

DEPARTMENT OF LABOR**Employment and Training
Administration**

[TA-W-52,803 and TA-W-52,803A]

**Mastercraft Fabrics, LLC, Joan Fabrics
Corporation, Norwood Yarn Sales,
Norwood, NC; Mastercraft Fabrics,
LLC, Joan Fabrics Corporation,
Norwood Yarn Sales, Troy, NC;
Amended Certification Regarding
Eligibility To Apply for Worker
Adjustment Assistance**

In accordance with section 223 of the Trade Act of 1974 (19 U.S.C. 2273) the Department of Labor issued a Certification of Eligibility to Apply for Worker Adjustment Assistance on October 20, 2003, applicable to workers of Mastercraft Fabrics LLC, Norwood Yarn Sales, Norwood, North Carolina and Troy, North Carolina. The notice was published in the **Federal Register** on November 6, 2003 (68 FR 62834).

At the request of the company, the Department reviewed the certification for workers of the subject firm. The workers are engaged in the production of jacquard furniture fabric.

New information shows that Joan Fabrics Corporation is the parent firm of Mastercraft Fabrics LLC, Norwood Yarn Sales. Workers separated from employment at the subject firm had their wages reported under a separate unemployment insurance (UI) tax accounts for Joan Fabrics Corporation.

Accordingly, the Department is amending the certification to properly reflect this matter.

The intent of the Department's certification is to include all workers of Mastercraft Fabrics LLC, Norwood Yarn Sales, Norwood North Carolina and Troy, North Carolina who were adversely affected by a shift in production of jacquard furniture fabric to Mexico.

The amended notice applicable to TA-W-52,803 and TA-W-52,803A are hereby issued as follows:

All workers of Mastercraft Fabrics LLC, Joan Fabrics Corporation, Norwood Yarn Sales, Norwood, North Carolina (TA-W-52,803) and Mastercraft Fabrics LLC, Joan Fabrics Corporation, Norwood Yarn Sales, Troy, North Carolina (TA-W-52,803A), who became totally or partially separated from employment on or after August 11, 2002, through October 20, 2005, are eligible to apply for adjustment assistance under section 223 of the Trade Act of 1974.

Signed in Washington, DC this 15th day of June 2004.

Elliott S. Kushner,
*Certifying Officer, Division of Trade
Adjustment Assistance.*

[FR Doc. 04-14792 Filed 6-29-04; 8:45 am]

BILLING CODE 4510-30-P

DEPARTMENT OF LABOR**Employment and Training
Administration**

[TA-W-52,835]

**Southeastern Adhesives Company
Currently Known as Neptune, Inc.,
Lenoir, NC; Amended Notice of
Revised Determination on Reopening**

In accordance with section 223 of the Trade Act of 1974 (19 U.S.C. 2273) the Department of Labor issued a Notice of Revised Determination on Reopening on November 17, 2003, applicable to workers of Southeastern Adhesives Company, Lenoir, North Carolina. The notice was published in the **Federal Register** on November 28, 2003 (68 FR 66883).

At the request of the company, the Department reviewed the revised determination for workers of the subject firm. The workers produce adhesives for the furniture industry.

New information provided by the company shows that in April 2004 the subject firm's name changed from Southeastern Adhesives Company to Neptune, Inc. Accordingly, the Department is amending the certification to properly reflect this name change.

The intent of the Department's certification is to include all workers of Southeastern Adhesives Company, Lenoir, North Carolina, who were adversely affected by increased imports.

The amended notice applicable to TA-W-52,835 is hereby issued as follows:

All workers of Southeastern Adhesives Company, currently known as Neptune, Inc., Lenoir, North Carolina, who became totally or partially separated from employment on or after September 2, 2002, through November 17, 2005, are eligible to apply for adjustment assistance under section 223 of the Trade Act of 1974.

Signed at Washington, DC this 16th day of June 2004.

Linda G. Poole,
*Certifying Officer, Division of Trade
Adjustment Assistance.*

[FR Doc. 04-14793 Filed 6-29-04; 8:45 am]

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DEPARTMENT OF LABOR**Employment and Training
Administration****Workforce Security Programs:
Unemployment Insurance Program
Letter Interpreting Federal Law**

The Employment and Training Administration interprets Federal law requirements pertaining to unemployment compensation. These interpretations are issued in Unemployment Insurance Program Letters (UIPLs) to the State Workforce Agencies. UIPL 7-04 is published in the **Federal Register** in order to inform the public.

This UIPL advises states of the Federal law requirements applicable to the use of unemployment fund money to repay loans obtained from non-Federal sources that were used to pay unemployment compensation under state law.

Dated: June 24, 2004.

Emily Stover DeRocco,
Assistant Secretary of Labor.

**Employment and Training
Administration Advisory System, U.S.
Department of Labor, Washington, D.C.
20210**

CLASSIFICATION—Withdrawal
Standard.

CORRESPONDENCE SYMBOL—DL
DATE—December 17, 2003

Rescissions	Expiration date
None	Continuing.

*Advisory: Unemployment Insurance
Program Letter No. 7-04*

To: State Workforce Agencies

*From: Cheryl Atkinson
Administrator*

Office of Workforce Security

*Subject: Repayment of Non-Federal Loans
Used to Pay Unemployment Compensation*

1. *Purpose.* To provide the Department of Labor's position on the use of unemployment fund money to repay loans obtained from non-federal sources that were used to pay unemployment compensation (UC) under state law.

2. *References.* Sections 3304(a)(4) and 3306(h) of the Federal Unemployment Tax Act (FUTA); Section 303(a)(5) of the Social Security Act (SSA); Title XII, SSA; Unemployment Insurance Program Letter No. 39-87; and Training and Employment Guidance Letters Nos. 18-01 and 18-01, Change 1.

3. *Background.* Instead of obtaining advances from the Federal Unemployment Account as provided under Title XII of the SSA, states may obtain loans from other sources to pay UC. These loans may come from state revenues or from selling bonds. Some states have asked whether these loans

(including bonds) may be repaid with unemployment fund money in view of the requirement in Federal law that a state not withdraw money from its unemployment fund for any purpose other than the payment of UC.

Specifically, Section 3304(a)(4), FUTA, provides, as a condition of employers in a state receiving credit against the Federal unemployment tax, that "all money withdrawn from the unemployment fund of the State shall be used solely in the payment of unemployment compensation * * * ." (The sole germane exception—Reed Act money—is discussed below.) A similar "withdrawal standard" is found in Section 303(a)(5), SSA, as a condition of states receiving grants for the administration of their UC laws. "Compensation" is defined in Section 3306(h), FUTA, as "cash benefits payable to individuals with respect to their unemployment."

4. *Repayment of Principal.* The Department's position is that the principal on a loan from any source that is used to pay UC may be repaid from unemployment fund money if the following conditions are met:

a. The loan is made for the purpose of paying UC under the state law, and the proceeds of the loan have either actually been used for the payment of UC or have been deposited in the state's account in the Unemployment Trust Fund from which they may be withdrawn only for the payment of UC. Because there is a direct relationship between the loan and the payment of UC, the withdrawal standard's requirement that money be withdrawn only for the payment of compensation is met.

If the loan is not limited to the payment of UC (for example, if a bond issuance also finances workers compensation or temporary disability payments), the amount that may be repaid from the state's unemployment fund is limited to the amount actually used for the payment of UC plus any amount deposited in the state's account in the Unemployment Trust Fund that is limited to the payment of UC.

b. The money used for the payment of UC is explicitly characterized as a loan for the payment of UC at the time it is dedicated to the payment of UC. If it is not so characterized, there is no loan for the payment of UC. To be permissible under the withdrawal standard, there must be a direct relationship between the payment of UC and any withdrawal from the unemployment fund. A withdrawal to "repay" money not initially characterized as a loan will not clearly be for the payment of UC, but instead could be for another purpose such as making up a shortfall in the fund from which the money came.

c. The loan and repayment are consistent with the state law as interpreted by competent state authority. This assures that the expenditure of the loan for UC was lawful and that repayment of the loan is a proper withdrawal from the unemployment fund.

5. *Payment of Interest and Fees.* Unemployment fund money may not be used to pay interest, loan/bond fees, or other administrative costs. However, a state may use Reed Act money, if appropriated by its state legislature, to pay any of these costs

associated with the principal described in "a." above. Since these interest/administrative costs are related to obtaining sufficient funds to cover the costs of paying UC, they are costs of administering a state's UC law and permissible under the Reed Act. (See Unemployment Insurance Program Letter No. 39-87; and Training and Employment Guidance Letter Nos. 18-01 and 18-01, Change 1, for discussions of Reed Act money and their permissible uses.)

Note, however, that grants received from the Department of Labor for the administration of a state's UC law may not be used to pay interest. Unlike Reed Act money, UC grants are subject to 29 CFR 97.22, which provides that allowable costs will be determined under OMB Circular No. A-87. Item 26 of Attachment B of the Circular provides that "[c]osts incurred for interest * * * however represented, are unallowable" with certain exceptions related to real property and equipment.

6. *Use of Title XII Advances.* The Department will not approve requests for Title XII advances to pay outstanding loans/bonds. The intent of Title XII is to allow states to continue to pay UC even though their accounts in the Unemployment Trust Fund are at zero. Thus, to obtain these advances, there must be an immediate need for money to pay benefits directly to individuals. This immediate need is expressed in Section 1201(a)(1)(B), SSA, which limits the amount that may be requested to a "3-month period;" and Section 1201(a)(3)(B), SSA, which requires that, in requesting an advance, the state take "into account all other amounts that will be available in the State's unemployment fund for the payment of compensation in such month."

This reverses the position taken in Field Memorandum No. 64-83, a 1983 communication from the National to the Regional Offices, which apparently did not take this analysis into account.

7. *Action required.* Administrators should provide this information to appropriate staff and assure that unemployment fund money is used consistent with this advisory.

8. *Inquiries.* Direct questions to the appropriate Regional Office.

[FR Doc. 04-14782 Filed 6-29-04; 8:45 am]

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NATIONAL ENDOWMENT FOR THE ARTS

Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons

AGENCIES: National Endowment for the Arts.

ACTION: Notice of proposed guidance.

SUMMARY: The National Endowment for the Arts ("the Endowment") publishes for public comment proposed Policy Guidance on Title VI's prohibition

against national origin discrimination as it affects limited English proficient persons. This policy guidance is intended to replace policy guidance published on the Endowment Web site, www.arts.gov, in November of 2000.

DATES: Comments must be submitted on or before July 30, 2004. The Endowment will review all comments and will determine what modifications, if any, to this policy guidance are necessary.

ADDRESSES: Interested persons should submit written comments to: Claudia Nadig, Office of General Counsel, National Endowment for the Arts, 1100 Pennsylvania Avenue, NW., Washington, DC 20506. Telephone 202/682-5418. E-mail nadigc@arts.endow.gov.

FOR FURTHER INFORMATION CONTACT: Claudia Nadig, Office of General Counsel, National Endowment for the Arts, 1100 Pennsylvania Avenue, NW., Washington, DC 20506. Telephone 202/682-5418. E-mail nadigc@arts.endow.gov.

SUPPLEMENTARY INFORMATION: Under Endowment regulations implementing Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, *et seq.* (Title VI), recipients of federal financial assistance have a responsibility to ensure meaningful access to their programs and activities by persons with limited English proficiency (LEP). See 45 CFR 1110. Executive Order 13166, reprinted at 65 FR 50121 (August 16, 2000), directs each federal agency that extends assistance subject to the requirements of Title VI to publish, after review and approval by the Department of Justice, guidance for its respective recipients clarifying that obligation. Executive Order 13166 further directs that all such guidance documents be consistent with the compliance standards and framework detailed in the Department of Justice (DOJ) Policy Guidance entitled "Enforcement of Title VI of the Civil Rights Act of 1964—National Origin Discrimination Against Persons with Limited English Proficiency." See 65 FR 50123 (August 16, 2000).

Endowment Guidance regarding obligations under Title VI to take reasonable steps to ensure access to programs and activities by persons with limited English proficiency was originally published on the Endowment Web site in November of 2000. See www.arts.gov. On March 14, 2002, the Office of Management and Budget (OMB) issued a Report to Congress entitled "Assessment of the Total Benefits and Costs of Implementing Executive Order No. 13166: Improving Access to Services for Persons with