

BEC^{INC} ELECTRICAL CONTRACTORS

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Department of Industrial Relations
Director's Office (S.F.)

September 18, 2008

Mr. John C. Duncan, Director
California Department of Industrial Relations
Office of the Director
455 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102

Re: Associated Builders and Contractors of Southern California Merit Training Trust Fund
SM-DIR-001

Dear Mr. Duncan,

We are writing with regard to a clarification request for compliance issues regarding the rate of training contributions – specifically as they apply to Journeyman job classifications where contractual commitments for apprenticeship training standards exist.

We have been contacted by the Contract Compliance (CC) firm for a public school project we are working on, and informed that the training contribution rate for which we are abiding by is incorrect. We understand that since we are a contractor approved to train under the apprenticeship standards of the unilateral apprenticeship committee, we are signatory to an adoption agreement to make contributions to the committee and its trust at the rate of \$0.60 per hour for both apprentice and Journeyman work hours.

We have been informed by the CC (based on the wage rate determination) that the contribution for apprentices and Journeymen is \$0.45 per hour. For apprentices, the difference between the training fund wage rate determination and that for which we are obligated to contribute is pulled from the employee benefit package. In the case of Journeymen, the difference, the CC claims, is to be paid by the employer. We do not agree with this and assert that the \$0.15 difference can be taken from any other part of the employee benefit package to make it comply with our contractual commitments and by the approved apprenticeship standards set forth for both apprentices and Journeymen.

Our position is supported by the fact that Journeymen, like apprentices, benefit from the training programs, and we have attached a copy of programs currently available. Not only are these training programs available, but continuing training is required under state law where these Journeymen possess California Electricians Licenses. Therefore, the whole amount due to the training fund is paid from the employee benefit package. It is clear that the Journeymen benefit directly from these contributions, and therefore they should be drawn from the Journeymen's benefit package in lieu of having the employer make up this difference.

We would appreciate a written response on the DIR's position on this matter. Contact me at your earliest convenience should you have any questions regarding this matter.

Sincerely yours,



William M. Diesel
President
BEC, Inc.

cc File – ABC Wage Contribution

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