1997. (Bushman Decl. at ¶ 4 and Ex. 4 thereto at pg. 5, ¶ 12).

Four years later, in December, 2001, a competing union apprenticeship program filed a complaint with DAS against WECA which challenged DAS's approval of WECA's statewide standards on the grounds that, *inter alia*, because DAS had not complied with 8 C.C.R. section 212.2, no showing of need had been made pursuant to Labor Code section 3075 and the approval was thus invalid and in direct contravention of the statute. (Bushman Decl. at ¶ 5 and Ex. 5 thereto). In a decision dated April 22, 2003, the Acting Chief Deputy Director of the Department of Industrial Relations/Administrator of Apprenticeship ruled in the union's favor, revoking WECA's statewide standards and ordering it to confine its recruitment, indenturing and enrollment of apprentices to the 11 county area originally set forth in its 1992 standards. (Bushman Decl. at ¶ 4 and Ex. 4 thereto). WECA appealed the Administrator's decision to CAC; on December 26, 2003, the CAC issued an Order upholding the Administrator's decision. (Bushman Decl. at ¶ 6 and Ex. 6 thereto).

Following the filing of similar complaints by competing union programs which also successfully challenged DAS's approval of the statewide expansions of the PHCC and IRCC apprenticeship programs, CAC revised 8 C.C.R. section 212.2 effective February 16, 2002 to unequivocally require existing programs wanting to expand their geographic areas of operation to submit to the same approval process as brand new programs, including demonstrating need pursuant to the newly revised and much more stringent standards set forth Labor Code section

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3075(b). Bushman Decl. at ¶4 and Ex. 4 thereto at p. 9, ¶28). For all practical purposes, this amendment impacted only unilateral programs because union programs are confined by local jurisdictional restrictions from expanding as such.

On September 2, 2003, WECA submitted updated statewide standards for its commercial electrician program to DAS for approval. (Seabury Decl. at ¶ 3). Pursuant to the Administrator's decision, DAS was required to send the standards out to existing programs for comment pursuant to Labor Code section 3075 and 8 C.C.R. section 212.2 as they existed at the time of DAS's original approval of WECA's statewide standards. (Bushman Decl. at ¶ 4 and Ex. 4 thereto at pp. 17-18). Because DAS delayed in instituting this procedure, WECA was forced to seek and obtain a court order directing DAS to do so. (Bushman Decl. at ¶ 7). Despite the directive that comments be made pursuant to the prior version of Labor Code section 3075, several existing union programs challenged WECA's expansion on the grounds that there was no need for the program pursuant to Labor Code section 3075(b) as revised in 2002. (Bushman Decl. at ¶ 8).

On January 16, 2004, then-Chief of DAS, Henry Nunn, issued a decision approving WECA's statewide expansion finding, *inter alia*, that there is a need for the program on a statewide basis under either version of Labor Code section 3075 based on statistics published by California's Employment Development Department ("EDD") which predict a huge increase in demand for journeyman electricians over the next 6 years. (Bushman Decl. at ¶ 9 and Ex. 7 thereto). Chief Nunn also found that recent graduation rates among the existing electrician apprenticeship programs in California are not sufficient to meet projected demand. (Bushman Decl. at ¶ 9 and Ex. 7 thereto).

A state-wide coalition of union electrician apprenticeship programs appealed Chief Nunn's decision to the CAC in February, 2004 and have attempted to inundate the CAC with

Specifically, 8 C.C.R. section 212.2 was revised to read: "A revision to change the program's . . . geographic area of operation is subject to the same application and approval process set out in (a)-(j) of this section for approval of a program, including providing notice of the proposed revision and an opportunity for comment to existing programs in the same apprenticeable occupation in the labor market area."

purported evidence demonstrating that there is no need for WECA's program on a statewide basis pursuant to Labor Code section 3075(b) because existing union programs claim to have the capacity to expand and meet the present and future demand for all electrical apprentices in the State of California. (Bushman Decl. at ¶ 10 and Ex. 8 thereto).

In response, and in addition to the evidence cited by Chief Nunn in his approval decision, WECA has submitted evidence to the CAC in the form of declarations signed by merit shop electrical contractors across the State who have attested to their ongoing and future need for apprentices from non-union programs like WECA's. (Bushman Decl. at ¶ 11). WECA has also challenged the "evidence" of capacity submitted by the union programs on various procedural grounds. (Bushman Decl. at ¶ 12).

Although the CAC was scheduled to hear oral argument and decide whether to uphold or overturn Chief Nunn's decision at its Quarterly Meeting in July, 2004, it moved at very last minute to delay its consideration and determination of the matter until its next meeting scheduled for October, 2004. (Bushman Decl. at ¶ 13). It is WECA's belief that the CAC took this action to avoid denying WECA's program pursuant to Section 3075(b) until after the instant derecognition proceedings had been concluded.

Predictably, Section 3075 and the ongoing challenges mounted by the union against WECA thereunder have had a devastating impact on WECA's ability to offer and promote apprenticeship training and employment opportunities throughout the State. Prior to the Administrator's decision to revoke WECA's statewide approval, WECA had approximately 650 apprentices enrolled in its program across the State. (Seabury Decl. at ¶ 3). Following the Administrator's decision, WECA's commercial electrician apprentice enrollment dropped to a low of 314 apprentices. (Seabury Decl. at ¶ 3). Thus, not only has WECA been unable to expand its program and enrollment due to Section 3075 and the CAC's enforcement thereof, it has not even been able to sustain its previous enrollment levels. In connection with WECA's commercial electrician program, it is simply undisputed that Labor Code section 3075(b) has been used by competing union programs and the CAC to severely limit, rather than promote, apprenticeship opportunities in this State.

WECA's experience with Section 3075(b) has been similar with regards to its attempts to obtain approval for and establish a new statewide program for sound and communication system installers.

On April 11, 2003, WECA submitted to DAS proposed standards for a new statewide program for the occupation of Sound and Communications System Installer. (Seabury Decl. at ¶ 4). On July 22, 2003, DAS sent the proposed standards to existing program sponsors for review and comment. (Bushman Decl. at ¶ 14). Pursuant to 8 C.C.R. section 212.2(b), comments had to be submitted to DAS no later than August 26, 2003; however, no program which submitted comments did so earlier than September 5, 2003. (Bushman Decl. at ¶ 14). Not surprisingly, several of the programs which did submit comments, albeit untimely, objected to approval of WECA's programs on need grounds pursuant to Labor Code section 3075(b). (Bushman Decl. at ¶ 15). Despite the fact that no comments were received on a timely basis, then-Chief Nunn addressed the concerns raised therein by competing programs in his January 16, 2004 decision approving WECA's program. (Bushman Decl. at ¶ 16 and Ex. 9 thereto). Similar to his decision regarding WECA's commercial electrician program, Chief Nunn found a need for the sound and communication system installer program based on EDD statistics and past graduation rates. (Bushman Decl. at ¶ 16 and Ex. 9 thereto).

Not surprisingly, the existing union programs also appealed Chief Nunn's approval of the sound and communication system installer program to the CAC, again arguing that there is no need for WECA's program pursuant to Section 3075(b) because they have the capacity to expand to meet any future demand for apprentices in that occupation as well. (Bushman Decl. at ¶ 10 and Ex. 8 thereto).

WECA has specifically challenged the procedural validity of said appeal, which was filed in conjunction with the appeal of the commercial electrician program approval, on the grounds that, pursuant to 8 C.C.R. section 212.2(k), only parties which properly filed pre-approval comments with DAS are authorized to file an appeal to the CAC. (Bushman Decl. at ¶ 17). It is WECA's position that the union's appeal is invalid as to the sound and communications system

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installer program because it did not submit timely pre-approval comments and, thus, the CAC is required to uphold the Chief's approval as if no appeal had been filed. Thus far, the CAC has completely ignored WECA's argument, instead indicating that it will decline to decide the issue and instead rule on the merits of the so-called appeal. (Bushman Decl. at ¶ 17). Like the commercial electrician program, the CAC was scheduled to hear argument and decide whether to uphold the approval of the sound and communication system installer program at its July, 2004 meeting but "tabled" that discussion until October, 2004. (Bushman Decl. at ¶ 13). WECA fully anticipates that the CAC will overturn Chief Nunn's approval pursuant to Section 3075(b) at that time as well.

Again, as a result of the union's efforts to defeat WECA's sound and communication system installer program pursuant to Section 3075(b), WECA has been in limbo for over a year and a half since it submitted its standards to DAS in April, 2003. (Seabury Decl. at ¶ 4). It has been unable to obtain DAS authorization indenture sound and communication system installer apprentices, despite a great demand to do so by existing and potential contractor members, because DAS has thus far refused to acknowledge the validity of Chief Nunn's approval due to the bogus appeal filed by the union. (Seabury Decl. at ¶ 4). Thus, innumerable apprenticeship opportunities have been lost in the interim as Labor Code section 3075(b) has again been used to limit and destroy, rather than promote, apprenticeship opportunities in this occupation as well.

CONCLUSION

It is only as a result of the above-referenced experiences that WECA is supportive of OATELS efforts to de-register the CAC as California's SAC on the grounds that Labor Code section 3075(b) is violative of 29 C.F.R. section 29.12 because, on its face and as interpreted by the CAC, it absolutely limits apprenticeship opportunities in this State. Notably, the Department of Labor has reviewed and found WECA's apprenticeship programs, including its commercial electrician and sound and communication system installer programs, to be in compliance with all federal requirements and has issued federal approval of WECA's programs. (Seabury Decl. at ¶ 5). Unfortunately, this is of little utility to WECA because, thus far, the State does not appear willing to recognize federally approved apprentices on State public works projects.

	Therefore for all the foregoing reason	ons, WECA respectfully requests that OATELS'
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2	derecognition request be upheld.	Respectfully Submitted,
3	Dated: September 20, 2004	COOK BROWN, LLP
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5		Ву:
6		RONALD W. BROWN CARRIE E. BUSHMAN
7		Attorneys for Amicus Curiae WESTERN ELECTRICAL CONTRACTORS
8		ASSOCIATION, INC.
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WECA'S AMICUS CURIAE BRIEF IN SUPPORT OF OATELS

1	PROOF OF SERVICE		
2	I am a resident of the State of California, over the age of eighteen years, and not a party to		
3	the within action. My business address is Cook Brown, LLP, 555 Capitol Mall, Suite 425,		
4	Sacramento, California 95814. On September 20, 2004, I served the within documents described		
5	as: WESTERN ELECTRICAL CONTRACTORS ASSOCIATION INC.'S AMICUS CURIAE		
	BRIEF IN SUPPORT OF OATELS		
6	DRIEF MISSE		
7 8 9	(BY OVERNIGHT MAIL) I caused such document(s) to be sent by overnight mail by usin Federal Express Mail addressed as set forth below. Under that practice it would be deposited that same day in a Federal Express drop box for delivery the next business day.		
10 11 12	John M. Vittone Chief Administrative Judge U.S. Department of Labor 800 K Street, NW., Suite 400-N Washington, D.C. 200001-8002		
13 14	X (BY U.S. MAIL) by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Sacramento, California addressed as set forth below.		
15	Stonben R Jones, ESQ.		
16	U.S. Department of Labor Office 12544 High Bluff Drive, Suite 300		
17	Employment and Training Legal		
18	1 100 DOMOGRAP 2017		

19 | Washington, D.C. 20210 Anthony Swoope 20 Administrator 21

Office of Apprenticeship Training, Employer and Labor Services

U.S. Department of Labor 22

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mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on September 20, 2004, at Sacramento, California.

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