and the U.S. Department of Labor, the U.S. Department of Labor provides administrative and logistical support.

This solicitation for grant application (SGA) is open to any organization or institution (except those on the federal debarment list) that has a proven record of providing programs and services that contribute to the employability of people with disabilities and that is capable of performing the program requirements listed in the SGA.

Five objectives are listed in the SGA. They are: (1) Personalized Service, (2) Electronic Services, (3) Enhancing the National Leadership of JAN within the Disability Information and Referral System, (4) Marketing job Accommodation Network Services, and (5) Support the Activities of the President's Committee on Employment of People with Disabilities.

DATE: The closing date for receipt of a completed application package in response to this notice is January 24, 1997. Applications received after that time will be considered for award only if they are postmarked by the United States Postal Service five days or more before the closing date, or if it is determined that the application was sent by U.S. Postal Service Express Mail Next Day Service no later than 5:00 p.m., January 22d.

FOR FURTHER INFORMATION CONTACT: Lisa Harvey, Office of Procurement Services, U.S. Department of Labor, 200 Constitution Ave., NW., Room N–5416, Washington, DC 20210. Ms. Harvey will mail the SGA's to requesters. In addition, the entire SGA is available on the website of the President's Committee: http://www.pcepd.gov/current/jamnsga.htm.

Signed at Washington, D.C., this 1st day of November 1996.

John Lancaster,

Executive Director, President's Committee on Employment of People with Disabilities.

[FR Doc. 96–28655 Filed 11–6–96; 8:45 am]

BILLING CODE 4510–23–M

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 as part of its role in the administration of the Federal-State unemployment compensation program. These interpretations are issued in Unemployment Insurance Program Letters (UIPLs) to the State Employment Security Agencies (SESAs). The UIPL described below is published in the Federal Register in order to inform the public.

UIPL 30–96

This UIPL is being issued to clarify the distinction between ''work-relief'' and ''work-training'' for purposes of coverage under the unemployment compensation (UC) program. This UIPL broadens the interpretation previously issued in 1986 in UIPL 15–86 and will not require any change to State UC laws. (It should be noted that the footnote in that UIPL incorrectly characterizes two court cases as UC cases. A program letter correcting this will be issued at a later date.)

UIPL 37–96

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), P.L. 104–193, was enacted on August 22, 1996. This legislation, popularly known as the welfare reform bill, made several changes which affect the UC program. Specifically, the PRWORA: establishes New Hire Directories at both the State and National levels; requires that certain UC information be provided to State/National New Hire Directories; requires that States collect quarterly wage reports from State and local governmental entities and ''labor organizations;'' authorizes State and local child support enforcement agencies to disclose UC data to an agent; requires State and local child support agencies to obtain access to UC information for establishing paternity and other purposes; affects the eligibility of aliens; and, addresses the intercept of food stamp overissuances.

This UIPL provides information on these amendments and advises States of those instances where amendments to State UC law are needed to meet Federal UC law requirements. This UIPL does not, however, address those amendments relating to the eligibility of aliens. After completing its analysis of the amendments relating to aliens, the Department will issue guidance to the States as appropriate.

Dated: November 4, 1996.

Timothy M. Barnicle,

Assistant Secretary of Labor.

U.S. Department of Labor

Employment and Training Administration, Washington, D.C. 20210

CLASSIFICATION: UI
CORRESPONDENCE SYMBOL:TEUL
DATE: August 8, 1996

DIRECTIVE: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 30–96
TO: ALL STATE EMPLOYMENT SECURITY AGENCIES
FROM: MARY ANN WYRSCH, Director, Unemployment Insurance Service
SUBJECT: Work-Relief and Work-Training Exclusion

1. *Purpose*. To provide an interpretation of Section 3309(b)(5) of the Federal Unemployment Tax Act (FUTA) which permits an exception to coverage requirements of Section 3304(a)(6)(A), FUTA, for services performed as part of an unemployment work-relief or work-training program.

2. *References*. The Internal Revenue Code, including the Federal Unemployment Tax Act (FUTA), and Unemployment Insurance Program Letter (UIPL) 15–86, dated February 13, 1986.

3. *Background*. UIPL 15–86 provided the Department's interpretation of ''work-relief'' and ''work-training'' for purposes of assisting States in determining what services may be excluded from coverage for unemployment compensation (UC). Since that UIPL did not clearly distinguish between services performed in work-relief and services performed in work-training, confusion has resulted as to what services may actually be excluded. This UIPL provides the Department's position on the difference between ''work-relief'' and ''work-training.'' As this UIPL results in broadening the interpretation taken in UIPL 15–86, it will not result in States needing to amend their laws.

4. *Federal Law Requirements.* The Department has long taken the position that, because FUTA is a remedial statute aimed at overcoming the evils of unemployment, it is to be liberally construed to effectuate its purposes and exemptions to its requirements are to be narrowly construed. This interpretation avoids ''difficulties for which the remedy was devised and adroit schemes by some employers and employees to avoid the immediate burdens at the expense of the benefits sought by the legislation.'' [1]

Section 3304(a)(6)(A), FUTA, requires that each State pay UC based on services performed for certain governmental entities and nonprofit organizations. Specifically, Section 3304(a)(6)(A) requires coverage of services to which Section 3309(a)(1) applies. Section 3309(a)(1) applies to services excluded from the term ''employment'' solely by reason of either Section 3306(c) (7) or (8), FUTA. Section 3306(c)(7) pertains to services performed for a ''State, or any political subdivision thereof. * * *'' Section 3306(c)(8) pertains to services performed for ''religious, charitable, educational, or other organization described in section 501(c)(3)'' of the Internal Revenue Code. Exclusions

[1] These interpretations were stated on page 5 of Supplement #5—Questions and Answers Supplementing *Draft Language and Commentary to Implement the Unemployment Compensation Amendments of 1976—P.L. 94–566,* dated November 13, 1978. Several Federal court decisions, including two cases involving UC, *United States* v. *Silk*, 331 U.S. 704, 712 (1947) and *Farming, Inc.* v. *Manning*, 219 F.2d 779, 782 (3d Cir., 1955), are illustrative of this position.

from this required coverage are found in the remaining paragraphs of Section 3306(c) and Section 3309(b). Section 3309(b)(5) excludes services performed—

(5) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof, by an individual receiving such work relief or work training.

The Department's position is that while ''work-relief'' and ''work-training'' are both excluded, they are two distinct exclusions. Work-relief projects are primarily intended to alleviate the disadvantaged status of the individual by providing employment. For ''work-training,'' there is no requirement that the individual must be economically disadvantaged. Instead, work-training focuses on improving the individual's employability. (This does not, however, preclude the possibility that some work-training programs be limited to the economically disadvantaged.)

As noted above, UIPL 15–86 did not clearly distinguish between work-relief and work-training. The following listing is intended to clarify their distinguishing characteristics. No attempt is made to list names of programs that fall under the definitions given in this UIPL since the characteristics of the program will determine whether or not they must be covered.

A. Both of the following characteristics must be present in either work-relief or work-training:

(1) the employer-employee relationship is based more on the participants' and communities' needs than normal economic considerations such as increased demand or the filling of a bona fide job vacancy;

(2) the products or services are secondary to providing financial assistance, training, or work-experience to individuals to relieve them of their unemployment or poverty or to reduce their dependence upon various measures of relief, even though the work may be meaningful or serve a useful public purpose.

B. A work-relief or work-training program must have one or more of the following characteristics:

(1) the wages, hours, and conditions of work are not commensurate with those prevailing in the locality for similar work;

(2) the jobs did not, or rarely did, exist before the program began (other than under similar programs) and there is little likelihood they will be continued when the program is discontinued;

(3) the services furnished, if any, are in the public interest and are not otherwise provided by the employer or its contractors; and

(4) the jobs do not displace regularly employed workers or impair existing contracts for services.

C. The following characteristic must be present only for work-relief programs:

The qualifications for the jobs take into account as indispensable factors the economic status, i.e., the standing conferred by income and assets, of the applicants.

6. *Action Required.* State agency administrators are requested to provide this UIPL to appropriate staff.

7. *Inquiries.* Direct questions to your Regional Office.

RESCISSIONS: UIPL 15–86
EXPIRATION DATE: Continuing

U.S. Department of Labor

Employment and Training Administration, Washington, D.C. 20210

CLASSIFICATION: UI
CORRESPONDENCE SYMBOL: TEUL
DATE: 09/25/96
DIRECTIVE: UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 37–96
TO: ALL STATE EMPLOYMENT SECURITY AGENCIES
FROM: MARY ANN WYRSCH, Director, Unemployment Insurance Service
SUBJECT: The Personal Responsibility and Work Opportunity Reconciliation Act of 1996

1. *Purpose.* To advise the States of amendments made to Federal law by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 which affect the Federal-State Unemployment Compensation (UC) program.

2. *References.* The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193); the Internal Revenue Code of 1986 (IRC), including the Federal Unemployment Tax Act (FUTA); the Social Security Act (SSA); Unemployment Insurance Program Letters (UIPLs) No. 37–86 and 23–96; and Office of Management and Budget (OMB) Circular No. A–87 (60 *Fed. Reg.* 26484, May 17, 1995).

3. *Background.* The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), P.L. 104–193, was enacted on August 22, 1996. This legislation, popularly known as the ''welfare reform'' bill, made several changes which affect the UC program. These changes—

- Establish New Hire Directories at both the State and National levels,
- Require that certain UC information be provided to State/National New Hire Directories,
- Require that States collect quarterly wage reports from State and local governmental entities and ''labor organizations,''
- Authorize State and local child support enforcement agencies to disclose UC data to an agent,
- Require State and local child support agencies to obtain access to UC information for establishing paternity and other purposes,
- Affect the eligibility of aliens, and
- Address the intercept of food stamp overissuances.

This UIPL provides information on these amendments and advises States of those instances where amendments to State UC law are needed to meet Federal UC law requirements. This UIPL does not, however, address those amendments relating to the eligibility of aliens. After completing its analysis of the amendments relating to aliens, the Department will issue guidance to the States as appropriate.

4. *State Directory of New Hires (''State Directory'')—Section 453A, SSA, as added by Section 313(b), PRWORA.* The PRWORA replaced the Aid to Families with Dependent Children program with the Transitional Assistance to Needy Families (TANF) program. A State's TANF grant is conditioned on meeting certain requirements, including a requirement that the State operate a child support enforcement program. As part of the child support enforcement program, the State must operate a Directory of New Hires by October 1, 1997. This Directory must contain the name, address, and social security number of each newly hired individual and the name, address, and Federal employer identification number of the hiring employer. (Section 453(b)(1), SSA, as amended.) If a State chooses to use its UC agency as the collection point for the State Directory, the UC agency will need to meet any conditions for such Directory established by the PRWORA as interpreted by the Secretary of Health and Human Services (HHS).

If the UC agency maintains the State Directory and uses the State Directory for UC purposes, UC grant funds may be used to pay UC costs associated with the Directory consistent with OMB Circular No. A–87. However, UC grants may not be used to pay for any costs of providing State Directory information to the TANF agency or to the National New Hires Directory discussed below.

New Section 453A(g)(2)(B), SSA, specifically references Federal UC law—

Wage and Unemployment Compensation Information.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

In other words, as a condition of receiving its TANF grant, the State Directory must obtain certain information from the UC agency and furnish that information to the Secretary of HHS. This requirement for the transfer of data is effective October 1, 1997. (Section 453A(a)(1)(B), SSA, as amended.) Section 303(a)(6), SSA, requires States to make ''such reports as the Secretary of Labor may from time to time require.'' [1] Under Section 453(i), SSA, as amended by the PRWORA, the above information is required to be transmitted from the State Directory to the National Directory of New Hires.

5. *National Directory of New Hires (''National Directory'')—Section 453(i), SSA, as amended by Section 316, PRWORA.* Section 453, SSA, requires the Secretary of HHS to establish and conduct a Federal Parent Locator Service (FPLS). The mission of the FPLS is to obtain and transmit to any authorized person (as defined under Section 453(c)) information as to the whereabouts of any absent parent. This information is to be used to locate the parent for the purpose of enforcing child support obligations.

[1] The Secretary does not currently require the submittal of data on individuals under Section 303(a)(6), SSA. However, as discussed below, both the FUTA and SSA have been amended to require UC agencies to provide wage and claim information to the State Directory.

As a result of the PRWORA, the FPLS is now charged with establishing and maintaining a National Directory of New Hires no later than October 1, 1997. The National Directory will consist of new hire information as well as information supplied ''pursuant to section 453A(g)(2),'' SSA, as quoted in part above. The Conference Report for the PRWORA explains that—

When fully implemented the Federal Directory of New Hires will contain identifying information on virtually every person who is hired in the United States. In addition, the FPLS [Directory of New Hires] will contain quarterly data supplied by the State Directory of New Hires on wages and Unemployment Compensation paid. * * * The information is to be used for purposes of locating individuals to establish paternity, and to establish, modify, or enforce child support orders. [H. Rep. 104–725, as quoted in the *Congressional Record* for July 30, 1996, page H8918.]

As this National Directory contains information which may be in the files of the State UC agency, two amendments concerning the provision of this information were made to Federal UC law. First, Section 314(g)(2), PRWORA, amended Section 3304(a)(16), FUTA, to provide, as a condition of a State law being certified for tax credit that—

(A) wage information contained in the records of the agency administering the State law which is necessary (as determined by the Secretary of Health and Human Services in regulations) for purposes of determining an individual's eligibility for assistance, or the amount of such assistance, under a State program funded [2] under part A of title IV of the Social Security Act, shall be made available to a State or political subdivision thereof when such information is specifically requested by such State or political subdivision for such purposes,

(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and

(C) such safeguards are established as are necessary (as determined by the Secretary of Health and Human Services in regulations) to insure that information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph; [New language bolded.]

Second, Section 316(g)(2), PRWORA, amended Section 303(h), SSA,[3] to provide, as a condition of States receiving administrative grants for their UC programs, that—

(1) The State agency charged with the administration of the State [UC] law shall, on a reimbursable basis—

(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1) [establishing the National Directory], contained in the records of such agency;

(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirement of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

(3) For purposes of this subsection—

(A) the term ''wage information'' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

(B) the term ''claim information'' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.

Although the amendment to the FUTA, is less specific, both amendments have the same effect: The State UC agency must provide certain information to the National Directory. Specifically ''wage information'' and ''claim information'' as defined in Section 303(h)(3), SSA, must be supplied on a quarterly basis. The UC agency is required to supply only wage and claim information which is already contained in its records. It is not required to obtain additional information for purposes of the National Directory.

The SSA amendment requires that the State must provide such safeguards as the Secretary of Labor determines are necessary to determine that the information is used only for the purposes of the National Directory of New Hires. However, the FUTA amendment provides that the Secretary of HHS will establish such safeguards. The Department of Labor will be studying this matter, in conjunction with the Department of HHS, to determine what, if any, safeguards individual States must establish prior to providing the FPLS with UC information.

Costs of Providing Information. Under amended Section 303(h), SSA, UC information will be provided to the National Directory ''on a reimbursable basis.'' Section 453(e)(2) provides that the costs of providing information to the Secretary of HHS ''shall be reimbursed'' to ''any State.'' Section 453(g), SSA, describes what amounts ''may'' reimbursed to the States:

Reimbursement for Reports by State Agencies.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information). [Emphasis added.]

In brief, the States are not required to disclose UC information under Section 303(h) unless they are reimbursed by the Secretary of HHS. However, the Secretary of HHS has sole authority to determine the amount to be reimbursed. If the Secretary of HHS does not reimburse the State for what the State determines to be the entire cost of providing UC information, Federal funds provided for the administration of the State's UC program may not be used to make up the difference. Under section 303(a)(8), SSA, UC grants may be used only for the proper and efficient administration of the State's UC law, which does not include the costs of disclosing this information.

Effective date for UC conformity provisions. Under new Section 453(a)(1), SSA, each State is required to establish a State Directory effective October 1, 1997. (States which already have State Directories are given until October 1, 1998, to meet the requirements of Section 453A, except that the State must transmit information to the National Directory effective October 1, 1997.) Under Section 453(i), SSA, the FPLS is required to establish and maintain a National Directory by October 1, 1997.

However, Section 395(a)(2), PRWORA provides that ''all other provisions of this title [pertaining to the Directories] shall become effective upon the date of enactment.'' Section 395(b) further provides that:

Grace Periods For State Law Changes.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Thus, notwithstanding the requirement that the State and National Directories be

[2] The bolded language commencing with ''eligibility'' was inserted by Section 110(k)(2), PRWORA, as a conforming amendment. It recognizes the repeal of the AFDC program and the creation of the TANF program.

[3] Prior to amendment, Section 303(h), SSA, required State UC agencies to ''take such actions * * * as may be necessary to enable the Secretary of Health and Human Services to obtain prompt access to any wage and unemployment compensation claims information'' for purposes of carrying out the child support enforcement program. See UIPL 11–89.

operative on October 1, 1997, States which need to amend their UC laws may qualify for a grace period which extends beyond this date to the first day of the first calendar quarter following the close of the first regular session of the State legislature. Since each year of a legislative session is deemed a separate session and since all annual sessions will adjourn by December 31, 1997, this means all States qualifying for a grace period must be in a position to provide wage and claim information to the National Directory by January 1, 1998.[4]

States will need to review their UC laws and regulations to determine if disclosure to the National Directory is permissible. If it is not, States must take all actions necessary to ensure that the information will be disclosed.

6. *State UC Agency Access to State Directory—Section 453A(h)(3), SSA, as added by Section 313(b), PRWORA. Provision of Information in National Directory to State UC Agency—Section 453(k), SSA, as added by Section 316(f), PRWORA.* New Section 453A(h)(3), SSA, requires, as a condition of a State receiving a TANF grant, that access to the State Directory be provided to State employment security (that is, UC and employment service) agencies:

Administration of Employment Security and Workers' Compensation.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) [that is, New Hire data] for the purposes of administering such programs.

New Section 453A(h)(2), SSA, contains an identical provision requiring the granting of access to a State agency responsible for administering a program specified in Section 1137(b), SSA, pertaining to the Income Eligibility Verification System. Paragraph (3) of Section 1137(b), specifies the UC program. Therefore, additional authority exists for requiring the granting of access to UC agencies.

The PRWORA does not address how the costs of a UC agency accessing a State Directory will be determined. The allowability of these costs for UC grant purposes is governed by OMB Circular No. A–87.

States should be aware that, under new Section 453(n), SSA, (as added by Section 316(f), PRWORA), Federal departments, agencies and instrumentalities are required to submit certain information to the National Directory:

Federal Government Reporting.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

In addition, new Section 453A(b)(1)(C), SSA, requires Federal entities to report new hire information:

Federal Government Employers.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) [requiring employers to furnish new hire information] by transmitting the report described in subparagraph (A) to the National Directory of New Hires * * *

As this information may be useful for UC purposes, the Department will be discussing its potential uses with the Department of HHS. States should be aware that the Secretary of HHS has the sole authority for determining the extent, if any, to which any information in the National Directory may be shared with State UC agencies.[5] In the event that States may obtain such information, Section 453(K)(3), SSA, addresses costs for providing information from the National Directory—

FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary [of HHS] pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information). [Emphasis added.]

Thus, the Secretary of HHS has the sole authority for determining what fees will be paid by State UC agencies for any information obtained from the National Directory.

7. *Income Eligibility Verification System—Amendment to Section 1137(a)(3), SSA, made by Section 313(c)(1), PRWORA.* Section 303(f), SSA, requires a State to operate an income eligibility verification system (IEVS) which meets the requirements of Section 1137(a), SSA. Section 1137(a)(3) requires employers ''to make quarterly wage reports to a State agency'' which may be the State UC agency. The PRWORA amended the SSA to expand the types of employers required to submit quarterly wage reports while at the same time allowing an exception. As a result Section 1137(a)(3) now reads, in part, as follows—

employers (including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii)) [sic—should probably be (ii)] in such State are required * * * to make quarterly wage reports to a State agency (which may be the agency administering the State's unemployment compensation law) except that the Secretary of Labor (in consultation with the Secretary of Health and Human Services and the Secretary of Agriculture) may waive the provision of this paragraph if he determines that the State has in effect an alternative system which is as effective and timely for purposes of providing employment related income and eligibility data for the purposes described in paragraph (2), and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission; [Amendments bolded.]

New Section 453A(a)(2)(B)(ii), SSA, as added by Section 313(b), PRWORA, provides that ''labor organization''—

shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a ''hiring hall'') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.''

Section 2(5) of the National Labor Relations Act (NLRA) defines ''labor organization'' as—

any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

Section 8(f)(3) of the NLRA pertains to agreements covering employees in the building and construction industry under which the employer notifies the labor organization ''of opportunities for employment with such employer, or gives such labor organization an opportunity to refer qualified applicants for such employment.''

As a result of the amendments to Section 1137(a)(3), SSA, all States must require State and local governments and the labor organizations described above to submit quarterly wage reports to a State agency which may be the UC agency. States will need to examine their laws and regulations to determine if any amendments are necessary. Also as a result of the amendments to Section 1137(a)(3), SSA, States are prohibited from requiring the filing of a report concerning an employee who is performing ''intelligence or counter intelligence functions'' if the head of a State or local agency employing the individual determines that the filing of such a report ''could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.''

UC agencies should be aware that Section 409(a)(4), SSA, as amended by Section 103(a), PRWORA, provides that, if the Secretary of HHS determines that a State TANF program is not participating during a fiscal year in the IEVS as required, the

[4] Section 395(c), PRWORA, provides for a longer grace period if the State needs to amend its Constitution. This longer grace period will end at the earlier of (1) one year after the effective date of the necessary State constitutional amendment or (2) 5 years after the date of enactment of the PRWORA.

[5] Section 453(1), SSA, as added by Section 316(f), PRWORA, limits the use of information ''in the Federal Parent Locator Service,'' which includes information in the National Directory. The information in the Federal Parent Locator Service ''shall not be used or disclosed, except as expressly provided'' in Section 453, SSA. Section 453(j)(3)(B), SSA, also added by Section 316(f), PRWORA, authorizes the Secretary of HHS to disclose information in the directories to ''State agencies.'' Under Section 453(j)(3), these agencies are limited to TANF and child support agencies.

Secretary of HHS will reduce the State's TANF grant for the following fiscal year by up to 2 percent.

The effective date of the amendment to Section 1137(a)(3), SSA, is the date of enactment of the PRWORA. (Section 395(a)(2), PRWORA.) However, if the State must amend its law to require such reporting, the effective date is the effective date of the law enacted by the State legislature, but in no case later than January 1, 1998. (Section 395(b)(2), PRWORA. See item 5 of this UIPL for an explanation of this January 1, 1998 effective date.)

8. *Use of UC Information for Child Support Enforcement Purposes—Section 303(e), SSA, as amended by Section 313(d), PRWORA.* Section 303(e), SSA, among other things, requires States to provide certain UC information to child support enforcement agencies. The PRWORA added the following new paragraph to the end of Section 303(e)—

(5) A State or local child support enforcement agency may disclose to any agent of the agency that is under contract with the agency to carry out the purposes described in paragraph (1)(B) [i.e., for purposes of establishing and collecting child support obligations from, and locating, individuals owing such obligation] wage information that is disclosed to an officer or employee of the agency under paragraph (1)(A) [i.e., a state or local child support enforcement agency]. Any agent of a State or local child support agency that receives wage information under this paragraph shall comply with the safeguards established pursuant to paragraph (1)(B). [Emphasis added.]

Section 303(a)(1), SSA, requires that State law contain ''[s]uch methods of administration * * * as are found by the Secretary of Labor to be reasonably calculated to insure full payment of unemployment compensation when due.'' This provision has long been interpreted to prohibit, with certain exceptions, disclosure of claimant and employer UC information. Although disclosure to public officials in the performance of their duty has been permitted, disclosure to private entities without the consent of the individual is generally not allowed. (See UIPL 23–96.)

The amendment partially removes this restriction on disclosure to private entities for purposes of Section 303(e), SSA. Federal law now authorizes a State UC agency to provide UC information to a State or local child support agency which turns that information over to a private contractor for purposes of establishing and collecting child support obligations from, and locating, individuals owing such obligations. This authorization is contingent on the existence of safeguards consistent with Section 303(e)(1)(B), SSA, as determined in regulations issued by the Secretary of Labor. The Secretary of Labor has not yet prescribed regulations on these safeguards. Therefore, until these regulations are issued, States will assure compliance with Section 303(e)(1)(B) by following the confidentiality protection provisions of 20 CFR 603.7 pertaining to requesting agencies.

A State wishing to use this new authority will need to determine whether its UC law must be amended. The amendment to Section 303(e), SSA, is effective on the date of enactment of the PRWORA.

9. *Use of Employment Security Information to Establish Paternity and for Other Purposes—Section 466(c)(1), SSA, as added by Section 325(a)(2), PRWORA.* Section 466(c)(1), SSA, requires that State and local child support enforcement agencies use certain expedited procedures relating ''to the establishment of paternity or to establishment, modification, or enforcement of support orders. * * *'' One of these procedures is obtaining access to employment security records—

(D) Access to Information Contained in Certain Records.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

* * * * *

(V) employment security records. * * *

Federal UC law was not amended to require State UC agencies to provide such access. Specifically, Section 303(e), SSA, relating to the provision of UC information to child support agencies was not amended. However, Section 303(e)(1)(A), SSA, already requires that wage information be disclosed, upon request and on a reimbursable basis, to child support agencies. Also, Section 303(a)(1), SSA, permits disclosure of UC information, including claim information, to public officials in the performance of their duties.

States will need to review their UC laws and regulations to determine if granting access to child support agencies—subject to safeguards, nonliability and payment of any costs associated with granting such access—requires amendment to State UC law to accommodate the child support agency.

10. *Food Stamp Overissuances—Section 13(b)(1) of the Food Stamp Act of 1977 (FSA) as amended by Section 844(a), PRWORA.* Under Section 303(d)(2), SSA, ''uncollected overissuances'' of food stamp allotments may be intercepted from an individual's UC under certain limited conditions. See UIPL 37–86 for a complete explanation of these conditions.

Although the PRWORA did not amend Section 303(d)(2), SSA, it did amend Section 13(b)(1) of the FSA to require that a State Food Stamp agency must now collect any overissuance of food stamp coupons issued ''to a household'' by withholding amounts from UC payable to ''a member of the household''[6] as provided under Section 13(c), FSA, which establishes certain procedures for the food stamp agency. Under subsection (2) of Section 13(b), FSA, the Secretary of Agriculture may waive this requirement under certain conditions.

Section 13(b)(1), FSA, does not affect the requirements of Section 303(d)(2), SSA. It merely mandates that State food stamp agencies take an action that previously was optional under the FSA and that is permitted under the SSA.

As all State laws contain provisions which prohibit attachment of UC, States which have not already enacted provisions implementing Section 303(d)(2), SSA, will need to amend their UC laws to accommodate the State food stamp agency. The following draft language will, as adjusted for State usage, assure UC conformity requirements are met:

(1)(a) An individual filing a new claim for unemployment compensation shall, at the time of filing such claim, disclose whether or not he or she owes an uncollected overissuance (as defined in section 13(c)(1) of the Food Stamp Act of 1977) of food stamp coupons. The commissioner shall notify the State food stamp agency enforcing such obligation of any individual who discloses that he or she owes child support obligations and who is determined to be eligible for unemployment compensation.

(b) The commissioner shall deduct and withhold from any unemployment compensation payable to an individual who owes an uncollected overissuance—

(A) the amount specified by the individual to the commissioner to be deducted and withheld under this clause,

(B) the amount (if any) determined pursuant to an agreement submitted to the State food stamp agency under section 13(c)(3)(A) of the Food Stamp Act of 1977; or

(C) any amount otherwise required to be deducted and withheld from unemployment compensation pursuant to section 13(c)(3)(B) of such Act.

(c) Any amount deducted and withheld under this section shall be paid by the commissioner of the appropriate State food stamp agency.

(d) Any amount deducted and withheld under subsection (b) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by such individual to the State food stamp agency as repayment of the individual's uncollected overissuance.

(e) For purposes of this section, the term ''unemployment compensation'' means any compensation payable under this Act including amounts payable by the commissioner pursuant to an agreement under any Federal law providing for compensation, assistance, or allowances with respect to unemployment.

(f) This section applies only if arrangements have been made for reimbursement by the State food stamp agency for the administrative costs incurred by the commissioner under this section which are attributable to the repayment of uncollected overissuances to the State food stamp agency.

As State food stamp agencies must reimburse the State UC agency for the administrative costs incurred in intercepting food stamps (Section 303(d)(2)(D), SSA), State UC agencies may not perform any food stamp intercept activities without entering into an agreement for reimbursement of all costs which will be incurred by such activities. (UIPL 37–86, page 4.)

[6] Under Section 13(a)(2), FSA, ''[e]ach adult member of a household shall be jointly and severally liable for the value of any overissuance of coupons.'' Since food stamps are allotted to households, this means every adult member of the household may be liable for the overissuance.

If the State food stamp agency does not wish the State UC agency to perform all the activities listed in Section 303(d)(2), SSA, the State UC agency need only perform those activities for which it is paid. For example, if the State food stamp agency does not wish the UC agency to require applicants for UC is to disclose whether an overissuance is owed, then the State UC agency need not do so.

11. *Action.* Each State must take appropriate action to assure that its law authorizes the disclosure of UC wage and claim information to the National Directory of New Hires. State UC agencies which maintain State wage record files will need to assure that State and local governmental entities and labor organizations submit quarterly wage reports as required. UC agencies are encouraged to cooperate with other State agencies in implementing the requirements of the PRWORA.

12. *Inquiries.* Please direct inquiries to the appropriate Regional Office.

RESCISSIONS: None
EXPIRATION DATE: Continuing

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50–489 AND 50–499]

Houston Lighting and Power Company, City Public Service Board of San Antonio Central Power and Light Company; City of Austin, Texas of Transfer of Licenses and Issuance of Amendments to Facility Operating Licenses, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (the Commission) is considering approval under 10 CFR 50.80 of the transfer of Facility Operating License Nos. NPF–76 and NPF–80, issued to Houston Lighting & Power Company, et al., (HL&P, the licensee) with respect to operating authority thereunder for the South Texas Project, located in Matagorda County, Texas, and considering issuance of conforming amendments under 10 CFR 50.90.

The proposed transfer of operating authority under the licenses would authorize a new operating company to use and operate South Texas Project Units 1 and 2 (STP) and to possess and use related licensed nuclear materials in accordance with the same conditions and authorizations included in the current operating licenses. The operating company would be formed by the owners to become the licensed operator for STP and would have exclusive control over the operation and maintenance of the facility. The licenses would be amended to reflect the transfer of authority under the licenses.

Under the proposed arrangement, ownership of STP will remain unchanged with each owner retaining its current ownership interest. The new operating company will not own any portion of STP. Likewise, the owners' entitlement to capacity and energy from STP will not be affected by the proposed change in operating responsibility for STP from HL&P to the new operating company. The owners will continue to provide all funds for the operation, maintenance, and decommissioning by the operating company of STP. The responsibility of the owners will include funding for any emergency situations that might arise at STP.

Pursuant to 10 CFR 50.80, the Commission may approve the transfer of a license, or any right thereunder, after notice to interested persons. Such approval is contingent upon the Commission's determination that the proposed transferee is qualified to hold the license and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders of the Commission.

Before issuance of the proposed license amendments, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

The Commission has made a proposed determination that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facilities in accordance with the proposed amendments would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

1. The proposed amendments will not increase the probability or consequences of any accident previously evaluated.

The employees of HL&P presently engaged in the operation of STP will become employees of OPCO [the operating company]. Personnel qualifications, therefore, will remain the same as those discussed in the Technical Specifications and the UFSAR [Updated Final Safety Analysis Report]. The organizational structure of OPCO will continue to provide for clear management control and effective lines of authority and communication among the organizational units involved in the management, operation, and technical support of the facility. Accordingly, the technical qualifications of OPCO will be at least equivalent to those of HL&P presently.

As a result of the proposed amendments, there will not be physical changes to the facility, and all Limiting Conditions for Operation, Limiting Safety System Settings, and Safety Limits specified in the Technical Specifications will remain unchanged. With the exception of administrative changes to reflect the role of OPCO, the Quality Assurance Program, the Emergency Plan, Security Plan, and Training Program are unaffected. The Operating Agreement will ensure continued compliance with GDC [General Design Criterion] 17 as well as OPCO control over all activities within the exclusion area.

Therefore, the proposed changes will not increase the probability or consequences of any accident previously evaluated.

2. The proposed amendments will not create the possibility of a new or different kind of accident from any accident previously evaluated.

The design and design bases of STP will remain the same. Therefore, the current plant safety analyses which address the licensing basis events and analyze plant response and consequences, will not be affected. The Limiting Conditions for Operation, Limiting Safety System Settings, and Safety Limits are not affected by the proposed amendments. With the exception of administrative changes to reflect the role of OPCO, plant procedures are unaffected. As such, the plant conditions for which the design basis accident analyses have been performed will not be changed. Therefore, the proposed amendments cannot create the possibility of a new or different kind of accident than previously evaluated.

3. The proposed amendments will not involve a reduction in a margin of safety.

Plant safety margins are established through Limiting Conditions for Operation, Limiting Safety System Settings, and Safety Limits specified in the Technical Specifications. There will be no change to the physical design or operation of the plant or to any of these margins. The proposed amendments, therefore, will not involve a reduction in a margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendments until the