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Independent Training and Apprenticeship Program v. California Dept. of Indus. Relations

United States Court of Appeals, Ninth Circuit - September 18, 2013 - F.3d - 13 Cal. Daily Op. Serv. 10, 439

Apprenticeship program and employers filed action against California agencies and officials seeking declaratory and injunctive relief, principally on ground that actions of California Department of Industrial Relations (CDIR) were inconsistent with federal regulations and hence preempted.

The Court of Appeals held that:

- Federal subject-matter jurisdiction existed over preemption claim;
- On issue of first impression, phrase, "Federal purposes," under federal apprenticeship regulations referred to federal laws or actions that in some way addressed apprenticeship or made conformity with federal apprenticeship standards a condition of eligibility for the federal assistance at issue;
- Court did not owe Auer deference to interpretation of apprenticeship regulation by Department of Labor (DOL);
- Interpretation of apprenticeship regulation by DOL was entitled to Skidmore deference;
- CDIR could require contractors on projects funded by Build America Bonds and tax-exempt municipal bonds to comply with California's apprenticeship standards;
- California "needs test" for approval of new apprenticeship programs in building and construction trades did not violate dormant Commerce Clause;
- "needs test" did not violate equal protection; and
- "needs test" did not violate substantive due process.

CDIR could require contractors on projects funded by Build America Bonds and tax-exempt municipal bonds to comply with California's apprenticeship standards, since those bonds did not condition federal assistance provided on compliance with federal apprenticeship standards.

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