



MAR 16 2012

The Honorable Rick Perry
Governor of Texas
P.O. Box 12428
Austin, Texas 78711

Dear Governor Perry:

Thank you for your recent letter detailing Texas' interest in conducting a demonstration project under Section 2102 of the Extended Benefits, Reemployment, and Program Integrity Improvement Act. We are pleased that Texas would like to test and evaluate measures designed to expedite the reemployment of unemployment compensation (UC) recipients and to improve Texas' effectiveness in carrying out its UC law with respect to reemployment.

As you are aware, the Extended Benefits, Reemployment, and Program Integrity Improvement Act includes many UC provisions making both permanent and temporary changes to existing UC law. We are working to implement all of those provisions as soon as possible, and my staff are in the process of drafting guidance to states explaining the application process and other requirements for conducting a demonstration project and receiving a waiver of the requirements in sections 3304(a)(4) of the Federal Unemployment Tax Act and 303(a)(5) of the Social Security Act. For this reason, states must wait until the guidance is issued next month to develop and submit their applications; therefore, I regret that the Department of Labor must deny your request at this time and hope that Texas will submit an application in due course.

I assure you that, after the guidance on the demonstration projects is issued, we will begin accepting states' applications. Upon receipt of complete applications in accordance with the guidance, the Department of Labor will promptly review them and make timely determinations of whether or not they will be approved. We are eager to see the states' ideas for demonstration projects and, as we can only award up to 10, will ensure a thorough and fair review of all applications to ensure the best demonstrations are selected.

If you have questions, please contact Ms. Elmy Bermejo, Director, Office of Congressional and Intergovernmental Affairs, at (202) 693-4600.

Sincerely,

A handwritten signature in cursive script that reads "Jane Oates".

Jane Oates
Assistant Secretary