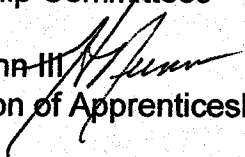


# Memorandum

Date: June 26, 2002

To: Apprenticeship Committees

From: Henry P. Nunn III   
Chief, Division of Apprenticeship Standards

Subject: **DOL DERECOGNITION**

During the past month, we have received a number of calls requesting clarification on issues pertaining to our status and the situation with OATELS/DOL. All registered program sponsors should have received a letter from the Dept. of Labor indicating that they were initiating derecognition proceeding against the State of California's Division of Apprenticeship Standards. What does all of this mean and what impact will it have on the Division of Apprenticeship Standards and the registered programs in the State of California?

We received the OATELS/DOL letter stamped May 10, 2002 on May 14, 2002. This letter was sent to Mr. Stephen Smith, Director of the California Dept. of Industrial Relations. This was the beginning of Derecognition Proceedings. We had thirty (30) days from the receipt of that letter to request a hearing.

On June 7<sup>th</sup>, in response to the DOL letter, Steve Smith sent a letter requesting a hearing contesting the derecognition of California Apprenticeship Approval authority for federal programs.

At this time, we have not heard from DOL on this matter. We know that they have initiated the very same derecognition proceedings against the State of Oregon.

If the Dept. of Labor revokes our authority to approve programs for federal purposes, each program would continue to operate for 30 days. After the initial 30-day period, each program sponsor would have another 30 days to request approval from OATELS/DOL. If you do not request federal approval, your program would continue to have California State Approval for every job except those that are totally federal. If your program does not send apprentices to federal jobs, this action would have absolutely no impact on your program. If your program does not have federal approval and you had apprentices working on a federal job, the apprentices would be entitled to journeyman wages.

What should you do? As I have outlined the process, most programs will be totally unaffected. However, if your program is involved with federal projects, you can either wait until DOL acts and request approval at that time or you can request approval now.

I hope this answers most of your concerns regarding this unfortunate turn of events. If you still have questions, please contact your district DAS office. We hope to have more answers at the upcoming CAC meeting in July.