Public Law 97-72
97th Congress

An Act

Nov. 3, 1981
[H.R. 3499]

To amend title 38, United States Code, to extend the period for Vietnam-era veterans to request counseling under the veterans' readjustment counseling program, to provide medical care eligibility for veterans exposed to herbicides or defoliants (including Agent Orange), or to nuclear radiation, to establish a minimum total number of operating beds in Veterans' Administration hospital and nursing home facilities, to extend for certain Vietnam-era veterans the period of time in which GI Bill educational assistance benefits may be used for the pursuit of certain training, to provide a small business loan program for Vietnam era and disabled veterans, and to extend the authority for veterans readjustment appointments in the civil service; and for other purposes.

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

Veterans' Health Care, Training, and Small Business Loan Act of 1981.
38 USC 101 note.

SHORT TITLE; AMENDMENTS TO TITLE 38, UNITED STATES CODE

SECTION 1. (a) This Act may be cited as the "Veterans' Health Care, Training, and Small Business Loan Act of 1981".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—HEALTH CARE

EXTENSION OF AUTHORITY TO PROVIDE CERTAIN CONTRACT HOSPITAL CARE AND MEDICAL SERVICES IN PUERTO RICO, THE VIRGIN ISLANDS, AND OTHER TERRITORIES

SEC. 101. Section 601(4)(C)(v) is amended by striking out "December 31, 1981" and inserting in lieu thereof "September 30, 1982". 38 USC 601.

MEDICAL CARE FOR DISABILITIES THAT MAY BE RELATED TO EXPOSURE TO AGENT ORANGE, CERTAIN OTHER HAZARDOUS SUBSTANCES, OR NUCLEAR RADIATION

SEC. 102. (a) Section 610 is amended— 38 USC 610.

(1) in subsection (a)—

(A) by striking out "and" at the end of clause (4);

(B) by redesignating clause (5) as clause (6); and

(C) by inserting after clause (4) the following new clause (5):

"(5) a veteran who meets the conditions of subsection (e) of this section; and"; and

(2) by adding at the end the following new subsection:

"(e)(1)(A) Subject to paragraphs (2) and (3) of this subsection, a veteran—

"(i) who served on active duty in the Republic of Vietnam during the Vietnam era, and

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"(ii) who the Administrator finds may have been exposed during such service to dioxin or was exposed during such service to a toxic substance found in a herbicide or defoliant used in connection with military purposes during such era,

may be furnished hospital care or nursing home care under subsection (a)(5) of this section for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

"(B) Subject to paragraphs (2) and (3) of this subsection, a veteran who the Administrator finds was exposed while serving on active duty to ionizing radiation from the detonation of a nuclear device in connection with such veteran's participation in the test of such a device or with the American occupation of Hiroshima and Nagasaki, Japan, during the period beginning on September 11, 1945, and ending on July 1, 1946, may be furnished hospital care or nursing home care under subsection (a)(5) of this section for any disability, notwithstanding that there is insufficient medical evidence to conclude that such disability may be associated with such exposure.

"(2) Hospital and nursing home care may not be provided under subsection (a)(5) of this section with respect to a disability that is found, in accordance with guidelines issued by the Chief Medical Director, to have resulted from a cause other than an exposure described in subparagraph (A) or (B) of paragraph (1) of this subsection.

"(3) Hospital and nursing home care and medical services may not be provided under or by virtue of subsection (a)(5) of this section after the end of the one-year period beginning on the date the Administrator submits to the appropriate committees of Congress the first report required by section 307(b)(2) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1098).".

38 USC 219 note.

38 USC 612.

(b) Clause (4) of section 612(i) is amended to read as follows:

"(4) To any veteran (A) who is a former prisoner of war, or (B) who is eligible for care under section 610(a)(5) of this title.".

Ante, p. 1047.

OUTPATIENT DENTAL CARE

SEC. 103. (a) Subsection (b) of section 612 is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating clause (1) as clause (A);

(3) by striking out clause (2) and inserting in lieu thereof the following:

"(B) which is service-connected, but not compensable in degree, but only if—

"(i) the dental condition or disability is shown to have been in existence at time of discharge or release from active military, naval, or air service;

"(ii) the veteran had served on active duty for a period of not less than one hundred and eighty days immediately before such discharge or release;

"(iii) application for treatment is made within ninety days after such discharge or release, except that (I) in the case of a veteran who reentered active military, naval, or air service within ninety days after the date of such veteran's prior discharge or release from such service, application may be made within ninety days from the date of such veteran's subsequent discharge or release from such service, and (II) if a disqualifying discharge or release has been corrected by

competent authority, application may be made within ninety days after the date of correction; and

"(iv) the veteran's certificate of discharge or release from active duty does not bear a certification that the veteran was provided, within the ninety-day period immediately before the date of such discharge or release, a complete dental examination (including dental X-rays) and all appropriate dental services and treatment indicated by the examination to be needed;";

(4) by redesignating clauses (3), (4), (5), (6), (7), and (8) as clauses (C), (D), (E), (F), (G), and (H), respectively;

(5) by designating the second sentence of such subsection as paragraph (2) and by striking out "clause (2)" in such sentence and inserting in lieu thereof "clause (B) of paragraph (1)"; *Ante*, p. 781.

(6) by designating the third sentence of such subsection as paragraph (3);

(7) by designating the fourth sentence of such subsection and all that follows in such subsection as paragraph (4); and

(8) by striking out "pursuant to this subsection" in the last sentence and inserting in lieu thereof "pursuant to this paragraph".

(b)(1) Section 612(c) is amended by striking out "clause (2)" and inserting in lieu thereof "paragraph (1)(B)". 38 USC 612.

(2) The last sentence of section 612(f) is amended by striking out "subsection (b)(7)" and inserting in lieu thereof "clause (G) of subsection (b)(1)".

(c)(1) Section 612(b)(1)(B)(iii)(I) of title 38, United States Code, shall apply only to veterans discharged or released from active military, naval, or air service after August 12, 1981. 38 USC 612 note.

(2) A veteran who before August 13, 1981—

(A) was discharged or released from active military, naval, or air service,

(B) reentered such service within one year after the date of such discharge or release, and

(C) was discharged or released from such subsequent service, may be provided dental services and treatment in the same manner as provided for in section 612(b) of title 38, United States Code, if the veteran is otherwise eligible for such services and treatment and if application for such services and treatment is or was made within one year from the date of such subsequent discharge or release.

EXTENSION OF PERIOD FOR VIETNAM-ERA VETERANS TO REQUEST READJUSTMENT COUNSELING

SEC. 104. (a)(1) Section 612A(a) is amended by striking out "or two years after the effective date of this section" and inserting in lieu thereof "or by September 30, 1984". 38 USC 612A.

(2) The amendment made by paragraph (1) shall take effect as of October 1, 1981. Effective date. 38 USC 612A note.

(b) Section 612A is further amended by adding at the end the following new subsection:

"(g)(1) During the twelve-month period ending on September 30, 1984, the Administrator shall take appropriate steps to ensure—

"(A) the orderly transition, by October 1, 1984, of that part of the program established under this section for the provision of readjustment counseling services by Veterans' Administration personnel from a program providing such services primarily through centers located in facilities situated apart from the

health-care facilities operated by the Veterans' Administration for the provision of other health-care services under other provisions of this chapter to a program providing readjustment counseling services primarily through such health-care facilities; and

"(B) the continued availability after such date of readjustment counseling and related mental health services under this section to veterans eligible for the provision of such counseling and services who requested such counseling before such date.

Report to congressional committees.

"(2) Not later than April 1, 1984, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the plans made and actions taken to carry out this subsection.".

MEDICAL CARE FOR SURVIVORS AND DEPENDENTS OF CERTAIN VETERANS

38 USC 613.

SEC. 105. The second sentence of section 613(b) is amended by striking out "particularly" and "most effective".

RECOVERY OF THE COST OF CERTAIN HEALTH CARE PROVIDED BY THE VETERANS' ADMINISTRATION

SEC. 106. (a)(1) Subchapter III of chapter 17 is amended by adding at the end the following new section:

38 USC 629.

"§ 629. Recovery by the United States of the cost of certain care and services

"(a) In any case in which a veteran is furnished care and services under this chapter for a non-service-connected disability that was incurred—

"(1) incident to the veteran's employment and the disability is covered under a workers' compensation law or plan that provides reimbursement for or indemnification of the cost of health care and services provided to the veteran by reason of the disability,

"(2) as the result of a motor vehicle accident to which applies a State law that requires the owners or operators of motor vehicles registered in that State to have in force automobile accident reparations insurance, or

"(3) as the result of a crime of personal violence that occurred in a State, or a political subdivision of a State, in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime,

the United States has the right to recover the reasonable costs of such care and services from the State, or political subdivision of a State, employer, employer's insurance carrier, or automobile accident reparations insurance carrier, as appropriate, to the extent that the veteran, or the provider of care and services to the veteran, would be eligible to receive reimbursement or indemnification for such care and services if the care and services had not been furnished by a department or agency of the United States.

Recovery amount.

"(b) The amount that may be recovered by the United States under subsection (a) of this section may not exceed the lesser of (1) an amount equal to the reasonable cost of the care and services furnished the veteran under this chapter, as determined by the Administrator, or (2) the maximum amount specified by the law of the State or political subdivision concerned or by any relevant contractual

provision to which the veteran was a party or was subject. The Administrator shall prescribe regulations for the determination of the reasonable cost of care and services under clause (1) of the preceding sentence, and any determination of such reasonable value by the Administrator under such clause shall be made in accordance with such regulations. Regulations under the preceding sentence shall be prescribed only after notice and opportunity for public comment. Regulations.

"(c)(1) The United States shall, as to the right provided in subsection (a) of this section, be subrogated to any right or claim that the veteran or the veteran's personal representative, successor, dependents, or survivors may have against a State or political subdivision of a State, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier. Claims.

"(2)(A) In order to enforce any right or claim to which it is subrogated under paragraph (1) of this subsection, the United States may intervene or join in any action or proceeding brought by the veteran or the veteran's personal representative, successor, dependents, or survivors against a State or political subdivision of a State, an employer, an employer's insurance carrier, or an automobile accident reparations insurance carrier.

"(B) If—

"(i) no such action or proceeding has been commenced within one hundred and eighty days after the first day on which care and services for which recovery is sought were furnished to the veteran by the Veterans' Administration under this chapter, and

"(ii) the United States has sent written notice by certified mail to the veteran at the veteran's last-known address (or to the veteran's personal representative or successor) of the intention of the United States to institute legal proceedings,

the United States may, sixty days after the mailing of such notice, institute and prosecute legal proceedings against the State, political subdivision, employer, employer's insurance carrier, or automobile accident reparations insurance carrier.

"(d) A veteran eligible for care and services under this chapter may not be denied such care and services by reason of this section. Service denial.

"(e) No law of any State or of any political subdivision of a State, and no provision of any contract or agreement entered into, renewed, or modified under any State law, shall operate to prevent recovery by the United States (1) under subsection (a) of this section for care and services furnished under this chapter to any veteran for a non-service-connected disability, or (2) under section 611(b) of this title for care and services furnished under such section to an individual as a humanitarian service in an emergency case.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 628 the following new item:

"629. Recovery by the United States of the cost of certain care and services.".

(b) Section 629 of title 38, United States Code, as added by subsection (a), shall apply with respect to care and services furnished under chapter 17 of title 38, United States Code, on or after the date of the enactment of this Act. Effective date. 38 USC 629 note.

MEDICAL CARE FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES

SEC. 107. (a) Section 624(d) is amended by striking out "and at the same rate as specified in section 632(a)(4) of this title". 38 USC 624.

38 USC 631.

(b) Section 631 is amended by inserting "in fulfilling its responsibility" after "the Republic of the Philippines".

38 USC 632.

(c)(1) Section 632 is amended to read as follows:

"§ 632. Contracts and grants to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center

"(a) The President, with the concurrence of the Republic of the Philippines, may authorize the Administrator to enter into contracts with the Veterans Memorial Medical Center, with the approval of the appropriate department of the Government of the Republic of the Philippines, covering the period beginning on October 1, 1981, and ending on September 30, 1986, under which the United States—

"(1) will provide for payments for hospital care and medical services (including nursing home care) in the Veterans Memorial Medical Center, as authorized by section 624 of this title and on the terms and conditions set forth in such section, to eligible United States veterans at a per diem rate to be jointly determined for each fiscal year by the two Governments to be fair and reasonable; and

"(2) may provide that payments for such hospital care and medical services provided to eligible United States veterans may consist in whole or in part of available medicines, medical supplies, and equipment furnished by the Administrator to the Veterans Memorial Medical Center at valuations therefor as determined by the Administrator, who may furnish such medicines, medical supplies, and equipment through the revolving supply fund pursuant to section 5021 of this title.

Appropriation authorization.

"(b)(1) To further assure the effective care and treatment of United States veterans in the Veterans Memorial Medical Center, there is authorized to be appropriated for each fiscal year during the period beginning on October 1, 1981, and ending on September 30, 1986, the sum of $500,000 to be used by the Administrator for making grants to the Veterans Memorial Medical Center for the purpose of assisting the Republic of the Philippines in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of such center.

"(2) Grants under this subsection shall be made on such terms and conditions as prescribed by the Administrator. Such terms and conditions may include a requirement of prior approval by the Administrator of the uses of the funds provided by such grants.

"(3) Funds for such grants may be provided only from appropriations made to the Veterans' Administration for the specific purpose of making such grants.

Stop payments.

"(c) The Administrator may stop payments under a contract or grant under this section upon reasonable notice as stipulated by the contract or grant if the Republic of the Philippines and the Veterans Memorial Medical Center do not maintain the medical center in a well-equipped and effective operating condition as determined by the Administrator.

"(d)(1) The authority of the Administrator to enter into contracts and to make grants under this section is effective for any fiscal year only to the extent that appropriations are available for that purpose.

"(2) Appropriations made for the purpose of this section shall remain available until expended.".

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

"632. Contracts and grants to provide for the care and treatment of United States veterans by the Veterans Memorial Medical Center.".

(d)(1) The heading of subchapter IV of chapter 17 is amended to read as follows:

"Subchapter IV—Hospital Care and Medical Treatment for Veterans in the Republic of the Philippines".

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

"SUBCHAPTER IV—HOSPITAL CARE AND MEDICAL TREATMENT FOR VETERANS IN THE REPUBLIC OF THE PHILIPPINES".

MINIMUM NUMBER OF HOSPITAL AND NURSING HOME BEDS IN MEDICAL FACILITIES OF THE VETERANS' ADMINISTRATION

SEC. 108. (a)(1) Paragraph (1) of section 5010(a) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Administrator shall establish the total number of hospital beds and nursing home beds in medical facilities over which the Administrator has direct jurisdiction for the care and treatment of eligible veterans at not more than one hundred and twenty-five thousand and not less than one hundred thousand. The Administrator shall establish the total number of such beds so as to maintain a contingency capacity to assist the Department of Defense in time of war or national emergency to care for the casualties of such war or national emergency. Of the number of beds authorized pursuant to the preceding sentence, the Administrator shall operate and maintain a total of not less than ninety thousand hospital beds and nursing home beds and shall maintain the availability of such additional beds and facilities in addition to the operating bed level as the Administrator considers necessary for such contingency purposes. The President shall include in the Budget transmitted to the Congress for each fiscal year pursuant to section 201(a) of the Budget and Accounting Act, 1921 (31 U.S.C. 11(a)), an amount for medical care and amounts for construction sufficient to enable the Veterans' Administration to operate and maintain a total of not less than ninety thousand hospital and nursing home beds in accordance with this paragraph and to maintain the availability of the contingency capacity referred to in the second sentence of this paragraph.".

38 USC 5010.

Presidential transmittal to Congress.

(2) Paragraph (3) of such section is amended to read as follows:

"(3)(A) The Chief Medical Director shall at the end of each fiscal year (i) analyze agencywide admission policies and the records of those eligible veterans who apply for hospital care, medical services, and nursing home care, but are rejected or not immediately admitted or provided such care or services, and (ii) review and make recommendations regarding the adequacy of the established operating bed levels, the geographic distribution of operating beds, the demographic characteristics of the veteran population and the associated need for medical care and nursing home facilities and services in each State, and the proportion of the total number of operating beds that are hospital beds and that are nursing home beds.

Admission policy, analysis and recommendation.

"(B) After considering the analyses and recommendations of the Chief Medical Director pursuant to subparagraph (A) of this paragraph for any fiscal year, the Administrator shall report to the committees, on or before December 1 after the close of such fiscal year, on the results of the analysis of the Chief Medical Director and

Report to congressional committees.

on the numbers of operating beds and level of treatment capacities required to enable the Veterans' Administration to carry out the primary function of the Department of Medicine and Surgery. The Administrator shall include in each such report recommendations for (i) the numbers of operating beds and the level of treatment capacities required for the health care of veterans and the maintenance of the contingency capacity referred to in paragraph (1) of this subsection, and (ii) the appropriate staffing and funds therefor.".

38 USC 5010.

(b) Section 5010 is further amended by striking out subsection (b) and redesignating subsection (c) as subsection (b).

TITLE II—VOCATIONAL TRAINING AND GI BILL EDUCATIONAL ASSISTANCE PROGRAMS

EXTENSION OF CERTAIN GI BILL ELIGIBILITY FOR EDUCATIONALLY DISADVANTAGED AND UNSKILLED OR UNEMPLOYED VIETNAM-ERA VETERANS

38 USC 1662.

SEC. 201. (a) Section 1662(a) is amended by adding at the end the following new paragraph:

"(3)(A) Subject to subparagraph (C) of this paragraph and notwithstanding the provisions of paragraph (1) of this subsection, an eligible veteran who served on active duty during the Vietnam era shall be permitted to use any of such veteran's unused entitlement under section 1661 of this title for the purpose of pursuing—

"(i) a program of apprenticeship or other on-job training;

"(ii) a course with an approved vocational objective; or

"(iii) a program of secondary education, if the veteran does not have a secondary school diploma (or an equivalency certificate).

"(B) Upon completion of a program or course pursued by virtue of eligibility provided by this paragraph, the Administrator shall provide the veteran with such employment counseling as may be necessary to assist the veteran in obtaining employment consistent with the veteran's abilities, aptitudes, and interests.

"(C)(i) Educational assistance may be provided a veteran for pursuit of a program or course described in clause (i) or (ii) of subparagraph (A) of this paragraph using eligibility provided by this paragraph only if the veteran has been determined by the Administrator to be in need of such a program or course in order to achieve a suitable occupational or vocational objective. Any such determination shall be made in accordance with regulations which the Administrator shall prescribe.

"(ii) Educational assistance provided a veteran for pursuit of a program described in clause (iii) of subparagraph (A) of this paragraph using eligibility provided by this paragraph shall be provided at the rate determined under section 1691(b)(2) of this title.

"(D) Educational assistance may not be provided by virtue of this paragraph after December 31, 1983.".

Effective date. 38 USC 1662 note.

(b) The amendment made by subsection (a) shall take effect on January 1, 1982.

EXTENSION OF VETERANS' READJUSTMENT APPOINTMENT AUTHORITY FOR CIVIL SERVICE APPOINTMENTS

38 USC 2014.

SEC. 202. (a) Section 2014(b)(2) is amended by striking out "1981" and inserting in lieu thereof "1984".

Effective date. 38 USC 2014 note.

(b) The amendment made by subsection (a) shall take effect as of October 1, 1981.

TITLE III—SMALL BUSINESS LOANS

Veterans' Small Business Loan Act of 1981.

SHORT TITLE

SEC. 301. This title may be cited as the "Veterans' Small Business Loan Act of 1981". 38 USC 101 note.

DISABLED VETERANS' AND VIETNAM-ERA VETERANS' SMALL BUSINESS LOAN PROGRAM

SEC. 302. (a) Chapter 37 is amended by adding at the end thereof the following new subchapter:

"Subchapter IV—Small Business Loans

"§ 1841. Definitions 38 USC 1841.

"For the purposes of this subchapter—

"(1) The term 'disabled veteran' means (A) a veteran who is entitled to compensation under laws administered by the Veterans' Administration for a disability rated at 30 per centum or more, or (B) a veteran whose discharge or release from active duty was for a disability incurred or aggravated in line of duty.

"(2) The term 'veteran of the Vietnam era' means a person (A) who served on active duty for a period of more than one hundred and eighty days, any part of which occurred during the Vietnam era, and who was discharged or released therefrom with other than a dishonorable discharge, or (B) who was discharged or released from active duty for a service-connected disability if any part of such active duty was performed during the Vietnam era.

"§ 1842. Small business loan program 38 USC 1842.

"(a)(1) Subject to subsection (b) of this section, the Administrator may provide financial assistance to veterans' small business concerns for the purpose of (A) financing plant construction, conversion, or expansion (including the acquisition of land), (B) financing the acquisition of equipment, facilities, machinery, supplies, or materials, or (C) supplying such concerns with working capital.

"(2) Subject to paragraph (3)(A) of this subsection, financial assistance under this section may be provided in the form of (A) loan guaranties, or (B) direct loans.

"(3) The Administrator shall specify in regulations the criteria to be met for a business concern to qualify as a veterans' small business concern for the purposes of this subchapter. Such regulations shall include requirements— Requirements.

"(A) that at least 51 per centum of a business concern must be owned by individuals who are veterans of the Vietnam era or disabled veterans in order for such concern to qualify for a loan guaranty and that at least 51 per centum of a business concern must be owned by disabled veterans in order for such concern to qualify for a direct loan; and

"(B) that the management and daily business operations of the concern must be directed by one or more of the veterans whose ownership interest is part of the majority ownership for the purposes of meeting the requirement in clause (A) of this paragraph.

"(b) The availability of financial assistance under subsection (a) of this section is subject to the following limitations: Limitations.

"(1) The Administrator may not make a direct loan under this section unless the veterans' small business concern applying for the loan shows to the satisfaction of the Administrator that the concern is unable to obtain a loan guaranteed by the Veterans' Administration under this section or made or guaranteed by the Small Business Administration.

Loan guarantee.

"(2) The Administrator may not guarantee a loan under this section if the loan bears a rate of interest in excess of the maximum rate of interest prescribed under section 1845 of this title.

"(3) The Administrator may not make or guarantee a loan under this section for an amount in excess of $200,000.

Liability.

"(4) The original liability of the Administrator on any loan guaranteed under this section may not exceed 90 per centum of the amount of the loan, and such liability shall decrease or increase pro rata with any decrease or increase of the amount of the unpaid portion of the loan, but such liability may not exceed the amount of the original guaranty.

"(c) Each loan made or guaranteed under this subchapter shall be of such sound value, taking into account the creditworthiness of the veterans' small business concern (and the individual owners) applying for such loan, or so secured as reasonably to assure payment.

"(d)(1) Except as provided in paragraph (2) of this subsection, the Administrator may not make or guarantee a loan under this subchapter to a veterans' small business concern in which an ownership interest is held by a veteran who also has an ownership interest in another small business concern if such ownership interest was considered in qualifying that other concern for an outstanding loan made or guaranteed under this subchapter or the Small Business Act (15 U.S.C. 631 et seq.).

"(2) Paragraph (1) of this subsection shall not apply if 51 per centum or more of the business concern seeking a direct or guaranteed loan under this subchapter is owned by veterans of the Vietnam era or disabled veterans without including the ownership interest of the veteran whose ownership interest in another small business concern was previously considered in qualifying that other concern for an outstanding guaranteed or direct business loan under this subchapter or the Small Business Act (15 U.S.C. 631 et seq.).

Suspension.

"(e)(1) In order to protect the interest of the United States, upon application by a veterans' small business concern which is the recipient of a loan guaranteed under this subchapter, the Administrator (subject to the provisions of this subsection) may undertake the veterans' small business concern's obligation to make payments under such loan or, if the loan was a direct loan made by the Administrator, may suspend such obligation. While such payments are being made by the Administrator pursuant to the undertaking of such obligation or while such obligation is suspended, no such payment with respect to the loan may be required from the concern.

"(2) The Administrator may undertake or suspend a veterans' small business concern's obligation under this subsection only if—

"(A) such undertaking or suspension of the obligation is, in the judgment of the Administrator, necessary to protect the interest of the United States;

"(B) with the undertaking or suspension of the obligation, the small business concern would, in the judgment of the Administrator, become or remain a viable small business entity; and

"(C) the small business concern executes an agreement in writing satisfactory to the Administrator as provided by paragraph (4) of this subsection.

"(3) The period of time for which the Administrator undertakes or suspends the obligation on a loan under this subsection may not exceed five years. The Administrator may extend the maturity of any loan on which the Administrator undertakes or suspends the obligation under this subsection for a corresponding period of time.

"(4)(A) Before the Administrator may undertake or suspend a veterans' small business concern's obligation under this subsection, the Administrator shall require the small business concern to execute an agreement to repay the aggregate amount of the payments which were required under the loan during the period for which the obligation was undertaken or suspended— Agreement.

"(i) by periodic payments not less in amount or less frequently falling due than those which were due under the loan during such period,

"(ii) pursuant to a repayment schedule agreed upon by the Administrator and the small business concern, or

"(iii) by a combination of the method of payments described in clauses (i) and (ii) of this subparagraph.

"(B) In addition to requiring the small business concern to execute the agreement described in subparagraph (A) of this paragraph, the Administrator shall, before the undertaking or suspension of the obligation, take such action and require the small business concern to take such action as the Administrator considers appropriate in the circumstances, including the provision of such security as the Administrator considers necessary or appropriate, to assure that the rights and interests of the United States and any lender will be safeguarded adequately during and after the period in which such obligation is so undertaken or suspended.

"§ 1843. Liability on loans 38 USC 1843.

"Each individual who has an ownership interest in a veterans' small business concern that is provided a direct loan under this subchapter, or that obtains a loan guaranteed under this subchapter, shall execute a note or other document evidencing the direct or guaranteed business loan, and such individuals shall be jointly and severally liable to the United States for the amount of such direct loan or, in the case of a guaranteed loan, for any amount paid by the Administrator on account of such loan.

"§ 1844. Approval of loans by the Administrator 38 USC 1844.

"(a) Except as provided in subsection (b) of this section, a loan may not be guaranteed under this subchapter unless, before the closing of the loan, it is submitted to the Administrator for approval and the Administrator grants approval.

"(b) The Administrator may exempt any lender of a class of lenders listed in section 1802(d) of this title from the prior approval requirement in subsection (a) of this section if the Administrator determines that the experience of such lender or class of lenders warrants such exemption.

"(c) The Administrator may at any time upon thirty days' notice require loans to be made by any lender or class of lenders under this subchapter to be submitted to the Administrator for prior approval. No guaranty shall exist with respect to any such loan unless evidence of the guaranty is issued by the Administrator.

38 USC 1845.

"§ 1845. Interest on loans

"(a) Loans guaranteed under this subchapter shall bear interest not in excess of such rate as the Administrator may from time to time find the loan market demands. In establishing the rate of interest that shall be applicable to such loans, the Administrator shall consult with the Administrator of the Small Business Administration.

"(b) The rate of interest on any direct loan made by the Administrator under this subchapter may not exceed the maximum rate in effect under subsection (a) of this section at the time the direct loan is made.

38 USC 1846.

"§ 1846. Maturity of loans

"The maturity of a loan made or guaranteed under this subchapter that is used in whole or in part for the construction, conversion, or expansion of facilities or for acquisition of real property may not exceed twenty years plus such additional reasonable time as the Administrator may determine, at the time the loan is made, is required to complete the construction, acquisition, or expansion of such facilities. The maturity of any other loan made or guaranteed under this subchapter may not exceed ten years.

38 USC 1847.

"§ 1847. Eligible financial institutions

"The Administrator may not guarantee under this subchapter a loan made by an entity not subject to examination and supervision by an agency of the United States or of a State.

38 USC 1848.

"§ 1848. Preference for disabled veterans

"In the extension of financial assistance under this subchapter, the Administrator shall give preference, first, to veterans' small business concerns in which disabled veterans who have successfully completed a vocational rehabilitation program for self-employment in a small business enterprise under chapter 31 of this title have a significant ownership interest, and, second, to veterans' small business concerns in which other disabled veterans have a significant ownership interest.

38 USC 1849.

"§ 1849. Revolving fund

"(a) There is established in the Treasury a revolving fund to be known as the 'Veterans' Administration Small Business Loan Revolving Fund' (hereinafter in this section referred to as the 'fund').

"(b) Amounts in the fund shall be available to the Administrator without fiscal year limitation for all loan guaranty and direct loan operations under this subchapter other than administrative expenses and may not be used for any other purpose.

Appropriation authorization.

"(c)(1) Effective for fiscal year 1982 and fiscal years thereafter, there is authorized to be appropriated to the fund a total of $25,000,000.

"(2) There shall be deposited into the fund all amounts received by the Administrator derived from loan operations under this subchapter, including all collection of principal and interest and the proceeds from the use of property held or of property sold.

"(d) The Administrator shall determine annually whether there has developed in the fund a surplus which, in the Administrator's judgment, is more than necessary to meet the needs of the fund. Any such surplus shall immediately be transferred into the general fund of the Treasury.

"(e) Not later than two years after the termination of the authority of the Administrator to make new commitments for financial assist-

ance under this subchapter, the Administrator shall transfer into the general fund of the Treasury all amounts in the fund except those that the Administrator determines may be required for the liquidation of obligations under this subchapter. All amounts received thereafter derived from loan operations under this subchapter, except so much thereof as the Administrator may determine to be necessary for liquidating outstanding obligations under this subchapter, shall also be so deposited.

"§ 1850. Incorporation of other provisions by the Administrator 38 USC 1850.

"The Administrator may provide that the provisions of sections of other subchapters of this chapter that are not otherwise applicable to loans made or guaranteed under this subchapter shall be applicable to loans made or guaranteed under this subchapter. The Administrator shall exercise authority under the preceding sentence by regulations prescribed after publication in the Federal Register and a period of not less than thirty days for public comment.

Publication in Federal Register.

"§ 1851. Termination of program 38 USC 1851.

"The Administrator may not make commitments for financial assistance under this subchapter after September 30, 1986.".

(b)(1) The title of such chapter is amended to read as follows:

"CHAPTER 37—HOUSING AND SMALL BUSINESS LOANS".

(2) The table of chapters before part I and the table of chapters at the beginning of part III are each amended by striking out the item relating to chapter 37 and inserting in lieu thereof the following:

"37. Housing and Small Business Loans ..... 1801".

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

"SUBCHAPTER IV—SMALL BUSINESS LOANS

"Sec.
"1841. Definitions.
"1842. Small business loan program.
"1843. Liability on loans.
"1844. Approval of loans by the Administrator.
"1845. Interest on loans.
"1846. Maturity of loans.
"1847. Eligible financial institutions.
"1848. Preference for disabled veterans.
"1849. Revolving fund.
"1850. Incorporation of other provisions by the Administrator.
"1851. Termination of program.".

CONFORMING AMENDMENTS

SEC. 303. (a) Section 1801 is amended— 38 USC 1801.

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively;

(2) by inserting before subsection (b) (as redesignated by clause (1)) the following new subsection:

"(a) For the purpose of this chapter, the term 'housing loan' means a loan for any of the purposes specified by sections 1810(a) and 1819(a)(1) of this title."; "Housing loan."

(3) by striking out "this chapter—" in subsection (b) (as redesignated by clause (1)) and inserting in lieu thereof "housing loans under this chapter—"; and

(4) by striking out "Coast and Geodetic Survey" in subsection (c) (as redesignated by clause (1)) and inserting in lieu thereof "National Oceanic and Atmospheric Administration (or predecessor entity)".

38 USC 1802. (b) Section 1802 is amended—

(1) by inserting "housing loan" in subsection (a) before "benefits" both places it appears;

(2) by inserting "housing" in subsection (a) after "insured";

(3) by inserting "housing loan" in subsection (b) after "insurance" both places it appears;

(4) by striking out "Loans" in the first sentence of subsection (d) and inserting in lieu thereof "Housing loans";

(5) by inserting "housing" in the second sentence of subsection (d) after "Any";

(6) by inserting "housing" in subsection (e) after "require"; and

(7) by inserting "housing" in subsection (f) after "Any".

38 USC 1803. (c) Section 1803(d) is amended—

(1) by inserting "housing" in clause (1) after "any"; and

(2) by inserting "housing" in the first sentence of clause (3) after "real estate".

38 USC 1807. (d) Section 1807 is amended by inserting "housing loan" after "eligible for".

38 USC 1815. (e) Section 1815(a) is amended by inserting "housing" after "Any".

38 USC 1817. (f) Section 1817 is amended—

(1) by inserting "housing" in subsection (a) after "direct" the first place it appears; and

(2) by inserting "housing" in the first sentence of subsection (b) after "direct".

38 USC 1818. (g) Section 1818(a) is amended by inserting "housing loan" after "eligible for the".

38 USC 1819. (h) Section 1819(a)(1) is amended by inserting "housing loan" after "eligible for the".

(i) Section 1819(b)(2) is amended by striking out "loan guaranty" and inserting in lieu thereof "housing loan".

38 USC 1824. (j) Section 1824 is amended—

(1) by inserting "housing" in subsection (b) after "for all"; and

(2) by inserting "housing" in subsection (c) after "incident to".

38 USC 1517. (k) Section 1517(b)(1) is amended by inserting "shall assist such veteran in securing, as appropriate, a loan under subchapter IV of chapter 37 of this title and" after "the Administrator".

AUTHORIZATION OF APPROPRIATIONS FOR ESTABLISHMENT OF PROGRAM

38 USC 1841 note. SEC. 304. There is authorized to be appropriated a total of $750,000 for fiscal years 1982 through 1986 for use by the Administrator of Veterans' Affairs for expenses incidental to the establishment of the small business loan program authorized by subchapter IV of chapter 37 of title 38, United States Code (as added by section 302).

Ante, p. 1055.

EFFECTIVE DATE

38 USC 1841 note. SEC. 305. The amendments made by this title shall take effect at the end of the one-hundred-and-eighty-day period beginning on the date of the enactment of this Act, except that the authority of the Administrator of Veterans' Affairs to promulgate regulations under subchapter IV of chapter 37 of title 38, United States Code (as added by section 302), shall take effect on such date of enactment.

TITLE IV—MISCELLANEOUS PROVISIONS

EXPANSION OF SCOPE OF AGENT ORANGE STUDY

SEC. 401. (a)(1) Paragraph (1) of section 307(a) of the Veterans Health Programs Extension and Improvement Act of 1979 (Public Law 96-151; 93 Stat. 1097) is amended to read as follows:

38 USC 219 note.

Study.

"(1)(A) The Administrator of Veterans' Affairs shall design a protocol for and conduct an epidemiological study of any long-term adverse health effects in humans of service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict as such health effects may result from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such study, the Administrator may expand the scope of the study to include an evaluation of any long-term adverse health effects in humans of such service as such health effects may result from other factors involved in such service, including exposure to other herbicides, chemicals, medications, or environmental hazards or conditions. The Administrator may also include in the study an evaluation of the means of detecting and treating adverse health effects found through the study.

Review and analysis.

"(B) The Administrator shall also conduct a comprehensive review and scientific analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from exposure to phenoxy herbicides (including the herbicide known as Agent Orange) and the class of chemicals known as the dioxins produced during the manufacture of such herbicides. In conducting such review and analysis, the Administrator may expand the scope of such review and analysis to include a review and analysis of the literature covering other studies relating to whether there may be long-term adverse health effects in humans from other factors involved in service in the Armed Forces of the United States in the Republic of Vietnam during the period of the Vietnam conflict or in other comparable situations involving one or more of the factors described in the second sentence of subparagraph (A). The Administrator may also include a review and analysis of the means of detecting and treating adverse health effects found through any study covered by either such review and analysis.".

(2) Paragraph (3) of such section is amended by inserting "first" after "submission of the".

(b) Section 307(b) of such Act is amended—

(1) by inserting "for administrative or legislative action, or both," in paragraph (2) after "recommendations"; and

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

Report.

Publication in Federal Register.

"(3) Not later than ninety days after the submission of each report under paragraph (2), the Administrator shall, based on the results described in such report and the comments and recommendations thereon and any other available pertinent information, publish in the Federal Register, for public review and comment, a description of actions, if any, that the Administrator proposes to take with respect to programs administered by the Veterans' Administration. Each such description shall include a justification or rationale for any such action the Administrator proposes to take.

"(4) The first report submitted under paragraph (2) shall include the Administrator's recommendation, and reasons therefor, with respect to whether the authority to provide care and services under and by virtue of section 610(a)(5) of title 38, United States Code,

Ante, p. 1047.

should be extended beyond the expiration period specified by section 610(e)(3) of such title.".

Ante, p. 1047.

TECHNICAL ADJUSTMENT OF COMPUTATION OF RETIREMENT ANNUITIES FOR CERTAIN PERSONNEL

38 USC 4109.

SEC. 402. (a) Subsection (b) of section 4109 is amended to read as follows:

"(b)(1) In computing the annuity under subchapter III of chapter 83 of title 5 of an individual who retires under such subchapter (other than under section 8337 of such subchapter) after December 31, 1981, and who served at any time on a less-than-full-time basis in a position in the Department of Medicine and Surgery to which such individual was appointed under this subchapter—

5 USC 8331 *et seq.*

"(A) for the purpose of determining such individual's average pay, as defined by section 8331(4) of title 5, the annual rate of basic pay for full-time service shall be deemed to be such individual's rate of basic pay; and

"(B) the amount of such individual's annuity as computed under section 8339 of title 5 (before application of any reduction required by subsection (i) of such section) shall be multiplied by the fraction equal to the ratio that that individual's total full-time equivalent service bears to that individual's creditable service as determined under section 8332 of title 5.

"(2) For the purposes of paragraph (1)(B) of this subsection, an individual's full-time equivalent service is the individual's creditable service as determined under section 8332 of title 5, except that any period of service of such individual served on a less-than-full-time basis shall be prorated based on the fraction such service bears to full-time service. For the purposes of the preceding sentence, full-time service shall be considered to be eighty hours of service per biweekly pay period.

"(3) A survivor annuity computed under section 8341 of title 5 based on the service of an individual described in paragraph (1) of this subsection shall be computed based upon such individual's annuity as determined in accordance with such paragraph.".

Effective date. 38 USC 4109 note.

(b)(1) The amendment made by subsection (a) shall take effect as of October 1, 1981.

(2) The annuity under subchapter III of chapter 83 of title 5 of an individual who retires under such subchapter during the period beginning on October 1, 1981, and ending on the date of the enactment of this Act and who served at any time on a less-than-full-time basis in a position in the Department of Medicine and Surgery to which such individual was appointed under subchapter I of chapter 73 of title 38, United States Code, shall be computed without regard to section 4109(b) of title 38, United States Code.

38 USC 4109 note.
5 USC 8331 *et seq.*

38 USC 4101 *et seq.*

Approved November 3, 1981.

LEGISLATIVE HISTORY—H.R. 3499 (S. 921):

HOUSE REPORT No. 97-79 (Comm. on Veterans' Affairs).
SENATE REPORT No. 97-89 accompanying S. 921 (Comm. on Veterans' Affairs).
CONGRESSIONAL RECORD, Vol. 127 (1981):
June 2, considered and passed House.
June 15, S. 921 considered in Senate.
June 16, considered and passed Senate, amended, in lieu of S. 921.
Oct. 2, House concurred in Senate amendments with amendments.
Oct. 16, Senate concurred in House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 17, No. 45 (1981):
Nov. 3, Presidential statement.

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