

March 18, 2024

VIA ELECTRONIC SUBMISSION: <http://www.regulations.gov>

Brent Parton  
Principal Deputy Assistant Secretary for Employment and Training  
U.S. Department of Labor  
Employment and Training Administration  
200 Constitution Avenue NW  
Washington, DC 20210

**Subject: Docket No. ETA–2023–0004 and Regulatory Identification Number (RIN) 1205–AC13**

Dear Mr. Parton:

IBM respectfully submits comments to the U.S. Department of Labor Notice of Proposed Rulemaking (NPRM) entitled “National Apprenticeship System Enhancements.” As an experienced apprenticeship program sponsor, IBM is grateful for the opportunity to provide input on this NPRM to modernize and scale this extremely valuable and viable workforce development model.

We appreciate the Department’s efforts to improve the National Apprenticeship System and agree with the overarching goals to strengthen, expand, and modernize Registered Apprenticeship Programs. However, IBM is concerned that the myriad of new, and often complex, requirements being added to a system that is already difficult for employers to navigate does not advance the Department’s stated goals and could lead to fewer career opportunities for Americans without college degrees and the communities the Department aims to support. This is especially important at a time when employers and employees are increasingly interested in and concerned about the impact of artificial intelligence (AI) on work and job roles across industries.

Unless the NPRM is significantly modified to prioritize workers, it could have a chilling effect on employer engagement in apprenticeship programs and the availability of quality career pathways for more Americans. Indeed, given the anticipated impact of the new, proposed requirements, IBM will need to reconsider whether the Registered Apprenticeship Program can remain a viable talent strategy and pipeline for the company. Because we believe registered apprenticeships are an important, effective vehicle to provide good job opportunities and attract talent, we offer the attached comments and recommendations to

modify the proposed rule and rebalance the regulatory framework to ensure more Americans can access high-quality, flexible pathways to secure well-paying jobs and career trajectories.

IBM's industry-leading commitment to registered apprenticeships that drive opportunity for Americans underscores the concern with which we view the NPRM proposals. Thank you again for the opportunity to share our comments on the NPRM. For more information, please contact Yelena Vaynberg ([yvaynbe@us.ibm.com](mailto:yvaynbe@us.ibm.com)).

Sincerely,



Christopher A. Padilla  
Vice President  
Government and Regulatory Affairs

## **IBM's Experience and Point of View on Registered Apprenticeships**

### **Modernization is the key to scaling Registered Apprenticeship Programs**

When it comes to starting a program, we must first recognize that it is confusing, challenging, and time-consuming for employers to navigate the current regulatory system to register with the Department. To grow this proven earn-and-learn model of apprenticeships, the Department must make it easier for employers to start, expand, and scale quality work-based learning opportunities. To attract employers to the program, modernization of the National Apprenticeship System must include the following key elements:

- Make it easier for employers to start and expand apprenticeship opportunities, particularly for non-traditional and high-growth sectors such as technology,
- Establish state reciprocity for nationwide employers implementing programs in multiple states,
- Streamline and simplify administrative and reporting requirements processes, including the application,
- Increase flexibility by giving precedence to competency-based programs,
- Modernize the technology used to support program registration and administration,
- Expedite new occupational frameworks; and
- Elevate the role of intermediaries to support small-and medium-size employers.

Based on these criteria, this NPRM fails to achieve many of the reforms needed for employers to start or expand apprenticeships. Furthermore, it will not help create real pathways to employment for people who have the aptitude and drive to succeed but lack a traditional college degree. IBM is concerned about the proposal's focus on new, burdensome requirements and lack of concrete steps to streamline and simplify processes, infuse flexibility, or embrace innovation in any form.

IBM's comments on the NPRM are rooted in the belief that talent is everywhere, but opportunities are not. For over a decade, we have prioritized expanding ways for more Americans to enter the workforce with well-paying jobs, particularly in the technology industry, and to help people of all backgrounds realize their academic and professional dreams. IBM continues to deliver on this commitment by expanding pathways to good jobs through registered apprenticeships. To promote this approach, in 2022 IBM committed to investing \$250 million in apprenticeship and new-collar programs by 2025<sup>1</sup>.

### **IBM's Registered Apprenticeship Program**

IBM started its first-of-its-kind technology apprenticeship program in 2017 and registered three roles with the Department. Today, we have hired over 1,000 apprentices and have 35 different registered apprenticeship job roles, from software developer to cybersecurity to digital design. Our program allows individuals to earn a living while learning skills needed to launch an in-demand career in the U.S. technology industry.

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<sup>1</sup> [https://www.ibm.com/impact/files/reports-policies/2022/IBM\\_2022\\_ESG\\_Report\\_and\\_Addendum.pdf](https://www.ibm.com/impact/files/reports-policies/2022/IBM_2022_ESG_Report_and_Addendum.pdf)

Moreover, in IBM's program, participants do not have to choose between education and career. Our apprenticeships earned official recognition from the American Council on Education (ACE) for more than 40 college credits, approximately 80% of the credits needed for an associate degree, with no cost for the apprentices. For example, our Application Developer<sup>2</sup> role recently was evaluated by ACE for a recommended 51 credit hours. We are now working with accredited institutions to seamlessly transfer these credits paired with additional courses that would lead to an associate degree for apprentices. We know this program builds talent effectively, as 90% of our apprenticeship graduates convert to full-time IBMers. The IBM Apprenticeship Program is now part of our talent strategy, and we continue to hire apprentices to meet our talent demands.

We are also working with close to 50 companies – and IBM Z System mainframe clients – to recruit and skill mainframe administrators and application developers<sup>3</sup>. In turn, our clients hire these recruits for registered apprenticeship roles. To put this in perspective, most financial services institutions, insurance companies, and airlines use the IBM Z mainframe infrastructure, delivering core services for cloud and hybrid cloud environments and supporting mission-critical financial services transactions. However, these leading companies, representing various industries, find it challenging to identify talent with the right skills to maintain and innovate on this mission-critical technology.

In the U.S., through a robust pre-apprenticeship program that prepares individuals for technology careers, IBM has recruited and presented well-qualified talent to enter the mainframe system administrator or mainframe application developer program with our clients. We partnered with an apprenticeship intermediary to help solve this skilling problem and offer rewarding careers to capable, committed individuals without a technology degree or prior experience. To date, our mainframe clients – banks, large retailers, and automakers – have hired over 300 apprentices across the country. Participants in the program also earn college credits<sup>4</sup>. This program's validity is demonstrated by the fact that our clients keep coming back to us for additional talent.

### **IBM's advocacy for Registered Apprenticeship Programs**

IBM has been a strong advocate for Registered Apprenticeship Programs, promoting them to other employers as a successful, work-based learning model. We firmly believe streamlining and modernizing apprenticeships for today's market demands can help revitalize the workforce nationwide and provide training and employment opportunities for students at community colleges, veterans, high school graduates, and others looking to advance in technology careers. And the current area of AI innovation and adoption creates a sense of urgency for employers, educators, government, and other stakeholders to make upskilling – especially as it pertains to technology – more widely available and accessible for Americans.

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<sup>2</sup> <https://www.acenet.edu/National-Guide/Pages/Organization.aspx?oid=ca1a01fd-c538-eb11-a813-000d3a33232a>

<sup>3</sup> <https://community.ibm.com/zsystems/talent/globalskills/>

<sup>4</sup> <https://www.ibm.com/policy/apprenticeship-college-credit/>

To drive systemic change and further scale our technology apprenticeship program, IBM teamed up with the Consumer Technology Association (CTA) in 2019 to create the CTA Apprenticeship Coalition. To encourage more companies to understand how to operationalize and adopt this talent model, IBM provided frameworks, playbooks, and guidance to other companies in the coalition to start their own apprenticeship programs. We also provide frameworks, playbooks, and guidance to Business Roundtable Member companies, the OneTen Coalition, the New York Jobs CEO Council, and our clients.

We also appreciated partnering with the Department of Labor over the years to amplify our support for the program. In 2022, IBM joined the first Department of Labor Apprenticeship Ambassador cohort<sup>5</sup> and participated in the program kickoff and the Cybersecurity Apprenticeship Sprint<sup>6</sup>. In 2023, IBM's apprentice graduate<sup>7</sup> joined and participated in the Apprenticeship Trailblazer program.

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<sup>5</sup> <https://www.dol.gov/newsroom/releases/eta/eta20220712>

<sup>6</sup> <https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/15/fact-sheet-biden-%E2%81%A0harris-administration-accomplishes-cybersecurity-apprenticeship-sprint/>

<sup>7</sup> <https://www.apprenticeship.gov/apprentice-trailblazer-initiative/first-cohort-of-apprentice-trailblazers>

## **Select Section-by-Section Comments**

### **§ 29.6 Transition provisions**

To ensure the continuity of existing, effective apprenticeship programs with no interruption in their ability to provide well-paying career opportunities to candidates, we urge the Department to grandfather current Registered Apprenticeship Programs that have demonstrated strong results. Criteria for grandfathering could include an active Registered Apprenticeship Partners Information Database System (RAPIDs) record, convergence to full-time employment, and a clear career trajectory, particularly in non-traditional and growing industries.

If the Department does not institute a grandfathering provision, it should prioritize continuity by offering an extended transition period for compliance with any new requirements related to currently registered programs.

### **§ 29.7 Apprenticeability/Suitability Requirements**

IBM is concerned with this section's numerous and burdensome requirements coupled with an extended consideration and comment period. These new requirements will add more steps to an already bureaucratic process, fail to create innovative programs, and prevent the scaling of apprenticeships. Under current rules, it could take a program sponsor upwards of six months or longer to register a program with the Department. The proposed additional steps in this section could extend the process by several more months. As generative AI tools are adopted and tasks within specific job roles change, the Department could face challenges, including insufficient expertise, to objectively determine occupations suitable for apprenticeships without close collaboration with industry.

The Department should remove the proposed requirements in this section and focus on key criteria that make registered apprenticeships the gold standard of work-based learning models while working to streamline administrative processes.

### **§ 29.8 Standards of apprenticeship: Competency-Based Programs**

IBM chose to develop a competency-based apprenticeship program because it provided the most flexibility and offered apprentices more opportunities to gain portable skills and experiences that could be leveraged with multiple employers. Given the rapid pace of technological change, new rules focusing on time limits rather than competencies could hinder effectiveness.

The competency-based model has proven very successful because:

- Apprentices have clear expectations about what they need to learn,
- It provides flexibility to progress at one's own pace and, potentially, complete the program early if all competencies outlined in the program standards are learned and the individual has been in the program for at least 6 months, and
- It required employers to think strategically about the desired outcomes of a fully proficient apprentice.

As public and private sector employers, including IBM, move toward a skills-based economy, they will need workers with the requisite competencies to compete. Our competency-based model ensures that apprentices develop the required skills or they do not receive certification. By contrast, a time-based program alone – even with an end-point assessment - will not guarantee that an apprentice has attained the knowledge, skills, or abilities required for a job role.

The Department’s proposal to eliminate fully competency-based programs would introduce a new burden on employers and unnecessary rigidity into the program, especially for non-traditional participants. By eliminating competency-based programs, the Department runs the risk of imposing a one-size-fits-all approach on people with varied experience and knowledge, unnecessarily requiring them to remain in the program after reaching mastery. Ultimately, a time-based program does not provide the necessary flexibility for an apprentice to progress at their own pace. Most importantly, a time-based model will hurt apprentices because they could earn certification without learning the required skills - risking their ability to obtain and retain employment.

To ensure apprenticeships remain the gold standard and apprentices learn the skills needed to be hired for long-term careers, we recommend that the Department should align the total hours requirements to a six-month minimum to allow for more flexibility.

#### **§ 29.10 Program registration**

The Department’s proposal to require submissions electronically would help streamline the application process, and we support this move to leverage web-based tools. The Department should take it a step further and invest in modern technology solutions to support employer program sponsors, intermediaries, and the broader apprenticeship ecosystem. Specifically, the Department should establish a single, integrated data repository and reporting infrastructure and share non-personally identifiable apprenticeship data available on a publicly accessible website. Additionally, the website should be searchable and comparable, using common, linked, open, and interoperable data description language - such as the credential transparency description language, learning and employment record standards, or a substantially similar resource - and include the use of Application Programming Interfaces (APIs).

#### **§ 29.12 Qualifications of apprentice trainers and providers of related instruction**

For IBM’s apprentice learning, we leverage a variety of expert training providers and proven methods to carry out our high-quality related training instruction (RTI). IBM also leans on our extensive internal learning platform, selective engagement of external vendors, and custom created training content. We work with subject matter experts to align training to each competency and continue to explore partnership opportunities with community colleges and other local organizations for training needs.

Due to the rapidly changing learning environment, RTI should undergo an iterative review process to ensure the delivery of the most current learning content available. Currently, each role varies and has a set number of required learning hours. In addition to the required hours,

all apprentices are encouraged to explore supplemental learning that might be necessary for their specific team or business unit needs. The learning journey could be delivered digitally, as formal or informal classroom-based learning, through skills labs, or other tools.

While IBM agrees that RTI providers must be well-qualified to deliver learning materials, these proposed new trainer qualification requirements impose unnecessary burdens on sponsors that already have high-quality and well-established programs and processes. Under current rules, RTI must already meet high standards, either in the form of state department of education requirements or designed by industry subject matter experts. This type of flexibility is critical to ensure that program sponsors can quickly adapt to learning needs, and we recommend the Department eliminate these new trainer qualifications requirements from the proposal.

### **§ 29.16 End-point Assessment and Certificate of Completion**

Where possible, IBM incorporates industry-standard credentials and utilizes IBM-created digital credentials in the apprenticeship RTI. These vary based on the job role and what is available and appropriate given the apprentice's experience level. IBM requires apprentices and their managers to document the learning and on-the-job training for each competency. IBM managers must sign off that the apprentice has successfully demonstrated each competency before the apprentice can graduate from the program. We consider the demonstration of each competency through RTI and applied on-the-job training sufficient to demonstrate apprentices' proficiency in the occupation. Requiring sponsors to create and manage a testing program would impose an undue burden and deter future programs, especially when sponsors have a variety of registered roles. The Department should consider eliminating the end-point assessment.

### **§ 29.26 Roles and responsibilities of State Apprenticeship Agencies: Reciprocity of registration**

IBM appreciates the Department's recognition that a more streamlined and expedited process is necessary to encourage employers to start and scale apprenticeship programs. We welcome the proposal to require State Apprenticeship Agencies (SAA) to establish a process for approving apprentices, programs, and standards registered in other states.

The Department should further streamline these processes by providing a timely response to a request for reciprocity within no more than 30 days. The Department should also take steps to develop, in coordination with the states, a universal application template to include all core registration requirements across all states. Such an application should be readily available and accessible by all states to improve the efficiency and expediency of multistate sponsors. Finally, national program sponsors should be eligible for state apprenticeship incentives to encourage the expansion of their programs.