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ADVISORY : UNEMPLOYMENT INSURANCE PROGRAM LETTER NO. 30-02, Change 5

TO : STATE WORKFORCE AGENCIES

**FROM : CHERYL ATKINSON s/s
 Administrator
 Office of Workforce Security**

SUBJECT : Temporary Extended Unemployment Compensation (TEUC) Act of 2002 – Additional TEUC for Displaced Airline and Related Workers

- Purpose.** To provide State Workforce Agencies (SWAs) corrected instructions concerning augmentation of Temporary Extended Unemployment Compensation for displaced airline and related workers (TEUC-A) during the transition period.
- References.** Title II of the Job Creation and Worker Assistance Act of 2002 (The Temporary Extended Unemployment Compensation (TEUC) Act of 2002), Public Law (Pub. L.) 107 147; Pub. L. 108 1; Unemployment Insurance Program Letter (UIPL) [No. 30-02](#), dated July 5, 2002; UIPL [No. 30-02, Change 1](#), dated January 9, 2003; Section 4002 of Pub. L. 108 11, signed by the President on April 16, 2003; Section 205 of the Federal-State Extended Unemployment Compensation Act of 1970, as amended; Section 233 of the Trade Act of 1974, as amended; 20 CFR Part 615; [ET Handbook No. 401](#); [ET Handbook No. 410](#).
- Correction.** Instructions to states for implementation of TEUC-A (specifically, UIPL 30-02, Changes 2 and 3) were based on Conference Report 108-76. A recent review of the TEUC statute, Pub. L. 108-11, as signed by the President, showed that it differs in one important respect from the Conference Report. The Conference Report prohibited establishment of entitlement for extended TEUC-A during the program's transition period (from December 28, 2003, to the last week beginning before December 26, 2004). However, Pub. L. 108-11 requires that extended TEUC-A (TEUC-AX) entitlement be established for individuals who exhaust TEUC-A during the transition period in high unemployment states.

In these circumstances, the statute must be followed. Therefore, when states are in a high unemployment period (referred to as a TEUC-X period, as defined and discussed in UIPL 30-02 and UIPL 30-02, Change 2), they must establish entitlement to extended TEUC-A (TEUC-AX) for individuals who exhaust TEUC-A during the transition period from December 28, 2003, to the last week beginning before December 26, 2004.

- Action Required.** Administrators must ensure that these corrected instructions are followed.
- Inquiries.** Direct all questions to the appropriate regional office.
- Attachment:** [Text of Section 4002 of Public Law 108-11.](#)

Text of Section 4002 of Public Law 108-11, Supplemental Appropriations Act to Support Department of Defense Operations in Iraq for Fiscal Year 2003.

(a) DEFINITIONS.-For purposes of this section-

(1) the term "eligible individual" means an individual whose eligibility for temporary extended unemployment compensation under the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 21), as amended by Public Law 108-1 (117 Stat. 3), is or would be based on the exhaustion of regular compensation under State law, entitlement to which was based in whole or in part on qualifying employment performed during such individual's base period;

(2) the term "qualifying employment", with respect to an eligible individual, means employment-

(A) with an air carrier, employment at a facility at an airport, or with an upstream producer or supplier for an air carrier; and

(B) as determined by the Secretary, separation from which was due, in whole or in part, to—

(i) reductions in service by an air carrier as a result of a terrorist action or security measure;

(ii) a closure of an airport in the United States as a result of a terrorist action or security measure;

or

(iii) a military conflict with Iraq that has been authorized by Congress;

(3) the term "air carrier" means an air carrier that holds a certificate issued under chapter 411 of title 49, United States Code;

(4) the term "upstream producer" means a firm that performs additional, value-added, production processes, including firms that perform final assembly, finishing, or packaging of articles, for another firm;

(5) the term "supplier" means a firm that produces component parts for, or articles and contract services considered to be a part of the production process or services for, another firm;

(6) the term "Secretary" means the Secretary of Labor; and

(7) the term "terrorist action or security measure" means a terrorist attack on the United States on September 11, 2001, or a security measure taken in response to such attack.

(b) ADDITIONAL TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION FOR ELIGIBLE INDIVIDUAL- In the case of an eligible individual, the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 21), as amended by Public Law 108-1 (117 Stat. 3), shall be applied as if it had been amended in accordance with subsection (c).

(c) MODIFICATIONS.-

(1) IN GENERAL.-For purposes of subsection (b), the Temporary Extended Unemployment Compensation Act of 2002 (Public Law 107-147; 116 Stat. 21), as amended by Public Law 108-1 (117 Stat. 3), shall be treated as if it had been amended as provided in this subsection.

(2) PROGRAM EXTENSION.-Deem section 208 of the Temporary Extended Unemployment Compensation Act of 2002, as amended by Public Law 108-1 (117 Stat. 3), to be amended to read as follows:

"SEC. 208. APPLICABILITY.

"(a) IN GENERAL.-Subject to subsection (b), an agreement entered into under this title shall apply to weeks of unemployment--

"(1) beginning after the date on which such agreement is entered into; and

"(2) ending before December 29, 2003.

"(b) TRANSITION FOR AMOUNT REMAINING IN ACCOUNT-

"(1) IN GENERAL.-Subject to paragraph (2), in the case of an individual who has amounts remaining in an account established under section 203 as of December 28, 2003, temporary extended unemployment compensation shall continue to be payable to such individual from such amounts for any week beginning after such date for which the individual meets the eligibility requirements of this title, **including such compensation payable by reason of amounts deposited in such account after such date pursuant to the application of subsection (c) of such section.**

"(2) LIMITATION.-No compensation shall be payable by reason of paragraph (1) for any week beginning after December 26, 2004."

(3) ADDITIONAL WEEKS OF BENEFITS- Deem section 203 of the Temporary Extended Unemployment Compensation Act of 2002, as amended by Public Law 108-1 (117 Stat. 3), to be amended—

(A) in subsection (b)(1)—

(i) in subparagraph (A), by striking "50" and inserting "150" and

(ii) by striking "13" and inserting "39";

and

(B) in subsection (c)(1), by inserting "1/3 of" after "equal to".

(4) EFFECTIVE DATE OF MODIFICATIONS DESCRIBED IN PARAGRAPH (3).-

(A) IN GENERAL.-The amendments described in paragraph (3)—

(i) shall be deemed to have taken effect as if included in the enactment of the Temporary Extended Unemployment Compensation Act of 2002; but

(ii) shall be treated as applying only with respect to weeks of unemployment beginning on or after the date of enactment of this Act, subject to subparagraph (B).

(B) SPECIAL RULES.- In the case of an eligible individual for whom a temporary extended unemployment account was established before the date of enactment of this Act, the Temporary Extended Unemployment Compensation Act of 2002 (as amended by this section) shall be applied subject to the following:

(i) Any amounts deposited in the individual's temporary extended unemployment compensation account by reason of section 203(c) of such Act (commonly known as "TEUC-X amounts") before the date of enactment of this Act shall be treated as amounts deposited by reason of section 203(b) of such Act (commonly known as "TEUC amounts"), as deemed to have been amended by paragraph (3)(A).

(ii) For purposes of determining whether the individual is eligible for any TEUC-X amounts under such Act, as deemed to be amended by this subsection—

(I) any determination made under section 203(c) of such Act before the application of the amendment described in paragraph (3)(B) shall be disregarded; and

(II) any such determination shall instead be made by applying section 203(c) of such Act, as deemed to be amended by paragraph (3)(B) as of the time that all amounts established in such account in accordance with section 203(b) of such Act (as deemed to be amended under this subsection, and including any amounts described in clause (i)) are in fact exhausted.