

registration. See Direct Wholesale, 69 FR 11654 (2004); ANM Wholesale, supra, 69 FR 11652; Shani Distributors, 68 FR 62324 (2003).

Based on the foregoing, the Deputy Administrator concludes that granting the pending application of Value would be inconsistent with the public interest. In sum, by its past conduct, Value has displayed a continuing history of illegal activity and an inability to discharge the responsibilities of a registrant.

Accordingly, the Deputy Administrator of the drug Enforcement Administration, pursuant to the authority vested in her by 21 U.S.C. 823 and 824 and 28 CFR 0.100(b) and 0.104, hereby orders the pending application for DEA Certificate of Registration, previously submitted by Value Wholesale be, and it hereby is, denied. This order is effective November 1, 2004.

Dated: September 13, 2004.

Michele M. Leonhart,
Deputy Administrator.

[FR Doc. 04-21948 Filed 9-29-04; 8:45 am]

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DEPARTMENT OF JUSTICE

Drug Enforcement Administration

Manufacturer of Controlled Substances; Notice of Registration

By Notice dated May 5, 2004, and published in the **Federal Register** on May 26, 2004, (69 FR 29979), Varian, Inc. Lake Forest, 25200 Commercentre Drive, Lake Forest, California 92630-8810, made application by renewal to the Drug Enforcement Administration (DEA) for registration as a bulk manufacturer of the basic classes of controlled substances listed below:

Drug	Schedule
Phencyclidine (7471)	II
1-Piperidinocyclohexane- carbonitrile (8603)	II
Benzoylecgonine (9180)	II

The company plans to manufacture small quantities of controlled substances for use in diagnostic products.

No comments or objections have been received. DEA has considered the factors in 21 U.S.C. 823(a) and determined that the registration of Varian, Inc. Lake Forest to manufacture the listed basic classes of controlled substances is consistent with the public interest at this time. DEA has investigated Varian, Inc. Lake Forest to ensure that the company's registration is consistent with the public interest. The

investigation has included inspection and testing of the company's physical security systems, verification of the company's compliance with state and local laws, and a review of the company's background and history. Therefore, pursuant to 21 U.S.C. 823, and in accordance with 21 CFR 1301.33, the above named company is granted registration as a bulk manufacturer of the basic classes of controlled substances listed.

Dated: September 16, 2004.

William J. Walker,

Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration.

[FR Doc. 04-21956 Filed 9-29-04; 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 30-04 is published in the **Federal Register** to inform the public.

This UIPL concerns the SUTA Dumping Prevention Act of 2004 (Pub. L. 108-295); SUTA refers to state unemployment tax acts. All states will need to amend their laws regarding the transfer of unemployment experience as a result of the new Federal law. This UIPL includes a detailed explanation of the law in question and answer format, draft legislative language, a conformity checklist for states, and the text of P.L. 108-295.

Dated: September 22, 2004.

Emily Stover DeRocco,

Assistant Secretary for Employment and Training.

Employment and Training Administration, Advisory System, U.S. Department of Labor, Washington, DC 20210

Classification: SUTA Dumping.

Correspondence Symbol: DL.

Date: August 13, 2004.

Advisory: Unemployment Insurance Program Letter No. 30-04.

To: State Workforce Agencies.

From: Cheryl Atkinson s/s, Administrator, Office of Workforce Security.

Subject: SUTA Dumping—Amendments to Federal Law affecting the Federal-State Unemployment Compensation Program.

1. *Purpose:* To advise states of the amendments to Federal law designed to prohibit "SUTA Dumping."

2. *References.* Public Law (Pub. L. 108-295, the "SUTA Dumping Prevention Act of 2004," signed by the President on August 9, 2004; the Social Security Act (SSA); the Internal Revenue Code (IRC), including the Federal Unemployment Tax Act (FUTA); and Unemployment Insurance Program Letters (UIPLs) 29-83 (56 FR 54891 (October 23, 1991)), 29-83, Change 3 (61 FR 39156 (July 26, 1996)), 30-83, 15-84, and 34-02.

3. *Background.*

a. *In General.* Some employers and financial advisors have found ways to manipulate state experience rating systems so that these employers pay lower state unemployment compensation (UC) taxes than their unemployment experience would otherwise allow. This practice is called SUTA dumping. ("SUTA" refer to state unemployment tax acts, but has also been said to stand for, among other things, "State Unemployment Tax Avoidance.") Most frequently, it involves merger, acquisition or restructuring schemes, especially those involving shifting of workforce/payroll. The legality of these SUTA dumping schemes varies depending on state laws. Public Law 108-295 amended the SSA to add a new Section 303(k) establishing a nationwide minimum standard for curbing SUTA dumping. All states will need to amend their UC laws to conform with new legislation.

Recissions: None.

Expiration Date: Continuing.

b. *Experience Rating.* All states operate experience rating systems in order for employers in the state to receive the additional credit against the Federal unemployment tax. (The tax credit scheme is explained in UIPL 30-83 and experience rating in UIPL 29-83.) Under experience rating, the state unemployment tax rate of an employer is, in most states, based on the amount of UC paid to former employees. The more UC paid to its former employees, the higher the tax rate of the employer, up to a maximum established by state law. Experience ratings helps ensure an equitable distribution of costs of the UC program among employers, encourages employers to stabilize their workforce, and provides an incentive for employers