

103^D CONGRESS
2^D SESSION

H. R. 5012

To require that any amount of cost savings under a defense contract realized by the Federal Government as a result of the consolidation of contractors that causes the elimination of jobs in a community be used for job retraining and job creation activities in that community.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 21, 1994

Mr. FILNER introduced the following bill; which was referred jointly to the Committees on Armed Services and Education and Labor

A BILL

To require that any amount of cost savings under a defense contract realized by the Federal Government as a result of the consolidation of contractors that causes the elimination of jobs in a community be used for job retraining and job creation activities in that community.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Displaced Defense
5 Worker Act of 1994”.

1 **SEC. 2. REQUIREMENT TO USE CERTAIN DEFENSE CON-**
2 **TRACT COST SAVINGS FOR JOB RETRAINING**
3 **AND JOB CREATION ACTIVITIES.**

4 (a) REQUIREMENT.—If a contractor carrying out a
5 contract described in subsection (b) achieves cost savings
6 in carrying out the contract, and such cost savings are
7 the result of the contractor consolidating its operations
8 with another entity in a manner that causes the elimi-
9 nation of jobs in the community in which the contractor
10 was carrying out the contract, then the Secretary of De-
11 fense shall deposit an amount equal to the Secretary's por-
12 tion of such savings into the trust fund established under
13 section 2.

14 (b) CONTRACTS COVERED.—Subsection (a) applies to
15 any contract entered into by the Department of Defense
16 after the date of the enactment of this Act that requires
17 that a portion of any cost savings achieved by the contrac-
18 tor in carrying out the contract be returned to the Depart-
19 ment of Defense.

20 **SEC. 3. JOB RETRAINING AND JOB CREATION ACTIVITIES.**

21 The Secretary of Labor shall use amounts appro-
22 priated from the Displaced Defense Worker Trust Fund
23 for the following purposes:

24 (1) JOB RETRAINING ACTIVITIES.—Job retrain-
25 ing assistance under the Job Training Partnership
26 Act (29 U.S.C. 1501 et seq.).

1 (2) JOB CREATION ACTIVITIES.—Financial as-
2 sistance provided under the Public Works and Eco-
3 nomic Development Act of 1965 (42 U.S.C 3121 et
4 seq.).

5 **SEC. 4. DISPLACED DEFENSE WORKER TRUST FUND.**

6 (a) ESTABLISHMENT.—There is established in the
7 Treasury of the United States a trust fund to be known
8 as the “Displaced Defense Worker Trust Fund” (in this
9 section referred to as the “Trust Fund”), consisting of
10 such amounts as may be appropriated or credited to such
11 Trust Fund as provided in this section.

12 (b) TRANSFERS TO TRUST FUND.—(1) There are
13 hereby appropriated to the Trust Fund amounts equiva-
14 lent to amounts received by the Secretary of Defense as
15 cost savings from defense contracts covered by section 1.

16 (2) The amounts appropriated by paragraph (1) shall
17 be transferred at least monthly from the general fund of
18 the Treasury to the Trust Fund on the basis of estimates
19 made by the Secretary of the Treasury of the amounts
20 referred to in such paragraph. Adjustments shall be made
21 in the amounts subsequently transferred to the extent
22 prior estimates were more or less than the amounts re-
23 quired to be transferred.

24 (c) EXPENDITURES FOR JOB RETRAINING AND JOB
25 CREATION.—Amounts in the Trust Fund shall be avail-

1 able, as provide by appropriation Acts, only for purposes
2 of making expenditures to carry out section 2 of this Act.

3 (d) MANAGEMENT OF TRUST FUND.—

4 (1) INVESTMENT.—

5 (A) IN GENERAL.—The Secretary of the
6 Treasury shall invest such portion of the Trust
7 Fund as is not, in his judgment, required to
8 meet current withdrawals. Such investments
9 may be made only in interest-bearing obliga-
10 tions of the United States and may be ac-
11 quired—

12 (i) on original issue at the issue price,

13 or

14 (ii) by purchase of outstanding obliga-
15 tions at the market price.

16 (B) SALE OF OBLIGATIONS.—Any obliga-
17 tion acquired by the Trust Fund may be sold
18 by the Secretary of the Treasury at the market
19 price.

20 (C) INTEREST OF CERTAIN PROCEEDS.—

21 The interest on, and the proceeds from the sale
22 or redemption of, any obligations held in the
23 Trust Fund shall be credited to and form a
24 part of the Trust Fund.

1 (2) REPORT.—It shall be the duty of the Sec-
2 retary of the Treasury to hold the Trust Fund and
3 to report to the Congress each year on the financial
4 condition and the results of the operations of the
5 Trust Fund during the preceding fiscal year and on
6 its expected condition and operations during the
7 next 5 fiscal years.

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