

Act on March 27, 1996 (61 FR 13517-18).

**Constance K. Robinson,**

*Director of Operations, Antitrust Division.*

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## DEPARTMENT OF LABOR

### Labor Advisory Committee for Trade Negotiations and Trade Policy; Meeting Notice

Pursuant to the provisions of the Federal Advisory Committee Act (P.L. 92-463 as amended), notice is hereby given of a meeting of the Steering Subcommittee of the Labor Advisory Committee for Trade Negotiations and Trade Policy.

*Date, time and place:* December 11, 1997, 10:00 am, U.S. Department of Labor, Seminar Room 5, 200 Constitution Ave., N.W., Washington, D.C. 20210.

*Purpose:* The meeting will include a review and discussion of current issues which influence U.S. trade policy. Potential U.S. negotiating objectives and bargaining positions in current and anticipated trade negotiations will be discussed. Pursuant to section 9(B) of the Government in the Sunshine Act, 5 U.S.C. 552b(c)(9)(B) it has been determined that the meeting will be concerned with matters the disclosure of which would seriously compromise the Government's negotiating objectives or bargaining positions. Accordingly, the meeting will be closed to the public.

*For further information, contact:* Jorge Perez-Lopez, Director, Office of International Economic Affairs, Phone: (202) 219-7597.

Signed at Washington, D.C., this 25th day of November 1997.

**Andrew J. Samet,**

*Acting Deputy Under Secretary, International Affairs.*

[FR Doc. 97-31672 Filed 12-2-97; 8:45 am]

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## DEPARTMENT OF LABOR

### Employment and Training Administration

#### Federal-State Unemployment Compensation Program: Unemployment Insurance Program Letters Interpreting Federal Unemployment Insurance Law

The Employment and Training Administration interprets Federal law requirements pertaining to unemployment compensation (UC) as part of its role in the administration of the Federal-State UC program. These interpretations are issued in Unemployment Insurance Program Letters (UIPLs) to the State Employment

Security Agencies. The UIPL described below is published in the **Federal Register** in order to inform the public.

#### UIPL 39-97

UIPL 39-97, dated September 12, 1997, advises States of the Department of Labor's interpretation of the Reed Act provisions of Title IX of the Social Security Act and transmits updated instructions and requirements related to the use of "Reed Act" funds as transferred to State accounts in the Unemployment Trust Fund.

Dated: November 26, 1997.

**Raymond J. Uhalde,**

*Acting Assistant Secretary of Labor.*

Classification: UI

Correspondence Symbol: TEUFA

Date: September 12, 1997.

Directive: Unemployment Insurance Program Letter No. 39-97

To: All State Employment Security Agencies

From: Grace A. Kilbane, Director, Unemployment Insurance Service

Subject: The Reed Act Provisions of Title IX of the Social Security Act

1. *Purpose.* To transmit updated instructions and requirements related to the use of "Reed Act" funds as transferred to State accounts in the Unemployment Trust Fund (UTF).

2. *References.* Sections 303(a)(2), 303(a)(4), 303(a)(5), 303(a)(8), 901(c), 903, 904 and 1201 of the Social Security Act (SSA); the Balanced Budget Act of 1997 (BBA), P.L. 105-33; Sections 3304(a)(3), 3304(a)(4) and 3306(f) of the Federal Unemployment Tax Act (FUTA); 29 CFR Part 97; OMB Circular No. A-87; Part IV, Sections 3000-3040 of the *Employment Security Manual (ES Manual)*; UIPL Nos. 5-90, 11-90 and 12-91; GAL Nos. 4-83, 5-94 and 2-96; and Section III, Chapter 2 of *ET Handbook No. 401*.

3. *Background.* The Unemployment Insurance Service (UIS) is issuing "basic" program letters for certain program areas to provide comprehensive instructions to States in a single document. This program letter provides guidance to States in accounting for their use of Reed Act funds in accordance with standards established by the Secretary of Labor. This directive is a consolidation of instructions from the *ES Manual* and previous UI program and administration letters related to Reed Act funds and now supersedes the *ES Manual* sections referenced above. These instructions may later be included as a part of a Handbook issuance.

4. *Action Required.* SESA administrators are requested to provide

these instructions to the appropriate staff.

5. *Inquires.* Inquires should be directed to your Regional Office.

6. *Rescission.* Part IV, Sections 3000-3040 of the *Employment Security Manual*.

7. *Attachments.*

I. The Reed Act Provisions of Title IX of the Social Security Act;

II. Draft Language for State Laws.

### Attachment I—The Reed Act Provisions of Title IX of the Social Security Act

#### A. Introduction

1. *Definition—Background.* The term "Reed Act" refers to a part of the Employment Security Financing Act of 1954, and is used in honor of Congressman Daniel A. Reed of New York, chairman of the House Ways and Means Committee at the time. This legislation amended Titles IX and XII of the Social Security Act (SSA) and established the basic structure of the Unemployment Trust Fund (UTF). The amendments to Title IX, among other things, provided, under certain conditions, for the transfer of excess funds in the Employment Security Administration Account (ESAA) in the UTF to the individual State accounts in the UTF (Section 903(a)(1), SSA). These transferred funds are commonly referred to as "Reed Act" funds. To date, only three Reed Act distributions—in 1956, 1957, and 1958—totalling \$138 million, have been made to State accounts.

Under the SSA, the primary purpose of Reed Act funds is the payment of "cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration" (Section 903(c)(1), SSA). However, subject to conditions specified in Section 903(c)(2), SSA, a State is permitted, at its discretion, to use Reed Act funds for "the administration of its unemployment compensation law and public employment offices". (See Part E. for exception for use of Reed Act amounts allocated for fiscal years 2000, 2001, and 2002.)

Title III, SSA, governs the use of Federal grant funds for the administration of the unemployment compensation (UC) programs by States. Section 302(a), SSA, addresses the uses of UC granted funds as follows:

The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has an unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act, such amounts as the Secretary of Labor determines to