

Moran
Morella
Morrison
Mrazek
Nagle
Neal (NC)
Obey
Olver
Owens (NY)
Owens (UT)
Pallone
Panetta
Pastor
Patterson
Payne (NJ)
Payne (VA)
Pease
Pelosi
Peterson (FL)
Pickett
Pickle
Porter
Price
Ramstad
Rangel
Reed
Richardson
Ridge

Riggs
Rostenkowski
Roukema
Rowland
Roybal
Sabo
Sanders
Savage
Sawyer
Scheuer
Schiff
Schroeder
Schumer
Serrano
Sharp
Shays
Sikorski
Sisisky
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (IA)
Snow
Solarz
Spratt
Stark
Stokes

Studds
Swett
Swift
Synar
Tallon
Tanner
Thomas (GA)
Torres
Torrice
Towns
Traficant
Unsoeld
Valentine
Vento
Visclosky
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Zeliff
Zimmer

NOES—193

Allard
Allen
Annunzio
Applegate
Archer
Army
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehner
Bonior
Borski
Broomfield
Browder
Bruce
Bunning
Burton
Byron
Callahan
Camp
Clinger
Coble
Coleman (MO)
Combust
Costello
Cox (CA)
Crane
Cunningham
Davis
de la Garza
DeLay
Donnelly
Doolittle
Dornan (CA)
Dreier
Duncan
Early
Edwards (OK)
Emerson
English
Ewing
Fields
Fish
Gallegly
Gekas
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Hall (OH)
Hall (TX)
Hammerschmidt
Hancock
Hansen

Harris
Hastert
Hayes (LA)
Hefley
Henry
Herger
Hertel
Hobson
Holloway
Hopkins
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Jenkins
Johnson (TX)
Kanjorski
Kaptur
Kasich
Kildee
Kleczka
Kolter
Kyl
LaFalce
Lagomarsino
Laughlin
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lowery (CA)
Luken
Manton
Marlenee
Solomon
Mavroules
Mazzoli
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
McNulty
Michel
Miller (OH)
Moakley
Mollohan
Montgomery
Moorhead
Murphy
Murtha
Myers
Natcher
Neal (MA)
Nowak
Nussle
Oberstar
Ortiz
Orton

Oxley
Packard
Parker
Paxon
Penny
Perkins
Peterson (MN)
Petri
Poshard
Pursell
Quillen
Rahall
Ravenel
Ray
Regula
Rhodes
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Russo
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schulze
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Staggers
Stallings
Stearns
Stenholm
Stump
Sundquist
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (WY)
Thornton
Upton
Volkmer
Vucanovich
Walker
Walsh
Weber
Weldon
Wolf
Yatron
Young (AK)
Young (FL)

NOT VOTING—25

Ackerman
Anthony
Bustamante

Campbell (CA)
Dannemeyer
Dymally

Feighan
Gaydos
Gibbons

Hatcher
Hefner
Hubbard
Jones (GA)
Lehman (CA)
Levine (CA)

Nichols
Oakar
Olin
Rinaldo
Rose
Thomas (CA)

Traxler
Vander Jagt
Whitten
Wylie

So the amendment was agreed to. After some further time,

¶65.16 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment submitted by Mr. KOPETSKI:

At the end of subtitle C of title XXXI (page 275, after line 26), insert the following new section:

SEC. 3132. ONE-YEAR MORATORIUM ON NUCLEAR TESTING.

During the one-year period beginning on the date of the enactment of this Act, none of the funds made available under any provision of law may be available to conduct any explosive nuclear weapons test unless the President certifies to Congress that any of the independent states of the former Soviet Union has conducted an explosive nuclear weapons test during that period.

It was decided in the affirmative { Yeas 237 Nays 167

¶65.17 [Roll No. 164] AYES—237

Abercrombie
Alexander
Anderson
Andrews (ME)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Berman
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Browder
Brown
Bruce
Campbell (CO)
Cardin
Carper
Carr
Clay
Clement
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Espy
Evans
Fascell

Fawell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Gilchrest
Gilmart
Glickman
Gonzalez
Gordon
Green
Guarini
Gunderson
Hall (OH)
Hamilton
Hayes (IL)
Henry
Hertel
Hoagland
Hochbrueckner
Horn
Hoyer
Hughes
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennedy
Kildee
Kleczka
Klug
Kolter
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Leach
Lehman (FL)
Levin (MI)
Lewis (GA)
Long
Lowey (NY)
Luken
Manton
Markay
Martinez

Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moody
Moran
Morella
Morrison
Mrazek
Murphy
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oberstar
Obey
Olver
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Pastor
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickle
Porter
Poshard
Price
Pursell
Rahall
Rangel
Ray
Reed
Regula
Roe
Roemer
Rostenkowski
Roth
Rowland

Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Shays
Sikorski
Skaggs
Slattery
Slaughter
Smith (FL)
Smith (NJ)

Solarz
Upton
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Tallon
Taylor (NC)
Thomas (GA)
Thornton
Torres
Torrice
Towns
Traficant

Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOES—167

Allard
Allen
Andrews (NJ)
Andrews (TX)
Archer
Army
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehner
Brooks
Broomfield
James
Bunning
Burton
Callahan
Camp
Chandler
Chapman
Coble
Coleman (MO)
Combust
Coughlin
Cox (CA)
Crane
Cunningham
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Erdreich
Ewing
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Geren
Gillmor
Gingrich
Goodling
Goss
Gradison

Grandy
Hall (TX)
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Hobson
Holloway
Hopkins
Horton
Houghton
Huckaby
Hunter
Hutto
Hyde
Inhofe
Ireland
James
Johnson (TX)
Kasich
Kolbe
Kyl
Lagomarsino
Lancaster
Laughlin
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Michel
Miller (OH)
Miller (WA)
Molinaro
Montgomery
Moorhead
Murtha
Myers
Nussle
Ortiz

Oxley
Packard
Patterson
Paxon
Pickett
Quillen
Ramstad
Ravenel
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (IA)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Tanner
Tauzin
Taylor (MS)
Thomas (WY)
Vucanovich
Walker
Weber
Weldon
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—30

Ackerman
Anthony
Bryant
Bustamante
Byron
Campbell (CA)
Clinger
Dannemeyer
de la Garza
Dingell

Dymally
Gaydos
Gibbons
Hatcher
Hefner
Herger
Hubbard
Jones (GA)
Lehman (CA)
Levine (CA)

Nichols
Oakar
Olin
Rose
Sharp
Thomas (CA)
Traxler
Vander Jagt
Whitten
Wylie

So the amendment was agreed to. After some further time,

¶65.18 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment submitted by Mr. HOPKINS to the amendment submitted by Mr. FROST:

Amendment submitted by Mr. HOPKINS:

In the matter proposed to be inserted by the amendment—

(1) strike out—
(A) section 4322 (relating to defense contractor hiring preference for displaced defense workers);

(B) section 4404 (relating to defense contractor requirement to list suitable employment openings with local employment service office);

(C) section 4405 (relating to notice required upon cancellation of defense contracts);

(D) Section 4607 (relating to special early retirement for displaced defense workers); and

(2) add at the end the following new sections:

SEC. 4607. DEFENSE CONTRACTOR EFFORTS TO ASSIST DISPLACED DEFENSE WORKERS AND ADVANCE NOTICE OF DEFENSE CONTRACT CANCELLATIONS.

(a) EMPLOYMENT OPENINGS AND HIRING OF DISPLACED DEFENSE WORKERS.—The Secretary of Defense should encourage defense contractors—

(1) to list with the appropriate local employment service office, and where appropriate the Interstate Job Bank (established by the United States Employment Service), all of its employment openings suitable for displaced defense workers; and

(2) to give a first right of hire when hiring new employees in an occupational specialty to any displaced defense worker with skills in that occupational specialty.

(b) SPECIAL EARLY RETIREMENT BENEFITS FOR CONTRACTOR EMPLOYEES.—The Secretary of Defense shall encourage defense contractors to explore the feasibility of providing an option of special early retirement benefits to employees of the contractors whose employment is terminated as a result of reductions in levels of defense expenditures.

(c) ADVANCE NOTICE OF DEFENSE CONTRACT CANCELLATIONS.—To the extent practicable, the Secretary of Defense shall make every effort to provide at least six-months advance notice to a defense contractor of any cancellation or substantial reduction in a defense contract that will adversely affect the defense contractor.

(d) DISPLACED DEFENSE WORKER DEFINED.—For purposes of this section, an individual shall be considered to be a displaced defense worker if the individual—

(1) was employed for a period of not less than five years as an employee of the Department of Defense, of a contractor of the Department of Defense, or of the national security laboratories of the Department of Energy immediately preceding the termination of the employment of the employee; and

(2) was terminated as a result of reductions in levels of defense expenditures, as determined by the Secretary of Defense or the Secretary of Energy, as the case may be.

SEC. 4608. STUDY TO DETERMINE THE DISLOCATION EFFECTS OF CURRENT AND FUTURE REDUCTIONS IN SPENDING FOR THE NATIONAL DEFENSE.

(a) STUDY.—The Secretary of Defense and the Secretary of Labor shall jointly conduct a study to determine the dislocation effects that are projected to occur as a result of current and future reductions in spending for the national defense.

(b) CONDUCT OF STUDY.—In carrying out the study under subsection (a), the Secretaries shall—

(1) consider the reemployment potential of workers losing jobs as a result of reduced defense spending, including the probability that such workers will be absorbed into other comparable jobs in the Federal Government or other comparable jobs in the geographic locality of such workers;

(2) include projections on a yearly basis for—

(A) dislocation in the private sector defense industry, dislocation of active duty military, and dislocation of civilians working for the Department of Defense; and

(B) secondary dislocation in communities that are substantially and seriously affected (as defined in section 4003(5)(A) of the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (Public Law 101-510; 104 Stat. 1848; 10 U.S.C. 2391 note)) where job loss occurs as a consequence of the closing or reduction in force of military facilities, or the cancellation or reduction in defense contracts in such community;

(3) include information on the regional impact of reduced defense spending as it applies to worker dislocation;

(4) include a comparison of the characteristics of the workforce population being dislocated as a consequence of reduced defense spending to the characteristics of the general dislocated workforce population in the United States, including characteristics relating to education status, income level, and occupation;

(5) include projections on how dislocations occurring as a consequence of reduced defense spending will impact on other Federal programs that serve dislocated workers (particularly programs in which funding is based on unemployment statistics), including programs under the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

(6) include a comparison of the average length of advance notice received by workers being dislocated as a consequence of reduced defense spending to the average length of advance notice received by workers being dislocated for other reasons.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, and periodically thereafter, the Secretary of Defense and the Secretary of Labor shall jointly submit to the Congress a report containing—

(1) the findings and conclusions of the Secretaries resulting from the study under subsection (a); and

(2) recommendations for assistance to dislocated workers based on the findings and conclusions referred to in paragraph (1).

(d) USE OF STUDY.—Upon submission of the report under subsection (c), the Secretary of Defense and the Secretary of Labor shall use the study contained in the report to determine the priority to give certain applications for grants under section 325A of the Job Training Partnership Act, as required by subsection (d)(4) of such section.

In section 4321 of the amendment (relating to training, adjustment assistance, and employment services for discharged military personnel, terminated defense employees, and displaced employees of defense contractors) insert after subsection (d)(3) of section 325A of the Job Training Partnership Act, as added by section 4321 of such amendment, add the following new paragraph:

“(4) PRIORITY FOR CERTAIN APPLICANTS.—In reviewing applications for grants under subsection (a), the Secretary of Defense, in consultation with the Secretary of Labor, shall make every effort to give priority to applications received from applicants that—

“(A) will provide the job training, adjustment assistance, and employment services in a substate area with a high number or percentage of dislocated workers and eligible individuals; and

“(B) have included in such application a program to target eligible individuals most in need of job training, adjustment assistance, and employment services based on education status, income level, and occupation level, as determined by the Secretary of Defense and the Secretary of Labor.

Amendment submitted by Mr. FROST:

Strike out title XI (page 203, lines 1 through 14).

At the end of the bill, add the following:

DIVISION D—DEFENSE REINVESTMENT FOR ECONOMIC GROWTH

Sec. 4001. Short title.

Sec. 4002. Findings.

TITLE XLI—IMPLEMENTATION

Sec. 4101. Authorization of appropriations.

Sec. 4102. Budget determination by the Director of OMB.

Sec. 4103. Assistant Secretary of Defense for Reinvestment.

Sec. 4104. Collection and use of information regarding defense reinvestment.

Sec. 4105. Long-range plans of action for national needs.

Sec. 4106. Establishment of a Center for the Study of Defense Economic Adjustment within the National Defense University.

TITLE XLII—DEFENSE TECHNOLOGY AND INDUSTRIAL SUPPORT PROGRAMS

Sec. 4201. Defense dual-use critical technology consortium program.

Sec. 4202. Defense technology extension program.

Sec. 4203. Defense small business assistance and diversification program.

Sec. 4204. Expansion of Small Business Innovation Research (SBIR) program for defense research and development activities.

Sec. 4205. Cooperative agreements for advanced research projects.

Sec. 4206. Regional defense technology clusters.

TITLE XLIII—EDUCATION AND TRAINING PROGRAMS

Subtitle A—Defense Efforts to Relieve Shortages of Elementary and Secondary School Teachers and Teachers’ Aides

Sec. 4301. Teacher and teacher’s aide placement program for separated members of the Armed Forces.

Sec. 4302. Teacher and teacher’s aide placement program for terminated defense employees.

Sec. 4303. Teacher and teacher’s aide placement program for displaced scientists and engineers of defense contractors.

Sec. 4304. Funding for fiscal year 1993.

Subtitle B—Environmental Education and Retraining Provisions

Sec. 4311. Environmental scholarship and fellowship programs for the Department of Defense.

Sec. 4312. Grants to community colleges to provide training in environmental restoration and hazardous waste management.

Sec. 4313. Environmental cleanup training demonstration grant program.

Sec. 4314. Department of Energy defense nuclear facilities work force restructuring plan.

Subtitle C—Job Training and Employment and Educational Opportunities

Sec. 4321. Training, adjustment assistance, and employment services for discharged military personnel, terminated defense employees, and displaced employees of defense contractors.

Sec. 4322. Defense contractor hiring preference for displaced defense workers.

Sec. 4323. Participation of discharged military personnel in upward bound projects to prepare for college.

- Sec. 4324. Improvements to employment and training assistance for dislocated workers under the Job Training Partnership Act.
- Sec. 4325. Job Bank program for discharged military personnel, terminated defense employees, and displaced employees of defense contractors.

Subtitle D—Service Members Occupational Conversion and Training

- Sec. 4351. Short title.
- Sec. 4352. Findings and purposes.
- Sec. 4353. Definitions.
- Sec. 4354. Establishment of program.
- Sec. 4355. Eligibility for program; duration of assistance.
- Sec. 4356. Employer job training programs.
- Sec. 4357. Approval of employer programs.
- Sec. 4358. Payments to employers; overpayment.
- Sec. 4359. Entry into program of job training.
- Sec. 4360. Provision of training through educational institutions.
- Sec. 4361. Discontinuance of approval of participation in certain employer programs.
- Sec. 4362. Inspection of records; investigations.
- Sec. 4363. Coordination with other programs.
- Sec. 4364. Counseling.
- Sec. 4365. Information and outreach; use of agency resources.
- Sec. 4366. Authorization of appropriations.
- Sec. 4367. Report by Secretary of Defense.
- Sec. 4368. Time periods for application and initiation of training.

TITLE XLIV—TRANSITION INFORMATION SERVICES

- Sec. 4401. Notice of termination of defense employees in the case of base closures and realignments.
- Sec. 4402. Improvement in preseparation counseling for members of the Armed Forces.
- Sec. 4403. Improved coordination of job training and placement programs for members of the Armed Forces.
- Sec. 4404. Defense contractor requirement to list suitable employment openings with local employment service office.
- Sec. 4405. Notice required upon cancellation of defense contracts.

TITLE XLV—PLANNING AND TECHNICAL ASSISTANCE

- Sec. 4501. Expansion of adjustment assistance available to States and local governments from the Office of Economic Adjustment.
- Sec. 4502. Pilot project to improve economic adjustment planning.
- Sec. 4503. Assistance to small businesses in defense industry that are adversely affected by defense reductions.
- Sec. 4504. Defense procurement technical assistance program.
- Sec. 4505. Plan for the transfer of certain nonlethal supplies to State and local governments for economic growth.

TITLE XLVI—DISPLACED DEFENSE PERSONNEL ASSISTANCE

- Sec. 4601. Reduction-in-force notification requirements.
- Sec. 4602. Government-wide list of vacant positions.
- Sec. 4603. Temporary measures to facilitate reemployment of certain displaced Federal employees.
- Sec. 4604. Separation pay.
- Sec. 4605. Continued health benefits for defense civilian employees.

- Sec. 4606. Temporary continued health coverage for members and dependents upon the separation of the members from active duty, for former spouses of members, and for emancipated children of members.
- Sec. 4607. Special early retirement for displaced defense workers.

SEC. 4001. SHORT TITLE.

This division may be cited as the "Defense Reinvestment Act of 1992".

SEC. 4002. FINDINGS.

Congress makes the following findings:

(1) Profound changes in the military threat to the United States as a result of the collapse of the Soviet Union will lead to a significant decrease in the defense budget of the United States over the next five years.

(2) The reductions in the defense budget during that period may mean the elimination of over 1,100,000 defense industrial and Department of Defense civilian jobs and the separation of over 350,000 active-duty military personnel from the Armed Forces.

(3) These reductions, combined with low levels of economic growth or recession, will cause serious and severe dislocations for defense dependent communities and limit employment opportunities for displaced defense workers and military personnel separated from active and reserve duty unless immediate steps are taken.

(4) Over the same five-year period, United States economic security will continue to come under challenges that will require a comprehensive, cooperative response from government, business, and labor.

(5) The skills of displaced defense workers and the expertise of defense industries form the foundation of the critical industrial and technical skill base on which the military depends and that the Nation can ill afford to lose.

(6) The men and women separating from the Armed Forces represent a valuable national resource as a result of the nation's investment in their education and training.

(7) In the interest of national security and the United States international competitive position, the Department of Defense should undertake a more active and direct role in managing the defense build-down through a program of reinvestment of defense resources that—

(A) promotes economic growth in high-wage, high-technology industries and preserves the industrial and technical skill base;

(B) bolsters the national technology base, including support and exploitation of critical technologies with both military and civilian application;

(C) supports retraining of separated military, defense civilian, and defense industrial personnel for jobs in activities important to national economic growth;

(D) assists those activities being undertaken at the State and local level to support defense economic adjustment and diversification efforts;

(E) provides direct support to small businesses adversely affected by the defense build-down; and

(F) builds on existing Federal programs in this area.

(8) The Department of Defense should assume a leading role in the development of a long-range plan of action to preserve militarily critical technologies and skills essential for national security.

(9) Such a defense reinvestment program complements the traditional role of the Department of Defense to provide for the security of the United States.

(10) The breadth and scope of the long-term economic problems resulting from the draw-down over the next five fiscal years in the

Department of Defense budget will require continued Federal government involvement, particularly on the part of other Federal agencies which traditionally have expertise relating to such economic problems.

TITLE XLI—IMPLEMENTATION

SEC. 4101. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated to the Secretary of Defense for fiscal year 1993 the sum of \$1,000,000,000 for defense reinvestment programs authorized by this title. Sums appropriated pursuant to the preceding sentence shall remain available until expended.

SEC. 4102. BUDGET DETERMINATION BY THE DIRECTOR OF OMB.

(a) REQUIREMENT FOR DETERMINATION.—No amount appropriated pursuant to the authorization in section 4101 may be obligated for any program established by a provision of this title unless expenditures for that program have been determined by the Director of the Office of Management and Budget to be counted against the defense category of the discretionary spending limits for fiscal year 1993 (as defined in section 601(a)(2) of the Congressional Budget Act of 1974) for purposes of part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) EFFECT ON APPROPRIATIONS FOR PROGRAMS NOT COUNTED AGAINST DEFENSE CATEGORY.—Any amount appropriated for fiscal year 1993 for a program established by this title that is determined by the Director of the Office of Management and Budget under subsection (a) not to be counted against the defense category (as described in that subsection) shall be reallocated to the programs under this title that are counted against the defense category. The allocation of all such amounts shall be made on a proportionate basis so that the funding levels, relative to each other, of programs under this title that are counted against the defense category shall be the same as if the amounts allocated had reverted to the Treasury.

SEC. 4103. ASSISTANT SECRETARY OF DEFENSE FOR REINVESTMENT.

(a) DESIGNATION OF ASSISTANT SECRETARY.—During the five-year period beginning on October 1, 1992, there may be an Assistant Secretary of Defense for Reinvestment, appointed from civilian life by the President, by and with the advice and consent of the Senate. The Assistant Secretary appointed under this subsection shall be in addition to the Assistant Secretaries of Defense authorized by section 136 of title 10, United States Code.

(b) SUPERVISION AND COORDINATION OF ADJUSTMENT ACTIVITIES.—The principal duty of the Assistant Secretary shall be the overall supervision of the implementation of economic reinvestment, adjustment, and retraining activities undertaken by the Department of Defense in connection with the redeployment and reutilization of defense resources following reductions in military programs, projects, and activities. The Assistant Secretary shall be the principal adviser to the Secretary of Defense regarding such reinvestment, adjustment, and retraining activities. The Assistant Secretary shall coordinate the economic reinvestment, adjustment, education, and retraining activities of the Department of Defense with those of other Federal agencies.

(c) RESPONSIBILITY FOR OFFICE OF ECONOMIC ADJUSTMENT.—The Assistant Secretary shall be responsible for the operation of the Office of Economic Adjustment of the Department of Defense, including the activities of the Office under section 2391(b) of title 10, United States Code, to assist State and local governments to plan and carry out community adjustment and economic diversification programs. The director of the Office shall

serve as the Deputy Assistant Secretary of Defense for Reinvestment.

(d) ASSIGNMENT OF FUNCTIONS WHEN POSITION NOT FILLED.—If the position of Assistant Secretary of Defense for Reinvestment is not filled, the Secretary of Defense shall provide that the functions and duties assigned by this Act to that Assistant Secretary shall be performed by an officer in the Office of the Secretary of Defense whose appointment was made by the President, by and with the advice and consent of the Senate.

(e) COMPENSATION.—The Assistant Secretary of Defense for Reinvestment shall, subject to the availability of appropriations, be paid at the rate of basic pay payable for level IV of the Executive Schedule, as provided in section 5315 of title 5, United States Code.

SEC. 4104. COLLECTION AND USE OF INFORMATION REGARDING DEFENSE REINVESTMENT.

(a) COLLECTION.—The Assistant Secretary of Defense for Reinvestment shall collect and analyze on an annual basis information regarding the effect of changes in defense spending on the economy of the United States, including the effect of these changes on specific types of defense and civilian industries and on particular regions of the United States.

(b) USE.—The Assistant Secretary shall use the information collected under subsection (a) to advise the Secretary of Defense regarding, and improve the operation of, economic reinvestment, adjustment, and retraining activities undertaken by the Department of Defense in response to changes in defense spending.

SEC. 4105. LONG-RANGE PLANS OF ACTION FOR NATIONAL NEEDS.

(a) LONG-RANGE PLANS.—The Assistant Secretary of Defense for Reinvestment shall survey the resources and national security requirements of the Department of Defense and shall develop a long-range plan to preserve the critical national industrial and technological skill base, with attention to the security problem of responding as a nation to unforeseen military threats. The plan shall report on the prospects of using defense resources to address national needs of the United States by including the following:

(1) A long-range plan for technology development and model demonstration facilities for environmental restoration and waste management.

(2) A long-range national transportation plan to develop advanced technology to carry out transportation projects that are militarily critical.

(3) A long-range national energy plan to achieve the objectives of energy independence, availability, and environmental compatibility.

(4) A long-range national communications networking plan.

(b) CONSULTATION.—To develop the long-range plans required by this section, the Assistant Secretary shall consult, as appropriate, with the Office of Science Technology Policy, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, the Secretary of Energy, the Secretary of Transportation, and such other Federal officials as may be appropriate.

(c) INTERIM REPORT.—Not later than six months after the date of the enactment of this Act, the Assistant Secretary shall submit to the Committee on Armed Services of the Senate and House of Representatives a report regarding the progress made on developing the long-range plans required by this section.

SEC. 4106. ESTABLISHMENT OF A CENTER FOR THE STUDY OF DEFENSE ECONOMIC ADJUSTMENT WITHIN THE NATIONAL DEFENSE UNIVERSITY.

(a) ESTABLISHMENT REQUIRED.—The Secretary of Defense shall establish within the

National Defense University a Defense Economic Adjustment Center for the study of issues related to the conversion and reutilization of defense personnel, resources, and facilities. The Center shall be affiliated with the Industrial College of the Armed Forces and the Institute for National Strategic Studies of the National Defense University and the activities of the Center shall be integrated with existing activities and studies regarding acquisition, mobilization, the defense industrial base, and reconstitution.

(b) PRIMARY RESPONSIBILITIES.—In conducting studies of economic conversion, the Center shall focus on the development of defense economic adjustment methods and the technical assistance necessary to implement these methods. In accordance with procedures established by the Secretary of Defense, the Center shall coordinate its activities with other education and training elements of the Department of Defense that the Secretary may establish or assign to assist in the defense conversion effort.

(c) PROVISION OF INFORMATION; PROMOTION OF COOPERATION.—The Center shall—

(1) develop and provide information regarding the conversion of defense-related industries toward operations for the nondefense economy and the retraining of defense workers, including funding resources and Federal programs available to support economic adjustment and conversion; and

(2) facilitate the cooperation of the Department of Defense with other entities involved in defense economic adjustment and transition, such as institutions of higher education, private defense contractors, and other Federal agencies.

(d) STAFF AND FACILITIES.—The staff and facilities of the Center shall be provided using funds made available under subsection (i). Upon the request of the Secretary of Defense, the head of a Federal agency may detail, on a reimbursable basis, personnel of the agency to serve on the staff of the Center.

(e) OTHER SERVICES.—(1) The Center may make office space available to personnel of universities and defense contractors invited to participate in defense economic adjustment activities of the center.

(2) To the extent personnel are detailed to the Center with the requisite expertise, the Center shall collect and make available information regarding job training resources and community programs to facilitate the reemployment of displaced defense workers.

(f) ADDITIONAL CENTERS AND CONVERSION ACTIVITIES.—The Secretary of Defense shall establish additional Defense Economic Adjustment Centers or similar entities within the educational and training structure of the Department of Defense or shall assign additional economic conversion functions to existing organizations within such structure as may be necessary to assist the Center established pursuant to subsection (a). These additional functions may include the provision of training and technical assistance to implement economic adjustment methods developed by the Center.

(g) TIME FOR ESTABLISHMENT.—The Secretary of Defense shall—

(1) establish the Center not later than 60 days after the date of the enactment of this Act; and

(2) take such additional measures as may be required by subsection (f) not later than 120 days after the date of the enactment of this Act.

(h) REPORT ON IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the implementation of this section.

(i) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993

for defense reinvestment programs, 0.2 percent shall be made available to the Secretary of Defense to carry out this section.

TITLE XLII—DEFENSE TECHNOLOGY AND INDUSTRIAL SUPPORT PROGRAMS

SEC. 4201. DEFENSE DUAL-USE CRITICAL TECHNOLOGY CONSORTIUM PROGRAM.

(a) IN GENERAL.—(1) Chapter 150 of title 10, United States Code, is amended by adding at the end the following new section:

“§2527. Defense dual-use critical technology consortium program

“(a) ESTABLISHMENT OF PROGRAM.—(1) The Secretary of Defense shall carry out a program under this section to encourage the development and application of dual-use critical technologies through projects carried out (in the case of any such technology) in cooperation with a consortium of commercial firms that have expertise and experience with that technology. The program under this section shall be known as the ‘dual-use critical technology consortium program’. The goal of the program shall be to encourage the maintenance of a responsive defense technology base that can rapidly adapt and exploit advances in commercial technology.

“(2) Projects which shall be carried out in cooperation with consortia under this section shall include projects in the following areas or on technologies that are otherwise suitable to the goal of the dual-use critical technology consortium program:

“(A) Digital communications and processing methods.

“(B) Optical electronics.

“(C) Lightweight, low-clearance multipassenger ground vehicles.

“(D) Advanced materials.

“(E) Interferometric synthetic aperture radar technology.

“(F) Electrical propulsion of ground vehicles for reduced signature emission.

“(G) Marine biotechnology.

“(H) Environmentally compliant manufacturing technologies in the production of computers and other items for both military and commercial use as may be identified by the consortium.

“(I) Fuel cell and high-density energy storage.

“(J) Unexploded ordnance disposal technology.

“(K) Microchip Module integration.

“(L) Robotics application to defense environmental restoration activities.

“(b) IDENTIFICATION OF QUALIFYING CONSORTIA.—A consortium of commercial firms that desires to participate in the dual-use critical technology consortium program shall apply to the Secretary of Defense for such participation. The Secretary shall establish criteria for the selection of consortia under the program. Among the criteria for selection shall be requirements that—

“(1) the consortium encourage representation of small business concerns;

“(2) the consortium be composed only of United States firms (as defined in subsection (j)); and

“(3) firms in the consortium, in selecting personnel to work on projects under the program, shall give preference to former and retired members of the armed forces, to former Department of Defense employees, and to former defense industry employees, who are separated or displaced due to reductions in defense spending or closure or realignment of military installations.

“(c) DOD AGREEMENT WITH SELECTED CONSORTIUM.—The Secretary shall enter into an agreement with the consortium selected for purposes of the program for a particular dual-use critical technology. The agreement shall include a requirement that the costs of any project undertaken under the program shall be shared by the consortium and the Department of Defense in an equitable man-

ner, as determined by the Secretary of Defense (with the share of the costs allocated to the consortium to be not in excess of 50 percent of the costs of the program).

“(d) DARPA.—The Secretary of Defense shall carry out the dual-use critical technology consortium program through the Director of the Defense Advance Research Projects Agency, in consultation with the Assistant Secretary of Defense for Reinvestment and the National Institute of Standards and Technology. In carrying out the program, the Director shall consult with appropriate officials in the Department of Commerce, including particularly officials with responsibilities relating to technology development and exploitation.

“(e) USE OF DOD LABS.—The Secretary of Defense shall make available, as appropriate for the work to be performed by each consortium, equipment and facilities of Department of Defense laboratories (including the scientists and engineers at those laboratories) to a consortium recognized under this section for purposes of any project that is approved by the Secretary for the development and exploitation of that technology. The consortium involved in a particular project shall select the laboratory at which the project will be carried out, subject to the approval of the Secretary of Defense.

“(f) COORDINATION WITH STATE AND LOCAL GOVERNMENT AGENCIES.—Before a project is carried out at a laboratory, the Secretary and the consortium shall consult with appropriate State and local government agencies with responsibilities relating to technology development and exploitation.

“(g) TECHNOLOGY DIFFUSION TO INDUSTRY.—The Secretary of Defense shall encourage a consortium that is recognized under the program and that carries out joint projects with Department of Defense laboratories for the development and exploitation of a dual-use critical technology to conduct activities (including periodic industry conferences) to provide for the diffusion to United States firms of the results of such projects.

“(h) COORDINATION WITH OTHER PROGRAMS.—The Secretary of Defense shall administer the dual-use critical technology consortium program in a manner consistent with other related Department of Defense programs, including the SEMATECH program and the programs under this chapter and chapter 149. The Secretary may not reduce activities under those programs by reason of the establishment of the dual-use critical technology consortium program.

“(i) FUNDING.—(1) The Secretary of Defense shall provide that funds available for any fiscal year for Department of Defense laboratories shall be available for projects under the dual-use critical technology consortium program in a total amount not to exceed 5 percent for fiscal year 1993 and 10 percent for each subsequent fiscal year of the total amount of funds available for that fiscal year for those laboratories.

“(j) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the dual-use critical technology consortium program.

“(k) DEFINITIONS.—In this section, the term ‘United States firm’ means a company or other business entity that (as determined by the Secretary of Commerce)—

“(1) conducts the preponderant level of its research, development, engineering, and manufacturing activities in the United States; and

“(2) is a company or other business entity the majority ownership or control of which is by United States citizens.”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“2527. Defense dual-use critical technology consortium program.”.

(b) FISCAL YEAR 1993 FUNDING.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, the Secretary of Defense shall obligate 15 percent for the purpose of projects under the dual-use critical technology consortium program established by section 2527 of title 10, United States Code, as added by subsection (a). For fiscal year 1993, the maximum amount specified under subsection (i) of such section shall be reduced by the amount made available for the program pursuant to the preceding sentence.

(c) DEADLINE FOR IMPLEMENTING REGULATIONS.—Regulations for the administration of such program shall be prescribed under subsection (j) of such section not later than 90 days after the date of the enactment of this Act.

(d) EFFECTIVE DATE.—Section 2527 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1992.

SEC. 4202. DEFENSE TECHNOLOGY EXTENSION PROGRAM.

(a) IN GENERAL.—Section 2517 of title 10, United States Code, is amended by adding at the end the following new subsection:

“(c) DOD TECHNOLOGY EXTENSION PROGRAM.—(1)(A) The Secretary of Defense shall carry out a program in the Department of Defense to facilitate access by qualifying firms (particularly small business firms) to information and manufacturing processes and technologies developed and used by the Department of Defense that have potential for both military and commercial application. The program shall be known as the Department of Defense Technology Extension Program.

“(B) The goals of the program shall be—

“(i) to encourage the maintenance of a viable defense supplier base consisting of diversified small- and medium-sized businesses;

“(ii) to encourage modernization through the extension of technology and information developed and used by the Department of Defense in order to modernize manufacturing processes of small- and medium-sized businesses as a means of improving efficiency; and

“(iii) to assist those defense suppliers that may need to seek alternative markets due to defense budget reductions and program terminations.

“(2) The Secretary shall identify those processes and technologies developed by the Department of Defense that have potential for both military and commercial application and that are otherwise appropriate for inclusion in the technology extension program under this section. For purposes of the program under this section, the Secretary may provide qualifying firms—

“(A) assistance in the same manner as is provided by State, local and university technology extension services, as determined by the Secretary;

“(B) counseling services on market development and other business practices to promote diversification;

“(C) access to manufacturing and training facilities of the Department of Defense for the purpose of technology diffusion;

“(D) access to technologies developed by Department of Defense that would have commercial application;

“(E) access to the Defense Technology Information Network; and

“(F) grants for the construction or renovation of facilities for manufacturing technology transfer centers.

“(3) The expansion of technology and manufacturing extension activities of the Department of Defense authorized by this subsection shall include the following:

“(A) Computer-aided acquisition and logistics support.

“(B) Production modeling and simulation of prototypes.

“(C) Flexible computer-aided manufacturing.

“(D) Product data exchange specifications.

“(E) Concurrent engineering.

“(F) Rapid acquisition of manufactured parts.

“(4) A firm is a qualifying firm for the purposes of the program under this subsection if the firm is a United States firm that—

“(A) is a supplier to the Department of Defense under a covered defense contract or subcontract; or

“(B) is a firm that has been, or is threatened to be, substantially and seriously affected (as defined in paragraph (7)) by—

“(i) the closure of a military installation;

“(ii) the termination of a covered defense contract or subcontract; or

“(iii) reductions in defense spending.

“(5) The program under this subsection shall be carried out through the Director of Defense Research and Engineering, in consultation and coordination with the Director of the Office of Small and Disadvantaged Business of the Department of Defense. There shall be established under the Director a separate office to be responsible for the administration of the program.

“(6) The Secretary shall carry out the program under this subsection in coordination with manufacturing, technology, and industrial extension service programs operated by States and universities across the United States and in coordination with the Secretary of Commerce.

“(7) In this subsection:

“(A) The term ‘substantially and seriously affected’, with respect to a business firm, means a firm that—

“(i) held a covered contract with the Department of Defense or covered subcontract before a reduction in the defense budget;

“(ii) experiences a reduction, or the threat of a reduction, of—

“(I) 25 percent or more in sales or production; or

“(II) 80 percent or more of the workforce of such firm in any division of such firm or at any plant or other facility of such firm; and

“(iii) establishes, by evidence, that the reductions referred to in clause (ii) occurred as a direct result of a reduction in the defense budget.

“(B) The term ‘covered contract or subcontract’ means—

“(i) a covered contract with the Department of Defense in an amount not less than \$100,000 (without regard to the date on which the contract was awarded); and

“(ii) a subcontract which—

“(I) is entered into in connection with a contract described in clause (i) (without regard to the effective date of the subcontract); and

“(II) is in an amount not less than \$50,000.”.

(b) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting “IMPROVEMENT OF THE SUBTIER DEFENSE INDUSTRY.—” after “(a)”; and

(2) in subsection (b), by inserting “SUPPORT OF NON-DOD MANUFACTURING EXTENSION PROGRAMS.—” after “(b)”.

(c) EFFECTIVE DATE.—The Secretary of Defense may not carry out the Department of Defense Technology Extension program authorized by subsection (c) of section 2517 of title 10, United States Code, as added by subsection (a), before October 1, 1992.

(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations for such program. Such regulations shall be prescribed not later than 90 days after the date of the enactment of this Act.

(e) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of

Defense under section 4101 for fiscal year 1993 for defense reinvestment programs 2.5 percent shall be made available for the program authorized by section 2517(c) of title 10, United States Code, as added by subsection (a).

SEC. 4203. DEFENSE SMALL BUSINESS ASSISTANCE AND DIVERSIFICATION PROGRAM.

(a) IN GENERAL.—Section 2517 of title 10, United States Code, as amended by section 4202, is further amended by adding at the end the following new subsection:

“(d) SMALL BUSINESS ASSISTANCE AND DIVERSIFICATION.—(1) The Secretary of Defense shall carry out a program to provide small business defense contractors and subcontractors with access to services that would enable them to develop new products and attain the technical support needed to bring those new products to market. The goal of the program shall be to encourage the maintenance of a viable defense supplier base consisting of diversified small businesses.

“(2) The program shall provide the following services or alternative services that support the goal of the program:

“(A) Access to a national network of scientists and engineers that can help minimize technical risk, assist in making better technical decisions, and help in solving technical problems.

“(B) Access to the world’s technical and marketing literature through an interactive process that enables the small business firm to work jointly with a searching expert in finding the needed print material.

“(C) Access to a vendor service enabling ready identification of suppliers, joint venture partners, subcontractors, and other related business firms.

“(D) Access to information on other sources of assistance (such as Manufacturing Technology Centers, Small Business Development Centers, and Procurement Technical Assistance Centers) and to information on technologies and products that have been developed with Federal funds.”

(b) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 1 percent shall be made available for the program authorized by section 2517(d) of title 10, United States Code, as added by subsection (a).

SEC. 4204. EXPANSION OF SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM FOR DEFENSE RESEARCH AND DEVELOPMENT ACTIVITIES.

(a) EXTENSION OF DURATION OF PROGRAM.—Subject to subsection (h), the Small Business Innovation Research Program shall apply to the Department of Defense (including the military departments) as if the date specified in section 5 of the Small Business Innovation Development Act of 1982 (15 U.S.C. 638 note) for the repeal of such program were October 1, 2000 (rather than October 1, 1993).

(b) REPEAL OF EXCLUSION OF CERTAIN DOD R&D ACTIVITIES.—Subsection (e)(1) of section 9 of the Small Business Act (15 U.S.C. 638) is amended by striking out “except that for the Department of Defense” and all that follows through “development, and”.

(c) REPEAL OF EXCLUSION OF DOE DEFENSE-RELATED R&D ACTIVITIES.—Subsection (f) of such section is amended—

- (1) by striking out “(1)” after “(f)”;
- (2) by striking out paragraph (2).

(d) INCLUSION OF CERTAIN DOD INTELLIGENCE ACTIVITIES.—Subsection (e)(2) of such section is amended by striking out “any agency within the Intelligence Community (as such term is defined in section 3.4(f) of Executive Order 11333 or its successor orders)” and inserting in lieu thereof “any agency for which funds are provided through the National Foreign Intelligence Program (as such term is defined in section 3.4(g) of

Executive Order 11333 or its successor orders)”.

(e) PERCENTAGE OF REQUIRED EXPENDITURES FOR SBIR CONTRACTS.—The Small Business Innovation Research Program shall apply to the Department of Defense (including the military departments) as if the percentage specified in section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) with respect to fiscal years after fiscal year 1982 were 2.5 percent (rather than 1.25 percent).

(f) INCREASE IN ALLOWABLE AMOUNT OF AWARDS.—The maximum amount of a contract that the Department of Defense (including the military departments) may award under the Small Business Innovation Research program in the first phase of a particular small business innovation research program generally should not exceed \$75,000.

(g) ENCOURAGEMENT OF COMMERCIALIZATION UNDER SBIR PROJECTS.—The Small Business Innovation Research Program shall apply to the Department of Defense (including the military departments) by substituting for subparagraphs (A), (B), and (C) of section 9(e)(4) of the Small Business Act (15 U.S.C. 638(e)(4)) the following:

“(A) a first phase for determining, insofar as possible, the scientific and technical merit and feasibility of ideas that appear to have commercial potential (as described in subparagraph (C)) and that are submitted pursuant to SBIR program solicitations;

“(B) a second phase, to further develop proposed ideas which meet particular program needs, in which awards shall be made based on the scientific and technical merit and feasibility of the idea as evidenced by the first phase and by giving consideration to factors relating to the commercial potential of the idea, such as—

“(i) whether or not the idea is proposed by a small business concern that has been successful in the commercial application of SBIR research;

“(ii) whether or not there are commitments for contributions to second phase funding of the idea;

“(iii) whether or not there are third phase, follow-on commitments for the idea; and

“(iv) whether or not the idea has other qualities indicating commercial potential; and

“(C) where appropriate, a third phase in which non-Federal capital pursues commercial applications of the research or research and development and which may also involve follow-on, non-SBIR funded awards with a Federal agency for products or processes intended for use by the United States Government and which is a continuation of research or research and development that has been competitively selected using peer review or scientific review criteria established pursuant to subparagraphs (A) and (B).”

(h) SBIR PROGRAM DEFINED.—For purposes of this section, the Small Business Innovation Research Program is the program established under the following provisions of section 9 of the Small Business Act (15 U.S.C. 638):

(1) Paragraphs (4) through (7) of subsection (b).

(2) Subsections (e) through (k).

(i) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect on October 1, 1992, and shall apply with respect to fiscal years after fiscal year 1992.

SEC. 4205. COOPERATIVE AGREEMENTS FOR ADVANCED RESEARCH PROJECTS.

(a) FISCAL YEAR 1993 FUNDING.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 5 percent shall be made available to carry out section 2371 of title 10, United States Code (relating to cooperative agreements for advanced research projects).

(b) CONDITION OF COOPERATIVE AGREEMENTS, ETC.—Section 2371(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

“(3) The Secretary shall require as a condition of a cooperative agreement or other transaction under this section that the other party to the agreement or transaction, in selecting personnel to work on a project for which funds are provided through such agreement or transaction, shall give preference to former and retired members of the armed forces, to former Department of Defense employees, and to former defense industry employees, who are separated or displaced due to reductions in defense spending or closure or realignment of military installations.

SEC. 4206. REGIONAL DEFENSE TECHNOLOGY CLUSTERS.

(a) ESTABLISHMENT OF PROGRAM.—(1) Section 2524 of title 10, United States Code, is amended to read as follows:

“§2524. Regional defense technology clusters: assistance program

“(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense shall conduct a program to provide assistance for the activities of eligible regional defense technology clusters and consortia in the United States. The program shall be carried out in consultation and coordination with the Secretary of Commerce. The goals of the program shall be—

“(1) to increase the availability to the Department of Defense of technology that enhances national security; and

“(2) to preserve the defense industrial and technology base on which the military depends.

“(b) ELIGIBLE REGIONAL DEFENSE TECHNOLOGY CLUSTERS.—A regional technology cluster is eligible for assistance under the program if—

“(1) the purpose of the cluster is to facilitate the use of one or more defense critical technologies for defense and commercial purposes by an industry in the region served by that cluster in order to maintain within the United States industrial capabilities that are vital to the national security of the United States; and

“(2) the cluster meets the other requirements of this section.

“(c) PROGRAM PARTICIPANTS.—(1) The participants in a regional defense technology cluster shall include eligible firms that conduct business in the region of the United States served or to be served by the cluster and a sponsoring agency in that region. The participants may also include other organizations considered appropriate by the Secretary of Defense.

“(2)(A) A sponsoring agency of a cluster may be any agency described in subparagraph (B) that, as determined by the Secretary, provides adequate assurances that it will—

“(i) meet the financial requirements in subsection (e); and

“(ii) provide assistance in the management of the cluster.

“(B) An agency referred to in subparagraph (A) is any of the following:

“(i) An agency of a State or local government.

“(ii) A nonprofit organization established, or performing functions, pursuant to an agreement entered into by two or more States or local governments.

“(iii) A membership organization in which a State or local government is a member.

“(d) ACTIVITIES AUTHORIZED.—The activities of a cluster may include the following:

“(1) Facilitation of the sharing of information, equipment, personnel, and expertise among eligible firms participating in the cluster and by such firms and other sources of labor, capital, and technological expertise in the region served by the cluster when such sharing will enhance the ability of such

firms to use a national critical technology for a commercial purpose that strengthens the defense technology base and enhances national security.

“(2) Other activities designed to enhance the degree of communication and collaboration among participants in a cluster for the purpose of increasing the productivity and ability to compete internationally of such participants.

“(3) The joint provision, by participants in the cluster to other participants in the cluster, of services that, as jointly determined by the eligible firms participating in the cluster, will enhance directly the ability of each such firm to use a national critical technology for a commercial purpose. Such services may include the following—

“(A) operation of equipment testbed and scale-up facilities;

“(B) development, testing, and evaluation of prototypes;

“(C) sharing of technical expertise relating to design and management;

“(D) dissemination of information relating to market trends and technical advances in materials and production equipment;

“(E) technical education and worker training;

“(F) quality testing and standards certification;

“(G) identification and promotion of export opportunities;

“(H) facilitation of communication between managers and workers; and

“(I) other services that no such firm is likely to provide for on its own.

“(4) Joint research and development that—

“(A) is generally applicable to the needs of all of the eligible firms participating in the cluster; and

“(B) is jointly determined by such firms, will enhance directly the ability of such firms to use a national critical technology for a commercial purpose.

“(5) Subject to subsection (e)(2), proprietary research and development that, as determined by one or more eligible firms participating in the cluster, will enhance directly the ability of any such firm to apply a national critical technology for a commercial purpose.

“(e) ASSISTANCE AUTHORIZED.—(1) Under the program, the Secretary may provide—

“(A) financial assistance for the activities of a regional defense technology cluster (including, in the case of a proposed cluster, the establishment of such a cluster) in any amount not in excess of 50 percent of the cost of conducting such activities (including the cost of establishing a proposed cluster) during the period covered by the financial assistance; and

“(B) technical assistance for the activities (and, in the case of a proposed cluster, the establishment) of a cluster awarded financial assistance authorized by subparagraph (A).

“(2) The Secretary may not provide financial assistance under the program for construction of facilities.

“(3) The Secretary may furnish assistance to a regional defense technology cluster under the program for not more than six years.

“(f) FINANCIAL CONTRIBUTIONS OF CLUSTER PARTICIPANTS.—(1) The sponsoring agency of a regional defense technology cluster and the eligible firms participating in the cluster shall pay at least 50 percent of the total cost incurred each year for the activities of the cluster. Funds contributed for the activities of the cluster by institutions of higher education or private, nonprofit organizations participating in the cluster shall be considered as funds contributed by the sponsoring agency.

“(2) If the right to use or license the results of any research and development activity of a cluster is limited by participants in

the cluster to one or more, but less than half, of the eligible firms participating in the cluster, the non-Federal Government participants in the cluster shall pay the total cost incurred for such activity.

“(g) MANAGEMENT PLAN.—A regional defense technology cluster shall operate under a management plan that includes provisions for the eligible firms participating in the cluster to have the primary responsibility for directing the activities of the cluster and to exercise that responsibility through, among any other means, majority voting membership of such firms on the board of directors of the cluster.

“(h) ADMINISTRATION OF PROGRAM.—The Secretary shall prescribe regulations that, to the extent practicable, apply the same requirements and authorities in the administration of this section as apply under subsections (d) and (e) of section 2523 of this title.

“(i) SELECTION CRITERIA.—The criteria for selection of a cluster to receive financial assistance under this section shall include the following:

“(1) The potential for the activities of the cluster to result in—

“(A) increased availability of technology for the enhancement of national security;

“(B) increased international competitiveness and productivity of eligible firms within the region to be served by the cluster in support of the critical technology base on which the military depends; and

“(C) the emergence in such region of new firms that are capable of applying dual-use critical technologies.

“(2) The extent to which the proposed activities of the cluster meet important commercial needs of eligible firms within the region to be served by the cluster and the quality of those activities for meeting such needs.

“(3) The potential for the cluster to be able to apply critical technology research and development supported or conducted by Federal laboratories and institutions of higher education in the advancement of national security interests of the United States.

“(4) The potential for the cluster to sustain itself through support from industry and other non-Federal Government sources after the termination of the Federal assistance provided pursuant to this section.

“(5) The level of involvement of appropriate State and local agencies, institutions of higher education, and private, nonprofit entities in the center.

“(6) The potential for assisting participating eligible firms to convert from defense-related production to nondefense commercial production.

“(7) Such other criteria as the Secretary prescribes.

“(i) SELECTION REQUIREMENT.—As a condition of providing assistance to a regional cluster under this section, the Secretary of Defense shall require firms participating in the cluster, in selecting personnel, to work on projects for which financial assistance is provided under this section, shall give preference to former and retired members of the armed forces, to former Department of Defense employees, and to former defense industry employees, who are separated or displaced due to reductions in defense spending or closure or realignment of military installations.”.

(2) The item relating to such section in the table of sections at the beginning of chapter 150 of such title is amended to read as follows:

“2524. Regional defense technology clusters: assistance program.”.

(b) FUNDING.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvest-

ment programs, 2.5 percent shall be made available for the program authorized by section 2524 of title 10, United States Code, as amended by subsection (a).

(c) DEADLINE FOR IMPLEMENTING REGULATIONS.—Regulations for the administration of the program authorized by section 2524 of title 10, United States Code, as amended by subsection (a), shall be prescribed not later than 90 days after the date of the enactment of this Act.

TITLE XLIII—EDUCATION AND TRAINING PROGRAMS

Subtitle A—Defense Efforts to Relieve Shortages of Elementary and Secondary School Teachers and Teachers' Aides

SEC. 4301. TEACHER AND TEACHER'S AIDE PLACEMENT PROGRAM FOR SEPARATED MEMBERS OF THE ARMED FORCES.

(a) PLACEMENT PROGRAM.—(1) Chapter 58 of title 10, United States Code, is amended by adding at the end the following new section:

“§1151. Assistance to separated members to obtain certification and employment as teachers' aides

“(a) PLACEMENT PROGRAM.—The Secretary of Defense shall establish a program—

“(1) to assist eligible members of the armed forces after their separation from active duty to obtain—

“(A) certification as elementary or secondary school teachers; or

“(B) the credentials necessary to serve as teachers' aides; and

“(2) to facilitate the employment of such members by local educational agencies experiencing a shortage of teachers or teachers' aides.

“(b) STATES WITH ALTERNATIVE CERTIFICATION REQUIREMENTS AND TEACHER AND TEACHER'S AIDE SHORTAGES.—The Secretary of Defense, in consultation with the Secretary of Education, shall—

“(1) conduct a survey of States to identify those States with alternative certification requirements for teachers;

“(2) periodically request information from States identified under paragraph (1) to identify local educational agencies in these States that are experiencing a shortage of qualified teachers, in particular a shortage of science, mathematics, or engineering teachers; and

“(3) periodically request information from all States to identify local educational agencies that are experiencing a shortage of teachers' aides.

“(c) ELIGIBLE MEMBERS.—(1) Except as provided in paragraph (2), a member shall be eligible for selection by the Secretary of Defense to participate in the placement program if the member—

“(A) during the five-year period beginning on October 1, 1992, is discharged or released from active duty after six or more years of continuous active duty immediately before the discharge or release;

“(B) has received—

“(i) in the case of a member applying for assistance for placement as an elementary or secondary school teacher, a baccalaureate or advanced degree from an accredited institution of higher education; or

“(ii) in the case of a member applying for assistance for placement as a teacher's aide in an elementary or secondary school, an associate, baccalaureate, or advanced degree from an accredited institution of higher education or a junior or community college; and

“(C) satisfies such other criteria for selection as the Secretary may prescribe.

“(2) A member who is discharged or released from service under other than honorable conditions shall not be eligible to participate in the program.

“(3) The Secretary may accept an application from a member who was discharged or

released from active duty during the period beginning on October 1, 1990, and ending on the date of the enactment of this Act if the member otherwise satisfies the eligibility criteria specified in paragraph (1).

“(d) SELECTION OF PARTICIPANTS.—(1) The Secretary of Defense shall select members to participate in the program on the basis of applications submitted to the Secretary before the date of the discharge or release of the members from active duty. In the case of members referred to in subsection (c)(3), the Secretary shall establish a reasonable time period after the date of the enactment of this section for the submission of applications. An application shall be in such form and contain such information as the Secretary may require. The Secretary shall make applications available to members when they receive prepreparation counseling under section 1142 of this title.

“(2) In selecting participants to receive assistance for placement as elementary or secondary school teachers, the Secretary shall give priority to members who—

“(A) have educational or military experience in science, mathematics, or engineering and agree to seek employment as science, mathematics, or engineering teachers in elementary or secondary schools; or

“(B) have educational or military experience in another subject area identified by the Secretary, in consultation with the Secretary of Education, as important for national educational objectives and agree to seek employment in that subject area in elementary or secondary schools.

“(3) The Secretary may not select a member to participate in the program unless the Secretary has sufficient appropriations for the placement program available at the time of the selection to satisfy the obligations to be incurred by the United States under subsections (f) and (g) with respect to that member.

“(e) AGREEMENT.—A member selected to participate in the program shall be required to enter into an agreement with the Secretary in which the member agrees—

“(1) to obtain, within one year after the discharge or release of the member from active duty, certification as an elementary or secondary school teacher or the necessary credentials to serve as a teacher's aide in an elementary or secondary school; and

“(2) to accept—

“(A) in the case of a member selected for assistance for placement as a teacher, an offer of full-time employment as an elementary or secondary school teacher for not less than two school years with a local educational agency identified under subsection (b)(2), to begin the school year after obtaining that certification; or

“(B) in the case of a member selected for assistance for placement as a teacher's aide, an offer of full-time employment as a teacher's aide in an elementary or secondary school for not less than two school years with a local educational agency identified under subsection (b)(3), to begin the school year after obtaining the necessary credentials.

“(f) STIPEND FOR PARTICIPANTS.—(1) The Secretary of Defense shall pay a \$5,000 stipend to each participant in the program to assist the participant with living expenses while the participant—

“(A) is obtaining teacher certification or the necessary credentials to serve as a teacher's aide; and

“(B) is seeking employment as an elementary or secondary school teacher or teacher's aide.

“(2) A stipend provided under paragraph (1) shall be taken into account in determining the eligibility of the participant for Federal student financial assistance provided under

title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

“(g) GRANTS TO FACILITATE PLACEMENT.—(1) In the case of a participant in the program obtaining teacher certification, the Secretary of Defense shall offer to enter into an agreement under this subsection with the first local educational agency identified under subsection (b)(2) that employs the participant as a full-time elementary or secondary school teacher after the participant obtains teacher certification.

“(2) In the case of a participant in the program obtaining credentials to serve as a teacher's aide, the Secretary shall offer to enter into an agreement under this subsection with the first local educational agency identified under subsection (b)(3) that employs the participant as a full-time teacher's aide.

“(3) Under an agreement referred to in paragraph (1) or (2)—

“(A) the local educational agency shall agree to employ the participant full time for not less than two consecutive school years at a basic salary to be certified to the Secretary; and

“(B) the Secretary shall agree to pay to the local educational agency an amount equal to the lesser of—

“(i) the basic salary to be paid by the local educational agency to the participant during the two years; and

“(ii) \$50,000.

“(4) Payments required under paragraph (2) may be made by the Secretary in such installments as the Secretary may determine.

“(5) If a participant leaves the employment of a local educational agency before the end of the two years of required service, the local educational agency shall reimburse the Secretary in an amount that bears the same ratio to the total amount already paid under the agreement as the unserved portion bears to the two years of required service.

“(6) The Secretary may not make a grant under this subsection to a local educational agency if the Secretary determines that the agency terminated the employment of another employee in order to fill the vacancy so created with a participant.

“(h) REIMBURSEMENT UNDER CERTAIN CIRCUMSTANCES.—(1) If a participant in the placement program fails to obtain certification or employment as an elementary or secondary school teacher or employment as a teacher's aide as required under the agreement or voluntarily leaves, or is terminated for cause, from the employment during the two years of required service, the participant shall be required to reimburse the Secretary of Defense for the stipend provided under subsection (f) in an amount that bears the same ratio to the amount of the stipend as the unserved portion of required service bears to the two years of required service.

“(2) The obligation to reimburse the Secretary under this subsection is, for all purposes, a debt owing the United States. A discharge in bankruptcy under title 11 shall not release a participant from the obligation to reimburse the Secretary. Any amount owed by a participant under paragraph (1) shall bear interest at the rate equal to the highest rate being paid by the United States on the day on which the reimbursement is determined to be due for securities having maturities of ninety days or less and shall accrue from the day on which the participant is first notified of the amount due.

“(i) EXCEPTIONS TO REIMBURSEMENT PROVISIONS.—(1) A participant in the placement program shall not be considered to be in violation of an agreement entered into under subsection (e) during any period in which the participant—

“(A) is pursuing a full-time course of study related to the field of teaching at an eligible institution;

“(B) is serving on active duty as a member of the Armed Forces;

“(C) is temporarily totally disabled for a period of time not to exceed three years as established by sworn affidavit of a qualified physician;

“(D) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

“(E) is seeking and unable to find full-time employment as a teacher or teacher's aide in an elementary or secondary school for a single period not to exceed 27 months; or

“(F) satisfies the provisions of additional reimbursement exceptions that may be prescribed by the Secretary of Defense.

“(2) A participant shall be excused from reimbursement under subsection (h) if the participant becomes permanently totally disabled as established by sworn affidavit of a qualified physician. The Secretary may also waive reimbursement in cases of extreme hardship to the participant, as determined by the Secretary.

“(j) DEFINITIONS.—In this section:

“(1) The term ‘State’ includes the District of Columbia, American Samoa, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Palau, and the Virgin Islands.

“(2) The term ‘alternative certification requirements’ means State or local teacher certification requirements that permit a demonstrated competence in appropriate subject areas gained in careers outside of education to be substituted for traditional teacher training course work.”

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“1151. Assistance to separated members to obtain certification and employment as teachers or employment as teachers' aides.”

(b) INFORMATION REGARDING PLACEMENT PROGRAM IN PREPREPARATION COUNSELING.—Section 1142(b)(4) of such title is amended by inserting before the period the following: “and information regarding the program established under section 1151 of this title to assist members obtain employment as elementary or secondary school teachers or teachers' aides.”

SEC. 4302. TEACHER AND TEACHER'S AIDE PLACEMENT PROGRAM FOR TERMINATED DEFENSE EMPLOYEES.

(a) PLACEMENT PROGRAM.—Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 1598. Assistance to terminated employees to obtain certification and employment as teachers or employment as teachers' aides

“(a) PLACEMENT PROGRAM.—The Secretary of Defense shall establish a program—

“(1) to assist eligible civilian employees of the Department of Defense and the Department of Energy after the termination of their employment to obtain—

“(A) certification as elementary or secondary school teachers; or

“(B) the credentials necessary to serve as teachers' aides; and

“(2) to facilitate the employment of such employees by local educational agencies experiencing a shortage of teachers or teachers' aides.

“(b) ELIGIBLE EMPLOYEES.—(1) A civilian employee of the Department of Defense or the Department of Energy shall be eligible for selection by the Secretary of Defense to participate in the placement program if the employee—

“(A) during the five-year period beginning on October 1, 1992, is terminated from such employment as a result of reductions in de-

fense spending or the closure or realignment of a military installation, as determined by the Secretary of Defense or the Secretary of Energy, as the case may be;

“(B) has received—

“(i) in the case of an employee applying for assistance for placement as an elementary or secondary school teacher, a baccalaureate or advanced degree from an accredited institution of higher education; or

“(ii) in the case of an employee applying for assistance for placement as a teacher’s aide in an elementary or secondary school, an associate, baccalaureate, or advanced degree from an accredited institution of higher education or a junior or community college; and

“(C) satisfies such other criteria for selection as the Secretary of Defense may prescribe.

“(2) The Secretary of Defense may accept an application from a civilian employee referred to in paragraph (1) who was terminated during the period beginning on October 1, 1990, and ending on the date of the enactment of this section if the member otherwise satisfies the eligibility criteria specified in that paragraph.

“(c) SELECTION OF PARTICIPANTS.—(1) The Secretary of Defense shall select civilian employees to participate in the program on the basis of applications submitted to the Secretary after the employees receive a notice of termination. An application shall be filed within such time, in such form, and contain such information as the Secretary of Defense may require.

“(2) In selecting participants to receive assistance for placement as elementary or secondary school teachers, the Secretary of Defense shall give priority to civilian employees who—

“(A) have educational, military, or employment experience in science, mathematics, or engineering and agree to seek employment as science, mathematics, or engineering teachers in elementary or secondary schools; or

“(B) have educational, military, or employment experience in another subject area identified by the Secretary, in consultation with the Secretary of Education, as important for national educational objectives and agree to seek employment in that subject area in elementary or secondary schools.

“(3) The Secretary of Defense may not select a civilian employee to participate in the program unless the Secretary has sufficient appropriations for the placement program available at the time of the selection to satisfy the obligations to be incurred by the United States under the program with respect to that member.

“(d) AGREEMENT.—A civilian employee selected to participate in the program shall be required to enter into an agreement with the Secretary of Defense in which the employee agrees—

“(1) to obtain, within one year after the termination of the employee, certification as an elementary or secondary school teacher or the necessary credentials to serve as a teacher’s aide in an elementary or secondary school; and

“(2) to accept—

“(A) in the case of an employee selected for assistance for placement as a teacher, an offer of full-time employment as an elementary or secondary school teacher for not less than two school years with a local educational agency identified under section 1151(b)(2) of this title, to begin the school year after obtaining that certification; or

“(B) in the case of an employee selected for assistance for placement as a teacher’s aide, an offer of full-time employment as a teacher’s aide in an elementary or secondary school for not less than two school years with a local educational agency identified

under section 1151(b)(3) of this title, to begin the school year after obtaining the necessary credentials.

“(e) STIPEND; PLACEMENT OF PARTICIPANTS AS TEACHERS AND TEACHERS’ AIDES.—Subsections (f) through (j) of section 1151 of this title shall apply with respect to the placement program established under this section.”

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“1598. Assistance to terminated employees to obtain certification and employment as teachers or employment as teachers’ aides.”

SEC. 4303. TEACHER AND TEACHER’S AIDE PLACEMENT PROGRAM FOR DISPLACED SCIENTISTS AND ENGINEERS OF DEFENSE CONTRACTORS.

(a) PLACEMENT PROGRAM.—Chapter 141 of title 10, United States Code, is amended by adding at the end the following new section:

“§2410c. Displaced contractor employees: assistance to obtain certification and employment as teachers or employment as teachers’ aides

“(a) ASSISTANCE PROGRAM.—The Secretary of Defense may enter into a cooperative agreement with a defense contractor in order—

“(1) to assist an eligible scientist or engineer employed by the contractor whose employment is terminated to obtain—

“(A) certification as an elementary or secondary school teacher; or

“(B) the credentials necessary to serve as a teacher’s aide; and

“(2) to facilitate the employment of the scientist or engineer by a local educational agency experiencing a shortage of teachers or teachers’ aides.

(b) ELIGIBLE DEFENSE CONTRACTORS.—(1) The Secretary of Defense shall establish an application and selection process for the participation of defense contractors in a cooperative agreement under subsection (a).

“(2) The Secretary shall determine which defense contractors are eligible to participate in the program on the basis of applications submitted under subsection (c). The Secretary shall limit participation to those defense contractors or subcontractors that—

“(A) produce goods or services for the Department of Defense pursuant to a defense contract or operate nuclear weapons manufacturing facilities for the Department of Energy; and

“(B) have recently reduced operations, or are likely to reduce operations, due to the completion or termination of a defense contract or program or by reductions in defense spending.

“(3) The Secretary shall give special consideration to defense contractors who are located in areas that have been hit particularly hard by reductions in defense spending.

(c) DEFENSE CONTRACTOR APPLICATIONS.—(1) A defense contractor desiring to enter into a cooperative agreement with the Secretary of Defense under subsection (a) shall submit an application to the Secretary containing the following:

“(A) Evidence that the contractor has been, or is expected to be, adversely affected by the completion or termination of a defense contract or program or by reductions in defense spending.

“(B) An explanation that scientists and engineers employed by the contractor have been terminated, laid off, or retired, or are likely to be terminated, laid off, or retired, as a result of the completion or termination of a defense contract or program or reductions in defense spending.

“(C) A description of programs implemented or proposed by the contractor to assist these scientists and engineers.

“(D) A commitment to help fund the costs associated with the assistance program by paying \$2,500 of the stipend provided under subsection (g) to an employee or former employee of the contractor selected to receive assistance under this section.

“(2) Once a cooperative agreement is entered into under subsection (a) between the Secretary and the defense contractor, the contractor shall publicize the program and distribute applications to prospective participants, and assist the prospective participants with the State screening process.

(d) ELIGIBLE SCIENTISTS AND ENGINEERS.—An individual shall be eligible for selection by the Secretary of Defense to receive assistance under this section if the individual—

“(1) is employed or has been employed for not less than five years as a scientist or engineer with a private defense contractor that has entered into an agreement under subsection (a);

“(2) has received—

“(A) in the case of an individual applying for assistance for placement as an elementary or secondary school teacher, a baccalaureate or advanced degree from an accredited institution of higher education; or

“(B) in the case of an individual applying for assistance for placement as a teacher’s aide in an elementary or secondary school, an associate, baccalaureate, or advanced degree from an accredited institution of higher education or a junior or community college; and

“(3) has been terminated or laid off (or received notice of termination or lay off) as a result of the completion or termination of a defense contract or program or reductions in defense spending; and

“(4) satisfies such other criteria for selection as the Secretary may prescribe.

(e) SELECTION OF PARTICIPANTS.—(1) In selecting participants to receive assistance for placement as elementary or secondary school teachers, the Secretary shall give priority to individuals who—

“(A) have educational, military, or employment experience in science, mathematics, or engineering and agree to seek employment as science, mathematics, or engineering teachers in elementary or secondary schools; or

“(B) have educational, military, or employment experience in another subject area identified by the Secretary, in consultation with the Secretary of Education, as important for national educational objectives and agree to seek employment in that subject area in elementary or secondary schools.

“(3) The Secretary may not select an individual under this section unless the Secretary has sufficient appropriations to carry out this section available at the time of the selection to satisfy the obligations to be incurred by the United States under this section with respect to that individual.

(f) AGREEMENT.—An individual selected under this section shall be required to enter into an agreement with the Secretary in which the participant agrees—

“(1) to obtain, within one year after the selection of the individual, certification as an elementary or secondary school teacher or the necessary credentials to serve as a teacher’s aide in an elementary or secondary school; and

“(2) to accept—

“(A) in the case of an individual selected for assistance for placement as a teacher, an offer of full-time employment as an elementary or secondary school teacher for not less than two school years with a local educational agency identified under section 1151(b)(2) of this title, to begin the school year after obtaining that certification; or

“(B) in the case of an individual selected for assistance for placement as a teacher’s aide, an offer of full-time employment as a

teacher's aide in an elementary or secondary school for not less than two school years with a local educational agency identified under section 1151(b)(3) of this title, to begin the school year after obtaining the necessary credentials.

"(g) STIPEND FOR PARTICIPANTS.—(1) The Secretary of Defense shall pay a \$5,000 stipend to each participant selected under this section to assist the participant with living expenses while the participant—

"(A) is obtaining teacher certification or the necessary credentials to serve as a teacher's aide; and

"(B) is seeking employment as an elementary or secondary school teacher or teacher's aide.

"(2) A stipend provided under this section shall be taken into account in determining the eligibility of the participant for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

"(h) PLACEMENT OF PARTICIPANTS AS TEACHERS AND TEACHERS' AIDES.—Subsections (g) through (k) of section 1151 of this title shall apply with respect to the placement as teachers and teachers' aides of individuals selected under this section."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2410c. Displaced contractor employees: assistance to obtain certification and employment as teachers or employment as teachers' aides."

SEC. 4304. FUNDING FOR FISCAL YEAR 1993.

Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 18 percent shall be made available for the programs authorized by sections 1151, 1598, and 2410c of title 10, United States Code, as added by this subtitle.

Subtitle B—Environmental Education and Retraining Provisions

SEC. 4311. ENVIRONMENTAL SCHOLARSHIP AND FELLOWSHIP PROGRAMS FOR THE DEPARTMENT OF DEFENSE.

(a) ESTABLISHMENT.—The Secretary of Defense (hereinafter in this section referred to as the "Secretary") shall conduct scholarship and fellowship programs for the purpose of enabling individuals to qualify for employment in the field of environmental restoration and waste management in the Department of Defense.

(b) ELIGIBILITY.—To be eligible to participate in the scholarship or fellowship program, an individual must—

(1) be accepted for enrollment or be currently enrolled as a full-time student at an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)));

(2) be pursuing a program of education that leads to an appropriate higher education degree in engineering, biology, chemistry, or another qualifying field related to environmental restoration and waste management, as determined by the Secretary;

(3) sign an agreement described in subsection (c);

(4) be a citizen or national of the United States or be an alien lawfully admitted to the United States for permanent residence; and

(5) meet any other requirements prescribed by the Secretary.

(c) AGREEMENT.—An agreement between the Secretary and an individual participating in a scholarship or fellowship established in subsection (a) shall be in writing, shall be signed by the individual, and shall include the following provisions:

(1) The agreement of the Secretary to provide the individual with educational assist-

ance for a specified number of school years (not to exceed 5 years) during which the individual is pursuing a course of education in a qualifying field. The assistance may include payment of tuition, fees, books, laboratory expenses, and (in the case of a fellowship) a stipend.

(2) The agreement of the individual to perform the following:

(A) Accept such educational assistance.

(B) Maintain enrollment and attendance in the educational program until completed.

(C) Maintain, while enrolled in the educational program, satisfactory academic progress as prescribed by the institution of higher education in which the individual is enrolled.

(D) Serve, upon completion of the educational program and selection by the Secretary under subsection (e), as a full-time employee in an environmental restoration or waste management position in the Department of Defense for the applicable period of service specified in subsection (d).

(d) PERIOD OF SERVICE.—The period of service required under subsection (c)(2)(D) is as follows:

(1) For an individual who completes a bachelor's degree under a scholarship program established under subsection (a), a period of 12 months for each school year or part thereof for which the individual is provided a scholarship under the program.

(2) For an individual who completes a master's degree under a fellowship program established under subsection (a), a period of 24 months for each school year or part thereof for which the individual is provided a fellowship under the program.

(e) SELECTION FOR SERVICE.—The Secretary shall annually review the number and performance under the agreement of individuals who complete educational programs under the scholarship and fellowship programs during the preceding year. From among such individuals, the Secretary shall select individuals for environmental and waste management positions in the Department of Defense, based on the type and availability of such positions.

(f) REPAYMENT.—(1) Except as provided in paragraph (5), any individual participating in a scholarship or fellowship program under this section shall agree to pay to the United States the total amount of educational assistance provided to the individual under the program, plus interest at the rate prescribed in paragraph (4), if—

(A) the individual does not complete the educational program as agreed to pursuant to subsection (c)(2)(B), completes the educational program but is not selected by the Secretary under subsection (e), or is selected by the Secretary under such subsection but declines to serve, or fails to complete the service, in a position in the Department of Defense as agreed to pursuant to subsection (c)(2)(D); or

(B) in the case of an individual selected by the Secretary under subsection (e), the individual is voluntarily separated from service or involuntarily separated for cause from the Department of Defense before the end of the period for which the individual has agreed to continue in the service of the Department of Defense.

(2) If an individual fails to fulfill the agreement of the individual to pay to the United States the total amount of educational assistance provided under a program established under subsection (a), plus (except as provided in paragraph (5)) interest at the rate prescribed in paragraph (4), a sum equal to the amount of the educational assistance (plus such interest, if applicable) shall be recoverable by the United States from the individual or his estate by—

(A) in the case of an individual who is an employee of the Department of Defense, set

off against accrued pay, compensation, amount of retirement credit, or other amount due the employee from the United States; and

(B) such other method provided by law for the recovery of amounts owing to the United States.

(3) The Secretary may waive in whole or in part a required repayment under this subsection if the Secretary determines the recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

(4) Except as provided in paragraph (5), the total amount of educational assistance provided to an individual under a program established under subsection (a) shall, for purposes of repayment under this section, bear interest at the applicable rate of interest under section 427A(c) of the Higher Education Act of 1965 (20 U.S.C. 1077a(c)).

(5) The requirement to pay interest under this subsection shall not apply to an individual who completes an educational program as agreed to under subsection (c)(2)(B) but is not selected by the Secretary under subsection (e).

(g) PREFERENCE.—In evaluating applicants for the award of a scholarship or fellowship under a program established under subsection (a), the Secretary shall give a preference to—

(1) individuals who are, or have been, employed by the Department of Defense or its contractors and subcontractors or by the Department of Energy or its contractors and subcontractors who have been engaged in defense-related activities; and

(2) individuals who are or have been members of the Armed Forces.

(h) COORDINATION OF BENEFITS.—A scholarship or fellowship awarded under this section shall be taken into account in determining the eligibility of the individual for Federal student financial assistance provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.).

(i) AWARD OF SCHOLARSHIPS AND FELLOWSHIPS.—(1) Subject to paragraph (2), the Secretary shall award not less than 100 scholarships (for undergraduate students) and not less than 30 fellowships (for graduate students) in fiscal year 1993.

(2) The requirement under paragraph (1) to award not less than 100 scholarships and not less than 30 fellowships shall apply only to the extent there is a sufficient number of applicants qualified for such awards.

(j) REPORT TO CONGRESS.—Not later than January 1, 1994, the Secretary shall submit to the Congress a report on activities undertaken under the programs established under subsection (a) and recommendations for future activities under the programs.

(k) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs—

(1) 0.7 percent shall be made available to carry out the scholarship and fellowship programs established in subsection (a); and

(2) 0.3 percent shall be made available to provide training to Department of Defense personnel to obtain the skills required to comply with existing environmental statutory and regulatory requirements.

SEC. 4312. GRANTS TO COMMUNITY COLLEGES TO PROVIDE TRAINING IN ENVIRONMENTAL RESTORATION AND HAZARDOUS WASTE MANAGEMENT.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Defense may establish a program to assist community colleges to provide education and training in environmental restoration and hazardous waste management.

(b) FINANCIAL ASSISTANCE.—The Secretary may award grants to community colleges under the program established under subsection (a).

(c) ELIGIBILITY AND SELECTION.—(1) To be eligible for financial assistance under this section, a community college shall submit to the Secretary a proposal for such assistance in the time and manner and containing the information required by the Secretary.

(2) The Secretary shall select community colleges to receive funding under this section based upon—

(A) the extent to which a community college proposes to provide training and education under the program that is applicable to defense manufacturing sites and Department of Defense and Department of Energy defense facilities; and

(B) any other criteria prescribed by the Secretary.

(d) DEFINITION.—In this section, the term “community college” has the meaning given the term “junior or community college” in section 312(e) of the Higher Education Act of 1965 (20 U.S.C. 1058(e)).

(e) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 0.5 percent shall be made available to carry out the program established under subsection (a).

SEC. 4313. ENVIRONMENTAL CLEANUP TRAINING DEMONSTRATION GRANT PROGRAM.

(a) IN GENERAL.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

“§ 2709. Environmental cleanup training demonstration grant program.

“(a) IN GENERAL.—The Secretary of Defense, in consultation with the Secretary of Labor, may make grants to substate grantees, employers, representatives of employees, labor-management committees, and States to carry out demonstration projects to train eligible employees to—

“(1) carry out environmental cleanup at military installations, including cleanup of hazardous waste at such installations; and

“(2) carry out the destruction or disposal of weapons at such installations.

“(b) PURPOSE.—The purpose of the demonstration grant program established under subsection (a) is to increase the number of individuals qualified to conduct environmental restoration or hazardous waste cleanup at military installations.

“(c) DEFINITIONS.—In this section:

“(1) The term ‘eligible employee’ has the meaning given such term in section 325 of the Job Training Partnership Act (29 U.S.C. 1662d).

“(2) The terms ‘labor-management committees’, ‘State’, and ‘substate grantee’ have the meanings given such terms in section 301(b) of such Act (29 U.S.C. 1651(b)).”

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

“2709. Environmental training cleanup demonstration grant program.”

(b) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 0.5 percent shall be made available to carry out section 2709 of title 10, United States Code, as added by subsection (a).

SEC. 4314. DEPARTMENT OF ENERGY DEFENSE NUCLEAR FACILITIES WORK FORCE RESTRUCTURING PLAN.

(a) IN GENERAL.—The Secretary of Energy (hereinafter in this section referred to as the “Secretary”) shall develop a plan for restructuring the work force of Department of Energy defense nuclear facilities that takes into account—

(1) reconfiguration of defense nuclear facilities; and

(2) the plan for the nuclear weapons stockpile that is the most recently prepared plan

at the time of the development of the plan referred to in this subsection.

(b) CONSULTATION.—(1) In developing the plan referred to in subsection (a) and any updates of the plan under subsection (e), the Secretary shall consult with the Secretary of Labor, appropriate representatives of local and national collective-bargaining units of individuals employed at Department of Energy defense nuclear facilities, appropriate representatives of departments and agencies of State and local governments, appropriate representatives of State and local institutions of higher education, and appropriate representatives of community groups in communities affected by the restructuring plan.

(2) The Secretary shall determine appropriate representatives of the units, governments, institutions, and groups referred to in paragraph (1).

(c) OBJECTIVES.—In preparing the plan required under subsection (a), the Secretary shall be guided by the following objectives:

(1) Changes in the work force at Department of Energy defense nuclear facilities—

(A) should be accomplished so as to minimize social and economic impacts;

(B) should be made only after the provision of notice of such changes not later than 120 days before the commencement of such changes to such employees and the communities in which such facilities are located; and

(C) should be accomplished, when possible, through the use of retraining, early retirement, attrition, and other options that minimize layoffs.

(2) Employees whose employment in positions at such facilities is terminated shall, to the extent practicable, receive preference in any hiring of the Department of Energy (consistent with applicable employment seniority plans or practices of the Department of Energy and with section 3152 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189; 103 Stat. 1682)).

(3) Employees shall, to the extent practicable, be retrained for work in environmental restoration and waste management activities at such facilities or other facilities of the Department of Energy.

(4) The Department of Energy should provide relocation assistance to employees who are transferred to other Department of Energy facilities as a result of the plan.

(5) The Department of Energy should assist terminated employees in obtaining appropriate retraining, education, and reemployment assistance (including employment placement assistance).

(6) To the extent that funds are authorized and appropriated for such programs, the Department of Energy should provide local impact assistance to communities that are affected by the restructuring plan and coordinate the provision of such assistance with—

(A) programs carried out by the Department of Labor pursuant to the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

(B) programs carried out pursuant to the Defense Economic Adjustment, Diversification, Conversion, and Stabilization Act of 1990 (10 U.S.C. 2391 note); and

(C) programs carried out by the Department of Commerce pursuant to title IX of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3241 et seq.).

(d) IMPLEMENTATION.—The Secretary shall work on an ongoing basis with representatives of the Department of Labor, work force bargaining units, and States and local communities in carrying out the plan required under subsection (a).

(e) PLAN UPDATES.—Not later than one year after issuing the plan referred to in subsection (a) and on an annual basis thereafter, the Secretary shall issue an update of the

plan. Each updated plan under this subsection shall—

(1) be guided by the objectives referred to in subsection (c), taking into account any changes in the function or mission of the Department of Energy defense nuclear facilities and any other changes in circumstances that the Secretary determines to be relevant;

(2) contain an evaluation by the Secretary of the implementation of the plan during the year preceding the report; and

(3) contain such other information and provide for such other matters as the Secretary determines to be relevant.

(f) SUBMITTAL TO CONGRESS.—The Secretary shall submit the plan referred to in subsection (a) and any updates of the plan under subsection (e) to the Speaker of the House of Representatives and the President of the Senate. The plan shall be submitted not later than 180 days after the date of the enactment of this Act.

Subtitle C—Job Training and Employment and Educational Opportunities

SEC. 4321. TRAINING, ADJUSTMENT ASSISTANCE, AND EMPLOYMENT SERVICES FOR DISCHARGED MILITARY PERSONNEL, TERMINATED DEFENSE EMPLOYEES, AND DISPLACED EMPLOYEES OF DEFENSE CONTRACTORS.

(a) IN GENERAL.—Title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.) is amended by inserting after section 325 the following new section:

“SEC. 325A. DEFENSE DIVERSIFICATION PROGRAM.

“(a) IN GENERAL.—

“(1) GRANTS TO SUBSTATE GRANTEEES.—The Secretary of Defense, in consultation with the Secretary of Labor, shall make grants to substate grantees to provide defense diversification or conversion assistance to affected facilities and training, adjustment assistance, and employment services to eligible individuals described in subsection (b) located within the substate area of such grantee who are directly affected by reductions in expenditures by the United States for defense or by closures of United States military facilities. If a substate grantee fails to apply for a grant under this paragraph within 60 days after notification of the dislocation or potential dislocation of eligible individuals (or such reasonable time as the Secretary of Defense may prescribe in the case of training, assistance, and services for eligible members of the Armed Forces), the Secretary shall make such grants as provided in paragraphs (2) and (3).

“(2) GRANTS TO EMPLOYERS, REPRESENTATIVES OF EMPLOYEES, AND LABOR-MANAGEMENT COMMITTEES.—If a substate grantee fails to apply under paragraph (1) before the end of the application period provided such paragraph, the Secretary of Defense shall make grants to employers, representatives of employees, or labor-management committees which are located in the substate area of such grantee for the purpose of providing the services described in such paragraph.

“(3) GRANTS TO STATES.—If a substate grantee fails to apply under paragraph (1) and the entities described in paragraph (2) fail to apply under such paragraph, the Secretary of Defense shall make grants to States in which such grantees are located for the purpose of providing the services described in paragraph (1).

“(4) DEFINITIONS.—For purposes of this section:

“(A) LABOR-MANAGEMENT COMMITTEE.—The term ‘labor-management committee’—

“(i) has the meaning given such term in section 301(b)(1); and

“(ii) includes a committee established at a military installation to assist members of the Armed Forces who are being separated and civilian employees of the Department of

Defense and the Department of Energy who are being terminated.

“(B) DEFENSE CONTRACTOR.—The term ‘defense contractor’ means a private person producing goods or services pursuant to—

“(i) one or more defense contracts which have a total amount not less than \$500,000 entered into with the Department of Defense; or

“(ii) one or more subcontracts entered into in connection with a defense contract and which have a total amount not less than \$500,000.

“(b) INDIVIDUALS ELIGIBLE FOR TRAINING, ASSISTANCE, AND SERVICES.—

“(1) CERTAIN MEMBERS OF THE ARMED FORCES.—A member of the Armed Forces shall be eligible for training, adjustment assistance, and employment services under this section if the member—

“(A) was on active duty or full-time National Guard duty on September 30, 1990;

“(B) during the five-year period beginning on that date—

“(i) is involuntarily separated (as defined in section 1141 of title 10, United States Code) from active duty or full-time National Guard duty; or

“(ii) is separated from active duty or full-time National Guard duty pursuant to a special separation benefits program under section 1174a of title 10, United States Code, or the voluntary separation incentive program under section 1175 of that title;

“(C) is not entitled to retired or retainer pay incident to that separation; and

“(D) applies for such training, adjustment assistance, or employment services before the end of the 180-day period beginning on the date of that separation.

“(2) CERTAIN DEFENSE EMPLOYEES.—A civilian employee of the Department of Defense or the Department of Energy shall be eligible for training, adjustment assistance, and employment services under this section if the employee—

“(A) during the five-year period beginning on October 1, 1992, is terminated or laid off (or receives a notice of termination or lay off) from such employment as a result of reductions in defense spending or the closure or realignment of a military installation, as determined by the Secretary of Defense or the Secretary of Energy, except that, in the case a notice of termination or lay off, the eligibility of the employee shall not begin until 180 days before the projected date of the termination or lay off; and

“(B) is not entitled to retired or retainer pay incident to that termination or lay off.

“(3) CERTAIN DEFENSE CONTRACTOR EMPLOYEES.—An employee of a private defense contractor (as defined in section 4405(d) of the Defense Reinvestment Act of 1992) shall be eligible for training, adjustment assistance, and employment services under this section if the employee—

“(A) during the five-year period beginning on October 1, 1992, is terminated or laid off (or receives a notice of termination or lay off) from such employment as a result of reductions in defense spending or the closure or realignment of a military installation, as determined by the Secretary of Defense, except that, in the case a notice of termination or lay off, the eligibility of the employee shall not begin until 180 days before the projected date of the termination or lay off;

“(B) on the date of such termination or lay off, was employed for not less than five years with that private defense contractor; and

“(C) is not entitled to retired or retainer pay incident to that termination.

“(c) APPLICATION REQUIREMENTS.—

“(1) IN GENERAL.—To receive a grant under subsection (a), an applicant shall submit to the Secretary of Defense an application which contains such information as the Sec-

retary may require and which meets the following requirements:

“(A) CONVERSION PLAN.—

“(i) SUBSTATE GRANTEEES.—In the case of an applicant that is a substate grantee, such grantee shall, in conjunction with the labor-management committee established pursuant to subparagraph (B)(ii) at the affected facility, submit a conversion plan developed in consultation with the State dislocated worker unit (and where appropriate, representatives from the Department of Defense) that meets the requirements of clause (v).

“(ii) EMPLOYERS AND REPRESENTATIVES OF EMPLOYEES.—In the case of an applicant that is an employer or representative of employees, such employer or representative of employees shall, in conjunction with the labor-management committee established pursuant to subparagraph (B)(ii) at the affected facility of such employer or representatives of employees, submit a conversion plan developed in consultation with the State dislocated worker unit (and where appropriate, representatives from the Department of Defense) that meets the requirements of clause (v).

“(iii) LABOR-MANAGEMENT COMMITTEES.—In the case of an applicant that is a labor-management committee, such committee shall submit a conversion plan developed in consultation with the State dislocated worker unit (and where appropriate, representatives from the Department of Defense) that meets the requirements of clause (v).

“(iv) STATES.—In the case of an applicant that is a State, such State shall, in conjunction with the labor-management committee established pursuant to subparagraph (B)(ii) at the affected facility, submit a conversion plan developed in consultation with the State dislocated worker unit (and where appropriate, representatives from the Department of Defense) that meets the requirements of clause (v).

“(v) REQUIREMENTS.—A conversion plan meets the requirements of this clause if such plan—

“(I) provides an assessment of basic skills, career interests, and income needs of eligible individuals;

“(II) provides a preliminary outline of a program to convert the defense base or facility to a commercial facility; and

“(III) contains economic development strategies, new product marketing strategies, plant or military base conversion proposals, a labor market analysis, and proposals for the effective use or conversion of surplus Federal property.

“(B) PROVISION OF STATE DISLOCATED WORKER SERVICES.—The applicant shall provide verification that the State dislocated worker unit has provided, or is in the process of providing, in addition to the services described in section 311(b)(3) and 314(b), the following activities and services:

“(i) The State dislocated worker unit, in conjunction with the substate grantee (and where appropriate, representatives from the Department of Defense), has established on-site contact with employers and employee representatives affected by a dislocation or potential dislocation of eligible individuals not later than 2 business days after notification of such dislocation.

“(ii) The State dislocated worker unit has assisted in the formation of a labor-management committee in the case of a facility affected by an employee dislocation or potential dislocation in accordance with section 314(b)(1)(B), including the provision of technical assistance and, where appropriate, financial assistance to cover the start-up costs of such committee. If the labor-management committee has not been established by the State dislocated worker unit, the Secretary of Defense, in consultation with the Secretary of Labor, may waive the requirement

described in the preceding sentence if the Secretary determines that the State dislocated worker unit has made a good-faith effort to establish such committee.

“(iii) The State dislocated worker unit has provided, in conjunction with the labor-management committee established pursuant to clause (ii), the following services:

“(I) An initial survey of potential eligible individuals to determine the approximate number of such individuals interested in receiving services under this section, orientation sessions, counseling services, and early intervention services for eligible individuals and management. Such services may be provided in coordination with representatives from the United States Employment Service, the Interstate Job Bank, the Department of Defense, and the National Occupational Information Coordinating Committee.

“(II) Initial basic readjustment services in conjunction with such services provided by substate grantees.

“(C) SKILLS ENHANCEMENT RETRAINING.—The applicant shall provide assurances satisfactory to the Secretary of Defense, in consultation with the Secretary of Labor, that if the applicant uses amounts from a grant under subsection (a) for skills enhancement retraining at defense facilities pursuant to subsection (f)(2)—

“(i) the applicant will maintain its expenditures from all other sources for skills enhancement retraining at or above the average level of such expenditures in the fiscal year preceding the date of the enactment of this section; and

“(ii) such retraining will not be conducted during the individual's normal working hours.

“(2) TECHNICAL ASSISTANCE.—The Secretary of Labor may provide technical assistance to an applicant for the purpose of assisting the applicant to meet the application requirements under paragraph (1).

“(3) TIMELY DECISION.—The Secretary of Defense shall make a final determination with regard to an application received under paragraph (1) within 60 days after receipt of the application.

“(4) TIMELY NOTIFICATION.—The Secretary of Defense shall provide timely written notification to an applicant upon determination by such Secretary that the applicant has not satisfied the requirements under paragraph (1).

“(d) SELECTION REQUIREMENTS.—

“(1) NEEDS-RELATED PAYMENTS REQUIREMENT.—The Secretary of Defense, in consultation with the Secretary of Labor, shall not approve an application for a grant under subsection (a) unless the application contains assurances that the applicant will use amounts from a grant to provide needs-related payments in accordance with subsection (h).

“(2) SUBSTATE GRANTEEES.—In reviewing applications for grants to substate grantees under subsection (a)(1), the Secretary of Defense shall select applications—

“(A) from areas most severely impacted by the reduction in defense expenditures and base closures, particularly areas with existing high poverty levels or existing high unemployment levels;

“(B) from areas which have the greatest number of eligible individuals, taking into account the ratio of eligible individuals in the affected community to the population of such community; and

“(C) which include the input and participation of the labor-management committee in the development of the conversion plan required under subsection (c)(1)(A).

“(3) PRIORITY FOR LABOR-MANAGEMENT COMMITTEES.—In reviewing applications for grants under subsection (a)(2), the Secretary of Defense shall give priority to applications

received from labor-management committees.

“(e) RETENTION OF PORTION OF GRANT AMOUNT BY SECRETARY.—

“(1) PORTION RELATING TO CONVERSION PLAN.—The Secretary of Defense shall retain 25 percent of the amount of a grant awarded under subsection (a) and shall disburse the amount not later than 90 days after the date on which such Secretary determines that the applicant has satisfied the requirements of the conversion plan required under subsection (c)(1)(A).

“(2) PORTION RELATING TO STATE DISLOCATED WORKER SERVICES.—The Secretary shall retain up to 20 percent of the amount of the grant awarded under subsection (a) (not to exceed \$100,000) to reimburse the State dislocated worker unit for expenses incurred in providing the services described under subsection (c)(1)(B).

“(f) USE OF FUNDS.—Subject to the requirements of subsections (g), (h), and (i), grants under subsection (a) may be used for—

“(1) any purpose for which funds may be used under section 314 of this part; and

“(2) skills enhancement retraining at defense facilities which are being converted to commercial facilities for the purpose of supplementing existing skills enhancement efforts for non-professional and non-managerial positions at such facilities.

“(g) ADJUSTMENT ASSISTANCE REQUIREMENTS.—The adjustment assistance requirements described in section 326(e) shall apply for purposes of grants made under subsection (a) for adjustment assistance.

“(h) NEEDS-RELATED PAYMENTS REQUIREMENTS.—The Secretary of Labor shall prescribe regulations with respect to the use of funds from grants under subsection (a) for needs-related payments in accordance with the requirements described in section 326(f) in order to enable eligible individuals to complete training or education programs. Priority for needs-related payments shall be given to eligible individuals participating in certificate vocational training or education programs of 1 year or more.

“(i) DEPARTMENT OF DEFENSE FINANCIAL ASSISTANCE REQUIREMENT.—The Secretary of Defense, in consultation with the Secretary of Labor, shall prescribe regulations to ensure that student financial assistance authorized under programs for employees of the Department of Defense and veterans is provided prior to adjustment assistance under subsection (g), needs-related payments under subsection (h), and any other student financial assistance provided under Federal law.

“(j) DEMONSTRATION PROJECTS.—In carrying out the grant program established under subsection (a), the Secretary of Defense, in consultation with the Secretary of Labor, may make grants to the entities referred to in that subsection for the purpose of developing demonstration projects to encourage and promote innovative responses to the dislocation resulting from reductions in expenditures by the United States for defense or by the closure of United States military installations. Such demonstration projects may include—

“(1) projects to facilitate the placement of eligible individuals in occupations experiencing skill shortages that will make use of the skills acquired by the eligible individuals during their employment;

“(2) projects to assist in retraining and reorganization efforts designed to avert layoffs that would otherwise occur as a result of such reductions or closures; and

“(3) projects to assist communities in addressing and reducing the impact of such economic dislocation.”.

(b) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993

for defense reinvestment programs, 10 percent shall be made available to carry out section 325A of the Job Training Partnership Act, as added by subsection (a).

SEC. 4322. DEFENSE CONTRACTOR HIRING PREFERENCE FOR DISPLACED DEFENSE WORKERS.

(a) CONDITION OF DEFENSE CONTRACTS.—Any contract entered into by the Secretary of Defense with a major defense contractor during the period specified in subsection (g) shall include a provision requiring that during the period that the contract remains in effect the contractor, in hiring new employees in an occupational specialty, shall give a first right of hire to any displaced defense worker with skills in that occupational specialty.

(b) DISPLACED DEFENSE WORKER DEFINED.—For purposes of this section, an individual shall be considered to be a displaced defense worker if the individual was employed for a period of not less than five years as an employee of the Department of Defense, of a contractor of the Department of Defense, or of the national security laboratories of the Department of Energy immediately preceding a qualifying dislocation.

(c) QUALIFYING DISLOCATION DEFINED.—For purposes of this section, a qualifying dislocation is a termination of employment that the Secretary of Defense or the Secretary of Energy, as the case may be, determines was due to reductions in levels of defense expenditures.

(d) MAJOR DEFENSE CONTRACTOR DEFINED.—For purposes of this section, a business firm shall be considered to be a major defense contractor if the average annual dollar volume of contracts of that firm with the Department of Defense for the fiscal years 1989, 1990, and 1991 was greater than \$100,000,000.

(e) PROTECTION OF FURLOUGHED WORKERS.—Subsection (a) may not be construed to require a contractor to hire a displaced defense worker in preference to recalling a furloughed employee of the contractor.

(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to relieve an employer of the affirmative action requirements pertaining to veterans set forth in section 4212 of title 38, United States Code.

(g) APPLICABILITY.—This section shall apply to contracts entered into after the end of the 90-day period beginning on the date of the enactment of this Act and before October 1, 1997.

SEC. 4323. PARTICIPATION OF DISCHARGED MILITARY PERSONNEL IN UPWARD BOUND PROJECTS TO PREPARE FOR COLLEGE.

(a) PROGRAM.—The Secretary of Defense may carry out a program to assist a member of the Armed Forces described in subsection (b) who is accepted to participate in an upward bound project assisted under section 417C of the Higher Education Act of 1965 (20 U.S.C. 1070d-1a) to cover the cost of providing services through the project to the member to assist the member to prepare for and pursue a program of higher education upon separation from active duty. Assistance provided under the program may include a stipend provided under subsection (d) of such section.

(b) ELIGIBLE MEMBERS.—A member of the Armed Forces shall be eligible for assistance under subsection (a) if the member—

(1) was on active duty or full-time National Guard duty on September 30, 1990;

(2) during the five-year period beginning on that date, is discharged or released from such duty (under other than adverse circumstances); and

(3) submits an application to the Secretary of Defense within such time, in such form, and containing such information as the Secretary of Defense may require.

(c) NOTIFICATION OF MEMBERS PREVIOUSLY SEPARATED.—To the extent feasible, the Secretary of Defense shall notify members of the Armed Forces who, between September 30, 1990, and the date of the enactment of this Act, were discharged or released from active duty or full-time National Guard duty regarding the availability of the program under subsection (a). The Secretary may establish a time limit within which such members may apply to participate in the program.

(d) PROVISION OF ASSISTANCE.—

(1) DETERMINATION OF AMOUNT.—The amount of assistance provided under subsection (a) to a member of the Armed Forces shall be equal to the anticipated cost of providing services to the member through an upward bound project, subject to the limitation that such amount may not exceed the monthly basic pay to which the member is entitled at the time of the separation of the member. The Secretary of Defense may provide assistance in excess of that limitation if the Secretary determines, on a case by case basis, that such assistance is warranted by the special training needs of the member.

(2) CONSULTATION.—The Secretary of Education may assist the Secretary of Defense in determining the amount to be provided under paragraph (1).

(e) USE OF ASSISTANCE.—A member of the Armed Forces who is selected to participate in the program may receive services through any upward bound project assisted under section 417C of the Higher Education Act of 1965 (20 U.S.C. 1070d-1a) to the same extent as other individuals eligible to receive such services. A member may not participate after the end of the two-year period beginning on the date on which the member is discharged or released from active duty, except that, in the case of a member described in subsection (b) who was discharged or released from active duty before the date of the enactment of this Act, the period for participation in the program shall be two years from the date of the enactment of this Act.

(f) REIMBURSEMENT.—Upon submission to the Secretary of Defense of a request for reimbursement of the costs to provide services to a participant, the Secretary shall reimburse the upward bound project submitting the request for the actual cost of providing services (including a stipend) to the member, not to exceed the amount provided under subsection (d)(1). Funds provided under this subsection shall be in addition to the funds otherwise provided to the project under the Higher Education Act of 1965. Not more than 10 percent of the funds provided under this subsection may be used for administrative costs.

(g) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 0.5 percent shall be made available to provide assistance under this section.

SEC. 4324. IMPROVEMENTS TO EMPLOYMENT AND TRAINING ASSISTANCE FOR DISLOCATED WORKERS UNDER THE JOB TRAINING PARTNERSHIP ACT.

(a) ADDITIONAL STATE DISLOCATED WORKER UNIT ASSISTANCE REQUIREMENTS.—Section 311(b) of the Job Training Partnership Act (29 U.S.C. 1661(b)) is amended—

(1) in paragraph (3)(D), by inserting before the semicolon at the end the following: “, including immediate notification to substate grantees of current or projected permanent closures or substantial layoffs in the substate area of such grantee to continue and expand the services initiated by the rapid response teams”;

(2) in paragraph (9), by striking “on the plan; and” and inserting “on the plan;”;

(3) in paragraph (10), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

“(11) the State unit will provide the Secretary with a cost breakdown of all funds made available under this title used by such unit for administrative expenditures; and

“(12) the State will not transfer any of the rapid response assistance functions of the State unit under section 314(b) to any other entity.”.

(b) EXPANDED DEFINITION OF SUBSTANTIAL LAYOFF FOR RAPID RESPONSE ASSISTANCE PROVIDED UNDER SECTION 325.—Section 314(b) of such Act (29 U.S.C. 1661c(b)) is amended by adding at the end the following new paragraph:

“(3) For purposes of rapid response assistance provided by a State dislocated worker unit, the term ‘substantial layoff’ means a layoff of 50 or more individuals.”.

(c) LIMITATION ON USE OF FUNDS FOR NEEDS-RELATED PAYMENTS AND SUPPORTIVE SERVICES.—Section 315(b) of such Act (29 U.S.C. 1661d(b)) is amended by striking “Not more than 25 percent” and inserting “Except for funds expended under section 325 or 325A, not more than 25 percent”.

(d) PROHIBITION OF USE OF FUNDS UNDER JOB TRAINING PROGRAMS FOR TRANSFER OF FEDERAL PROPERTY AND EQUIPMENT BETWEEN FEDERAL AGENCIES.—Section 141 of such Act (29 U.S.C. 1551) is amended by adding at the end the following new subsection:

“(q) Notwithstanding any other provision of law, the transfer of Federal property and equipment to a job training program under this Act or an education program shall be provided to such program at no cost.”.

SEC. 4325. JOB BANK PROGRAM FOR DISCHARGED MILITARY PERSONNEL, TERMINATED DEFENSE EMPLOYEES, AND DISPLACED EMPLOYEES OF DEFENSE CONTRACTORS.

(a) INTERSTATE JOB BANK PROGRAM.—The Secretary of Defense may establish a program to expand the services of and provide access to the Interstate Job Bank program in the United States Employment Service to individuals eligible for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act (29 U.S.C. 1501 et seq.) and, in the case of members of the Armed Forces so eligible, the spouses of such members. The Secretary may establish such program in coordination with the Defense Outplacement Referral System and other automated job opening networks.

(b) SERVICES INCLUDED.—The program established under subsection (a) may include the following services:

(1) A phone bank reachable by a toll-free number, staffed by an international “help desk” of individuals familiar with the services provided under section 1144 of title 10, United States Code, and related transition programs under chapter 58 of such title (in the case of members of the Armed Forces, priority shall be given to recently-discharged veterans, members of the Armed Forces who have been separated from active duty, and their spouses).

(2) Interstate Job Bank satellite offices or systems at defense contractor plants by State employment security agencies and at all military bases for direct access and self service to job listings.

(3) Specialized job banks to integrate with the Interstate Job Bank for specialized listings or services such as the Defense Outplacement Referral System (DORS) of résumés, National Academy of Sciences Network, commercial systems, and the outplacement of defense-related personnel in high-tech occupations through the expansion and coordination of existing networks to ensure that resources are available at all service locations.

(4) A system by which individuals and public and private organizations may access the

Interstate Job Bank using individual modems or related automated employment systems (such system shall also demonstrate a fee-for-service access to the Interstate Job Bank).

(c) FUNDING FOR FISCAL YEAR 1993.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 0.6 percent shall be made available to carry out program established under subsection (a).

Subtitle D—Service Members Occupational Conversion and Training

SEC. 4351. SHORT TITLE.

This subtitle may be cited as the “Service Members Occupational Conversion and Training Act of 1992”.

SEC. 4352. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the men and women serving in our Nation’s Armed Forces are of the highest caliber—intelligent, dedicated, and disciplined—and hundreds of thousands of these service members will be separating from the Armed Forces due to the drawdown in military personnel;

(2) these men and women will be entering the civilian workforce during a time of economic instability and uncertainty;

(3) many of these service personnel specialized in critical skills such as combat arms which will not transfer to the civilian workforce;

(4) as part of the Nation’s obligation to these service members, the Secretary of Defense has a unique responsibility and obligation to provide them with the tools they need to be reassimilated into the civilian community and continue to be outstanding, productive citizens;

(5) the rapid placement of separated military personnel in civilian employment and training opportunities will significantly reduce the Department of Defense’s costs relative to unemployment compensation for ex-service members;

(6) military personnel are a national resource whose skills and abilities must be absorbed by and integrated into the civilian workforce; and

(7) providing such training will reduce the total cost of the drawdown and is important to the national defense function of the Department of Defense.

(b) PURPOSE.—The purpose of this subtitle is to provide additional means by which the Secretary of Defense can manage the drawdown of the Armed Forces and to provide additional forms of assistance to members of the Armed Forces who are forced or induced to leave military service by reason of the drawdown of the Armed Forces, thereby facilitating the Secretary’s ability to achieve end strength reductions caused by the drawdown.

SEC. 4353. DEFINITIONS.

For the purposes of this subtitle:

(1) The term “Secretary” means the Secretary of Defense.

(2) The terms “compensation”, “service-connected”, “State”, and “active military, naval, or air service” have the meanings given such terms in paragraphs (13), (16), (20), and (24), respectively, of section 101 of title 38, United States Code.

SEC. 4354. ESTABLISHMENT OF PROGRAM.

(a) ESTABLISHMENT.—Not later than 60 days after the date of enactment of this subtitle, the Secretary shall carry out a program in accordance with this subtitle to assist eligible persons in obtaining employment through participation in programs of significant training for employment in stable and permanent positions. The Secretary may enter into an agreement with the Secretary of Veterans Affairs and the Secretary of Labor for the implementation of the pro-

gram. The program shall be carried out through payments to employers who employ and train eligible persons in such positions. Such payments shall be made to assist such employers in defraying the costs of necessary training.

(b) STATE APPROVING AGENCIES.—(1) The implementing official may enter into contracts or agreements with State approving agencies, as designated pursuant to section 3671(a) of title 38, United States Code, to carry out any duty of the implementing official under this subtitle. Payment may be made to such agencies pursuant to any such contract or agreement for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in carrying out such duties. Each such payment may be made only from funds available to the implementing official pursuant to section 4366(a)(3).

(2) Each State approving agency with which a contract or agreement is entered into under this section shall submit to the implementing official on a monthly or quarterly basis, as determined by the agency, a report containing a certification of such expenses for the period covered by the report. The report shall be submitted in the form and manner required by such official.

SEC. 4355. ELIGIBILITY FOR PROGRAM; DURATION OF ASSISTANCE.

(a) IN GENERAL.—(1) To be eligible for participation in a job training program under this subtitle, an eligible person—

(A) must be an eligible person described in paragraph (2)—

(i) who—

(I) is unemployed at the time of applying for participation in a program under this subtitle; and

(II) has been unemployed for at least 10 of the 15 weeks immediately preceding the date of such eligible person’s application for participation in a program under this subtitle;

(ii) who separates from the active military, naval, or air service and whose primary or secondary occupational specialty in the Armed Forces is (as determined under regulations prescribed by the Secretary and in effect before the date of such separation) not readily transferable to the civilian workforce; or

(iii) who served in the active military, naval, or air service and is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under the laws administered by the Secretary of Veterans Affairs for a disability rated at 30 percent or more, as determined by the implementing official; and

(B) who submits an application under subsection (b) during the period ending four years after the date of the last discharge or the date of enactment of this subtitle, whichever is later.

(2) For purposes of paragraph (1), an eligible person referred to in paragraph (1) is a veteran described in section 101(2) of title 38, United States Code, who was discharged on or after August 2, 1990, and—

(A) served in the active military, naval, or air service for a period of more than 90 days; or

(B) was discharged or released from active duty because of a service-connected disability.

(3) For purposes of paragraph (1), an eligible person shall be considered to be unemployed during any period such person is without a job and wants and is available for work. In determining whether a person is unemployed for purposes of paragraph (1), the implementing official shall not take into consideration part-time or temporary employment, as defined by such official.

(b) APPLICATION PROCESS.—(1) An eligible person who desires to participate in a pro-

gram of job training under this subtitle shall submit to the implementing official an application for participation in such a program. Such an application—

(A) shall include a certification by the eligible person that the eligible person meets the criteria for eligibility prescribed by clause (i), (ii), or (iii) of subsection (a)(1);

(B) shall include an opportunity for the eligible person to request counseling under section 4364(a); and

(C) shall be in such form and contain such additional information as such official may prescribe.

(2)(A) Subject to subparagraph (B), an application by an eligible person for participation in a program of job training under this subtitle shall be approved unless the implementing official finds that the eligible person is not eligible to participate in a program of job training under this subtitle.

(B) Approval of an application of an eligible person under this subtitle may be withheld if the implementing official determines that, because of limited funds available for the purpose of making payments to employers under this subtitle, it is necessary to limit the number of participants in the program carried out under this subtitle.

(3)(A) Subject to section 4362(c), the implementing official shall certify as eligible for participation under this subtitle an eligible person whose application is approved under this subsection and shall furnish the eligible person with a certificate of that eligible person's eligibility for presentation to an employer offering a program of job training under this subtitle. Any such certificate shall expire 180 days after it is furnished to the eligible person. The date on which a certificate is furnished to an eligible person under this paragraph shall be stated on the certificate.

(B) A certificate furnished under this paragraph may, upon the eligible person's application, be renewed in accordance with the terms and conditions of subparagraph (A).

(c) PERIOD OF TRAINING.—The maximum period of training for which assistance may be provided on behalf of an eligible person under this subtitle is 15 months.

SEC. 4356. EMPLOYER JOB TRAINING PROGRAMS.

(a) MINIMUM PERIOD.—(1) Except as provided in paragraph (2), in order to be approved as a program of job training under this subtitle, a program of job training of an employer approved under section 4357 must provide training for a period of not less than 12 months in an occupation in a growth industry or in an occupation requiring the use of new technological skills.

(2) A program of job training providing training for a period of at least 6 months may be approved if the implementing official determines (in accordance with standards which the Secretary shall prescribe) that the purpose of this subtitle would be met through that program.

(b) ENTRY INTO PROGRAM.—Subject to section 4360 and the other provisions of this subtitle, an eligible person who has been approved for participation in a program of job training under this subtitle and has a current certificate of eligibility for such participation may enter a program of job training that has been approved under section 4357 and that is offered to the eligible person by the employer.

SEC. 4357. APPROVAL OF EMPLOYER PROGRAMS.

(a) IN GENERAL.—(1) An employer may be paid assistance under section 4358(a) on behalf of an eligible person employed by such employer and participating in a program of job training offered by that employer only if the program is approved under this section.

(2) Except as provided in subsection (b), a proposed program of job training of an employer shall be approved unless the imple-

menting official determines that the application does not contain a certification and other information meeting the requirements established under this subtitle or that withholding of approval is warranted under subsection (g).

(b) INELIGIBLE PROGRAMS.—A program of job training—

(1) for employment which consists of seasonal, intermittent, or temporary jobs;

(2) for employment under which commissions are the primary source of income;

(3) for employment which involves political or religious activities;

(4) for employment with any department, agency, instrumentality, or branch of the Federal Government (including the United States Postal Service and the Postal Rate Commission); or

(5) for employment outside of a State, may not be approved under this subtitle.

(c) APPLICATION.—An employer offering a program of job training that the employer desires to have approved for the purposes of this subtitle shall submit to the implementing official a written application for such approval. Such application shall be in such form as such official shall prescribe.

(d) CERTIFICATION.—An application under subsection (c) shall include a certification by the employer of the following:

(1) That the employer is planning that, upon an eligible person's completion of the program of job training, the employer will employ the eligible person in a position for which the eligible person has been trained and that the employer expects that such a position will be available on a stable and permanent basis to the eligible person at the end of the training period.

(2) That the wages and benefits to be paid to an eligible person participating in the employer's program of job training will be not less than the wages and benefits normally paid to other employees participating in a comparable program of job training.

(3) That the employment of an eligible person under the program—

(A) will not result in the displacement of currently employed workers (including partial displacement such as a reduction in the hours of nonovertime work, wages, or employment benefits); and

(B) will not be in a job (i) while any other individual is on layoff from the same or any substantially equivalent job, or (ii) the opening for which was created as a result of the employer having terminated the employment of any regular employee or otherwise having reduced its work force with the intention of hiring an eligible person in such job under this subtitle.

(4) That the employer will not employ in the program of job training an eligible person who is already qualified by training and experience for the job for which training is to be provided.

(5) That the job which is the objective of the training program is one that involves significant training.

(6) That the training content of the program is adequate, in light of the nature of the occupation for which training is to be provided and of comparable training opportunities in such occupation, to accomplish the training objective certified under paragraph (2) of subsection (e).

(7) That each participating eligible person will be employed full time in the program of job training.

(8) That the training period under the proposed program is not longer than the training periods that employers in the community customarily require new employees to complete in order to become competent in the occupation or job for which training is to be provided.

(9) That there are in the training establishment or place of employment such space,

equipment, instructional material, and instructor personnel as needed to accomplish the training objective certified under subsection (e)(2).

(10) That the employer will keep records adequate to show the progress made by each eligible person participating in the program and otherwise to demonstrate compliance with the requirements established under this subtitle.

(11) That the employer will furnish each participating eligible person, before the eligible person's entry into training, with a copy of the employer's certification under this subsection and will obtain and retain the eligible person's signed acknowledgment of having received such certification.

(12) That, as applicable, the employer will provide each participating eligible person with the full opportunity to participate in a personal interview pursuant to section 4364(b)(1)(B) during the eligible person's normal workday.

(13) That the program meets such other criteria as the Secretary, in consultation with the Secretary of Veterans Affairs and the Secretary of Labor, may determine are essential for the effective implementation of the program established by this subtitle.

(e) HOURS AND TRAINING CONTENT.—A certification under subsection (d) shall include—

(1) a statement indicating (A) the total number of hours of participation in the program of job training to be offered an eligible person, (B) the length of the program of job training, and (C) the starting rate of wages to be paid to a participant in the program; and

(2) a description of the training content of the program (including any agreement the employer has entered into with an educational institution under section 4360) and of the objective of the training.

(f) STATUS OF CERTIFIED MATTERS.—(1) Except as specified in paragraph (2), each matter required to be certified to in paragraphs (1) through (11) of subsection (d) shall be considered to be a requirement established under this subtitle.

(2)(A) For the purposes of section 4358(c), only matters required to be certified in paragraphs (1) through (10) of subsection (d) shall be so considered.

(B) For the purposes of section 4361, a matter required to be certified under paragraph (12) of subsection (d) shall also be so considered.

(g) WITHHOLDING APPROVAL; DISAPPROVAL.—In accordance with regulations which the Secretary shall prescribe, the implementing official may withhold approval of an employer's proposed program of job training pending the outcome of an investigation under section 4362 and, based on the outcome of such an investigation, may disapprove such program.

(h) ON-JOB TRAINING.—For the purposes of this section, approval of a program of apprenticeship or other on-job training for the purposes of section 3687 of title 38, United States Code, shall be considered to meet all requirements established under the provisions of this subtitle (other than subsection (b) and (d)(3)) for approval of a program of job training.

SEC. 4358. PAYMENTS TO EMPLOYERS; OVERPAYMENT.

(a) PAYMENTS.—(1)(A) Except as provided in subsection (b) and subject to section 4355(c), the implementing official shall make payments to employers in accordance with this section. The amount payable to such an employer on behalf of an eligible person with respect to an approved program of job training under this subtitle shall be determined by such official at the beginning of such program. Except as provided in subparagraph

(B), that amount shall be equal to 50 percent of the product of (i) the starting hourly rate of wages paid to the eligible person by the employer (without regard to overtime or premium pay), and (ii) the number of hours to be worked by the eligible person during the entire program period.

(B) In no case may the amount determined under subparagraph (A) exceed—

(i) \$12,000 for an eligible person with a service-connected disability rated at 30 percent or more; or

(ii) \$10,000 for an eligible person not described in clause (i).

(2)(A) Except as provided in subparagraph (B) of this paragraph and subject to the provisions of section 4359, the payments described in paragraph (1) shall be made to an employer of an eligible person participating in an approved program of job training under this subtitle as follows:

(i) One-third of the amount determined under paragraph (1) shall be paid upon completion by such eligible person of one-half of the period of training for which payment is to be made under this subtitle;

(ii) One-third of such amount shall be paid upon completion of such period of training; and

(iii) One-third of such amount shall be paid at the end of the six month period of employment beginning on the date of completion of such period of training.

(B)(i) In any case in which the employment of the eligible person is terminated for any reason described in clause (iii) during a period after a payment is made under subparagraph (A) and before the next payment is due under such subparagraph, the payment for such period shall be equal to the pro rata share of the payment for that period based on the hours actually worked, determined in accordance with the formula specified in paragraph (1)(A).

(ii) In any case in which the employment of an eligible person is terminated, in any period with respect to which a payment is to be made under clause (i), (ii), or (iii) of subparagraph (A), for any reason other than one described in clause (iii), no payment may be made with respect to such eligible person for such period.

(iii) The reasons referred to in clauses (i) and (ii) are the following:

(I) The eligible person voluntarily leaves employment with the employer.

(II) The eligible person becomes disabled and unable to continue his employment.

(III) The eligible person is terminated for good cause shown.

(b) LIMITATIONS.—(1) Payment may not be made to an employer for a period of training under this subtitle on behalf of an eligible person until the implementing official has received—

(A) from the eligible person, a certification that the eligible person was employed full time by the employer in a program of job training during such period; and

(B) from the employer, a certification—

(i) that the eligible person was employed by the employer during that period and that the eligible person's performance and progress during such period were satisfactory; and

(ii) of the number of hours worked by the eligible person during that period.

With respect to the first such certification by an employer with respect to an eligible person, the certification shall indicate the date on which the employment of the eligible person began and the starting hourly rate of wages paid to the eligible person (without regard to overtime or premium pay).

(2) Payment may not be made to an employer for a period of training under this subtitle on behalf of an eligible person for which a request for payment is made after

two years after the date on which that period of training ends.

(c) OVERPAYMENTS.—(1)(A) Whenever the implementing official finds that an overpayment under this subtitle has been made to an employer on behalf of an eligible person as a result of a certification, or information contained in an application, submitted by an employer which was false in any material respect, the amount of such overpayment shall constitute a liability of the employer to the United States.

(B) Whenever such official finds that an employer has failed in any substantial respect to comply for a period of time with a requirement established under this subtitle (unless the employer's failure is the result of false or incomplete information provided by the eligible person), each amount paid to the employer on behalf of an eligible person for that period shall be considered to be an overpayment under this subtitle, and the amount of such overpayment shall constitute a liability of the employer to the United States.

(2) Whenever such official finds that an overpayment under this subtitle has been made to an employer on behalf of an eligible person as a result of a certification by the eligible person, or as a result of information provided to an employer or contained in an application submitted by the eligible person, which was willfully or negligently false in any material respect, the amount of such overpayment shall constitute a liability of the eligible person to the United States.

(3) Any overpayment referred to in paragraph (1) or (2) may be recovered in the same manner as any other debt due the United States. Any overpayment recovered shall be credited to funds available to make payments under this subtitle. If there are no such funds, any overpayment recovered shall be deposited into the Treasury.

(4) Any overpayment referred to in paragraph (1) or (2) may be waived, in whole or in part, in accordance with the terms and conditions set forth in section 5302 of title 38, United States Code.

SEC. 4359. ENTRY INTO PROGRAM OF JOB TRAINING.

Notwithstanding any other provision of this subtitle, the implementing official shall withhold or deny approval of an eligible person's entry into an approved program of job training if such official determines that funds are not available to make payments under this subtitle on behalf of the eligible person to the employer offering that program. Before the entry of an eligible person into an approved program of job training of an employer for purposes of assistance under this subtitle, the employer shall notify such official of the employer's intention to employ that eligible person. The eligible person may begin such program of job training with the employer two weeks after the notice is transmitted to such official unless within that time the employer has received notice from such official that approval of the eligible person's entry into that program of job training must be withheld or denied in accordance with this section.

SEC. 4360. PROVISION OF TRAINING THROUGH EDUCATIONAL INSTITUTIONS.

An employer may enter into an agreement with an educational institution that has been approved for the purposes of chapter 106 of title 10, United States Code, in order that such institution may provide a program of job training (or a portion of such a program) under this subtitle. When such an agreement has been entered into, the application of the employer under section 4357 shall so state and shall include a description of the training to be provided under the agreement.

SEC. 4361. DISCONTINUANCE OF APPROVAL OF PARTICIPATION IN CERTAIN EMPLOYER PROGRAMS.

(a) FAILURE TO MEET REQUIREMENTS.—If the implementing official finds at any time that a program of job training previously approved for the purposes of this subtitle thereafter fails to meet any of the requirements established under this subtitle, such official may immediately disapprove further participation by eligible persons in that program. Such official shall provide to the employer concerned, and to each eligible person participating in the employer's program, a statement of the reasons for, and an opportunity for a hearing with respect to, such disapproval. The employer and each such eligible person shall be notified of such disapproval, the reasons for such disapproval, and the opportunity for a hearing. Notification shall be by a certified or registered letter, and a return receipt shall be secured.

(b) RATE OF COMPLETION.—(1) If the implementing official determines that the rate of eligible persons' successful completion of an employer's programs of job training previously approved for the purposes of this subtitle is disproportionately low because of deficiencies in the quality of such programs, such official shall disapprove participation in such programs on the part of eligible persons who had not begun such participation on the date that the employer is notified of the disapproval. In determining whether any such rate is disproportionately low because of such deficiencies, such official shall take into account appropriate data, including—

(A) the quarterly data provided by the Secretary of Labor with respect to the number of eligible persons who receive counseling in connection with training under this subtitle, are referred to employers under this subtitle, participate in job training under this subtitle, and complete such training or do not complete such training, and the reasons for noncompletion; and

(B) data compiled through the particular employer's compliance surveys.

(2) With respect to a disapproval under paragraph (1), the implementing official shall provide to the employer concerned the kind of statement, opportunity for hearing, and notice described in subsection (a).

(3) A disapproval under paragraph (1) shall remain in effect until such time as the implementing official determines that adequate remedial action has been taken.

SEC. 4362. INSPECTION OF RECORDS; INVESTIGATIONS.

(a) RECORDS.—The records and accounts of employers pertaining to eligible persons on behalf of whom assistance has been paid under this subtitle, as well as other records that the implementing official determines to be necessary to ascertain compliance with the requirements established under this subtitle, shall be available at reasonable times for examination by authorized representatives of the Federal Government.

(b) COMPLIANCE MONITORING.—Such official may monitor employers and eligible persons participating in programs of job training under this subtitle to determine compliance with the requirements established under this subtitle.

(c) INVESTIGATIONS.—Such official may investigate any matter such official considers necessary to determine compliance with the requirements established under this subtitle. The investigations authorized by this subsection may include examining records (including making certified copies of records), questioning employees, and entering into any premises or onto any site where any part of a program of job training is conducted under this subtitle, or where any of the records of the employer offering or providing such program are kept.

(d) DEPARTMENT OF LABOR.—Functions may be administered under subsections (b)

and (c) in accordance with an agreement between the Secretary and the Secretary of Labor providing for the administration of such subsections (or any portion of such subsections) by the Department of Labor. Under such an agreement, any entity of the Department of Labor specified in the agreement may administer such subsections.

SEC. 4363. COORDINATION WITH OTHER PROGRAMS.

(a) **VETERANS EDUCATION PROGRAMS.**—(1) Assistance may not be paid under this subtitle to an employer on behalf of an eligible person for any period of time described in paragraph (2) and to such eligible person under chapter 30, 31, 32, 35, or 36 of title 38, United States Code, or chapter 106 of title 10, United States Code, for the same period of time.

(2) A period of time referred to in paragraph (1) is the period of time beginning on the date on which the eligible person enters into an approved program of job training of an employer for purposes of assistance under this subtitle and ending on the last date for which such assistance is payable.

(b) **OTHER TRAINING AND EMPLOYMENT.**—Assistance may not be paid under this subtitle to an employer on behalf of an eligible person for any period if the employer receives for that period any other form of assistance on account of the training or employment of the eligible person, including assistance under the Job Training Partnership Act or a credit under section 51 of the Internal Revenue Code of 1986 (relating to credit for employment of certain new employees).

(c) **PREVIOUS COMPLETION OF PROGRAM.**—Assistance may not be paid under this subtitle on behalf of an eligible person who has completed a program of job training under this subtitle.

(d) **PROMOTION.**—(1) In carrying out section 3116(b) of title 38, United States Code, the Secretary of Veterans Affairs shall take all feasible steps to establish and encourage, for eligible persons who are eligible to have payments made on their behalf under such section, the development of training opportunities through programs of job training under this subtitle.

(2) In carrying out an agreement entered into under section 4354(a) of this subtitle, the Secretary of Veterans Affairs shall take all feasible steps to ensure that, in the cases of eligible persons who are eligible to have payments made on their behalf under both this subtitle and section 3116(b) of title 38, United States Code, the authority under such section is utilized, to the maximum extent feasible and consistent with the eligible person's best interests, to make payments to employers on behalf of such eligible persons.

SEC. 4364. COUNSELING.

(a) **IN GENERAL.**—The implementing official shall, upon request, provide, by contract or otherwise, employment counseling services to any eligible person eligible to participate under this subtitle in order to assist such eligible person in selecting a suitable program of job training under this subtitle.

(b) **CASE MANAGER.**—(1) The implementing official shall provide for a program under which—

(A) except as provided in paragraph (2), a disabled veteran's outreach program specialist appointed under section 4103A(a) of title 38, United States Code, is assigned as a case manager for each eligible person participating in a program of job training under this subtitle;

(B) the eligible person has an in-person interview with the case manager not later than 60 days after entering into a program of training under this subtitle; and

(C) periodic (not less frequent than monthly) contact is maintained with each such eligible person for the purpose of (i) avoiding

unnecessary termination of employment, (ii) referring the eligible person to appropriate counseling, if necessary, (iii) facilitating the eligible person's successful completion of such program, and (iv) following up with the employer and the eligible person in order to determine the eligible person's progress in the program and the outcome regarding the eligible person's participation in and successful completion of the program.

(2) No case manager shall be assigned pursuant to paragraph (1)(A)—

(A) for an eligible person if, on the basis of a recommendation made by a disabled veterans' outreach program specialist, the implementing official determines that there is no need for a case manager for such eligible person; or

(B) in the case of the employees of an employer, if the implementing official determines that—

(i) the employer has an appropriate and effective employee assistance program that is available to all eligible persons participating in the employer's programs of job training under this subtitle; or

(ii) the rate of eligible persons' successful completion of the employer's programs of job training under this subtitle, either cumulatively or during the previous program year, is 60 percent or higher.

(3) The implementing official shall provide, to the extent feasible, a program of counseling or other services designed to resolve difficulties that may be encountered by eligible persons during their training under this subtitle. Such counseling or other services shall be similar to the counseling and other services provided pursuant to chapter 77 of title 38, United States Code, and sections 1712A, 4103A, and 4104 of such title.

(c) **CASE MANAGER REQUIRED.**—Before an eligible person who voluntarily terminates from a program of job training under this subtitle or is involuntarily terminated from such program by the employer may be eligible to be provided with a further certificate, or renewal of certification, of eligibility for participation under this subtitle, such eligible person must be provided by the Secretary of Labor, after consultation with the implementing official, with a case manager.

SEC. 4365. INFORMATION AND OUTREACH; USE OF AGENCY RESOURCES.

(a) **IN GENERAL.**—(1) The Secretary, the Secretary of Veterans Affairs, and the Secretary of Labor shall jointly provide for an outreach and public information program—

(A) to inform eligible persons about the employment and job training opportunities available under this subtitle and under other provisions of law; and

(B) to inform private industry and business concerns (including small business concerns), public agencies and organizations, educational institutions, trade associations, and labor unions about the job training opportunities available under, and the advantages of participating in, the program established by this subtitle.

(2) The Secretary, in consultation with the Secretary of Labor and the Secretary of Veterans Affairs, shall promote the development of employment and job training opportunities for eligible persons by encouraging potential employers to make programs of job training under this subtitle available for eligible person, by advising other appropriate Federal departments and agencies of the program established by this subtitle, and by advising employers of applicable responsibilities under chapters 41 and 42 of title 38, United States Code, with respect to eligible persons.

(b) **COORDINATION.**—The Secretary, the Secretary of Veterans Affairs, and the Secretary of Labor shall coordinate the outreach and public information program under sub-

section (a)(1), and job development activities under subsection (a)(2), with job counseling, placement, job development, and other services provided for under chapters 41 and 42 of title 38, United States Code, and with other similar services offered by other public agencies and organizations.

(c) **AGENCY RESOURCES.**—(1) The Secretary, the Secretary of Veterans Affairs, and the Secretary of Labor shall make available such personnel as are necessary to facilitate the effective implementation of this subtitle.

(2) In carrying out the responsibilities of the Secretary of Labor under this subtitle, the Secretary of Labor shall make maximum use of the services of Directors and Assistant Directors for Veterans' Employment and Training, disabled veterans' outreach program specialists, and employees of local offices, appointed pursuant to sections 4103, 4103A, and 4104 of title 38, United States Code. To the extent that the implementing official withholds approval of eligible persons' applications under this subtitle pursuant to section 4355(b)(2)(B), the Secretary of Labor shall take steps to assist such eligible persons in taking advantage of opportunities that may be available to them under any other program carried out with funds provided by the Secretary of Labor.

(d) **SMALL BUSINESS.**—The implementing official shall request and obtain from the Administrator of the Small Business Administration a list of small business concerns and shall, on a regular basis, update such list. Such list shall be used to identify and promote possible training and employment opportunities for eligible persons.

(e) **ASSISTANCE TO PARTICIPATE.**—The Secretary, the Secretary of Veterans Affairs, and the Secretary of Labor shall assist eligible persons and employers desiring to participate under this subtitle in making application and completing necessary certifications.

(f) **COLLECTION OF CERTAIN INFORMATION.**—The Secretary of Labor shall, on a not less frequent than quarterly basis, collect and compile from the heads of State employment services and Directors for Veterans' Employment and Training for each State information available to such heads and Directors, and derived from programs carried out in their respective States, with respect to the numbers of eligible persons who receive counseling services pursuant to section 4364, who are referred to employers participating under this subtitle, who participate in programs of job training under this subtitle (including a description of the nature of the training and salaries that are part of such programs), and who complete such programs, and the reasons for eligible persons' non-completion.

SEC. 4366. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—(1) Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense re-investment programs, 10 percent shall be made available for the purpose of making payments to employers under this subtitle. The Secretary of Veterans Affairs and the Secretary of Labor shall submit an estimate to the Secretary of the amount needed to carry out any agreement entered into under section 4354(a), including administrative costs referred to in paragraph (3). Such agreements shall include administrative procedures to ensure the prompt and timely payments to employers by the implementing official.

(2) Amounts made available pursuant to this section for a fiscal year shall remain available until the end of the second fiscal year following the fiscal year in which such amounts were appropriated.

(3) Of the amounts appropriated under this subsection for a fiscal year, three and one-

half percent of such amounts may be used for the purpose of administering this subtitle, including reimbursing expenses incurred.

(b) AVAILABILITY OF DEOBLIGATED FUNDS.—Notwithstanding any other provision of law, any funds appropriated under subsection (a) for any fiscal year which are obligated for the purpose of making payments under section 4358 on behalf of an eligible person (including funds so obligated which previously had been obligated for such purpose on behalf of another eligible person and were thereafter deobligated) and are later deobligated shall immediately upon deobligation become available to the implementing official for obligation for such purpose. The further obligation of such funds by such official for such purpose shall not be delayed, directly or indirectly, in any manner by any officer or employee in the executive branch.

SEC. 4367. REPORT BY SECRETARY OF DEFENSE.

Not later than two years after the date of enactment of this subtitle, the Secretary of Defense, after consulting with the Secretary of Veterans Affairs and the Secretary of Labor, shall submit a report to the Congress assessing the effectiveness of the employment training program established by this subtitle in meeting the purposes of this subtitle and in providing the needed training for employment in stable and permanent positions, along with such recommendations the Secretary of Defense considers appropriate to strengthen the program.

SEC. 4368. TIME PERIODS FOR APPLICATION AND INITIATION OF TRAINING.

Assistance may not be paid to an employer under this subtitle—

(1) on behalf of an eligible person who initially applies for a program of job training under this subtitle after September 30, 1995; or

(2) for any such program which begins after March 31, 1996.

TITLE XLIV—TRANSITION INFORMATION SERVICES

SEC. 4401. NOTICE OF TERMINATION OF DEFENSE EMPLOYEES IN THE CASE OF BASE CLOSURES AND REALIGNMENTS.

Section 325 of the Job Training Partnership Act (29 U.S.C. 1662d) is amended by adding at the end the following new subsection:

“(e) NOTICE OF TERMINATION FOR DEFENSE EMPLOYEES.—(1) In the case a civilian employee of the Department of Defense employed at a military installation being closed or realigned, the inclusion of the military installation in a report described in paragraph (2) shall be considered to be a notice of termination to the employee for purposes of determining the employee's eligibility for training, adjustment assistance, and employment assistance under this section.

“(2) The report referred to in paragraph (1) is a base closure and realignment report transmitted to the Congress under—

“(A) section 2903(e) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note); or

“(B) section 202(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100-526; 10 U.S.C. 2687 note).”

SEC. 4402. IMPROVEMENT IN PRESEPARATION COUNSELING FOR MEMBERS OF THE ARMED FORCES.

(a) ADVANCED NOTICE OF SEPARATION TO MEMBER.—Subsection (a)(1) of section 1142 of title 10, United States Code, is amended by striking “Upon the discharge” and inserting “As soon as possible before, but in no event later than 90 days before, the date of the discharge”.

(b) CREATION OF TRANSITION PLAN.—Subsection (b) of such section is amended by

adding at the end the following new paragraph:

“(10) The creation of a transition plan for the member to attempt to achieve the educational, training, and employment objectives of the member and, if the member has a spouse, the spouse of the member.”

SEC. 4403. IMPROVED COORDINATION OF JOB TRAINING AND PLACEMENT PROGRAMS FOR MEMBERS OF THE ARMED FORCES.

The Secretary of Defense shall consult with the Secretary of Labor, the Secretary of Education, the Secretary of Veterans Affairs, and the Economic Adjustment Committee to improve the coordination of, and eliminate duplication between, the following job training and placement programs available to members of the Armed Forces who are discharged or released from active duty:

(1) The defense diversification program added by section 4321.

(2) Sections 1143 and 1144 of title 10, United States Code.

(3) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(4) Chapter 41 of title 38, United States Code.

(5) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(6) The Act of August 16, 1937 (Chapter 663; 50 Stat 664; 29 U.S.C. 50 et seq.), commonly known as the National Apprenticeship Act.

(7) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

SEC. 4404. DEFENSE CONTRACTOR REQUIREMENT TO LIST SUITABLE EMPLOYMENT OPENINGS WITH LOCAL EMPLOYMENT SERVICE OFFICE.

(a) IN GENERAL.—(1) Chapter 141 of title 10, United States Code, is amended by inserting after section 2410c, as added by section 4303(a), the following new section:

“§2410d. Defense contractors: listing of suitable employment openings with local employment service office.

“(a) REGULATIONS.—The Secretary of Defense shall promulgate regulations containing the requirement described in subsection (b) and such other provisions as the Secretary considers necessary to administer such requirement. Such regulations shall require that each contract described in subsection (c) shall contain a clause requiring the contractor to comply with such regulations.

“(b) REQUIREMENT.—The regulations promulgated under this section shall require each contractor carrying out a contract described in subsection (c) to list immediately with the appropriate local employment service office, and where appropriate the Interstate Job Bank (established by the United States Employment Service), all of its suitable employment openings under such contract.

“(c) COVERED CONTRACTS.—The regulations promulgated under this section shall apply to any contract entered into with the Department of Defense in an amount of \$100,000 or more.”

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2410c, as added by section 4303(b), the following new item:

“2410d. Defense contractors: listing of suitable employment openings with local employment service office.”

(b) EFFECTIVE DATE.—Section 2410d of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into after September 30, 1992.

SEC. 4405. NOTICE REQUIRED UPON CANCELLATION OF DEFENSE CONTRACTS.

(a) SECRETARY OF DEFENSE NOTICE REQUIREMENT.—To the extent practicable, the

Secretary of Defense shall provide six-months advance notice to a defense contractor of any cancellation or substantial reduction in a defense contract that will adversely affect the defense contractor.

(b) DEFENSE CONTRACTOR NOTICE REQUIREMENT.—Not later than two weeks after a defense contractor receives notice under subsection (a) of the cancellation or substantial reduction in a defense contract, the contractor shall notify each representative of employees of the defense contractor (or, if there is no such representative at that time, to each employee) of such cancellation or substantial reduction.

(c) CONSTRUCTIVE NOTICE OF TERMINATION FOR EMPLOYEES.—The notification provided under subsection (b) to the employees of a defense contractor shall be considered to be a notice of termination to the employee for purposes of determining the employee's eligibility for training, adjustment assistance, and employment assistance under section 325A of the Job Training Partnership Act, as added by section 4321.

(d) DEFENSE CONTRACTOR DEFINED.—For purposes of titles XLIII and XLIV, the term “defense contractor” means a private person producing goods or services pursuant to—

(1) one or more defense contracts which have a total amount not less than \$500,000 entered into with the Department of Defense; or

(2) one or more subcontracts—

(A) entered into in connection with a defense contract; and

(B) which have a total amount not less than \$500,000.

TITLE XLV—PLANNING AND TECHNICAL ASSISTANCE

SEC. 4501. EXPANSION OF ADJUSTMENT ASSISTANCE AVAILABLE TO STATES AND LOCAL GOVERNMENTS FROM THE OFFICE OF ECONOMIC ADJUSTMENT.

(a) OPERATIONAL ASSISTANCE.—Subsection (b) of section 2391 of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

“(4)(A) In the case of a State or local government eligible for assistance under paragraph (1), the Secretary of Defense may also make grants, conclude cooperative agreements, and supplement other Federal funds in order to assist the State or local government to carry out a community adjustment and economic diversification program (including State industrial extension or modernization efforts to facilitate the economic diversification of defense contractors and subcontractors) in addition to planning such a program.

“(B) The Secretary shall establish criteria for the selection of community adjustment and economic diversification programs to receive assistance under subparagraph (A). Such criteria shall include a requirement that the State or local government agree—

“(i) to provide not less than 10 percent of the funding for the program from non-Federal sources;

“(ii) to provide business planning and market exploration services under the program to defense contractors and subcontractors that seek modernization or diversification assistance; and

“(iii) to provide training, counseling, and placement services for members of the armed forces and dislocated defense workers.”

(b) CLERICAL AMENDMENTS.—Such section is further amended—

(1) by inserting “REUSE STUDIES.—” after “(a)”;

(2) by inserting “ADJUSTMENT AND DIVERSIFICATION ASSISTANCE.—” after “(b)”;

(3) by inserting "ANNUAL REPORT.—" after "(c)";

(4) by inserting "MILITARY INSTALLATION DEFINED.—" after "(d)"; and

(5) by inserting "ASSISTANCE SUBJECT TO APPROPRIATIONS.—" after "(e)".

(c) FUNDING FOR FISCAL YEAR 1993.—(1) Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 10.3 percent shall be made available as community adjustment and economic diversification assistance under section 2391(b)(4) of title 10, United States Code, as amended by subsection (a)(2).

(2) The Secretary of Defense may provide up to 5 percent of the amount made available pursuant to paragraph (1) for the purpose of providing preparation and assistance to those States intending to establish the types of programs funded by this section.

SEC. 4502. PILOT PROJECT TO IMPROVE ECONOMIC ADJUSTMENT PLANNING.

(a) PILOT PROJECT.—During fiscal year 1993, the Secretary of Defense shall conduct a pilot project to examine methods to improve the provision of economic adjustment and diversification assistance under section 2391(b)(1) of title 10, United States Code, to State and local governments adversely affected by the closure of military installations, the cancellation or completion of defense contracts, or reductions in defense spending.

(b) PLANNING GRANTS.—Under the pilot project, the Secretary of Defense shall make planning grants under section 2391(b)(1) of title 10, United States Code, to State and local governments in five study areas selected by the Secretary. The total amount of grants under the pilot program may not exceed \$400,000 per study area.

(c) STUDY AREAS.—In selecting study areas for inclusion in the pilot program, the Secretary of Defense shall ensure that—

(1) one study area covers an area in which the local economy is heavily dependent on a defense contractor that is in the process of terminating a major defense contract or closing a major facility;

(2) one study area covers an area in which the local economy would be adversely affected by changes in the use of a national laboratory previously needed for the testing of nuclear weapons;

(3) one study area covers an area in which the local economy would be adversely affected by the closing of a military installation; and

(4) one study area covers an area in which the local economy would be adversely affected by at least two of the changes referred to in the preceding paragraphs.

(d) USE OF GRANTS.—Grants made under the pilot program may be used to determine the needs of the communities in a study area as they experience the economic dislocation associated with the closure of military installations, the cancellation or completion of defense contracts, or reductions in defense spending and develop responses tailored to those needs through the use of a wide variety of sources and expertise in the communities.

(e) MONITORING OF GRANT USE.—The Secretary of Defense shall monitor the activities under the pilot project to develop a more complete understanding of the unique needs of each type of study area and the methodologies that may be successful in addressing similar economic dislocation in other communities in the United States.

(f) FUNDING.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 0.2 percent shall be made available for grants under this section.

SEC. 4503. ASSISTANCE TO SMALL BUSINESSES IN DEFENSE INDUSTRY THAT ARE ADVERSELY AFFECTED BY DEFENSE REDUCTIONS.

(a) IN GENERAL.—The Secretary of Defense shall carry out a program to provide financial assistance and technical assistance to qualifying small businesses in the defense industry. The assistance shall be provided in order to assist qualifying small businesses in diversifying into nondefense work or into other types of Department of Defense work. The goal of the program shall be to preserve a viable defense supplier base consisting of diversified small businesses.

(b) QUALIFYING FIRMS.—(1) A firm is a qualifying firm for the purposes of the program under this section if the firm is a United States firm that—

(A) is a supplier to the Department of Defense under a covered defense contract or subcontract;

(B) is a firm that has been, or is threatened to be, substantially and seriously affected by—

(i) the closure of a military installation;

(ii) the termination of a covered defense contract or subcontract; or

(iii) reductions in defense spending; or

(C) is a firm that is managed by and employs workers who were formerly employed by firms described in subparagraph (A) or (B).

"(2) In this subsection:

"(A) The term 'substantially and seriously affected', with respect to a business firm, means a firm that—

"(i) holds a covered defense contract or subcontract (or held such a contract or subcontract before a reduction the defense budget);

"(ii) experiences a reduction, or the threat of a reduction, of—

"(I) 25 percent or more in sales or production; or

"(II) 80 percent or more of the workforce of such firm in any division of such firm or at any plant or other facility of such firm; and

"(iii) establishes, by evidence, that the reductions referred to in clause (ii) occurred as a direct result of a reduction in the defense budget.

"(B) The term 'covered contract or subcontract' means—

"(i) a contract with the Department of Defense in an amount not less than \$100,000 (without regard to the date on which the contract was awarded); and

"(ii) a subcontract which—

"(I) is entered into in connection with a contract described in clause (i) (without regard to the effective date of the subcontract); and

"(II) is in an amount not less than \$50,000.

(c) PROVISION OF ASSISTANCE.—Assistance under this section shall be provided through the Office of Small and Disadvantaged Business of the Department of Defense. Subject to the availability of appropriations for such purpose, the Secretary of Defense, acting through the Director of that Office, may provide assistance under this section to any firm designated under subsection (b). Under regulations prescribed under this section, the assistance available under this section shall be provided by loan guarantees.

(d) LOAN GUARANTEES.—(1) To assist a qualifying small business firm under this section, the Secretary of Defense may guarantee in whole or in part any public or private financial institution (including any Federal Reserve bank) against loss of principal or interest on any loan, discount or advance, or on any commitment in connection therewith, which may be made by such financial institution for the purpose of financing the conversion of that business firm from the production or supply of goods or services primarily for national defense-related pur-

poses to the production or supply of goods or services for other commercial purposes of potential use by the Department of Defense or from the production or supply of goods or services in one aspect of national defense-related purposes to the production or supply of goods or services for other aspects of national defense-related purposes. Such a guaranty may be provided by commitment to purchase, agreement to share losses, or otherwise.

(2) The Secretary of Defense may make a guaranty under paragraph (1) without regard to provisions of law relating to the making, performance, amendment, or modification of contracts.

(f) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the program under this section. Such regulations shall be prescribed not later than 90 days after the date of the enactment of this Act.

(g) FUNDING.—Funds for the program under this section for any fiscal year shall be provided from funds appropriated to the Department of Defense for national defense functions. Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 7.5 percent shall be made available for such program.

(h) EFFECTIVE DATE.—The Secretary of Defense may not carry out the program authorized by this section before October 1, 1992.

SEC. 4504. DEFENSE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM.

(a) INCREASE IN LIMITATION ON ASSISTANCE.—Section 2414(a) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "\$300,000" and inserting in lieu thereof "\$600,000"; and

(2) in paragraph (2), by striking out "\$150,000" and inserting in lieu thereof "\$300,000".

(b) AUTHORITY TO PROVIDE CERTAIN TYPES OF TECHNICAL ASSISTANCE.—(1) Chapter 142 of such title is amended—

(A) by redesignating section 2418 as section 2419; and

(B) by inserting after section 2417 the following new section:

"§ 2418. Authority to provide certain types of technical assistance

"(a) The procurement technical assistance furnished by eligible entities assisted by the Department of Defense under this chapter may include—

"(1) technical assistance relating to contracts entered into with (A) Federal departments and agencies other than the Department of Defense, and (B) State and local governments; and

"(2) technical assistance relating to procedures for entering into contracts to export goods or services.

"(b) An eligible entity assisted by the Department of Defense under this chapter also may furnish information relating to assistance and other programs available pursuant to the Defense Reinvestment Act of 1992. In providing such information, an eligible entity may consult with the Assistant Secretary of Defense for Reinvestment and with the small and disadvantaged business utilization office in the Office of the Secretary of Defense."

(2) The table of sections at the beginning of such chapter is amended by striking out the item relating to section 2418 and inserting in lieu thereof the following:

"Sec. 2418. Authority to provide certain types of technical assistance.

"Sec. 2419. Regulations."

(c) FISCAL YEAR 1993 FUNDING.—Of the amount appropriated to the Department of Defense under section 4101 for fiscal year 1993 for defense reinvestment programs, 2.5 per-

cent shall be made available for carrying out the provisions of chapter 142 of title 10, United States Code, as amended by this section.

SEC. 4505. PLAN FOR THE TRANSFER OF CERTAIN NONLETHAL SUPPLIES TO STATE AND LOCAL GOVERNMENTS FOR ECONOMIC GROWTH.

(a) FINDINGS.—The Congress makes the following findings:

(1) The reduction in the size of the United States military will result in an increase in nonlethal supplies of the Department of Defense that are in excess of current and projected requirements of the Department of Defense.

(2) Agencies of State and local governments, many of which are suffering economic hardship, may be able to use the excess nonlethal supplies to create jobs for the citizens of the United States and to stimulate national economic growth.

(3) Agencies of State and local governments that demonstrate how they would utilize the supplies to create jobs and stimulate economic growth should be given priority in the transfer of the supplies by the Department of Defense.

(b) DEVELOPMENT OF PLAN FOR THE TRANSFER OF CERTAIN NONLETHAL SUPPLIES.—(1) The Secretary of Defense shall develop a plan to transfer to agencies of State and local governments nonlethal supplies that the Secretary of Defense determines are in excess of current and projected requirements of the Department of Defense. The plan shall provide—

(A) that agencies of State and local governments shall be eligible to receive the supplies before the supplies are made available for transfer to other Federal agencies or non-Federal entities;

(B) that the supplies shall be available for transfer to agencies of State and local governments without reimbursement, except that the cost of transportation and repair of the supplies shall be paid by the agency receiving the supplies;

(C) that, before supplies may be transferred to an agency of a State or local government, the agency shall submit to the Secretary of Defense an operational plan that is subject to the approval of the Secretary of Defense and that details how the agency will utilize the supplies to create jobs or stimulate economic growth;

(D) that supplies transferred under the plan may not be transferred by the agency receiving the supplies to any individual, public or private person, or other agency before the end of the 5-year period beginning on the date on which the supplies are transferred to the agency;

(E) that supplies available for transfer under the plan are supplies that are located in the continental United States;

(F) for the fair and equitable allocation among States and local governments of supplies transferred under the plan; and

(G) for such other matters that the Secretary of Defense considers appropriate to carry out the plan.

(2) Not later than February 15, 1993, the Secretary of Defense shall submit to the Congress a report containing the plan referred to in paragraph (1).

(c) DEFINITIONS.—In this section:

(1) The term "State" includes the District of Columbia, American Samoa, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, Palau, and the Virgin Islands.

(2) The term "supplies" has the meaning given such term in section 101 of title 10, United States Code, and shall include training software and other appropriate vocational educational materials used by the Armed Forces.

SEC. 4601. REDUCTION-IN-FORCE NOTIFICATION REQUIREMENTS.

(a) IN GENERAL.—(1) Section 3502 of title 5, United States Code, is amended by adding at the end the following:

"(d)(1) Except as provided under subsection (e), an employee may not be released, due to a reduction in force, unless—

"(A) such employee and such employee's exclusive representative for collective-bargaining purposes (if any) are given written notice, in conformance with the requirements of paragraph (2), at least 60 days before such employee is so released; and

"(B) if the reduction in force would involve the separation of a significant number of employees, the requirements of paragraph (3) are met at least 60 days before any employee is so released.

"(2) Any notice under paragraph (1)(A) shall include—

"(A) the personnel action to be taken with respect to the employee involved;

"(B) the effective date of the action;

"(C) a description of the procedures applicable in identifying employees for release;

"(D) the employee's ranking relative to other competing employees, and how that ranking was determined; and

"(E) a description of any appeal or other rights which may be available.

"(3) Notice under paragraph (1)(B)—

"(A) shall be given to—

"(i) the appropriate State dislocated worker unit or units (referred to in section 311(b)(2) of the Job Training Partnership Act); and

"(ii) the chief elected official of such unit or each of such units of local government as may be appropriate; and

"(B) shall consist of written notification as to—

"(i) the number of employees to be separated from service due to the reduction in force (broken down by geographic area or on such other basis as may be required under paragraph (4));

"(ii) when those separations will occur; and

"(iii) any other matter which might facilitate the delivery of rapid response assistance or other services under the Job Training Partnership Act.

"(4) The Office shall prescribe such regulations as may be necessary to carry out this subsection. The Office shall consult with the Secretary of Labor on matters relating to the Job Training Partnership Act.

"(e)(1) Subject to paragraph (3), upon request submitted under paragraph (2), the President may, in writing, shorten the period of advance notice required under subsection (d)(1)(A) and (B), with respect to a particular reduction in force, if necessary because of circumstances not reasonably foreseeable.

"(2) A request to shorten notice periods shall be submitted to the President by the head of the agency involved, and shall indicate the reduction in force to which the request pertains, the number of days by which the agency head requests that the periods be shortened, and the reasons why the request is necessary.

"(3) No notice period may be shortened to less than 30 days under this subsection."

(2) The amendment made by paragraph (1) shall apply with respect to any personnel action taking effect on or after the last day of the 90-day period beginning on the date of enactment of this Act.

(b) SPECIAL RULE.—(1) The provisions of section 3502(d) and (e) of title 5, United States Code (as added by subsection (a)) shall apply to employees of the Department of Defense according to their terms, except that, with respect to any reduction in force within that agency that would involve the separation of a significant number of employees (as

determined under paragraph (1)(B) of such section 3502(d)), any reference in such section 3502(d) to "60 days" shall, in the case of the employees described in paragraph (2), be deemed to read "120 days".

(2) The employees described in this paragraph are those employees of the Department of Defense who are to be separated, due to a reduction in force described in paragraph (1), effective on or after the last day of the 90-day period referred to in subsection (a)(2) and before February 1, 1998.

(3) Nothing in this subsection shall prevent the application of the amendment made by subsection (a) with respect to an employee if—

(A) the preceding paragraphs of this subsection do not apply with respect to such employee; and

(B) the amendment made by subsection (a) would otherwise apply with respect to such employee.

(4) The Secretary of Defense shall prescribe such regulations as may be necessary to carry out this subsection.

SEC. 4602. GOVERNMENT-WIDE LIST OF VACANT POSITIONS.

(a) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

"§ 3329. Government-wide list of vacant positions

"(a) For the purpose of this section, the term 'agency' means an Executive agency, excluding the General Accounting Office and any agency (or unit thereof) whose principal function is the conduct of foreign intelligence or counterintelligence activities, as determined by the President.

"(b)(1) The Office of Personnel Management shall establish and keep current a comprehensive list of all vacant positions within each agency for which applications are being (or will soon be) accepted.

"(2) The list shall not include any position which has been excepted from the competitive service because of its confidential, policy-determining, policy-making or policy-advocating character.

"(c) Included for any position listed shall be—

"(1) a brief description of the position, including its title, tenure, duties and responsibilities, qualification requirements, and rate of pay;

"(2) application procedures, including the period within which applications may be submitted; and

"(3) any other information which the Office considers appropriate.

"(d) The list shall be available to members of the public.

"(e) The Office shall prescribe such regulations as may be necessary to carry out this section. Any requirement under this section that agencies notify the Office as to the availability of any vacant positions shall be designed so as to avoid any duplication of information otherwise required to be furnished under section 3327 or any other provision of law."

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3328 the following:

"3329. Government-wide list of vacant positions."

SEC. 4603. TEMPORARY MEASURES TO FACILITATE REEMPLOYMENT OF CERTAIN DISPLACED FEDERAL EMPLOYEES.

(a) DEFINITIONS.—For the purpose of this section—

(1) the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code), excluding the General Accounting Office and the Department of Defense; and

(2) the term "displaced employee" means any individual who is—

(A) an employee of the Department of Defense who has been given specific notice that such employee is to be separated due to a reduction in force; or

(B) a former employee of the Department of Defense who was involuntarily separated therefrom due to a reduction in force.

(b) METHOD OF CONSIDERATION.—In accordance with regulations which the Office of Personnel Management shall prescribe, consistent with otherwise applicable provisions of law, an agency shall, in filling a vacant position for which a qualified displaced employee has applied in timely fashion, give full consideration to the application of the displaced employee before selecting any candidate from outside the agency for the position.

(c) LIMITATION.—A displaced employee is entitled to consideration in accordance with this section for the 24-month period beginning on the date such employee receives the specific notice referred to in subsection (a)(2)(A), except that, if the employee is separated pursuant to such notice, the right to such consideration shall continue through the end of the 24-month period beginning on the date of separation.

(d) APPLICABILITY.—(1) This section shall apply to any individual who—

(A) became a displaced employee within the 12-month period ending immediately before the date of the enactment of this Act; or

(B) becomes a displaced employee on or after the date of the enactment of this Act and before October 1, 1997.

(2) In the case of a displaced employee described in paragraph (1)(A), for purposes of computing any period of time under subsection (c), the date of the specific notice described in subsection (a)(2)(A) (or, if the employee was separated as described in subsection (a)(2)(B) before the date of enactment of this Act, the date of separation) shall be deemed to have occurred on such date of enactment.

(3) Nothing in this section shall be considered to apply with respect to any position—

(A) which has been filled as of the date of enactment of this Act; or

(B) which has been excepted from the competitive service because of its confidential, policy-determining, policy-making or policy-advocating character.

SEC. 4604. SEPARATION PAY.

(a) IN GENERAL.—(1) Subchapter IX of chapter 55 of title 5, United States Code, is amended by adding at the end the following:

“§ 5597. Separation pay

“(a) For the purpose of this section—

“(1) the term ‘Secretary’ means the Secretary of Defense;

“(2) the term ‘defense agency’ means an agency of the Department of Defense, as further defined under regulations prescribed by the Secretary;

“(3) the term ‘employee’ means an employee of a defense agency, except that such term does not include—

“(A) a reemployed annuitant under subchapter III of chapter 83, chapter 84, or another retirement system for employees of the Government; or

“(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in subparagraph (A); and

“(4) the term ‘FEPCA’ means the Federal Employees Pay Comparability Act of 1990, as contained in the Treasury, Postal Service and General Government Appropriations Act, 1991.

“(b) In order to avoid or minimize the need for involuntary separations due to a reduction in force, base closure, reorganization, transfer of function, or other similar action affecting 1 or more defense agencies, the Sec-

retary shall establish a program under which separation pay may be offered to encourage eligible employees to take immediate or early retirement.

“(c) Under the program—

“(1) separation pay may be offered by a defense agency only—

“(A) with the prior consent, or on the authority, of the Secretary;

“(B) to employees within such occupational groups or geographic locations, or subject to such other similar limitations or conditions, as the Secretary may require; and

“(C) to an employee who—

“(i) is eligible for immediate or early retirement under 1 of the retirement systems referred to in subsection (a)(3)(A), or will be so eligible as of such employee’s date of separation; and

“(ii) agrees to take voluntary retirement upon separating; and

“(2) payment of separation pay may be made contingent on such proof of retirement as the Secretary may require.

“(d) (1) Separation pay—

“(A) shall be paid in a lump sum;

“(B) shall be equal to 6 months’ basic pay, computed at the employee’s rate of basic pay immediately before the date of separation; and

“(C) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit.

“(2) For the purpose of paragraph (1), the term ‘basic pay’ includes premium pay under section 5545(c)(1), a comparability payment under section 5304, an interim geographic adjustment under section 302 of FEPCA, and a special pay adjustment under section 404 of FEPCA.

“(e) This section shall cease to be effective as of October 1, 1997, and no amount shall be payable under this section based on any separation occurring on or after that date.

“(f) The Secretary shall prescribe such regulations as may be necessary to carry out this section.”.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

“5597. Separation pay.”.

(b) SOURCE OF PAYMENTS.—(1) For fiscal years after fiscal year 1993, separation pay shall be paid by an agency out of any funds or appropriations available for salaries and expenses of such agency.

(2) Of the amount appropriated pursuant to section 4101 for fiscal year 1993, 7 percent shall be made available for payment of separation pay under section 5597 of title 5, United States Code, as added by subsection (a).

SEC. 4605. CONTINUED HEALTH BENEFITS FOR DEFENSE CIVILIAN EMPLOYEES.

(a) IN GENERAL.—Section 8905a(d) of title 5, United States Code, is amended—

(1) in paragraph (1)(A) by striking “An individual” and inserting “Except as provided in paragraph (4), an individual”;

(2) in paragraph (2) by striking “in accordance with paragraph (1)” and inserting “in accordance with paragraph (1) or (4), as the case may be”;

(3) by adding at the end the following:

“(4)(A) If the basis for continued coverage under this section is an involuntary separation from a position in or under the Department of Defense due to a reduction in force, contributions shall be made in accordance with the preceding provisions of this subsection, except that—

“(i) the amount to be paid by the individual shall be equal to the sum of—

“(I) the employee contribution which would be required in the case of an employee enrolled in the same health benefits plan and level of benefits; and

“(II) an amount equal to 10 percent of the employee and agency contributions referred to in paragraph (1)(A)(i); and

“(ii) the agency which last employed the individual shall be required to pay into the Employees Health Benefits Fund, under arrangements satisfactory to the Office, an amount equal to—

“(I) the total amount under paragraph (1)(A); minus

“(II) the amount to be paid by the individual under clause (i)(I) of this subparagraph.

“(B) This paragraph shall apply with respect to any individual whose continued coverage is based on a separation occurring on or after the date of the enactment of this paragraph and before—

“(i) October 1, 1997; or

“(ii) February 1, 1998, if specific notice of such separation was given to such individual before October 1, 1997.”.

(b) SOURCE OF PAYMENTS.—(1) Any amount which becomes payable by an agency as a result of the enactment of subsection (a) shall be paid out of funds or appropriations available for salaries and expenses of such agency.

(2) Of the funds appropriated pursuant to section 4101 for fiscal year 1993, 0.2 percent shall be available for benefits under section 8905a(d)(4) of title 5, United States Code, as added by subsection (a).

SEC. 4606. TEMPORARY CONTINUED HEALTH COVERAGE FOR MEMBERS AND DEPENDENTS UPON THE SEPARATION OF THE MEMBERS FROM ACTIVE DUTY, FOR FORMER SPOUSES OF MEMBERS, AND FOR EMANCIPATED CHILDREN OF MEMBERS.

(a) MEMBERS, FORMER SPOUSES, AND EMANCIPATED CHILDREN.—(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1078 the following new section:

“§1078a. Continued coverage

“(a) PROVISION OF CONTINUED HEALTH COVERAGE.—The Secretary of Defense shall establish a program for the temporary provision of health care to persons described in subsection (b) who elect in accordance with the provisions of this section to obtain coverage. The Secretary shall implement and carry out this program through an agreement with the Director of the Office of Personnel Management (in this section referred to as the ‘Director’), who shall be responsible for the operation of this program as part of the program to provide continued health coverage to former civilian employees and other persons under section 8905a of title 5.

“(b) ELIGIBLE PERSONS.—The persons referred to in subsection (a) are the following:

“(1) A member of the armed forces who—

“(A) is discharged or released from active duty (or full-time National Guard duty), whether voluntarily or involuntarily, under other than adverse conditions, as characterized by the Secretary concerned;

“(B) immediately preceding that discharge or release, is entitled to medical and dental care under section 1074(a) of this title; and

“(C) after that discharge or release and any period of transitional health care provided under section 1145(a) of this title, would not otherwise be eligible for any benefits under this chapter.

“(2) A person who—

“(A) ceases to meet the requirements for being considered an unmarried dependent child of a member or former member of the armed forces under section 1072(2)(D) of this title;

“(B) on the day before ceasing to meet those requirements, was covered under a health benefits plan under this chapter or transitional health care under section 1145(a) of this title as a dependent of the member or former member; and

“(C) would not otherwise be eligible for any benefits under this chapter.

“(3) A person who—

“(A) is an unmarried former spouse of a member or former member of the armed forces; and

“(B) on the day before the date of the final decree of divorce, dissolution, or annulment was covered under a health benefits plan under this chapter or transitional health care under section 1145(a) of this title as a dependent of the member or former member; and

“(C) is not a dependent of the member or former member under subparagraphs (F) or (G) of section 1072(2) of this title or ends a one-year period of dependency under subparagraph (H) of such section.

“(c) NOTIFICATION OF ELIGIBILITY.—The Director, in consultation with the Secretary of Defense, shall prescribe regulations to provide adequate notification of eligibility to persons described in subsection (b) as follows:

“(1) In the case of a member who becomes (or will become) eligible for continued coverage under subsection (b)(1), the Secretary concerned shall notify the member of the member’s rights under this section as part of prepreparation counseling conducted under section 1142 of this title or other law.

“(2) In the case of a child of a member who becomes eligible for continued coverage under subsection (b)(2)—

“(A) the member may provide written notice to the Secretary concerned of the child’s change in status (including the child’s name, address, and such other information as the Director may require); and

“(B) the Secretary concerned shall, within 14 days after receiving that notice, inform the child of the child’s rights under this section.

“(3) In the case of a former spouse of a member or former member who becomes eligible for continued coverage under subsection (b)(3), necessary notification provisions and a 60-day election period under subsection (d)(3) shall be prescribed.

“(d) APPLICATION.—In order to obtain continued coverage under this section, an appropriate written election (submitted in such manner as the Director may prescribe) shall be made as follows:

“(1) In the case of a member described in subsection (b)(1), the written election shall be submitted to the Director before the end of the 60-day period beginning on the later of—

“(A) the date of the discharge or release of the member from active duty;

“(B) the end of the applicable period of any transitional health care under section 1145(a) of this title; or

“(C) the date the member receives the notice required under subsection (c)(1).

“(2) In the case of a person described in subsection (b)(2), the written election shall be submitted to the Director before the end of the 60-day period beginning on the later of—

“(A) the date as of which the person first ceases to meet the requirements for being considered an unmarried dependent child under section 1072(2)(D) of this title; or

“(B) the date the person receives notice under subsection (c)(2)(B),

except that if the Secretary concerned determines that a parent fails to provide the notice required under subsection (c)(2)(A) in timely fashion, the 60-day period under this paragraph shall be based only on the date under subparagraph (A).

“(3) In the case of a person described in subsection (b)(3), the written election shall be submitted to the Secretary concerned before the end of the 60-day period beginning on the later of—

“(A) the date as of which the person first ceases to meet the requirements for being considered a dependent under section 1072(2) of this title; or

“(B) or other date as the Director may prescribe.

“(e) COVERAGE OF DEPENDENTS.—A person eligible under subsection (b)(1) to elect to receive coverage may elect coverage either as an individual or, if appropriate, for self and dependents. A person eligible under subsection (b)(2) or (b)(3) may elect only individual coverage.

“(f) CHARGES.—(1) Under arrangements satisfactory to the Director, a person receiving continued coverage under this section shall be required to pay into the Employees Health Benefits Fund established under section 8909 of title 5 an amount equal to the sum of—

“(A) the employee and agency contributions which would be required in the case of a similarly situated employee enrolled in a health benefits plan under section 8905a(d)(1)(A)(i) of title 5;

“(B) an amount, determined under regulations prescribed by the Director, necessary for administrative expenses; and

“(C) such additional amount determined by the Director to be necessary to ensure that outlays from the Fund as a result of the program established under this section do not exceed amounts paid under this paragraph.

“(2) If a person elects to continue coverage under this section before the end of the applicable period under subsection (d), but after the person’s coverage under this chapter (including any transitional extensions of coverage) expires, coverage shall be restored retroactively, with appropriate contributions (determined in accordance with paragraph (1)) and claims (if any), to the same extent and effect as though no break in coverage had occurred.

“(3) In order to determine the appropriate level of charges under subparagraphs (B) and (C) of paragraph (1), the Director shall require health benefit plans to establish for the persons receiving continued coverage under this section a separate group for experience rating purposes.

“(g) CONTRIBUTION.—Subject to the availability of appropriations for this purpose, if the basis for continued coverage under this section for a member of the armed forces under subsection (b)(1) is the involuntary separation of the member or the separation of the member under section 1174a or 1175 of this title, contributions shall be made in accordance with subsection (f)(1), except that—

“(1) the amount to be paid by the member shall be equal to the sum of—

“(A) the employee contribution which would be required in the case of a similarly situated employee enrolled in a health benefits plan under section 8905a(d)(1)(A)(i) of title 5;

“(B) the amounts required under subsection (f)(1)(C) of subsection (f); and

“(2) the Secretary of Defense shall be required to pay into the Employees Health Benefits Fund, under arrangements satisfactory to the Director, an amount equal to—

“(A) the agency contribution which would be required in the case of a similarly situated employee enrolled in a health benefits plan under section 8905a(d)(1)(A)(i) of title 5; and

“(B) the amount that would be paid by the member under subsection (f)(1)(B).

“(h) PERIOD OF CONTINUED COVERAGE.—(1) Continued coverage under this section may not extend beyond—

“(A) in the case of a member described in subsection (b)(1), the date which is 18 months after the date the member ceases to be entitled to care under section 1074(a) of this title and any transitional care under section 1145 of this title;

“(B) in the case of a person described in subsection (b)(2), the date which is 36 months after the date on which the individual first ceases to meet the requirements for being

considered an unmarried dependent child under section 1072(2)(D) of this title; and

“(C) in the case of a person described in subsection (b)(3), except as provided in paragraph (4), the date which is 36 months after the later of—

“(i) the date on which the final decree of divorce, dissolution, or annulment occurs; and

“(ii) if applicable, the date the one-year extension of dependency under section 1072(2)(H) of this title expires.

“(2) Notwithstanding paragraph (1), if a person—

“(A) ceases to meet the requirements for being considered an unmarried dependent child;

“(B) on the day before so ceasing to meet those requirements, received coverage under this section as the child of a member receiving continued coverage under this section; and

“(C) so ceases to meet those requirements before the end of the 18-month period beginning on the date on which the member became eligible for coverage under this section,

extended coverage under this section may not extend beyond the date which is 36 months after the date the member became ineligible for medical and dental care under section 1074(a) of this title and any transitional health care under section 1145(a) of this title.

“(3) Notwithstanding paragraph (1), in the case of a person—

“(A) who becomes eligible for continued coverage under this section based on a divorce, dissolution, or annulment from a member or former member;

“(B) who, as of the day before the date of the divorce, dissolution, or annulment, was receiving continued coverage under this section based on the discharge or release of the member or former member from active duty; and

“(C) whose divorce, dissolution, or annulment occurs before the end of the 18-month period beginning on the date of that discharge or release,

extended coverage under this section may not extend beyond the date which is 36 months after the date the member became ineligible for medical and dental care under section 1074(a) of this title and any transitional health care under section 1145(a) of this title.

“(4)(A) Notwithstanding paragraph (1), in the case of a former spouse described in subparagraph (B), continued coverage under this section shall continue for such period as the former spouse may request.

“(B) A former spouse referred to in subparagraph (A) is a former spouse of a member or former member (other than a former spouse whose marriage was dissolved after the separation of the member from the service unless such separation was by retirement)—

“(i) who has not remarried before age 55 after the marriage to the employee, former employee, or annuitant was dissolved;

“(ii) who was enrolled in an approved health benefits plan under this chapter as a family member at any time during the 18-month period before the date of the divorce, dissolution, or annulment; and

“(iii) (I) who is receiving any portion of the retired or retainer pay of the member or former member or an annuity based on the retired or retainer pay of the member; or

“(II) for whom a court order (as defined in section 1408(a)(2) of this title) has been issued for payment of any portion of the retired or retainer pay or for whom a court order (as defined in section 1447(8) of this title) or a written agreement (whether voluntary or pursuant to a court order) provides

for an election by the member or former member to provide an annuity to the former spouse.

(i) TERMINATION.—Notwithstanding the period for which continued coverage is available under subsection (h), the program required by this section shall terminate on September 30, 1994, and continued coverage under this section shall not extend beyond that date.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1078 the following new item:

“1078a. Continued coverage.”.

(b) TRANSITIONAL PROVISIONS.—The Director of the Office of Personnel Management shall provide a period for the enrollment for health benefits coverage under this section by members and former members of the Armed Services for whom the availability of transitional health care under section 1145(a) of title 10, United States Code, expires before section 1078a of such title, as added by subsection (a), is implemented.

(c) TERMINATION OF APPLICABILITY OF OTHER CONVERSION HEALTH POLICIES.—(1) No person may purchase a conversion health policy under section 1145(b) or 1086a of title 10, United States Code, on or after the date on which the Director of the Office of Personnel Management announces that section 1078a of such title is implemented. A person covered by such a conversion health policy on that date may cancel that policy and enroll in a health benefits plan under section 1078a of such title.

(2) No person may be covered concurrently by a conversion health policy under section 1145(b) or 1086a of such title and a health benefits plan under section 1078a of such title.

(d) FISCAL YEAR 1993 FUNDING.—Of the amount appropriated pursuant to section 4101 for fiscal year 1993, 5 percent shall be made available for benefits under section 1078a of title 10, United States Code, as added by subsection (a).

(e) EFFECTIVE DATE.—Section 1078a of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1992.

SEC. 4607. SPECIAL EARLY RETIREMENT FOR DISPLACED DEFENSE WORKERS.

(a) CONDITION OF DEFENSE CONTRACTS.—Any contract entered into by the Secretary of Defense with a major defense contractor shall include a provision requiring that during the period that the contract remains in effect the contractor, in terminating employees, shall provide the option of special early retirement benefits to any employee described in subsection (d). Each such contract shall include the provisions required by subsections (b) through (e).

(b) AMENDMENT OF PENSION PLANS.—Each major defense contractor shall be required to amend any pension plan that it maintains for its employees in order to provide the employees employed by the contractor who meet the qualifications set forth in subsection (d) with special early retirement benefits.

(c) SPECIAL EARLY RETIREMENT BENEFITS.—Special early retirement benefits provided an employee of a major defense contractor for purposes of this section shall be specified in the contract with the Department of Defense and shall include the following:

(1) The right of the employee to a basic lifetime pension benefit under the employer's pension plan that covers that employee, which pension benefit shall be the same as the normal retirement benefit provided under that plan without reduction for age and which shall commence on the date on which the employee meets the eligibility criteria set forth in subsection (d).

(2) A supplemental pension benefit equal to \$500 per month, which shall commence on

the date on which the employee meets the eligibility criteria set forth in subsection (d) and which shall terminate one month after the month in which the employee attains age 62.

(d) ELIGIBLE EMPLOYEE DEFINED.—An employee of a major defense contractor shall be eligible for the special early retirement benefits under this section if the employee—

(1) is laid off or terminated from employment under a Department of Defense contract held by the contractor (whether or not the contract is one that itself includes the contract provisions required by this section);

(2) is a participant in a pension plan maintained by the contractor;

(3) has attained the age of 55 years at the time of the layoff or termination or will have attained that age by December 31st of the year following the layoff or termination; and

(4) has at least 10 years of credited service under that pension plan as of the date of the layoff or termination.

(e) VOLUNTARY ELIGIBILITY.—An employee who meets the age and service requirements under subsection (d) for the special early retirement benefits but who is not laid off or terminated may, by mutual agreement with the employer, volunteer to be laid off and receive special early retirement benefits, if the employer agrees to retain in employment an employee with less seniority or age who otherwise would be laid off or terminated in lieu of the individual who volunteers for the special early retirement benefits.

(f) MAJOR DEFENSE CONTRACTOR DEFINED.—For purposes of this section, a business firm shall be considered to be a major defense contractor if the average annual dollar volume of contracts of that firm with the Department of Defense for the fiscal years 1989, 1990, and 1991 was greater than \$100,000,000.

(g) EFFECTIVE DATE.—This section shall apply to contracts entered into after the end of the 90-day period beginning on the date of the enactment of this Act.

It was decided in the { Yeas 147 negative } { Nays 235

Schulze
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)

Solomon
Spence
Stearns
Stump
Sundquist
Taylor (NC)
Thomas (WY)
Upton
Vucanovich

Walker
Walsh
Weber
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—235

Abercrombie
Alexander
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bacchus
Bennett
Berman
Bevill
Blackwell
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Campbell (CO)
Cardin
Carper
Chapman
Clay
Clement
Coleman (TX)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbín
Early
Eckart
Edwards (CA)
Edwards (TX)
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gejdenson
Gephardt
Geren
Gilman
Glickman
Gonzalez
Gordon
Guarini

Hall (OH)
Hall (TX)
Hamilton
Harris
Hayes (IL)
Hayes (LA)
Hoagland
Hochbrueckner
Horn
Hoyer
Huckaby
Hughes
Hutto
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnston
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Klecza
Kopetski
Kostmayer
LaFalce
Lantos
LaRocco
Laughlin
Lehman (FL)
Levin (MI)
Lewis (GA)
Lipinski
Lloyd
Long
Lowey (NY)
Luken
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDermott
McHugh
McMillen (MD)
McNulty
Mfume
Mineta
Mink
Moakley
Mollohan
Montgomery
Moody
Moran
Mrazek
Murphy
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oberstar
Obey
Olver
Ortiz
Orton
Owens (UT)
Pallone
Panetta
Parker
Pastor
Patterson

Payne (NJ)
Payne (VA)
Pease
Penny
Perkins
Peterson (FL)
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Reed
Richardson
Roe
Roemer
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabó
Sanders
Sangmeister
Sarpaluis
Savage
Sawyer
Schroeder
Schumer
Serrano
Sharp
Sikorski
Sisisky
Skaggs
Skelton
Slaughter
Smith (FL)
Smith (IA)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tauzin
Taylor (MS)
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Wheat
Williams
Wilson
Wise
Wyden
Yates
Yatron

NOT VOTING—52

Ackerman
Anthony
Beilenson
Billbray
Burton
Bustamante
Byron
Campbell (CA)

Clinger
Collins (IL)
Dannemeyer
de la Garza
Dingell
Dwyer
Dymally
Edwards (OK)

Feighan
Gaydos
Gibbons
Green
Hatcher
Hefner
Herger
Hertel

65.19

[Roll No. 165]

AYES—147

Allard
Allen
Archer
Armey
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Callahan
Camp
Carr
Chandler
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Davis
DeLay
Dickinson
Doolittle
Dornan (CA)
Dreier
Duncan
Emerson
Ewing
Fawell
Fields
Fish

Franks (CT)
Gallegly
Gallo
Gekas
Gilchrest
Gillmor
Gingrich
Goodling
Goss
Gradison
Grandy
Gunderson
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Henry
Hobson
Holloway
Hopkins
Horton
Houghton
Hunter
Hyde
Inhofe
Ireland
James
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Leach
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston

Lowery (CA)
Machtley
Marlenee
Martin
McCandless
McCollum
McCrery
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Petri
Quillen
Ramstad
Ravenel
Regula
Rhodes
Ridge
Riggs
Rinaldo
Ritter
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Santorum
Saxton
Schaefer
Schiff