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12/30

APPROVED

DEC 31 1974

Statement issued 12/31/74

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To ARCHIVES  
1/3/75

ACTION

THE WHITE HOUSE  
WASHINGTON

Last Day: January 4\*\*

December 29, 1974



MEMORANDUM FOR THE PRESIDENT  
 FROM: KEN COLE  
 SUBJECT: Enrolled Bill H.R. 17597 - Emergency Unemployment Compensation Act of 1974

Attached for your consideration is H.R. 17597, sponsored by Representative Ullman and seven others, which is the companion bill to H.R. 16596, which you just considered.

This bill, H.R. 17597, would:

- Authorize a temporary program of extended unemployment compensation for workers who are covered by unemployment insurance but who have exhausted their regular and extended benefits under permanent law;
- provide for financing through advances from general funds to be repaid from Federal Unemployment Tax Act revenues.

While the approach in this bill differs in several respects from the Administration's proposal to extend unemployment benefits for workers exhausting their rights under present law, it would achieve the same basic purpose. Therefore, Paul O'Neill (OMB) recommends approval and provides you with additional background information in his enrolled bill report (Tab A).

Although outlays under this bill will depend upon unemployment rates over the next two years, the Urgent Supplemental

\*\* Approval by December 31st will provide unemployment benefits a month earlier than would approval in January.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DEC 29 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 17597 - Emergency Unemployment  
Compensation Act of 1974  
Sponsor - Rep. Ullman (D) Oregon and 7 others

Last Day for Action

January 4, 1975 - Saturday. Simultaneous action is recommended on this bill and H.R. 16596, a related bill also currently enrolled.

Purpose

Authorizes a temporary program of extended unemployment compensation for workers who are covered by unemployment insurance but who have exhausted their regular and extended benefits under permanent law; provides for financing through advances from general funds to be repaid from Federal Unemployment Tax Act revenues.

Agency Recommendations

Office of Management and Budget	Approval
Department of Labor	Approval
Council of Economic Advisers	Approval (Informally)
Department of the Treasury	No objection

Discussion

H.R. 17597 is a companion bill to another currently enrolled bill (H.R. 16596) which includes provision for special unemployment assistance benefits for workers who are not currently eligible for unemployment insurance benefits. It would carry out the objective of the October 8 proposal of the Administration in its National Employment Assistance Act to extend unemployment benefits for currently insured workers who exhaust their benefits under permanent law.

## Description of the bill

The present State unemployment compensation program generally provides up to 26 weeks of benefits for unemployed workers covered under the program. The Federal-State Extended Unemployment Compensation Act of 1970 is a permanent program which provides extended benefits for up to 13 weeks when specified unemployment levels are reached nationally or within a particular State. H.R. 17597 would permit payment of unemployment benefits for an additional 13 weeks to eligible beneficiaries, thus providing a total of up to 52 weeks of such benefits.

Under the bill, any State which provides for extended compensation under the 1970 Act may enter into an agreement with the Secretary of Labor to participate in the new temporary extended benefits program. Eligible workers would be those who have exhausted all their unemployment benefit rights, both regular and extended. The amount of benefits payable would be governed by the State law.

The Federal-State Extended Unemployment Compensation Act of 1970 provides that an extended compensation period is triggered "on" in all States when the national insured unemployment rate is 4.5 percent for three consecutive months, or in particular States if their insured unemployment rate is 4 percent or more for a thirteen-week period and 120 percent of the same period in the two preceding years. The national extended compensation period is triggered "off" when there is a 3-month period with an insured unemployment rate of less than 4.5 percent. The State program triggers "off" when either of the two conditions of the "on" trigger are no longer met. Legislation enacted earlier this year (P.L. 93-368) permits States to disregard the 120-percent factor in their trigger through April 30, 1975.

H.R. 17597 would modify the triggers in the 1970 Act to provide through 1976 for temporary "emergency benefit periods" during which those exhausting their unemployment insurance benefits could get emergency benefits. States would be given the option of paying "emergency" extended benefits when the national insured unemployment rate is 4 percent rather than 4.5 percent. The State trigger would remain at 4 percent and the present temporary authority for the States to disregard the 120-percent factor would be extended through 1976.

Under the 1970 Act, the cost of extended benefits is financed 50-50 from State unemployment insurance tax revenues and the Federal unemployment tax revenues. All of these revenues flow through the Federal budget. The additional emergency benefits provided under H.R. 17597 would be paid for entirely from the Federal Unemployment Tax if the State has chosen the 4-percent national trigger rate option and has waived the 120-percent requirement in the State trigger.

Funds to pay the cost of this program would come from the Federal extended unemployment compensation account in the unemployment trust fund. The bill would authorize appropriation of "such sums as may be necessary" for repayable advances from general revenues to the trust fund to cover the cost of the new temporary benefits program if Federal unemployment taxes are insufficient.

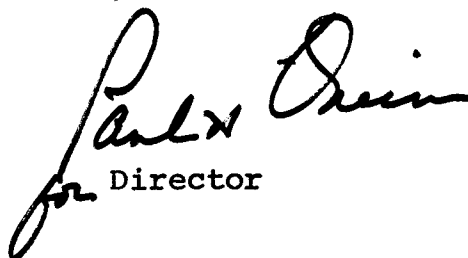
Under this program, no emergency benefit period could last less than 26 weeks and benefits would be payable for weeks of unemployment which begin after December 31, 1974. No new claims could be filed after December 31, 1976, but people receiving benefits before that date could continue to receive payments through March 1977.

#### Budget Impact

Outlays under this bill will depend upon unemployment rates over the next two years. The enrolled Urgent Supplemental Appropriation Bill for fiscal year 1975 awaiting your action contains \$750 million for general fund advances to the unemployment trust fund.

#### Recommendations

The approach in H.R. 17597 differs in several respects from the Administration's proposal to extend unemployment benefits for workers exhausting their rights under present law. For example, it would provide a different mechanism for triggering the program on and off and would finance the program from trust rather than general funds. Nevertheless, it would achieve the same basic purpose and we concur with Labor in recommending its approval. A signing statement covering this bill and the companion enrolled bill, H.R. 16596, is attached to our memorandum on the latter bill.

  
for Director

Enclosure



U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

DEC 26 1974

Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Ash:

This is in response to your request for our comments on an enrolled bill, H.R. 17597, the "Emergency Unemployment Compensation Act of 1974." This bill would permit States having approved unemployment compensation laws containing required provisions for the payment of extended compensation to enter into agreements with the Secretary of Labor for the payment of temporary unemployment compensation. Such temporary compensation will go to individuals who have exhausted all rights under State law to regular compensation and have exhausted all rights to extended compensation or because of the ending of their eligibility period are not entitled to such extended compensation, and who have no right to or are not receiving compensation under other laws. The bill also makes adjustments to the triggers and payment provisions of the Extended Unemployment Compensation Act of 1970. The provisions of this bill would be effective for 2 years.

We have previously supplied you, on an informal basis, with a draft signing statement and a summary of the major provisions of this bill, and have indicated our support for Presidential approval. This will formally confirm our support for approval of this measure.

Sincerely,



Secretary of Labor

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

December 27, 1974

Dear Mr. Rommel:

This is in response to your request for the Council of Economic Advisers' views on the "Emergency Jobs and Unemployment Assistance Act of 1974", (H. R. 16596) and the "Emergency Unemployment Compensation Act of 1974" (H. R. 17597). The CEA believes that expanded income support is warranted for those who incur unemployment because of the cyclical downturn in economic activity. And, our forecasts for 1975 suggest that the employment situation will deteriorate further before there is a recovery.

With these thoughts in mind we support the signing of the "Emergency Unemployment Compensation Act of 1974" (H. R. 17597) which provides additional (longer) income support for the unemployed for a maximum of 52 weeks of benefits. This provides assistance for those hardest hit by unemployment -- the long duration unemployed.

Unemployment is rising rapidly and there is little near term prospect of a better bill. Consequently, we support the signing of H. R. 16596, the "Emergency Jobs and Unemployment Assistance Act," but we do so very reluctantly because of the following objections, most of which were added by the Congress. H. R. 16596 tries to do too much all at once with inadequate safeguards, and insufficient concern for whether the cure is more costly than the disease. Both H. R. 15797 and H. R. 16596 have the potential for encouraging an increase in the incidence and the duration of unemployment so that we should expect this legislation to result in an increase in the unemployment rate as it is conventionally measured.

1. (Title I) Counter-cyclical public employment programs are most effective when limited to projects of short duration and when restricted to persons who have had long periods of unemployment and have exhausted unemployment insurance benefits. Under this bill, however, persons with only 15 days of unemployment are eligible. In addition, projects with a long duration (12 months) may be funded.

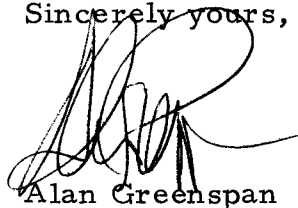


2. (Title II) The unemployment assistance (UA) program is to provide benefits for unemployed persons who work in portions of the economy which are not covered by unemployment compensation. This applies primarily to farm, domestic and self-employed workers, and State and local government employees. Other than for government workers, these are workers whose work history and current unemployment is difficult to verify. The program is administered by the States even though 100 percent of the benefits are paid by the Federal Government. Revenues received by the States will depend upon the number of claims handled and consequently safeguards are required to keep claims down. Since there is no employer tax for these supplemental benefits, employers may be more inclined to lay off workers than otherwise and will also be more inclined to support a previous employee's claim for benefits. In order to reduce such potential abuses the bill should have included: an increase of the waiting period before benefits begin to three to four weeks, a provision for cost sharing with the States, experience rating of agricultural employers and employers of full-time single-employer domestic workers; and the exclusion of the self-employed and part-time domestic worker with several employers from the program.

3. (Title III) The Job Opportunities Program is designed to support job creating labor intensive public works projects which will be difficult to turn off even after the need for them has passed. Moreover, they need not employ unemployed persons. Title III is essentially a program to aid depressed areas, a problem in the 1950's but of less relevant today. It should not be included in a package designed to provide income support for the unemployed during a recession.

4. The bill stipulates that public service construction jobs (Title I) must pay the prevailing wage in accordance with the Davis-Bacon Act. This is contrary to the spirit of the program and continues the unwarranted special protection from competition.

Sincerely yours,



Alan Greenspan

Mr. Wilfred H. Rommel  
Assistant Director for Legislative Reference  
Office of Management and Budget  
Washington, D. C.



THE UNDER SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

DEC 26 1974

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D. C. 20503

Attention: Assistant Director for Legislative  
Reference

Sir:

Your office has requested the views of this Department on the enrolled enactment of H.R. 17597, "To provide a program of emergency unemployment compensation."

The enrolled enactment would create a new temporary emergency unemployment compensation program patterned after the Emergency Unemployment Compensation Act of 1971. Extended benefits could be received for up to one-half of the number of weeks of entitlement to regular benefits, but for not more than 13 weeks. Extended benefits would go into effect when the national insured unemployment rate for three consecutive months is 4 percent, rather than 4.5 percent as at the present time. The temporary program would be financed through repayable advances from general revenues.

The Department would have no objection to a recommendation that the enrolled enactment be approved by the President.

Sincerely yours,

Edward C. Schmults

Office of the White House Press Secretary  
(Vail, Colorado)

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THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

Today I signed into law H. R. 16596, the Emergency Job and Unemployment Assistance Act, and H. R. 17597, the Emergency Unemployment Compensation Act. These are important measures which provide much needed help to our unemployed fellow citizens.

On October 8, when I outlined to Congress my proposals to fight inflation and unemployment, I pointed out that the Conference on Inflation had made us all aware of the undue burden being carried by those who lost their jobs during this period of worsening economic conditions. I proposed a temporary program to expand unemployment assistance and create jobs.

The Emergency Unemployment Compensation Act provides an additional 13 weeks of benefits to persons who are now covered by unemployment compensation laws. This makes it possible for workers who have lost jobs to receive up to one full year of protection if they are unable to find employment.

Title II of the Emergency Jobs and Unemployment Assistance Act creates a temporary unemployment insurance program for jobless workers not now eligible for payments under any other State or Federal programs, including State and local government employees, farm workers, domestic workers, and others not now covered.

Designed to respond to changing economic conditions, these two programs providing urgent added protection for workers will automatically expand when unemployment is high and contract when it recedes.

Expenditures under existing law of at least \$10 billion are projected in fiscal year 1975 for unemployment compensation. The Urgent Supplemental Appropriations bill which I will sign shortly provides \$2.75 billion for these two new temporary programs to be used as needed for direct aid to workers.

Title I of H. R. 16597 authorizes a temporary expansion of funding for jobs in the public sector. This action provides up to 100,000 new jobs in addition to the 170,000 financed by funds currently available under existing law.

At my request, the Secretary of Labor has already urged the State governors to move quickly in making assistance available to the jobless. The Secretary is also working with the States and localities to develop all available resources for the immediate and effective creation of jobs.

With regard to Title III of H. R. 16596, I believe that its provisions would create an unnecessarily complex and unwieldy administrative mechanism involving program and project reviews by all Federal agencies, regional commissions, and units of general government. I will, therefore, request that the Congress transfer appropriations from this Title to Title I of the Act so that needed employment can be provided as quickly and efficiently as possible.

In sum, however, I commend the 93rd Congress for its action on these two vital measures and am confident that the spurt of cooperation and conciliation which marked their passage will carry over into the new year and the new Congress.

###

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

To  
Hanna Hendricks  
12-29-74

DEC 29 1974



MEMORANDUM FOR THE PRESIDENT

**Subject:** Enrolled Bill H.R. 17597 - Emergency Unemployment  
Compensation Act of 1974  
Sponsor - Rep. Ullman (D) Oregon and 7 others

Last Day for Action

January 4, 1975 - Saturday. Simultaneous action is recommended on this bill and H.R. 16596, a related bill also currently enrolled.

Purpose

Authorizes a temporary program of extended unemployment compensation for workers who are covered by unemployment insurance but who have exhausted their regular and extended benefits under permanent law; provides for financing through advances from general funds to be repaid from Federal Unemployment Tax Act revenues.

Agency Recommendations

Office of Management and Budget	Approval
Department of Labor	Approval
Council of Economic Advisers	Approval (Informally)
Department of the Treasury	No Objection

Discussion

H.R. 17597 is a companion bill to another currently enrolled bill (H.R. 16596) which includes provision for special unemployment assistance benefits for workers who are not currently eligible for unemployment insurance benefits. It would carry out the objective of the October 8 proposal of the Administration in its National Employment Assistance Act to extend unemployment benefits for currently insured workers who exhaust their benefits under permanent law.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 898

Date: December 29, 1974

Time: 2:30 p.m.

FOR ACTION: Roger Semerad *sign* cc (for information): Warren Hendriks  
 Max Friedersdorf *sign* Jerry Jones  
 Phil Areeda *sign* Jack Marsh  
 Paul Theis *sign*  
 Bill Seidman *sign*

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 10:00 a.m.

SUBJECT:

Enrolled Bill H.R. 17597 - Emergency Unemployment  
Compensation Act of 1974



ACTION REQUESTED:

- |   |   |
|---|---|
| <input type="checkbox"/> For Necessary Action         | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief     | <input type="checkbox"/> Draft Reply              |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks            |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 898

Date: December 29, 1974

Time: 2:30 p.m.

FOR ACTION: Roger Semerad  
Max Friedersdorf  
Phil Areeda  
Paul Theis  
Bill Seidman

cc (for information): Warren Hendriks  
Jerry Jones  
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 10:00 a.m.

SUBJECT:

Enrolled Bill H.R. 17597 - Emergency Unemployment  
Compensation Act of 1974



ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Sign*  
*P. Areeda*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a  
delay in submitting the required material, please  
telephone the Staff Secretary immediately.

Warren A. Hendriks  
For the President

THE WHITE HOUSE  
WASHINGTON



MEMORANDUM FOR: WARREN HENDRIKS  
FROM: *Sam Langford* MAX L. FRIEDERSDORF  
SUBJECT: Action Memorandum - Log No. 898

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 898

Date: December 29, 1974

Time: 2:30 p.m.

FOR ACTION: Roger Semerad  
Max Friedersdorf  
Phil Areeda  
Paul Theis  
Bill Seidman

cc (for information): Warren Hendriks  
Jerry Jones  
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 10:00 a.m.

SUBJECT:

Enrolled Bill H.R. 17597 - Emergency Unemployment  
Compensation Act of 1974



ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*No objection - P. L. Jones 12/30/74*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren A. Hendriks  
For the President



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 898

Date: December 29, 1974

Time: 2:30 p.m.

FOR ACTION: Roger Semerad  
Max Friedersdorf  
Phil Areeda  
Paul Theis  
Bill Seidman

cc (for information): Warren Hendriks  
Jerry Jones  
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 10:00 a.m.

SUBJECT:

Enrolled Bill H.R. 17597 - Emergency Unemployment  
Compensation Act of 1974



ACTION REQUESTED:

- |   |   |
|---|---|
| <input type="checkbox"/> For Necessary Action         | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief     | <input type="checkbox"/> Draft Reply              |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks            |

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

*Recommend approved 12/30/74*  
*Fogel*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks  
For the President

Date: December 28, 1974

Time: 2:30 p.m.

FOR ACTION: Roger Semerad  
 Max Friedersdorf  
 Phil Areeda  
 Paul Theis - *OK 12/29/74*  
 Bill Seidman

cc (for information): Warren Hendriks  
 Jerry Jones  
 Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: 10:00 a.m.

## SUBJECT:

Enrolled Bill H.R. 16596 - Emergency Jobs and  
 Unemployment Assistance Act of 1974

## ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

## REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks  
 For the President

STATEMENT BY THE PRESIDENT



Today I have signed into law H.R. 16596, the Emergency Jobs and Unemployment Assistance Act, and H.R. 17597, the Emergency Unemployment Compensation Act. These bills are important ~~measures which will provide~~ <sup>measures which will provide</sup> much needed help to our unemployed fellow citizens.

On October 8, <sup>when</sup> I ~~addressed the Congress on the economy~~ <sup>to Congress</sup> and outlined my proposals to fight inflation and unemployment, ~~in my address~~ I pointed out that the Conference on Inflation had made us all aware of the undue burden being <sup>carried</sup> borne by those who ~~have~~ lost their jobs during this period of worsening economic conditions. I proposed a temporary program <sup>to</sup> expand ~~unemployment assistance and job substitution~~ <sup>create</sup> to help them through this period of economic stress.

The Emergency Unemployment Compensation Act <sup>provides</sup> will provide an additional 13 weeks of benefits to persons who are now covered by unemployment compensation laws ~~and who exhaust their benefits~~ <sup>makes</sup>. This will make it possible for ~~exhausted~~ <sup>who have lost jobs</sup> workers ~~to obtain up to~~ <sup>relieve up to</sup> one full year of protection if they are <sup>unable to</sup> cannot find ~~employment~~ <sup>employment</sup>.

Title II of the Emergency Jobs and Unemployment Assistance Act creates a ~~new~~ temporary unemployment insurance program for ~~experienced~~ <sup>jobless</sup> workers not now

eligible for payments under any other State or Federal unemployment compensation laws. ~~This will provide needed~~ <sup>programs, including</sup> ~~provisions~~

~~assistance for unemployed~~ State and local government employees, farm workers, domestic workers, and others ~~who~~ <sup>now</sup> are not eligible for ~~aid under current law when they lose~~ <sup>such assistance.</sup> their ~~jobs~~ <sup>I designed to respond to changing economic conditions,</sup>

~~These two programs comprise a package of temporary~~ <sup>provide urgent</sup> ~~additional~~ <sup>added</sup> protection for ~~unemployed workers~~ <sup>workers</sup> ~~both those~~

~~who have used up their unemployment compensation benefits~~ <sup>or</sup> ~~and those who lack the protection of such programs,~~ <sup>together,</sup> they ~~will draw on the strength of unemployment compensation~~

~~as a quick response to the needs of the economy and the~~ ~~workforce~~ <sup>when it</sup> automatically expanding when unemployment is high and contracting as ~~unemployment~~ recedes.

Expenditures under existing law of at least \$10 billion are projected in fiscal year 1975 for unemployment compensation. The Urgent Supplemental Appropriations bill <sup>which I will sign shortly</sup> provides \$2.75 billion for these two new temporary programs to be used as needed for direct aid to workers.

Title I of H.R. 16596 authorizes a temporary expansion of funding for jobs in the public sector. This ~~provision~~ <sup>action</sup> ~~will add~~ <sup>provides</sup> up to 100,000 new jobs in addition to the 170,000 financed by funds currently available under existing law.



At my request, the Secretary of Labor has already urged the State governors to ~~move swiftly to prepare to deliver the assistance available to the jobless, a~~ <sup>prepare</sup> ~~new unemployment compensation aid~~ <sup>to move quickly in making</sup> ~~working~~ <sup>develop</sup> with the States and localities to ~~put all the~~ <sup>develop</sup> available resources for ~~job creation to~~ <sup>the</sup> immediate and effective ~~creation of jobs.~~ <sup>creation of jobs.</sup>

With regard to Title III of H.R. 16596, I believe that its provisions would create an unnecessarily complex and unwieldy administrative mechanism involving program and project reviews by all Federal agencies, regional commissions, and units of general government. <sup>therefore,</sup> I will <sup>that</sup> request the Congress to transfer ~~the~~ appropriations from this Title to Title I of ~~the~~ <sup>the</sup> Act so that needed employment can be provided as quickly and efficiently as possible.

In sum, however, I commend the 93rd Congress for its action on these two vital measures and am confident that the spirit of cooperation and conciliation which marked their passage will carry over into the new year and the new Congress.

STC



EMERGENCY UNEMPLOYMENT COMPENSATION  
ACT OF 1974

DECEMBER 10, 1974.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

Mr. ULLMAN, from the Committee on Ways and Means,  
submitted the following

REPORT

[To accompany H.R. 17597]

The Committee on Ways and Means, to whom was referred the bill (H.R. 17597) to provide a program of emergency unemployment compensation, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

I. PURPOSE

The purpose of H.R. 17597 is to create a new temporary Emergency Unemployment Compensation Program modeled after the successful Emergency Unemployment Compensation Act of 1971. The new program would augment the existing unemployment compensation programs for individuals in States which are experiencing extraordinarily high unemployment. Like the earlier program, the new temporary program would be financed through repayable advances from the Federal general revenues to the extended unemployment compensation account in the Federal Unemployment Trust Fund. The bill also provides for temporary changes in the triggers in the Federal-State Extended Unemployment Compensation Act of 1970.

II. GENERAL STATEMENT

The unemployment compensation program is a Federal-State system designed to provide wage loss compensation to workers who are temporarily unemployed. Funds accumulated from taxes on wages during periods of employment permit payment of benefits to covered workers during periods of unemployment. The State unemployment compensation programs generally provide up to 26 weeks of benefits in a year for unemployed workers covered under the programs. In times of high unemployment, the law provides for extending the duration of bene-



fits beyond the period provided under the regular State programs. Over the years, Congress has provided a series of temporary programs which would pay additional benefits when unemployment is exceptionally high.

The Federal-State extended benefit program is a permanent program established by Public Law 91-373 which pays extended benefits to workers during periods of high unemployment. The program is financed equally from Federal and State funds and may become operative either in an individual State or in the entire country.

Within certain requirements, extended benefits are payable at the same rate as the claimant's weekly benefit amount under the State law, and eligibility for extended benefits is determined in accordance with State law. A claimant may receive extended benefits for up to one-half of the number of weeks of entitlement to regular benefits, but for not more than 13 weeks. There is an overall limitation of 39 weeks on regular and extended benefits combined.

Information reaching the Committee indicates that, in the current economic situation, the extended benefit program is providing inadequate protection to many individuals who may be unemployed for periods ranging upwards from 6 months. Therefore, the Committee recommends a new temporary emergency unemployment compensation program which would augment existing unemployment compensation programs by providing additional weeks of benefits to those who worked in States experiencing high unemployment and who exhausted benefits under the unemployment compensation laws, including the present Federal-State Extended Unemployment Compensation program. Workers in these States would receive the emergency benefits because it is likely that they would encounter problems in finding suitable jobs. Benefits under the new emergency program would be payable for weeks of unemployment which begin after December 1974. Benefits would stop generally after December 31, 1976, except that people who started getting payments before that date could continue to receive payments to which they are entitled through March 1977.

The new program would provide a third tier of protection for workers in States that are paying benefits under the permanent extended benefit program, provided the State entered into an agreement with the Secretary to participate in the temporary emergency benefit program.

Compensation under the program would be payable in a State having an agreement with the Secretary of Labor and experiencing the required unemployment levels, for weeks of unemployment beginning in 1975. Once triggered, the emergency benefit period (the period during which emergency compensation could be paid in the State) would remain in effect for at least 26 weeks, but not later than the end of 1976. The cost of the emergency benefits payments would be met by repayable advances from Federal general revenues to the extended unemployment compensation account in the Federal Unemployment Trust Fund. This procedure is modeled after the procedure used to finance the Emergency Unemployment Compensation Act of 1971.

To be eligible for compensation under the proposed Emergency Unemployment Compensation Act, an individual would be required

to have exhausted all rights to regular unemployment insurance benefits and to extended benefits. Eligible individuals would be entitled potentially to emergency benefits for up to one-half of the number of weeks of their total regular benefit entitlement, but not more than 13 weeks. The weekly benefit amount would be the same as for State regular and Federal-State extended compensation.

The emergency compensation program could go into effect in a State only when extended unemployment benefits are also payable in the State. Under present law, States must pay extended benefits when the insured unemployment rate in the State is 4 percent and at least 120 percent of the rate for the corresponding period in the preceding two years. Also under present law, a State may, until April 30, 1975—if State law permits—pay benefits without regard to the 120 percent factor of the State "on" and "off" indicators. The cost of paying these benefits is met equally by State and Federal unemployment funds. Under the bill a State would be given the option of paying extended benefits when the insured unemployment rate is 4 percent, without regard to the 120 percent factor, for the two year period ending December 1976.

Under present law, extended benefits are payable in all States after the National insured unemployment rate for three consecutive months is 4.5 percent. The bill would permit the States to pay extended benefits when the National rate of insured unemployment is 4 percent, rather than 4.5 percent. Therefore, under the bill both the extended unemployment compensation program and the emergency unemployment compensation program could go into effect in all States whenever the National insured unemployment rate reached 4 percent and stays at least that high for three consecutive months. The national insured unemployment rate for October, the latest month for which figures are available, was 4.0 percent and it is anticipated that the rate will continue to increase for some months. Because the national insured unemployment rate is expected to reach 4.5 percent before the end of this year, both the existing extended benefits programs and the proposed emergency program could be in effect in all States for most of 1975 without regard to the provisions of the bill permitting the States to pay extended benefits when the national trigger is 4 percent but below 4.5 percent. Any additional extended benefits that are payable as the result of a State electing to put the extended unemployment compensation program into effect when the national rate is 4 percent rather than 4.5 percent will be paid in full (rather than 50 percent) out of the Federal unemployment account.

In effect, the bill would provide the States with the following options as to the time when an extended benefit period and an emergency benefits period would go into effect:

- (1) when the insured unemployment rate in the State under the State extended benefit trigger is 4.0 percent; or
- (2) when the national insured unemployment rate under the national extended benefit trigger is 4.0 percent.

And the States would be required to start an extended benefit period and an emergency benefit period:

- (1) when the insured unemployment rate in the State under the State extended benefit trigger is 4.0 percent and 120 percent of the

rate for the comparable period in the preceeding two years; and  
(2) when the national insured unemployment rate under the national extended benefit trigger is 4.5 percent.

Emergency compensation under the proposed program could be payable starting with the week following the week in which a State enters into an agreement to pay emergency benefits but not earlier than the first week of January 1975 (or the week following enactment, if later).

### III. COSTS OF CARRYING OUT THE BILL AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, the following statement is made relative to the costs of carrying out this bill.

It is estimated that the cost of carrying out the bill in calendar 1975 will be approximately \$1.1 billion and \$1 billion in calendar 1976. This estimate was furnished to the committee by the Department of Labor and represents the best information available at this time. It is anticipated that expenditures will be approximately level throughout the period with about \$0.5 billion being expended in each fiscal year 1975 and 1977 and the remaining \$1.1 billion being expended in fiscal year 1976.

In compliance with clause 27(b) of Rule XI of the Rules of the House of Representatives, the vote in the committee on the motion to report the bill was a voice vote without objection.

### IV. SECTION-BY-SECTION ANALYSIS OF THIS BILL

#### SECTION 101. SHORT TITLE

Section 101 of the bill provides that the legislation may be cited as the "Emergency Unemployment Compensation Act of 1974".

#### SECTION 102. FEDERAL-STATE AGREEMENTS

Section 102 (a) of the bill provides that any State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this Act referred to as the "Secretary") under section 3304 of the Internal Revenue Code of 1954 which desires to do so, may enter into and participate in an agreement with the Secretary, if such State's law contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal-State Extended Unemployment Compensation Act of 1970. Any State which is a party to an agreement under the bill may upon providing thirty days' written notice to the Secretary, terminate such agreement.

Section 102(b) of the bill provides that any such agreement shall provide that the State agency of the State will make payments of emergency compensation—

(1) to individuals who—

(A) (i) have exhausted all rights to regular compensation under the State law;

(ii) have exhausted all rights to extended compensation, or are not entitled thereto, because of the ending of their eligibility period for extended compensation, in such State;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such weeks under the unemployment compensation law of the Virgin Islands or Canada,

(2) for any week of unemployment which begins in—

(A) an emergency benefit period (as defined in subsection (c) (3)); and

(B) the individual's period of eligibility (as defined in section 105 (b)).

Section 102(c) (1) of the bill provides that an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

Section 102(c) (2) of the bill provides that an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his extended compensation account (as established under State law in accordance with section 202(b) (1) of the Federal-State Extended Unemployment Compensation Act of 1970).

Section 102(c) (3) (A) of the bill provides that: (i) In the case of any State, an emergency benefit period—

(I) shall begin with the third week after a week for which there is a State "emergency on" indicator; and

(II) shall end with the third week after the first week for which there is a State "emergency off" indicator.

(ii) In the case of any State, no emergency benefit period shall last for a period of less than 26 consecutive weeks.

(iii) When a determination has been made that an emergency benefit period is beginning or ending with respect to any State, the Secretary shall cause notice of such determination to be published in the Federal Register.

Section 102(c) (3) (B) of the bill provides that there is a State "emergency on" indicator for a week if there is a State or National "on" indicator for such week (as determined under subsections (d) and (e) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970).



(ii) For purposes of subparagraph (A), there is a State "emergency off" indicator for a week if there is both a State and a National "off" indicator for such week (as determined under subsections (d) and (e) of the Federal-State Extended Unemployment Compensation Act of 1970).

Section 102(d) of the bill provides that for purposes of any agreement under the bill—

(1) the amount of the emergency compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him during his benefit year under the State law; and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall (except where inconsistent with the provisions of the bill or regulations of the Secretary promulgated to carry out the bill) apply to claims for emergency compensation and the payment thereof.

Section 102(e) of the bill provides that any agreement with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

The amount established in such account for any individual shall be equal to the lesser of—

(A) 50 percent of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b) (1) (C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

Section 102(f) (1) of the bill provides that no emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning before whichever of the following is the latest:

(A) the first week which begins after December 31, 1974,

(B) the week following the week in which such agreement is entered into, or

(C) the first week which begins after the date of the enactment of this Act.

Section 102(f) (2) of the bill provides that no emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week ending after—

(A) December 31, 1976, or

(B) March 31, 1977, in the case of an individual who (for a week ending before January 1, 1977) had a week with respect to which emergency compensation was payable under such agreement.

#### SECTION 103. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF EMERGENCY COMPENSATION

Section 103(a) of the bill provides that each State which has entered into an agreement under the bill would be paid an amount equal to 100 percent of the emergency compensation paid to individuals by the State pursuant to such agreement.

Section 103(b) of the bill provides that no payment shall be made to any State under this section in respect of compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than the bill.

Section 103(c) of the bill provides that sums payable to any State by reason of such State's having an agreement under the bill shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which would have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

#### SECTION 104. FINANCING PROVISIONS

Section 104(a) of the bill provides that funds in the extended unemployment compensation account of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under the bill. The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

Section 104(b) of the bill authorizes appropriation without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), of such sums as may be necessary to carry out the purposes of the bill. Amounts appropriated as repayable advances and paid to the States under section 103 shall be repaid, without interest, as provided in section 905(d) of the Social Security Act.

#### SECTION 105. DEFINITIONS

Section 105 of the bill contains the following definitions of terms:

(1) the terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State", "State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

(2) the term "period of eligibility" means, in the case of any individual, the weeks in his benefit year which begin in an extended benefit period or an emergency benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period or in such emergency benefit period; and

(3) the term "extended benefit period" shall have the meaning assigned to such term under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

For purposes of any State law which refers to an extension under Federal law of the duration of benefits under the Federal-State Extended Unemployment Compensation Act of 1970, this Act shall be treated as amendatory of such Act.

#### SECTION 106. EXTENSION OF WAIVER OF 120-PERCENT REQUIREMENT FOR PURPOSES OF EXTENDED COMPENSATION PROGRAM

Section 106 of the bill amends the last sentence of section 203(e) (2) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended, to extend the period during which the States may disregard the 120 percent requirement of the State "on" and "off" indicators from April 30, 1975 to December 31, 1976.

#### SECTION 107. TEMPORARY REDUCTION IN NATIONAL TRIGGER

Section 107 of the bill amends section 203(d) of the Federal-State Extended Unemployment Act of 1970 to provide that with respect to compensation for weeks of unemployment beginning before December 31, 1976, and beginning after December 31, 1974, (or, if later, the date established pursuant to State law) a State may by law provide that the determination of whether there has been a national 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the 4.5 percent requirement in the 1970 Act were 4 percent.

#### SECTION 108. PROVISION FOR FINANCING TEMPORARY NATIONAL TRIGGER

Section 108 of the bill amends the Federal-State Extended Unemployment Compensation Act of 1970 to provide that the States shall be reimbursed 100 percent of the amount of extended unemployment compensation payments made by reason of the amendment contained in section 107 of the bill permitting a reduction in the national 'on' and 'off' indicator from 4.5 percent to 4 percent.

#### V. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

## FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970

### TITLE II—FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

#### SHORT TITLE

SEC. 201. This title may be cited as the "Federal-State Extended Unemployment Compensation Act of 1970".

\* \* \* \* \*

#### EXTENDED BENEFIT PERIOD

##### Beginning and Ending

SEC. 203. (a) For purposes of this title, in the case of any State, an extended benefit period—

(1) shall begin with the third week after whichever of the following weeks first occurs:

(A) a week for which there is a national "on" indicator, or  
(B) a week for which there is a State "on" indicator; and

(2) shall end with the third week after the first week for which there is both a national "off" indicator and a State "off" indicator.

##### Special Rules

(b) (1) In the case of any State—

(A) no extended benefit period shall last for a period of less than thirteen consecutive weeks, and

(B) no extended benefit period may begin by reason of a State "on" indicator before the fourteenth week after the close of a prior extended benefit period with respect to such State.

(2) When a determination has been made that an extended benefit period is beginning or ending with respect to a State (or all the States), the Secretary shall cause notice of such determination to be published in the Federal Register.

##### Eligibility Period

(c) For purposes of this title, an individual's eligibility period under the State law shall consist of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begins in such extended benefit period.

##### National "On" and "Off" Indicators

(d) For purposes of this section—

(1) There is a national "on" indicator for a week if for each of the three most recent calendar months ending before such week, the rate of insured unemployment (seasonally adjusted)

for all States equaled or exceeded 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the month in question).

(2) There is a national "off" indicator for a week if for each of the three most recent calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the month in question). *Effective with respect to compensation for weeks of unemployment beginning before December 31, 1976, and beginning after December 31, 1974 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a national "on" or "off" indicator beginning or ending any extended benefit period shall be made under this subsection as if the phrase "4.5 per centum," contained in paragraphs (1) and (2), read "4 per centum."*

#### State "On" and "Off" Indicators

(e) For purposes of this section—

(1) There is a State "on" indicator for a week if the rate of insured unemployment under the State law for the period consisting of such week and the immediately preceding twelve weeks—

(A) equaled or exceeded 120 per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, and

(B) equaled or exceeded 4 per centum.

(2) There is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, either subparagraph (A) or subparagraph (B) of paragraph (1) was not satisfied. Effective with respect to compensation for weeks of unemployment beginning before July 1, 1973, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State "off" indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof. Effective with respect to compensation for weeks of unemployment beginning before January 1, 1974, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State by law may provide that the determination of whether there has been a State "off" indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof and may provide that the determination of whether there has been a State "on" indicator beginning any extended benefit period shall be made under this subsection as if

(i) paragraph (1) did not contain subparagraph (A) thereof, (ii) the 4 per centum contained in subparagraph (B) thereof were 4.5 per centum, and (iii) paragraph (1) of subsection (b) did not contain subparagraph (B) thereof. In the case of any individual who has a week with respect to which extended compensation was payable pursuant to a State law referred to in the preceding sentence, if the extended benefit period under such law does not expire before January 1, 1974, the eligibility period of such individual for purposes of such law shall end with the thirteenth week which begins after December 31, 1973. Effective with respect to compensation for weeks of unemployment beginning before [April 30, 1975] December 31, 1976, and beginning after December 31, 1973 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State "on" or "off" indicator beginning or ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof.

For purposes of this subsection, the rate of insured unemployment for any 13-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period.

#### Rate of Insured Unemployment; Covered Employment

(f) (1) For purposes of subsections (d) and (e), the term "rate of insured unemployment" means the percentage arrived at by dividing—

(A) the average weekly number of individuals filing claims for weeks of unemployment with respect to the specified period, as determined on the basis of the reports made by all State agencies (or, in the case of subsection (e), by the State agency) to the Secretary, by

(B) the average monthly covered employment for the specified period.

(2) Determinations under subsection (d) shall be made by the Secretary in accordance with regulations prescribed by him.

(3) Determinations under subsection (e) shall be made by the State agency in accordance with regulations prescribed by the Secretary.

#### PAYMENTS TO STATES

##### Amount Payable

SEC. 204. (a) (1) There shall be paid to each State an amount equal to one-half of the sum of—

(A) the sharable extended compensation, and

(B) the sharable regular compensation,  
paid to individuals under the State law.

(2) No payment shall be made to any State under this subsection in respect to compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

(3) *In the case of compensation which is sharable extended compensation or sharable regular compensation by reason of the provision contained in the last sentence of section 203(d), the first paragraph of this subsection shall be applied as if the words "one-half of" read "100 per centum of".*

\* \* \* \* \*



# Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,  
one thousand nine hundred and seventy-four*

## An Act

To provide a program of emergency unemployment compensation.

*Be it enacted by the Senate and House of Representatives of the  
United States of America in Congress assembled,*

### SHORT TITLE

SEC. 101. This Act may be cited as the "Emergency Unemployment Compensation Act of 1974".

### FEDERAL-STATE AGREEMENTS

SEC. 102. (a) Any State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this Act referred to as the "Secretary") under section 3304 of the Internal Revenue Code of 1954 which desires to do so, may enter into and participate in an agreement with the Secretary under this Act, if such State law contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal-State Extended Unemployment Compensation Act of 1970. Any State which is a party to an agreement under this Act may, upon providing thirty days' written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the State agency of the State will make payments of emergency compensation—

(1) to individuals who—

(A) (i) have exhausted all rights to regular compensation under the State law;

(ii) have exhausted all rights to extended compensation, or are not entitled thereto, because of the ending of their eligibility period for extended compensation, in such State;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands or Canada,

(2) for any week of unemployment which begins in—

(A) an emergency benefit period (as defined in subsection (c) (3)); and

(B) the individual's period of eligibility (as defined in section 105(b)).

(c) (1) For purposes of subsection (b) (1) (A), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of subsection (b) (1) (B), an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his extended compensation account (as established under State law in accordance with section 202(b) (1) of the Federal-State Extended Unemployment Compensation Act of 1970).

(3) (A) (i) For purposes of subsection (b) (2) (A), in the case of any State, an emergency benefit period—

(I) shall begin with the third week after a week for which there is a State “emergency on” indicator; and

(II) shall end with the third week after the first week for which there is a State “emergency off” indicator.

(ii) In the case of any State, no emergency benefit period shall last for a period of less than 26 consecutive weeks.

(iii) When a determination has been made that an emergency benefit period is beginning or ending with respect to any State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(B) (i) For purposes of subparagraph (A), there is a State “emergency on” indicator for a week if there is a State or National “on” indicator for such week (as determined under subsections (d) and (e) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970).

(ii) For purposes of subparagraph (A), there is a State “emergency off” indicator for a week if there is both a State and a National “off” indicator for such week (as determined under subsections (d) and (e) of the Federal-State Extended Unemployment Compensation Act of 1970).

(d) For purposes of any agreement under this Act—

(1) the amount of the emergency compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents’ allowances) payable to him during his benefit year under the State law; and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall (except where inconsistent with the provisions of this Act or regulations of the Secretary promulgated to carry out this Act) apply to claims for emergency compensation and the payment thereof.

(e) (1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

(2) The amount established in such account for any individual shall be equal to the lesser of—

(A) 50 per centum of the total amount of regular compensation (including dependents’ allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b) (1) (C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

(f) (1) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning before whichever of the following is the latest:

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- (A) the first week which begins after December 31, 1974,
- (B) the week following the week in which such agreement is entered into, or
- (C) the first week which begins after the date of the enactment of this Act.

(2) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week ending after—

- (A) December 31, 1976, or
- (B) March 31, 1977, in the case of an individual who (for a week ending before January 1, 1977) had a week with respect to which emergency compensation was payable under such agreement.

PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF  
EMERGENCY COMPENSATION

SEC. 103. (a) There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 per centum of the emergency compensation paid to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in respect of compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

(c) Sums payable to any State by reason of such State's having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which would have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

FINANCING PROVISIONS

SEC. 104. (a) (1) Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(2) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(b) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this Act. Amounts appropriated as repayable advances and paid to the States under section 103 shall be repaid, without interest, as provided in section 905(d) of the Social Security Act.

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DEFINITIONS

SEC. 105. For purposes of this Act—

(1) the terms “compensation”, “regular compensation”, “extended compensation”, “base period”, “benefit year”, “State”, “State agency”, “State law”, and “week” shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

(2) the term “period of eligibility” means, in the case of any individual, the weeks in his benefit year which begin in an extended benefit period or an emergency benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period or in such emergency benefit period; and

(3) the term “extended benefit period” shall have the meaning assigned to such term under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

For purposes of any State law which refers to an extension under Federal law of the duration of benefits under the Federal-State Extended Unemployment Compensation Act of 1970, this Act shall be treated as amendatory of such Act.

EXTENSION OF WAIVER OF 120-PERCENT REQUIREMENT FOR PURPOSES OF  
EXTENDED COMPENSATION PROGRAM

SEC. 106. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended, is amended by striking out “April 30, 1975” and inserting in lieu thereof “December 31, 1976”.

TEMPORARY REDUCTION IN NATIONAL TRIGGER

SEC. 107. Section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: “Effective with respect to compensation for weeks of unemployment beginning before December 31, 1976, and beginning after December 31, 1974 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a national ‘on’ or ‘off’ indicator beginning or ending any extended benefit period shall be made under this subsection as if the phrase ‘4.5 per centum’, contained in paragraphs (1) and (2), read ‘4 per centum’.”

PROVISION FOR FINANCING TEMPORARY REDUCTION IN NATIONAL TRIGGER

SEC. 108. Section 204(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new paragraph:



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“(3) In the case of compensation which is sharable extended compensation or sharable regular compensation by reason of the provision contained in the last sentence of section 203(d), the first paragraph of this subsection shall be applied as if the words ‘one-half of’ read ‘100 per centum of’ but only with respect to compensation that would not have been payable if the State law’s provisions as to the State ‘on’ and ‘off’ indicators omitted the 120 percent factor as provided for by Public Law 93-368 and by section 106 of this Act.”

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

December 24, 1974

Dear Mr. Director:

The following bills were received at the White House on December 24th:

S.J. Res. 40 ✓	S. 3481	H.R. 8958	H.R. 14600
S.J. Res. 133	S. 3548	H.R. 8981	H.R. 14609
S.J. Res. 262	S. 3934	H.R. 9182	H.R. 14718
S. 251	S. 3943	H.R. 9199	H.R. 15173
S. 356	S. 3976 ✓	H.R. 9588	H.R. 15223
S. 521	S. 4073	H.R. 9654	H.R. 15229
S. 544	S. 4206	H.R. 10212	H.R. 15322
S. 663	H.J. Res. 1178 ✓	H.R. 10701	H.R. 15977
S. 754	H.J. Res. 1180	H.R. 10710	H.R. 16045
S. 1017	H.R. 421	H.R. 10827	H.R. 16215
S. 1083	H.R. 1715	H.R. 11144	H.R. 16596 ✓
S. 1296	H.R. 1820	H.R. 11273	H.R. 16925
S. 1418	H.R. 2208	H.R. 11796	H.R. 17010
S. 2149	H.R. 2933	H.R. 11802	H.R. 17045
S. 2446	H.R. 3203	H.R. 11847	H.R. 17085
S. 2807	H.R. 3339	H.R. 11897	H.R. 17468
S. 2854	H.R. 5264	H.R. 12044	H.R. 17558
S. 2888	H.R. 5463	H.R. 12113	H.R. 17597 ✓
S. 2994	H.R. 5773	H.R. 12427	H.R. 17628
S. 3022	H.R. 7599	H.R. 12884	H.R. 17655
S. 3289	H.R. 7684	H.R. 13022	
S. 3358	H.R. 7767	H.R. 13296	
S. 3359	H.R. 8214	H.R. 13869	
S. 3394 ✓	H.R. 8322	H.R. 14449	
S. 3433	H.R. 8591	H.R. 14461	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D. C.