

encourage defense contractors to engage in industrial diversification planning.”

**NOTICE TO CONTRACTORS AND EMPLOYEES UPON PROPOSED AND ACTUAL TERMINATION OR SUBSTANTIAL REDUCTION IN MAJOR DEFENSE PROGRAMS**

Pub. L. 102-484, div. D, title XLIV, § 4471, Oct. 23, 1992, 106 Stat. 2753, as amended by Pub. L. 103-160, div. A, title XIII, § 1372, Nov. 20, 1993, 107 Stat. 1817; Pub. L. 103-337, div. A, title XI, § 1142, Oct. 5, 1994, 108 Stat. 2881; Pub. L. 104-201, div. A, title VIII, § 824, Sept. 23, 1996, 110 Stat. 2610; Pub. L. 105-85, div. A, title X, § 1073(d)(2)(C), Nov. 18, 1997, 111 Stat. 1905; Pub. L. 105-277, div. A, § 101(f) [title VIII, § 405(d)(7)(C), (f)(6)(C)], Oct. 21, 1998, 112 Stat. 2681-337, 2681-419, 2681-430, provided that:

“(a) NOTICE REQUIREMENT AFTER ENACTMENT OF APPROPRIATIONS ACT.—Each year, not later than 60 days after the date of the enactment of an Act appropriating funds for the military functions of the Department of Defense, the Secretary of Defense, in accordance with regulations prescribed by the Secretary—

“(1) shall identify each contract (if any) under major defense programs of the Department of Defense that will be terminated or substantially reduced as a result of the funding levels provided in that Act; and

“(2) shall ensure that notice of the termination of, or substantial reduction in, the funding of the contract is provided—

“(A) directly to the prime contractor under the contract; and

“(B) directly to the Secretary of Labor.

“(b) NOTICE TO SUBCONTRACTORS.—Not later than 60 days after the date on which the prime contractor for a contract under a major defense program receives notice under subsection (a), the prime contractor shall—

“(1) provide notice of that termination or substantial reduction to each person that is a first-tier subcontractor under that prime contract for subcontracts in an amount not less than \$500,000; and

“(2) require that each such subcontractor—

“(A) provide such notice to each of its subcontractors for subcontracts in an amount in excess of \$100,000; and

“(B) impose a similar notice and pass through requirement to subcontractors in an amount in excess of \$100,000 at all tiers.

“(c) CONTRACTOR NOTICE TO EMPLOYEES AND STATE DISLOCATED WORKER UNIT.—Not later than two weeks after a defense contractor receives notice under subsection (a), the contractor shall provide notice of such termination or substantial reduction to—

“(1)(A) each representative of employees whose work is directly related to the defense contract under such program and who are employed by the defense contractor; or

“(B) if there is no such representative at that time, each such employee; and

“(2) the State or entity designated by the State to carry out rapid response activities under [former] section 134(a)(2)(A) of the Workforce Investment Act of 1998 [former 29 U.S.C. 2864(a)(2)(A)], and the chief elected official of the unit of general local government within which the adverse effect may occur.

“(d) CONSTRUCTIVE NOTICE.—The notice of termination of, or substantial reduction in, a defense contract provided under subsection (c)(1) to an employee of a contractor shall have the same effect as a notice of termination to such employee for the purposes of determining whether such employee is eligible to participate in employment and training activities carried out under title I of the Workforce Investment Act of 1998 [29 U.S.C. 2801 et seq.], except in a case in which the employer has specified that the termination of, or substantial reduction in, the contract is not likely to result in plant closure or mass layoff.

“(e) LOSS OF ELIGIBILITY.—An employee who receives a notice of withdrawal or cancellation of the termination of, or substantial reduction in, contract funding shall not be eligible, on the basis of any related reduction in funding under the contract, to participate in

employment and training activities under title I of the Workforce Investment Act of 1998 [29 U.S.C. 2801 et seq.], beginning on the date on which the employee receives the notice.

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

“(1) The term ‘major defense program’ means a program that is carried out to produce or acquire a major system (as defined in section 2302(5) of title 10, United States Code).

“(2) The terms ‘substantial reduction’ and ‘substantially reduced’, with respect to a defense contract under a major defense program, mean a reduction of 25 percent or more in the total dollar value of the funds obligated by the contract.”

**§ 2502. National Defense Technology and Industrial Base Council**

(a) ESTABLISHMENT.—There is a National Defense Technology and Industrial Base Council.

(b) COMPOSITION.—The Council is composed of the following members:

(1) The Secretary of Defense, who shall serve as chairman.

(2) The Secretary of Energy.

(3) The Secretary of Commerce.

(4) The Secretary of Labor.

(5) Such other officials as may be determined by the President.

(c) RESPONSIBILITIES.—The Council shall have the responsibility to ensure effective cooperation among departments and agencies of the Federal Government, and to provide advice and recommendations to the President, the Secretary of Defense, the Secretary of Energy, the Secretary of Commerce, and the Secretary of Labor, concerning—

(1) the capabilities of the national technology and industrial base to meet the national security objectives set forth in section 2501(a) of this title;

(2) programs for achieving such national security objectives; and

(3) changes in acquisition policy that strengthen the national technology and industrial base.

(d) ALTERNATIVE PERFORMANCE OF RESPONSIBILITIES.—Notwithstanding subsection (c), the President may assign the responsibilities of the Council to another interagency organization of the executive branch that includes among its members the officials specified in paragraphs (1) through (4) of subsection (b).

(Added Pub. L. 102-484, div. D, title XLII, § 4212(a), Oct. 23, 1992, 106 Stat. 2664; amended Pub. L. 103-160, div. A, title XIII, § 1312(b), Nov. 30, 1993, 107 Stat. 1786; Pub. L. 103-337, div. A, title X, § 1070(a)(12), Oct. 5, 1994, 108 Stat. 2856; Pub. L. 104-106, div. A, title X, § 1081(b), Feb. 10, 1996, 110 Stat. 452; Pub. L. 104-201, div. A, title VIII, § 829(c)(2), formerly § 829(c)(2), (3), Sept. 23, 1996, 110 Stat. 2613, renumbered Pub. L. 105-85, div. A, title X, § 1073(c)(7)(B), Nov. 18, 1997, 111 Stat. 1904; Pub. L. 105-85, div. A, title X, § 1073(c)(7)(A), Nov. 18, 1997, 111 Stat. 1904.)

**PRIOR PROVISIONS**

A prior section 2502, added Pub. L. 100-456, div. A, title VIII, § 821(b)(1)(B), Sept. 29, 1988, 102 Stat. 2015, related to defense industrial base policies, prior to repeal by Pub. L. 102-484, § 4202(a).

Another prior section 2502 was renumbered section 2534 of this title.

## AMENDMENTS

1997—Subsec. (c). Pub. L. 105-85, §1073(c)(7)(A), made technical correction to directory language of Pub. L. 104-201, §829(c)(2). See 1996 Amendment note below.

1996—Subsec. (c). Pub. L. 104-201, §829(c)(2), formerly §829(c)(2), (3), as renumbered and amended by Pub. L. 105-85, substituted “the responsibility to ensure effective cooperation” for “the following responsibilities:”, struck out “(1) To ensure the effective cooperation” before “among departments”, struck out par. (2), redesignated subpars. (A), (B), and (C) as pars. (1), (2), and (3), respectively, and adjusted margins of such pars. Prior to repeal, par. (2) read as follows: “To prepare the periodic assessment and the periodic plan required by sections 2505 and 2506 of this title, respectively.”

Subsec. (c)(1)(B). Pub. L. 104-106, §1081(b)(1), added subpar. (B) and struck out former subpar. (B) which read as follows: “programs for achieving, during a period of reduction in defense expenditures, the defense reinvestment, diversification, and conversion objectives set forth in section 2501(b) of this title; and”.

Subsec. (c)(2), (3). Pub. L. 104-106, §1081(b)(2), (3), redesignated par. (3) as (2) and struck out former par. (2) which read as follows: “To provide overall policy guidance to ensure effective implementation by agencies of the Federal Government of defense reinvestment and conversion activities during a period of reduction in defense expenditures.”

1994—Subsec. (d). Pub. L. 103-337 substituted “executive” for “Executive”.

1993—Subsec. (d). Pub. L. 103-160 added subsec. (d).

## EFFECTIVE DATE OF 1997 AMENDMENT

Pub. L. 105-85, div. A, title X, §1073(c), Nov. 18, 1997, 111 Stat. 1904, provided that the amendment made by that section is effective as of Sept. 23, 1996, and as if included in the National Defense Authorization Act for Fiscal Year 1997, Pub. L. 104-201, as enacted.

### § 2503. National defense program for analysis of the technology and industrial base

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a program for analysis of the national technology and industrial base.

(b) SUPERVISION OF PROGRAM.—The Secretary of Defense shall carry out the program through the Under Secretary of Defense for Acquisition, Technology, and Logistics. In carrying out the program, the Under Secretary shall consult with the Secretary of Energy, the Secretary of Commerce, and the Secretary of Labor.

(c) FUNCTIONS.—The functions of the program shall include, with respect to the national technology and industrial base, the following:

(1) The assembly of timely and authoritative information.

(2) Initiation of studies and analyses.

(3) Provision of technical support and assistance to—

(A) the Secretary of Defense for the preparation of the periodic assessments required by section 2505 of this title;

(B) the defense acquisition university structure and its elements; and

(C) other departments and agencies of the Federal Government in accordance with guidance established by the Council.

(4) Dissemination, through the National Technical Information Service of the Department of Commerce, of unclassified information and assessments for further dissemination within the Federal Government and to the private sector.

(Added Pub. L. 102-484, div. D, title XLII, §4213(a), Oct. 23, 1992, 106 Stat. 2665; amended

Pub. L. 104-201, div. A, title VIII, §829(b), Sept. 23, 1996, 110 Stat. 2612; Pub. L. 107-107, div. A, title X, §1048(b)(4), Dec. 28, 2001, 115 Stat. 1225.)

## PRIOR PROVISIONS

A prior section 2503, added Pub. L. 100-456, div. A, title VIII, §821(b)(1)(B), Sept. 29, 1988, 102 Stat. 2016; amended Pub. L. 101-189, div. A, title VIII, §842(a), (b), Nov. 29, 1989, 103 Stat. 1514, 1515; Pub. L. 102-25, title VII, §701(f)(4), Apr. 6, 1991, 105 Stat. 115; Pub. L. 102-484, div. A, title X, §1052(32), Oct. 23, 1992, 106 Stat. 2501, established defense industrial base office, prior to repeal by Pub. L. 102-484, §4202(a).

## AMENDMENTS

2001—Subsec. (b). Pub. L. 107-107 substituted “Under Secretary of Defense for Acquisition, Technology, and Logistics” for “Under Secretary of Defense for Acquisition”.

1996—Subsec. (a). Pub. L. 104-201, §829(b)(1), substituted “The Secretary of Defense” for “(1) The Secretary of Defense, in consultation with the National Defense Technology and Industrial Base Council,” and struck out pars. (2) to (4) which read as follows:

“(2) As determined by the Secretary of Defense, the program shall be administered by one of the following:

“(A) An existing federally funded research and development center.

“(B) A consortium of existing federally funded research and development centers and other nonprofit entities.

“(C) A private sector entity (other than a federally funded research and development center).

“(D) The National Defense University.

“(3) A contract may be awarded under subparagraph (A), (B), or (C) of paragraph (2) only through the use of competitive procedures.

“(4) The Secretary of Defense shall ensure that there is appropriate coordination between the program and the Critical Technologies Institute.”

Subsec. (c)(3)(A). Pub. L. 104-201, §829(b)(2), substituted “the Secretary of Defense for” for “the National Defense Technology and Industrial Base Council in” and struck out “and the periodic plans required by section 2506 of this title” after “section 2505 of this title”.

## DEADLINE FOR ESTABLISHING PROGRAM

Pub. L. 102-484, div. D, title XLII, §4213(b), Oct. 23, 1992, 106 Stat. 2666, provided that: “The Secretary of Defense shall establish the program required by section 2503 of title 10, United States Code, as added by subsection (a), not later than six months after the date of the enactment of this Act [Oct. 23, 1992]. The Secretary of Defense shall ensure that a contract solicitation is issued and a contract is awarded in a timely manner to facilitate the establishment of that program within the period set forth in the preceding sentence. The preceding sentence shall not apply if the Secretary determines that the program shall be administered by the National Defense University.”

### § 2504. Annual report to Congress

The Secretary of Defense shall transmit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives by March 1 of each year a report which shall include the following information:

(1) A description of the departmental guidance prepared pursuant to section 2506 of this title.

(2) A description of the assessments prepared pursuant to section 2505 of this title and other analyses used in developing the budget submission of the Department of Defense for the next fiscal year.