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PURCHASES AND SERVICES FROM BLIND AND OTHER SEVERELY HANDICAPPED, 1974

GOVERNMENT

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HEARING

BEFORE THE

COMMITTEE ON THE HANDICAPPED

OF THE

COMMITTEE ON LABOR AND PUBLIC WELFARE UNITED STATES SENATE

NINETY-THIRD CONGRESS

SECOND SESSION

ON

S. 2687

TO PROVIDE THE AUTHORIZATION FOR FISCAL YEAR
1975 AND SUCCEEDING FISCAL YEARS FOR THE COMMIT-
TEE FOR PURCHASE OF PRODUCTS AND SERVICES OF
THE BLIND AND OTHER SEVERELY HANDICAPPED, AND
FOR OTHER PURPOSES

H.R. 11143

TO REDESIGNATE THE COMMITTEE FOR PURCHASE OF
PRODUCTS AND SERVICES OF THE BLIND AND OTHER
SEVERELY HANDICAPPED AS THE COMMITTEE FOR PUR-
CHASES FROM THE BLIND AND OTHER SEVERELY HANDI-
CAPPED, TO AUTHORIZE THE APPROPRIATION OF FUNDS
FOR SUCH COMMITTEE FOR FISCAL YEAR 1974 AND SUC-
CEEDING FISCAL YEARS, AND FOR OTHER PURPOSES

APRIL 25, 1974



Printed for the use of the Committee on Labor and Public Welfare

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INFORMATION



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PURCHASES AND SERVICES FROM BLIND AND OTHER SEVERELY HANDICAPPED, 1974

THURSDAY, APRIL 25, 1974

U.S. SENATE,
SUBCOMMITTEE ON THE HANDICAPPED OF THE
COMMITTEE ON LABOR AND PUBLIC WELFARE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m., in room 4232, Dirksen Senate Office Building, Hon. Jennings Randolph, subcommittee chairman, presiding.

Present: Senators Randolph, Javits, and Stafford.

OPENING STATEMENT OF SENATOR RANDOLPH

Senator RANDOLPH. Good morning, ladies and gentlemen.

One of the qualities of a just and humane society is its determination to give all its citizens an equal opportunity for a full, satisfying, independent life. An important way in which an individual goes about achieving such a goal is through his work. The legislation which has been developed by the Subcommittee on the Handicapped has been aimed at enabling handicapped Americans to prepare themselves through education and rehabilitation for rewarding work, and I am proud of that record.

Back in the 1930's, two bills were enacted which provided employment opportunities for the handicapped: one was the Randolph-Sheppard Act of 1936, which I was privileged to sponsor, which gave priority to the blind to set up vending stands on Federal property; the other was the Wagner-O'Day Act of 1938, which created a Committee on Purchases of Blind-Made Products to provide employment opportunities for the blind in making products which the Federal Government needed and would otherwise obtain on the open market. It so happens that this subcommittee has already considered amendments to these acts during the 93d Congress: Public Law 93-76 has already increased the authorizations for the Wagner-O'Day Act, and amendments to the Randolph-Sheppard Act have been reported from subcommittee to full committee. Our hearing today will consider two bills to further amend the Wagner-O'Day Act.

In 1971, two major changes were made in that act. The first extended the special priority in selling certain products to the Government to sheltered workshops for severely handicapped individuals as well as the blind. The other broadened the scope of the original act to include services as well as products. The Committee on Purchase of Blind-Made Products became the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped in order to reflect these two changes.

The two pieces of legislation before us today, S. 2687 and H.R. 11143, simplify the name of the committee, clarify the term "direct labor" so that it includes work relating directly to the performance of a service, and provide for continuing authorizations. In addition, H.R. 11143 increases the committee from 14 to 16 members, one of whom shall represent other severely handicapped individuals and one of whom is the head of a State vocational rehabilitation agency.

This hearing has been called so that we might hear the views from persons "in the field" on these proposed changes.

[The texts of the bills referred to follow:]

93^D CONGRESS
1ST SESSION

S. 2687

IN THE SENATE OF THE UNITED STATES

NOVEMBER 13, 1973

Mr. JAVITS introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

A BILL

To provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act of June 25, 1938 (52 Stat. 1196), as amended
4 by Public Law 92-28, dated June 23, 1971 (85 Stat. 77),
5 and Public Law 93-76, dated July 30, 1973 (85 Stat. 176),
6 is amended as follows:

7 By striking out in section 1 (a) the words "Committee
8 for Purchase of Products and Services of the Blind and Other
9 Severely Handicapped" and inserting in lieu thereof "Com-

1 mittee for Purchases From the Blind and Other Handi-
2 capped”.

3 SEC. 2. By amending section 5 (6) to read: “The term
4 ‘direct labor’ includes all work required for preparation,
5 processing, and packing of a commodity, or work directly
6 related to the performance of a service, but not supervision,
7 administration, inspection, or shipping”.

8 SEC. 3. By amending section 6 to read: “There is au-
9 thorized to be appropriated to the committee to carry out
10 this Act \$240,000 for the fiscal year ending June 30, 1974,
11 and for succeeding fiscal years such sums as may be neces-
12 sary.”.

93^d CONGRESS
2^d SESSION

H. R. 11143

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1974

Read twice and referred to the Committee on Labor and Public Welfare

AN ACT

To redesignate the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped as the Committee for Purchases From the Blind and Other Severely Handicapped, to authorize the appropriation of funds for such committee for fiscal year 1974 and succeeding fiscal years, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Act entitled "An Act to create a Committee on
4 Purchases of Blind-made Products, and for other purposes",
5 approved June 25, 1938 (41 U.S.C. 46-48c) is amended
6 as follows:

7 (1) Section 1 (a) is amended—

8 (A) by striking out "Committee for Purchase

1 of Products and Services of" in the first sentence
2 thereof and inserting in lieu thereof "Committee
3 for Purchases from";

4 (B) by striking out "fourteen" in the second
5 sentence thereof and inserting in lieu thereof
6 "sixteen";

7 (C) by striking out "and other severely handi-
8 capped individuals." in paragraph (2) (A) and
9 inserting in lieu thereof a period;

10 (D) by redesignating subparagraphs (B) and
11 (C) of paragraph (2) as subparagraphs (C) and
12 (D), respectively, and inserting after subparagraph
13 (A) the following new subparagraph:

14 "(B) The President shall appoint one member from
15 persons who are not officers or employees of the Government
16 and who are conversant with the problems incident to the
17 employment of other severely handicapped individuals.";
18 and

19 (E) by adding at the end of paragraph (2)
20 the following new subparagraph:

21 "(E) The President shall appoint one member from
22 a list of four persons, each of whom is the head of a State
23 vocational rehabilitation agency, submitted to him by the
24 Executive Committee of the Council of State Administrators
25 of Vocational Rehabilitation.".

1 (2) Section 1 (d) is amended—

2 (A) by striking out “paragraphs (2) and
3 (3)” in paragraph (1) and inserting in lieu
4 thereof “paragraphs (2), (3), (4), and (5)”; and

5 (B) by adding at the end thereof the following
6 new paragraphs:

7 “(4) The member first appointed under paragraph
8 (2) (B) of subsection (a) shall be appointed for a term
9 of three years.

10 “(5) The member first appointed under paragraph
11 (2) (E) of subsection (a) shall be appointed for a term
12 of four years.”.

13 (3) Section 5 is amended—

14 (A) by inserting after paragraph (4) the fol-
15 lowing new paragraph:

16 “(5) The term ‘direct labor’ includes all work
17 required for preparation, processing, and packing of a
18 commodity, or work directly relating to the performance
19 of a service, but not supervision, administration, inspec-
20 tion, or shipping.”;

21 (B) by striking out paragraph (6); and

22 (C) by redesignating paragraphs (7), (8),
23 and (9) as paragraphs (6), (7), and (8),
24 respectively.

25 (4) Section 6 is amended to read as follows:

1 “SEC. 6. There are authorized to be appropriated to
2 the Committee to carry out this Act \$240,000 for the fiscal
3 year ending June 30, 1974, and such sums as may be
4 necessary for the succeeding fiscal years.”.

Passed the House of Representatives March 4, 1974.

Attest:

W. PAT JENNINGS,

Clerk.

Senator RANDOLPH. Senator Stafford, the ranking minority member of the subcommittee, and I are delighted that our initial witness today who is our colleague, a member of our Labor and Public Welfare Committee, Senator Javits of New York.

I hope that he will understand a short wait, because I think that he himself has participated in this procedure of waiting a few minutes to hear statements from the chairman of the subcommittee and the ranking minority members of the subcommittee.

Senator Stafford, do you wish to make a statement?

Senator STAFFORD. Thank you very much, Mr. Chairman.

Let me simply say that I agree with the statement which you have already made which covers the whole subject quite beautifully. I appreciate the serious work which this subcommittee is about to undertake.

It is always a pleasure, Mr. Chairman, to serve with you on the full committee or subcommittee, and in the light of characteristics of New Englanders, not using many words, I shall simply welcome the most distinguished Senator from New York, Senator Javits, and I await his testimony.

Senator RANDOLPH. Thank you, Bob, very much.

Senator Javits, if you will proceed as you desire.

STATEMENT OF HON. JACOB K. JAVITS, A U.S. SENATOR FROM THE STATE OF NEW YORK

Senator JAVITS. Thank you very much, Mr. Chairman.

Mr. Chairman, first, I wish to pay my tribute to the Chair for leadership in this field, a leadership which is well known.

There are not too many things upon which we can have our name and which will last beyond our own time here. I have found it a great honor to take up where Robert Wagner, Sr., left off. Senator Wagner was a very great U.S. Senator from New York, and indeed, I believe the only other Senator from New York in this century who had the privilege of serving three terms, as I am completing this year.

So it is a great honor.

Second, I would like to thank my colleagues very much for their very great generosity in referring to this bill with my name in it. Whether it comes first or last is quite immaterial.

I consider the reference and linkage with Wagner-O'Day and Randolph-Sheppard to be one of the nicest things that has happened to me in all the years I have spent in the Congress.

Mr. Chairman, I appear today in support of my own and the administration's bill S. 2687. One amendment is necessary which I suggest to the committee on page 2, line 1, before "handicapped" insert the word "severely."

That was omitted inadvertently and should be inserted because that was the purpose of the measure, to deal with the severely handicapped and the blind.

Second, I would like to report to the committee that I have visited one of the workshops made possible by this bill, that is, the original bill to which the Chair referred, Public Law 92-28, conducted by the Federation of the Handicapped in New York City, in the company of its president, a longtime director of over a quarter century,

Milton Cohen. I was tremendously inspired, as I am sure would be my colleagues, by the degree of work, dedication, and deep sensitivity which goes into dealing with and teaching the very severely handicapped—especially the mentally handicapped—all of which is very much in evidence in this operation.

I report this visit to my colleagues because it would have done all your hearts good to have been there and to have the almost psychic experience of communication between these people and those who come to visit them like myself. Their being given a chance to function as fully accredited human beings, as members of the society of which they are a productive part, is largely due to the intelligence of leaders like Senator Randolph, Senator Stafford, and others who have put their hearts into this operation.

Also, Mr. Chairman, I would like to mention that though the dollar amount involved is small, we must remember that it is simply a facilitation amount. That is, it simply deals with administration, and the amounts which accrue as a result are in the millions.

This workshop has just received a contract for almost \$1 million, this one in New York City, for markers which are used in marine disasters. By the way, these markers are very complex. They were also working on highly complicated electrical coils for the operation of the extremely complex airplanes used in America's security.

The achievements are really very inspiring.

Now as to the specifics of the bill.

COMMENTS ON HOUSE AMENDMENTS

Two principal amendments came over to us from the House on which I would like to comment.

The first one is to add to the committee someone conversant with problems incident to the employment of severely handicapped other than the blind. Obviously that is necessary. The administration is for it, and I hope our committee will approve it.

The other House provision, however, calls for a list to be submitted to the President of four State vocational rehabilitation agency heads, submitted to him by the Executive Committee of the Council of State Administrators of Vocational Rehabilitation, and the nominee selected from the 4 by the President would increase the membership of the committee to 16.

The administration and I find the provision objectionable, not only as to the expansion of the committee, which seems unnecessary, but also as to the method of selection.

My colleagues will remember that in the legal services bill the President not only did not accept this concept but went to the extent of vetoing a measure which contained this kind of a right of appointment from a restricted nomination list.

We have had to struggle with that problem, and it has delayed the legislation for 2 years. It is only now in conference with the delay resulting in untold hardship to the poor of America, who count in terms of their dignity the legal services program as the best thing we have done, even though relatively speaking, it cost only about 7 percent of the total antipoverty program.

So I hope, my colleagues, we will not make the same mistake here of putting the President in the position, simply out of the prerogatives of the President, of having to veto a measure as humanitarian and decent as this one is simply because he cannot accept as a matter of principle this kind of really what amounts to dictation—and I use the word dictation in quotes—in terms of executive appointment.

But to specify this in the law, I think, would be highly obnoxious to the President. I do not believe it is necessary in order to effectuate our objectives. We are just looking for trouble.

So I hope very much that our committee will not go along with that one of the House amendments.

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you very much, Senator Javits.

The first matter that you brought to our attention was the omission on page 2 of your bill, after the word "other" on line 1 "severely" and that was an inadvertent omission.

Senator JAVITS. Right.

Senator RANDOLPH. I know Senator Stafford and I both desire, as you, to have that inserted in the bill.

I think that I would like to ask you to comment on the addition of the 15th member, the member who will come to balance the membership of the committee and will represent the severely handicapped.

Senator JAVITS. I am in entire agreement with that, Mr. Chairman, and so is the administration.

Senator RANDOLPH. That was my understanding. I want to reaffirm it for the record.

Personally, I agree with you that the addition of the 16th member, the State vocational administrator, is not a good idea. I do not like the idea of a list of four persons going to the President from the Executive Committee of the Council of State Administrators on Vocational Rehabilitation, which is a private organization.

I think it would be an unfortunate precedent. Further, many State directors of vocational rehabilitation do not always represent all types of handicapped persons. Also, I think in 25 States we have separate organizations structured to aid the blind. Finally, the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped does not operate through State vocational rehabilitation organizations in carrying out the purposes of the Wagner-O'Day Act.

I would hope that we could in conference, if necessary, with the House, bring about the deletion of the 16th member and provide for the 15th member as is your wish.

Senator JAVITS. Thank you.

Senator RANDOLPH. Senator Stafford.

Senator STAFFORD. Thank you, Mr. Chairman.

I have no questions for Senator Javits. I do want to say that I find myself in complete agreement with the statements that the Senator has made here today, and in agreement with those you have made, Mr. Chairman.

Senator RANDOLPH. Thank you, Bob. We know, as Senator Javits spoke of his firsthand knowledge, that he is convinced that this program is important; the volume of business of course is very substantial.

The dignity of gainful employment for the blind is expressed in the hundreds who are part of the effort.

We are very happy that you, Senator Javits, continue your leadership in reference to the strengthening—I do not call it the refining of this legislation—but the strengthening of this legislation to serve a better purpose and to give more opportunities for gainful work.

Thank you very much.

Senator JAVITS. Thank you.

Senator RANDOLPH. Mr. Meeker is our first witness, and I understand there are two people accompanying you, Mr. Fletcher and Mr. Noyes.

Mr. Meeker, would you please identify yourself, the position you hold, and also your associates.

STATEMENT OF M. S. MEEKER, CHAIRMAN, COMMITTEE FOR THE PURCHASE OF PRODUCTS AND SERVICES OF BLIND AND OTHER SEVERELY HANDICAPPED; ACCOMPANIED BY CHARLES FLETCHER, EXECUTIVE DIRECTOR; AND JANSEN NOYES, JR., VICE CHAIRMAN, COMMITTEE FOR THE PURCHASE OF PRODUCTS AND SERVICES OF BLIND AND OTHER SEVERELY HANDICAPPED

Mr. MEEKER. I will be very happy to introduce my associates.

To my right is Mr. Jansen Noyes, Jr., vice chairman of the Committee, and to my left is Mr. Charles Fletcher, executive director, and I am chairman of the President's Statutory Committee.

With your permission, I would like to submit my prepared statement for the record, and instead present a very brief summary.

Senator RANDOLPH. That will be agreeable. It will be inserted at the conclusion of your testimony.

Mr. MEEKER. It is a pleasure to appear before you this morning to request the approval of S. 2387. It is also a distinct honor to appear on the same docket with Senator Javits, whose efforts have been particularly noteworthy in this program.

This bill will provide an authorization of appropriations for fiscal year 1975 and succeeding years for our Committee and will permit other minor changes in Public Law 92-28, the act which governs the activities of our Committee. We are also taking this opportunity to give your committee a brief review of our activities during the past 2½ years since the new law came into effect.

On June 23, 1971, the President approved Public Law 92-28 which created the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped.

The Committee is the successor to the Committee on Purchases of Blind-Made Products, which was established by the Wagner-O'Dao Act of 1938. Its mission is best described by its overriding objective to increase the employment opportunities for blind and other severely handicapped individuals and, whenever possible, to prepare them to engage in normal competitive employment.

The Committee's prime means for achieving its objective is to direct the procurement of selected products and services by the Federal Government to qualified workshops for the blind and other severely handicapped.

The Committee is composed of 14 members appointed by the President. Eleven of these members represent various Government agencies, and three members are private citizens who are conversant with the employment problems of the blind and other severely handicapped. The Committee's impact has been far-reaching and as a result of its activities, thousands of individuals are gainfully employed, and through the training and experience they are obtaining, many of them will become fully productive members of our Nation's competitive workforce.

During the first 2 years of its existence much of the Committee's effort was directed toward developing the organization and procedures required to administer the new program. These actions are now largely completed.

Under the new act, the Committee is responsible for the selection of suitable commodities and services for provision to the Government by qualified workshops, and for publication of a procurement list designating those commodities and services which must be procured from these workshops.

The initial procurement list was published in the Federal Register in August 1971. Beginning last June, the Committee also published the procurement list in catalog format. The catalog is now published each January, with quarterly consolidated changes. It is particularly useful to Government procuring activities for ordering items on the procurement list. Copies of each issue are distributed to some 3,200 different Government activities throughout the United States and overseas.

In fiscal year 1973, 19 new groups of commodities, nine services, and one new military resale commodity were approved. These have an annual sales value of over \$3 million and will create jobs for 172 blind and 102 other severely handicapped persons. Also during fiscal year 1973, workshops sales to the Federal Government and through the military resale program amounted to about \$30 million. This represents a \$5 million, or 16 percent, increase over fiscal year 1972.

Thus far in fiscal year 1974, we have added 17 groups of commodities and 11 services to the procurement list. These are estimated to have an annual value of over \$2.5 million and should provide continuing employment for over 350 blind and other severely handicapped persons.

To date, 28 separate groups of commodities or services have been added for workshops serving the other severely handicapped and have an estimated contract value of over \$3 million annually. During the past 10 months there has been a definite acceleration in adding commodities and services to the procurement list for workshops serving the other severely handicapped.

Another of the Committee's functions is the designation of central nonprofit agency or agencies to facilitate the distribution of orders to the workshops.

One of the most important challenges confronting the Committee when it was established in August 1971 was to find a means for determining the qualifications and capabilities of severely handicapped workshops desiring to enter the program, and for providing the technical and engineering assistance that these workshops would require in the production of new commodities or the provision of new services.

The Committee obviously would be unable to provide all the assistance required by the hundreds of workshops interested in entering the program. The National Industries for the Blind has performed these functions for the blind workshops since the enactment of the Wagner-O'Day Act in 1938.

Initially, the Committee decided not to designate one single central nonprofit agency to represent the handicapped other than the blind but rather to work with existing national agencies. The following agencies volunteered to perform this role: Goodwill Industries of America; International Association of Rehabilitation Facilities; Jewish Occupational Council; National Association for Retarded Citizens; National Easter Seal Society for Crippled Children and Adults; and United Cerebral Palsy Association.

We designated these six agencies, together with the National Industries for the Blind, as the central nonprofit agencies with which we would deal in administering the expanded program.

In January 1973, the Committee announced its decision to support the creation of a single operating agency, similar to the National Industries for the Blind, to assist all the workshops serving the other severely handicapped interested in participating in the program. We have been working with the six national agencies to create this new single central nonprofit agency.

On March 26, 1974, the Rehabilitation Services Administration of the Department of Health, Education, and Welfare approved a \$200,000 grant to assist in the establishment of this single agency, the National Industries for the Severely Handicapped, or NISH. Continued support over the next 4 or 5 years will be required for its development and initial operations at which time it is expected that NISH will be largely self-sufficient through income from fees on the sale of commodities and services by its workshops. At that point Federal grant assistance will cease.

The Committee has given consideration to any other changes required in the 1971 act. The Committee's recommendations in this regard are reflected in S. 2687.

The continued effective operation of the Committee requires an authorization of appropriations for fiscal year 1975 and succeeding years. Section 3 of S. 2687 would authorize "such sums as may be necessary" for the fiscal years following 1974.

The first two sections of the proposed amendment consist of two minor modifications to Public Law 92-28. The first would shorten the Committee's title to "Committee for Purchases from the Blind and Other Handicapped." The other would expand the definition of "direct labor" to include services. The present definition pertains primarily to commodities.

Again, we would like to thank you for letting us appear here today. We hope you will give favorable consideration to S. 2687. For its part, the Committee will seek every opportunity to insure the continued, rapid expansion of this program to provide gainful employment for increasing numbers of blind and other severely handicapped citizens of this Nation.

Thank you.

COMPARISON OF SENATE AND HOUSE BILLS

Senator STAFFORD. Thank you, Mr. Meeker.

Would you give us your views on the differing provisions between S. 2687 and H.R. 11143?

Mr. MEEKER. Yes, Senator Stafford.

The House bill contains three substantive differences from S. 2687. The first one retains the term "other severely handicapped" in the Committee's title. We certainly agree with continuing that term. We have no problem with that.

The second divides the private citizen position conversant with the problems of the blind and other severely handicapped individuals into two positions.

We also concur in splitting this into two positions and creating a 15th member on the Committee.

The third principal change adds a 16th member, head of a State vocational rehabilitation agency. We agree with the previous comments made by Senator Javits and the chairman, in that we do not concur in adding this 16th member.

First of all, we disagree with the procedures of selection. Having an executive council of a private organization nominate four individuals I think would, in accordance with what Senator Javits said, set a very unfortunate precedent.

We question the need and the desirability of having a State director of vocational rehabilitation on the Committee.

As the chairman indicated, the responsibilities of one-half of the State directors do not include all types of handicapped. Thus the individual selected may not speak for, or really represent, at the State level, all handicapped people in his State.

By the nature of its activities, the Committee does not or could not operate through State vocational rehabilitation organizations.

Adding an individual who represents a State level of interest, I think, would add an additional layer of review within the Committee's operations. The Committee with the 15 members proposed I believe already includes an adequate number of individuals who are knowledgeable of rehabilitation problems.

One of our members is an Assistant Commissioner of the Rehabilitation Services Administration of the Department of Health, Education, and Welfare. We would have four private citizens who would also bring expertise from their areas to the Committee's considerations and deliberations.

Further, the addition of a Committee member nominated by a private agency, I believe, could encourage other such agencies who also wish to be favorably considered for membership. I see it generating significant problems in the future.

Finally, we believe that the size of the Committee of 15 members is a very maximum for the effective operations of the Committee from a managerial standpoint.

PARTICIPATION OF NONPROFIT AGENCIES IN COMMITTEE MEETINGS

Senator STAFFORD. Thank you very much, one more question.

This subcommittee's understanding is that you invite the main executives of nonprofit agencies to participate in meetings.

Mr. MEEKER. That is correct.

Senator STAFFORD. But not their representatives.

In other words, when the chief executive of an agency cannot attend, he is unable to be represented, or she is unable to be represented.

Could you explain to me why this practice was followed?

Mr. MEEKER. The Committee has a rule for its own members that we allow no substitutions, and we have merely extended that rule to the seven principal CNA observers.

Senator STAFFORD. Thank you, Mr. Meeker.

The subcommittee very much appreciates your testimony, and that of your colleagues.

I have not invited them to speak, but if they have a short statement they wish to make, the subcommittee would entertain it.

Mr. NOYES. I would only like to speak to the 16th member.

Having been a member of the Committee and its predecessor since appointment by President Eisenhower, I have watched the actions of the Committee through the years. Its primary objective is the selection of commodities and services, the determining of fair market prices, and the arranging for the equitable distribution of orders.

The act presumes that employment of handicapped people is part of the rehabilitation procedure. The Committee itself is not constituted by its membership or its objectives to get deeply involved in the form of vocational rehabilitation. I think that additional membership of this type does not serve the purpose of the Committee.

Senator STAFFORD. Thank you. We feel your testimony will be very helpful to us on this matter. We are grateful to all three of you for appearing here this morning.

Senator RANDOLPH. Before Mr. Meeker, Mr. Fletcher, and Mr. Noyes leave for necessary assignments, I want to join Senator Stafford in expressing appreciation for your testimony.

Your statement, Mr. Meeker, will be read, of course, very carefully by all members of our subcommittee. I commend you and your associates. You do believe that this program is important; is that right?

Mr. MEEKER. Absolutely.

Senator RANDOLPH. You do feel that the legislative effort now is timely to improve the program?

Mr. MEEKER. Very definitely.

Senator RANDOLPH. And your coworkers are ready and willing to be able to carry it into being, is that true?

Mr. MEEKER. Mr. Chairman, we are all volunteers, we hold other jobs, and we put our full heart into this, also.

Senator RANDOLPH. This is splendid testimony to what Senator Javits indicated earlier. It is not only the opportunity, but it does give you the responsibility of working in an important area of helpfulness to people who want to help themselves, is that right?

Mr. MEEKER. That is correct.

[The prepared statement of Mr. Meeker follows:]

STATEMENT OF M. S. MEEKER
CHAIRMAN, COMMITTEE FOR PURCHASE OF PRODUCTS
AND SERVICES OF THE BLIND AND
OTHER SEVERELY HANDICAPPED

Mr. Chairman:

It is a pleasure to appear before you today to request the approval of S.2687. This bill would provide an authorization of appropriations for fiscal year 1975 and succeeding fiscal years for our Committee and would permit other minor changes in Public Law 92-28, the Act which governs the activities of our Committee. We are also taking this opportunity to give your Committee a brief review of the Committee's activities during the past two and one-half years since the new law came into effect.

On June 23, 1971, President Nixon approved Public Law 92-28 which created the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. The Committee is the successor to the Committee on Purchases of Blind-Made Products, which was established by the Wagner-O'Day Act of 1938. Its mission is best described by its overriding objective, to increase the employment opportunities for the blind and other severely handicapped individuals and, whenever possible, to prepare them to engage in normal competitive employment. In the words of President Nixon, the Committee works "to open the doors of self-reliance and fulfillment for thousands of our Nation's handicapped men and women, and to

unlock for the rest of us the benefits of the unique contributions every handicapped citizen can make to our society."

As suggested by its title, the Committee's prime means for achieving its objective is to direct the procurement of selected products and services by the Federal Government to qualified workshops for the blind and other severely handicapped. The Committee's major functions and responsibilities under the new Act are:

- ° To select commodities and services that are suitable for workshops to supply to the Government and to publish a list of those selected in a procurement list;
- ° To determine the fair market price for these commodities and services and to revise its price determinations in accordance with changing market conditions;
- ° To designate a central nonprofit agency or agencies to facilitate the distribution of Government orders among the various workshops;
- ° To make the necessary rules and regulations to carry out the purposes of the Act; and
- ° To assure that the blind will have priority in selling commodities to the Government and, until December 31, 1976, in providing services.

The Committee is composed of 14 members appointed by the President. Eleven of these members represent various Government agencies, and three members are private citizens who are conversant with the employment problems of the blind and other severely handicapped. The Committee's impact has been far-reaching. As a result of the Committee activities, thousands of blind and other severely handicapped individuals are gainfully employed, and through the training and experience they are obtaining, many of them will become fully productive members of our Nation's competitive workforce.

Before getting into the details of our program, a discussion of some of the basic concepts of this program is appropriate.

The legislative history leading to the passage of the original Wagner-O'Day Act makes it clear that it was intended that the relationship with the workshops would be on a business-like basis. When an item is placed on the Procurement List, the workshop in most cases becomes the sole supplier to the Government for the commodity or service involved. The workshop is required to meet the established Government quality standards the same as any other supplier. It must also be responsive in meeting the Government's delivery schedules in order to insure uninterrupted supply.

The prices paid under the Act are "fair market prices". The courts, in interpreting the meaning of this term, have

arrived at the criteria of "a price paid by a willing buyer to a willing seller". At any particular time it would be a reasonable price. It would not necessarily be either the highest or the lowest price commercial industry would charge the Government for the item. Thus, the prices for items on the Procurement List do not represent a subsidy to the workshop but rather a reasonable price based on current market conditions for the particular commodity or service.

In accordance with Public Law 92-28 and the other statutes governing the actions of Government agencies, the Committee must give careful consideration to the impact of its actions on current suppliers, particularly small business firms. In every case, the benefits to the blind or other severely handicapped in applying the priorities accorded them under the Act must be weighed against the possible adverse impact on each of the firms that will be affected.

The benefits of this program accrue to the workshops through the procurement processes of the Government. Thus, with few exceptions, the workshops are governed by the multitude of laws and regulations covering every contractor who sells to the Government. Successful participation in this program requires a sound working knowledge of Government procurement policies and procedures by both the central nonprofit agency and its workshops.

The final concept is that of self-help. Historically, the Wagner-O'Day program has operated with a minimum amount of Federal assistance. The Committee's role under the new Act is devoted primarily to review and supervision at the policy level and monitoring compliance with the Act. In its day-to-day activities the staff devotes the major portion of its efforts to expanding the sale to the Federal Government of products and services offered by the blind and other severely handicapped. On the other hand, the staff cannot provide the technical and engineering assistance many of the workshops require to participate successfully in this program. We feel that such assistance should more properly be the responsibility of the central nonprofit agencies, and that it would be a mistake to expand the Committee's responsibilities by assigning it this sort of operational role.

There is one other factor of concern to the Committee. This has to do with the misconceptions resulting from the statements of some witnesses who appeared during the hearings in 1970 and 1971 leading to the enactment of Public Law 92-28. The estimates by several witnesses regarding the number and dollar value of items which would be reasonably available to workshops under the new Act were greatly overstated. One witness estimated that there were 75,000 products that should be explored for manufacture by workshops under the program, leaving the impression that the bulk of these would be suitable for production by the workshops. Another stated that, if the

legislation were enacted, the total dollar value of the program would reach \$200 million within five years. It appears that these predictions did not take into consideration the very real and practical problems facing a workshop, staffed with blind or severely handicapped clients and with limited technical and financial resources, in developing the manufacturing capability and know-how to become a prime supplier to the Government.

These misconceptions have created a sense of frustration, particularly on the part of workshops serving the other severely handicapped. Based on the testimony cited above, they are unable to understand the apparent delays in rapidly expanding this program to include their workshops. Every member of our Committee is acutely aware of these feelings on the part of the workshops and others. We are working to correct these misconceptions. We hope that these hearing will be of assistance in placing this program in its proper prospective.

Under the new Act, the Committee is authorized a full-time staff to assist in the implementation of the expanded program. Although the Act was approved in June 1971, the initial funds for the Committee were made available in the Second Supplemental Appropriation of FY 1972, a full year later. The staff of eight persons was completed in early 1973 and thus has been fully operational for just a year.

To date much of the Committee's effort has been directed toward developing the organization and procedures required to administer the new program. These actions are now largely complete.

Under the new Act, the Committee is responsible for the selection of suitable commodities and services for provision to the Government by qualified workshops, and for publication of a Procurement List designating those commodities and services which must be procured from these workshops.

The initial Procurement List was published in the Federal Register in August 1971. In March 1973, the Committee published a revised Procurement List which represented a comprehensive, up-to-date listing of all the commodities and services approved by the Committee. In the future, a similar comprehensive list will be published annually. Individual additions or deletions are published in the Federal Register as they are approved.

Additionally, the General Services Administration assisted the Committee in publishing the Procurement List in catalog format. This catalog includes such information as item descriptions, ordering instructions, and packing and shipping data. The catalog is published each January, with quarterly consolidated changes. It is particularly useful to Government procuring activities for ordering items on the Procurement List. Nearly 7,000 copies of each issue are distributed to some 3,200 different Government activities throughout the United States and overseas.

In fiscal year 1973, 19 new groups of commodities, nine services, and one new military resale commodity were approved. These have an annual sales value of over \$3 million and will create jobs for 172 blind and 102 other severely handicapped persons. Also during fiscal year 1973, workshops sales to the Federal Government and through the military resale program amounted to about \$30 million. This represents a \$5 million increase over fiscal year 1972.

Thus far in fiscal year 1974, we have added 17 groups of commodities and 11 services to the Procurement List. These are estimated to have an annual value of over \$2.5 million and should provide continuing employment for over 350 blind and other severely handicapped persons.

As of today, the Committee has added 28 separate groups of commodities or services for workshops serving the other severely handicapped. These represent employment for about 420 handicapped individuals and have an estimated contract value of over \$3 million annually. In several cases the workshop already had a current contract with the Government for the item. Thus, these do not represent increased jobs for the handicapped individuals involved but rather a guaranteed source of work as long as the Government requires the commodity or service and the workshop continues to perform satisfactorily. During the past ten months there has been a definite acceleration in adding commodities and services to the Procurement List for workshops serving the other severely handicapped.

Another of the Committee's functions is determining the fair market price for items on the Procurement List and adjusting these prices as market conditions change.

Historically, the blind workshops have prided themselves on giving a dollar's worth of product for each dollar received from the Government under this program. The Committee has continued that philosophy in its pricing policies under the new Act.

In general, the fair market price is determined by considering the range of bids received as the result of the most recent solicitation for the particular commodity or service. If the price recommended by the central nonprofit agency does not exceed the average of those bids, it is considered a fair market price. Where the commodity or service has not been previously procured by the Government, other factors are given consideration, such as: the price paid by the Government for similar items; the price of similar commercial items; and the cost to the workshop to produce the commodity or to perform the service.

During the past year, the major problem with respect to pricing has been that of adjusting prices of items already on the Procurement List to meet the rapid and dramatic increases in the cost of raw materials. The following are two examples of increases in raw materials costs. The wholesale price index for plant and animal fibers, used extensively in the large

number of brooms and brushes produced for the Government by the blind workshops, jumped 147% in one year. The price of cotton went from about 32 cents per pound to over 80 cents per pound in a few months. This has had a major impact on the cost of producing mattresses, mops and mopheads, and many of the other items the workshops manufacture for the Government.

The Committee recently approved revised pricing procedures which will reduce drastically the time and effort required to place most price changes into effect.

The third major function of the Committee is to designate a central nonprofit agency or agencies to facilitate the distribution of orders to the workshops.

One of the most important challenges confronting the Committee when it was established in August 1971 was to find a means for determining the qualifications and capabilities of other severely handicapped workshops desiring to enter the program, and for providing the technical and engineering assistance that these workshops would require in the production of new commodities or the provision of new services. The Committee obviously would be unable to provide all the assistance required by the hundreds of workshops interested in entering the program. The National Industries for the Blind has performed these functions for the blind workshops since the enactment of the Wagner-O'Day Act in 1938.

Initially, the Committee decided not to designate one single central nonprofit agency to represent the handicapped other than the blind but rather to work with existing national agencies. The Committee sent letters to the major national agencies representing the other severely handicapped requesting a statement of their interest in fulfilling the role of a central nonprofit agency for their workshops. Six agencies indicated their desire to participate in this pilot program. These agencies were:

Goodwill Industries of America
 International Association of Rehabilitation Facilities
 Jewish Occupational Council
 National Association for Retarded Citizens
 National Easter Seal Society for Crippled
 Children and Adults
 United Cerebral Palsy Association

The Committee designated these six agencies, together with the National Industries for the Blind, as the central nonprofit agencies with which it would deal in administering the expanded program.

The Committee, in conjunction with the six national agencies representing the other severely handicapped, has considered various methods for strengthening the capabilities of these agencies to permit them to fulfill better their responsibilities to their workshops in carrying out the program, particularly in the provision of technical and engineering assistance. In

January 1973, the Committee announced its decision to support the creation of a single operating agency, similar to the National Industries for the Blind, to assist all the workshops serving the other severely handicapped interested in participating in the program. We have been working with the six national agencies concerned to create this new single central nonprofit agency. On March 26, 1974, the Rehabilitation Services Administration of the Department of Health, Education and Welfare approved a \$200,000 grant to assist in the establishment of this single agency, the National Industries for the Severely Handicapped or NISH. Continuing support over the next four or five years will be required for the development and initial operations of the new agency. By the end of the five year period it is expected that NISH will be largely self-sufficient through income from fees on the sale of commodities and services to the Federal Government by its workshops under this program. At that point Federal grant assistance will cease.

Much of the Committee's effort to date has been devoted to developing the policies and procedures required for the effective operation of this new program.

In May 1972, after considering the views of a wide variety of interested agencies, the Committee approved the definition of "other severely handicapped".

The 1971 amendment to the Act required a complete revision of Chapter 51 of Title 41 of the Code of Federal Regulations which describes the Committee's policies and procedures.

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Proposed revised regulations were published in the Federal Register in March 1973. After considering the comments received as the result of the public notice, the Committee approved and published the final regulations in June.

At each stage of the development of the Committee's policies and procedures, the comments and recommendations of the central nonprofit agencies have been given careful consideration. For example, their representatives participated actively in developing the forms for workshop certification; in establishing the procedures for the assignment of commodities and services to central nonprofit agencies; and in providing input to the revision of pricing procedures.

As with any new program, some of the administrative procedures adopted initially have required changes as we gained experience. While the procedures used by the National Industries for the Blind provided a good basis for many operations, the expanded program created a number of unique problems. For example, procedures had to be developed for the assignment of items between the agencies of the blind and those of the other severely handicapped and among the six agencies representing the other severely handicapped. In May 1973, the Committee approved a condensed and simplified format for presenting the information required for the justification prepared by a central nonprofit agency recommending the addition of an item to the Procurement List. The changes made have been limited to those we have found,

from experience, to be necessary to operate this program effectively. We shall continue to seek ways to simplify our procedures and reduce the administrative workload at each level.

The Committee believes that its current policies and procedures achieve a proper balance among the legitimate interests and requirements of the workshops, industry and the Government. These procedures are now working smoothly. While we will undoubtedly have to make minor adjustments as we go along, the current procedures are producing results as evidenced by the number of new workshops added to the program during the past ten months.

The Committee is charged by the new Act with giving priority to the blind workshops over those of the other severely handicapped in selling to the Government. It is also clear from the testimony during hearings on the 1971 amendment to the Wagner-O'Day Act that the blind would continue to have first preference in the sale of commodities, without limitation as to time, as well as preference in providing services until December 31, 1976. The new Act also continued the priority accorded to commodities produced by Federal Prison Industries over those produced under the Act.

The procedures for the application of these priorities are contained in Section 51-3.3 "Assignment of commodity or service" of the Committee's regulations. The basic procedures for applying these priorities, as reflected in our regulations, were developed in coordination with the representatives of the

central nonprofit agencies and approved by them in August 1972. Briefly, they give the Federal Prison Industries, Inc. (FPI) and the National Industries for the Blind (NIB) (representing the workshops for the blind) 60 days to either waive or exercise their priorities on commodities and services proposed for consideration for addition to the Procurement List.

The central nonprofit agency which first proposes an item has priority on the assignment and development of that item for addition to the procurement list unless either FPI or NIB exercises its priority. Once assigned an item, the central nonprofit agency normally has nine months in which to complete action to place the item on the Procurement List. At the end of nine months, if another central nonprofit agency has a workshop capable of producing the item and is prepared to act to place the item on the Procurement List, the agency assigned the item must either release it for reassignment or justify its retention.

We believe that the procedures we have established afford FPI and NIB the priority provided by law while placing reasonable limitations on the periods of time that actions must be taken in the exercise of these priorities. To date we have observed no abuse by these two agencies of their priority. Thus, we see no legitimate basis for changing these priorities at this time.

Section 2(e) of our Act indicates that the Committee should study "(1) problems related to the employment of the blind and

of other severely handicapped individuals, and (2) the development and adaptation of production methods which enable a greater utilization of the blind and other severely handicapped individuals". There are already two study efforts relating to workshops now underway; one is the Department of Labor workshop study which focuses mainly on workshop staffing, wages and fringe benefits and the other is the comprehensive workshop study being conducted by the Department of Health, Education and Welfare under the provisions of the Rehabilitation Act of 1973. Both of these studies are covering areas which are pertinent to our study. To avoid a duplication of effort, the Committee decided to delay its study until the areas covered by these other two studies were more clearly defined. At this point, it appears that the other studies will fulfill a major portion of the Committee's study requirements with respect to the first topic which concerns problems related to the employment of blind and handicapped. Additionally, the H.E.W. study should provide some data relating to the second study area which deals with the development and adaptation of production methods for the handicapped. We expect that our study effort will need to concentrate primarily on the latter area.

Once the scope of our study can be determined we shall develop the study plan. If appropriate, we shall seek this support from other Government departments.

The Committee has given careful consideration to any changes required in the 1971 Act.

During the past year the Committee requested an increase in its authorization for fiscal year 1974 from \$200,000 to \$240,000. This was favorably considered by the Senate and the House of Representatives and approved by the President on July 30, 1973 as Public Law 93-76. The authorization of appropriations for the Committee in Public Law 92-28 as amended by Public Law 93-76 expires at the end of fiscal year 1974.

The continued effective operation of the Committee requires an authorization of appropriations for fiscal year 1975 and succeeding years. Section 3 of S.2687 would authorize "such sums as may be necessary" for the fiscal years following fiscal year 1974. In view of the very small appropriation required by this Committee, we consider that an authorization ceiling is no longer necessary. Our budget is reviewed in detail each year by the Committees on Appropriations of the House of Representatives and the Senate. We are required by the Act to report annually to the President and the Congress on our activities. Additionally, we would expect to appear periodically before your Committee and the House of Representatives Committee with oversight responsibility to make more detailed reports on our progress in carrying out the Act.

The first two sections of the proposed amendment consist of minor modifications to Public Law 92-28. The first changes the Committee's title to "Committee for Purchases from the Blind and Other Handicapped". This would shorten the name of the Committee while retaining a description of its role. Section 2 would expand the definition of "direct labor" to include services. The present definition pertains primarily to commodities.

Again, we would like to thank you for letting us appear here today. We hope you will give favorable consideration to S.2687. For its part, the Committee will seek every opportunity to insure the continued, rapid expansion of this program to provide gainful employment for increasing numbers of blind and other severely handicapped citizens of this nation.

Thank you.

Senator RANDOLPH. Our next witness is Mr. Schloss.

STATEMENT OF IRVIN P. SCHLOSS, COORDINATOR OF GOVERNMENTAL RELATIONS, AMERICAN FOUNDATION FOR THE BLIND

Mr. SCHLOSS. I have submitted a written statement which I would appreciate having included in the record of the hearings, and I would be glad to summarize it.

Senator RANDOLPH. We are very happy to have you, Irvin. Senator Stafford, I, and the other members of the subcommittee have often had the privilege of hearing your comments on various bills, and we know of your efforts on behalf of the American Foundation for the Blind.

If you will proceed, your statement of course will be included in full; whatever comments you feel you would like to make on this statement, will you give them to us now.

Mr. SCHLOSS. I would like to indicate that I am representing three national organizations today: The American Foundation for the Blind, the American Association of Workers for the Blind, and Blinded Veterans Association.

These same three organizations supported Senator Javits' effort to expand the Wagner-O'Day Act to provide similar benefits through the purchase of commodities and services to other severely handicapped individuals, the effort that became Public Law 92-28.

These same organizations generally endorse the provisions of H.R. 11143 in the form passed by the House of Representatives. I would like to emphasize two of the amendments that were included by the House. One of these would be to add the word "severely" to the shortened name of the statutory committee, so that it will be the Committee for Purchases from the Blind and Other Severely Handicapped.

This would preserve the original focus and intent that we know Senator Javits had in mind in extending this very valuable program to the other severely handicapped.

The other amendment added by the House that we would urge this committee to adopt is the one adding an additional public member, the 15th member of the statutory committee, the individual conversant with employment problems of the other severely handicapped.

I would like very briefly to say something about the priorities for the blind—they were included in Public Law 92-28, the Javits-Wagner-O'Day Act.

This has a history going back to the 1930's, when the original Wagner-O'Day Act added organizations for the blind for preferential procurement of commodities by the Government. These organizations assured Federal prison industries that there would be no deterioration in their program as a result of inclusion of workshops for the blind in Federal procurement programs on a preferential basis.

Similarly, when the effort to extend this same type of preferential purchasing system to workshops serving other severely handicapped individuals was initiated by Senator Javits, the representatives of several of the organizations serving blind persons and organizations serving other severely handicapped met for discussions which resulted in these priorities for workshops serving blind persons. The basis was

that adding the substantially larger population of other severely handicapped individuals would not harm the substantially smaller number of blind persons in workshops benefiting from the purchase program.

In conclusion, Mr. Chairman, I would like to indicate that, although I am aware particularly from testimony on the House side, that there have been some problems in facilitating orders to the workshops for the other severely handicapped, the organizations I represent are optimistic about the beneficial effects of the program for those workshops and the severely handicapped individuals who are going to be given employment opportunities as a result.

We believe that the establishment of a single central nonprofit agency for allocation of orders to workshops serving severely handicapped individuals, the new national industries for the severely handicapped, will eliminate some of the administrative problems which resulted in some delays in allocations of orders during the past couple of years while the program was virtually brand new.

We have no doubt that, as the program evolves, as the workshop agencies serving other severely handicapped individuals begin to become more familiar with the workings of it, as they add the technical personnel and equipment they will need, that the program will fulfill the promise that Senator Javits envisaged in extending this very valuable preferential purchase program to workshops for the other severely handicapped.

Thank you.

Senator RANDOLPH. Thank you very much, Irvin, for your testimony.

Would you clarify for the members of our subcommittee the differences now between the House and the Senate bills?

Mr. SCHLOSS. In essence the Senate bill, rather the House bill, as the previous witness indicated, has three amendments which the Senate bill does not have.

One would be to include the word "severely" in the shortened name of the statutory committee.

Senator RANDOLPH. That was an inadvertent omission in the Senate bill.

Mr. SCHLOSS. Yes. Another would be to, in effect, create out of the one public member position presently on the statutory committee—the individual conversant with employment problems of the blind and other severely handicapped—to divide that position into two positions so that there would be a public member conversant with problems incident to the employment of the blind and another public member conversant with employment problems of the other severely handicapped.

We believe this is a very desirable change.

Senator RANDOLPH. Now I want to be very certain to reflect your thinking. What is your comment on the proposal in the House bill to have the 16th member included on the Committee?

Mr. SCHLOSS. I know that the motivation of the House committee members was that they would hope that by adding the 16th member, a State director of vocational rehabilitation, it might add to the rehabilitation emphasis. But realistically from the standpoint of the functions and duties of the statutory committee, we do not believe it would make any difference, that it would not accomplish that objective.

The State directors of vocational rehabilitation certainly do at the State and local levels work closely with workshops serving blind individuals and workshops serving other severely handicapped individuals. Adding an additional member from that group to an administering body at the national level would not enhance the rehabilitation function at all.

There is, as previous witnesses indicated, a representative of the Department of Health, Education, and Welfare, who is in fact one of the top officials of the Rehabilitation Services Administration.

Senator RANDOLPH. Thank you very much.

One final question. What is your feeling as of today about the work being carried forward under the present Wagner-O'Day program? Are you satisfied that we are doing as much as we can or do you see opportunities for further development?

Mr. SCHLOSS. I certainly believe that as all of the organizations involved become more sophisticated, those individuals who have multiple disabilities and are not suitable for competitive employment in today's labor market would have a difficult time finding employment outside of the sheltered situation, and would certainly benefit from a workshop program. With workshops taking advantage of technological improvements, modifications of equipment and technique of actually doing work, many individuals could be given employment in these situations who might not otherwise have an opportunity at all for gainful work.

Senator RANDOLPH. Thank you very much, Mr. Schloss. How long have you been in work for the blind?

Mr. SCHLOSS. I have been in my present job almost 16 years and was previously with Blinded Veterans Association for 10 years—so almost a total of 26 years now.

Senator RANDOLPH. Personally and officially I want to commend you, Irvin. I have determined through the years that you are reasonable. You do not attempt to bring confrontations into being just for the sake of argument; but you do have viewpoints, you express them, and you work to produce sound legislation.

I am very grateful, as I know the members of the subcommittee are, for your service.

Senator STAFFORD?

Senator STAFFORD. Mr. Chairman, I am impressed with Mr. Schloss' record and the testimony today and I have no questions. I appreciate your being here, Mr. Schloss, to help this subcommittee.

Senator RANDOLPH. Thank you very much, Irvin.

[The prepared statement of Mr. Schloss follows:]

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STATEMENT OF IRVIN P. SCHLOSS, COORDINATOR OF GOVERNMENTAL RELATIONS,
AMERICAN FOUNDATION FOR THE BLIND, TO THE SUBCOMMITTEE ON THE HANDI-
CAPPED, COMMITTEE ON LABOR AND PUBLIC WELFARE, U. S. SENATE, ON
H.R. 11143 and RELATED BILLS

April 25, 1974

Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to appear before you on H.R. 11143, a bill to extend the authorization of appropriations for the Wagner-O'Day Act as amended by Public Law 92-28 and Public Law 93-76.

Today, I am representing three national organizations: the American Foundation for the Blind, the national voluntary research and consultant organization on services to blind persons of all ages; the American Association of Workers for the Blind, the national professional membership organization in our field; and the Blinded Veterans Association, the Congressionally-chartered membership organization of the nation's war-blinded. All three of these national organizations endorse enactment of H.R. 11143 in the form passed by the House of Representatives.

As passed by the House of Representatives, H.R. 11143 provides for shortening the name of the statutory committee administering the Act to "Committee for Purchases from the Blind and Other Severely Handicapped." This change in the cumbersome name of the statutory committee preserves the focus and intent of Public Law 92-28 in

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extending the benefits of the Wagner-O'Day Act to severely handicapped individuals employed in sheltered workshops.

We also heartily approve of the amendment of the House of Representatives which adds one additional public member to the statutory committee by amending Section 1(a)(2)(A) of the Act concerning the individual "conversant with the problems incident to the employment of the blind and other severely handicapped individuals." The House amendment provides that there will be a public member conversant with the problems incident to the employment of the blind and another public member conversant with problems incident to the employment of the other severely handicapped. This would have the effect of broadening the perspective of the statutory committee through participation in its work of two persons of stature from the private business sector instead of just one.

Since some questions have been raised concerning priorities for the blind in Public Law 92-28, I should like to describe their background. In the middle 1930s, when leaders in work for the blind suggested the concept of the Wagner-O'Day Act to Senator Robert F. Wagner and Representative Caroline O'Day, they also conferred with officials of the Federal Bureau of Prisons to give assurance that the proposed program for the blind would not detract from government work for Federal Prison Industries. The priority for Federal Prison Industries in the original Wagner-O'Day Act and the support and continuing cooperation of officials of the Federal Bureau of Prisons were the result.

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In the late 1960s, when representatives of national workshop organizations for the other severely handicapped suggested broadening the Wagner-O'Day Act to Senator Jacob K. Javits and his staff, they were similarly encouraged to confer with and obtain the support of national organizations for the blind. The priorities for the blind in Public Law 92-28 were agreed to in order to assure that their government business would not be diminished by inclusion of the substantially larger number of workshops employing the other severely handicapped. In effect, workshops for the other severely handicapped still have a decided advantage in obtaining government business outside of the competitive bidding system without detracting from government procurement of commodities and services from workshops for the blind.

Although we sympathize with the concerns of workshops for the other severely handicapped that government procurement of commodities and services from them is not occurring as rapidly as they would like, we must counsel patience in view of the chronology of events. Public Law 92-28 was approved in June 1971. The first appropriation for staff of the statutory committee became available in May 1972. Recruitment of staff and establishment of procedures took time. It took substantially longer than three years for the original Wagner-O'Day Act to have an impact on workshops for the blind.

We are confident that administrative problems regarding central nonprofit agencies to allocate orders for the other severely

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handicapped will be satisfactorily resolved, now that a single central nonprofit agency--the National Industries for the Severely Handicapped--has been established for this purpose and has recently received a substantial grant from the Department of Health, Education, and Welfare to underwrite its work. Assuming that workshops for the other severely handicapped and their parent organizations are prepared to make the financial investment in qualified technical personnel and equipment to really run the kind of industrial operation required to meet government specifications, we believe Public Law 92-28 will achieve its objectives of providing employment to blind and severely handicapped individuals who cannot work in regular competitive enterprise. We hope that this Subcommittee, the full Committee, and the Senate will act favorably on H.R. 11143.

Senator RANDOLPH. Before calling our next witness it is our privilege to have students from the Morristown, N.J., high school. Not that it is particularly important perhaps to them—although I hope it will be—and copies of our hearing this morning will be available in the future.

What I am saying will be in print. If there is a faculty adviser in your group, I wish he or she would give to us your name and address; when this hearing record is made public, we will send you a sufficient number so that all of you will have a copy.

Today we are discussing legislation which will improve work opportunities for the blind.

We have the problem of providing gainful employment for blind and other severely handicapped persons. The original law was originally passed under the sponsorship of Senator Wagner of New York and Representative O'Day, also of New York. Today we are considering amendments to the act which are sponsored chiefly by Senator Javits, who testified earlier today. You know that he too comes from the State of New York. Our amendments concerned workshops for the blind and the other severely handicapped, which produce products and services worth \$30 million a year.

I also want you to know that the chairman of the Labor and Public Welfare Committee is one of your Senators from New Jersey, Senator Harrison A. Williams, and we are the Subcommittee on the Handicapped of the parent committee.

I am sorry that Senator Williams could not greet you today as chairman, but I will say that he is in a very fine State this morning, that is, West Virginia. He is addressing an important convention in our State and will return presumably in the early afternoon.

On my right is Senator Stafford from Vermont. He is the ranking Republican member of this subcommittee. We hope that your stay here on Capitol Hill and in Washington will be informative and will give to you a better understanding of our everyday work and broad range of topics which are considered.

We know that stories will not appear in the newspapers and that very little will be said about this hearing on television. We are not attempting to make headlines, but we are working with people who want the opportunity to help themselves. They are not interested in handouts.

The blind and severely handicapped are interested in gainful employment and interested in being productive citizens of our society. It is for those people that this subcommittee continues the work.

Our next witness is Durward McDaniel, national representative, American Council of the Blind.

Durward, you have been before us many, many times. You have made very substantial contributions to the understanding of the problems of the handicapped.

Will you please proceed?

STATEMENT OF DURWARD McDANIEL, NATIONAL REPRESENTATIVE, AMERICAN COUNCIL OF THE BLIND

Mr. McDANIEL. Thank you, Senator Randolph.

It is always a privilege and pleasure to appear before what I consider to be perhaps the most progressive subcommittee of the Congress.

As you know, your subcommittee is currently completing amendments on the Randolph-Sheppard Act that will be very beneficial to blind people. And in this other field, Javits-Wagner-O'Day, I hope that we can also make progress because it is of great importance to handicapped workers throughout this country.

Senator RANDOLPH. How many are now working under that act?

Mr. McDANIEL. I am not sure of the statistics in the shops for the other severely handicapped. In the workshops for the blind associated with National Industries for the Blind, the number is approximately 4,700.

I think the number in the other category is somewhat less because they have been under the act such a short time, but that will grow, of course.

Senator RANDOLPH. There is a total, perhaps, of 5,000 persons?

Mr. McDANIEL. I think more than that.

Senator RANDOLPH. More than, 5000?

Mr. McDANIEL. Yes, closer to 6,000 probably.

Senator RANDOLPH. What would be the average earning per person?

Mr. McDANIEL. In the workshops for the blind associated with National Industries for the Blind last year the average earnings for the blind production worker was \$1.83 per hour. That being an average indicates that some wages are higher than that and some lower, but that was the average in the last fiscal year.

Senator RANDOLPH. How many hours would be worked on the average?

Mr. McDANIEL. Well, some of them work full time. There is some fluctuation in work, so that if you divided the total number I have given you by the total number of possible hours in a normal work year, you would come out with something less than full-time work obviously, because a person becomes unemployed or retires or quits for other reasons. That would affect the average per worker.

Senator RANDOLPH. I was interested in the average wage of persons in the program.

Mr. McDANIEL. That average will go up now with the recent amendment in the Fair Labor Standards Act, of course.

Senator RANDOLPH. That is correct.

Mr. McDANIEL. So that in the future the increases will be reflected accordingly.

Senator RANDOLPH. You mentioned earlier the Randolph-Sheppard Act and the pending legislation to improve that program.

For the record, and especially for our guests, what is the average earning of a person in that program?

Mr. McDANIEL. It is approaching \$8,000 per year as an average. Again that indicates some are higher and some are lower. It has been a very successful program as you know and we have great expectations for the future of it through the amendments which are now pending.

Senator RANDOLPH. Thank you very much, Durward. As Senator Stafford and I know, we were opposed by a very large agency of the Federal Government back in that period; this agency said that the blind could not do this work, that they could not operate these vending facilities.

But today some vendors are earning perhaps \$14,000, \$15,000 a year with the average somewhat over \$8,000. It is just a further indication that we should not write people off too quickly, should we?

Mr. McDANIEL. No.

Senator RANDOLPH. We should give them an opportunity to participate in our society, to be gainfully employed and to make a contribution in productivity through goods and services.

If you will proceed.

Mr. McDANIEL. For the record I want to say that I have prepared a written statement which I would like to have included in the hearings.

Senator RANDOLPH. That will be done. It will be inserted in the record at the conclusion of your testimony.

Mr. McDANIEL. I do appear here today on behalf of the American Council of the Blind. I incidently am and have been for 25 years a member of the board of directors of one of the workshops for the blind which participates in this Javits-Wagner-O'Day program.

Also I am on the board of directors of the National Industries for the Blind.

Let the record be clear that I speak here today only for the American Council of the Blind. I did want to give that background.

I approach these hearings with the feeling that this may be perhaps the last chance in quite a while to effect substantial, beneficial changes in the Javits-Wagner-O'Day legislation. I feel that way partly because the House passed bill provides for, rather than a stated period of authorization for the operation of the act, more general terminology—"such sums as may be appropriated," which I confess I have some concern about as to its effect on the oversight function of the respective committees of the two branches of Congress.

I hope that would not be relaxed, but I have that concern that the oversight function might be relaxed.

In appearing here I can generally state the priority of interest of the council in this legislation.

First of all, we do, should and must be primarily concerned with what happens to handicapped persons in these shops and due to the nature of the Council we are primarily concerned with what happens to blind workers in workshops for the blind.

The procurement program that we are dealing with has been very important over the years for handicapped workers, particularly blind handicapped workers, and Congress has been very considerate and serious about improving this program.

I think if I were pinpointing the area of least development in this legislation, I would have to say that whereas the Congress has enacted this legislation dealing with procurement for the Government for the purpose of providing employment for handicapped workers, the area of greatest omission has been that the legislation does not include, except for the reference to occupational health and safety, any standards or requirements dealing with working conditions of these handicapped persons.

You know, Mr. Chairman, that most of the State laws and some of the Federal laws take exceptions in the cases of handicapped persons.

The Federal Unemployment Compensation Act of 1970 which extended for the first time a mandatory coverage to employees of

nonprofit organizations, nevertheless in a subparagraph did not extend that coverage to handicapped workers in sheltered workshops.

The Fair Labor Standards Act, while it in section 6 has some very fine provisions, in section 14 has some exceptional provisions which permit the payment of as low as 50 percent of the minimum wage to handicapped workers in workshops and so on, and most of the State laws exempt nonprofit organizations from even workmen's compensation coverage, and there are some sheltered shops that do not even have social security coverage and so on.

This subcommittee and its parent committee has jurisdiction over this special area of procurement, and certainly it has jurisdiction over the workshops which exercise the privilege of dealing with the Government under this legislation.

I think perhaps the greatest thing that could be done at this time legislatively is to enlarge the definition of "qualified nonprofit agency for the blind or other severely handicapped" to require more than just the compliance with the occupation health and safety laws, and I suggest to you that the best security that the Congress could give handicapped workers at this time is to also require that the workshops which participate in this procurement program also extend to their handicapped workers any other benefits which (a) are available to nonhandicapped workers on their payroll, or (b) benefits that are available to workers in ordinary industry.

These are people by definition also who are the least secure in our society.

Inasmuch as this is a Government sponsored program, this is a way in which the Government can give a greater degree of security to these people, and at the same time obviate the necessity of their going on public welfare in case they lose their jobs.

I think in this year 1974 the most substantial improvement which could be made would be through the jurisdiction of Congress over these workshops to require them to furnish such benefits.

We in the council are concerned about the status of handicapped workers, particularly those in workshops for the blind.

The program has been relatively successful. They have made a lot of progress. the average of \$1.83 an hour did not come about accidently.

National Industries for the Blind in particular has been very progressive in trying to upgrade the wages in shops. And as long ago as 1961, the General Council of Workshops for the Blind passed a resolution advocating that the shops pay no less than 75 percent of the minimum, even though the statutory subminimum is 50 percent now.

We have a history here of effort and of progress. But we do need to build in some minimum securities for these people and they are not, with one or two exceptions, in positions to do much about this themselves.

There is quite a lot of turnover. Those who are permanently employed in workshops do not feel as able to change jobs as other people might feel.

So that in terms of collective bargaining I think there are only two workshops for the blind in the country that have union contracts.

The National Labor Relations Board in a decision which I think was clearly wrong ruled that workshops are not covered by the National Labor Relations Act, even though the act itself does not say so.

But that is the prevailing rule of the National Labor Relations Board and somewhere, somehow, and I have suggested it in my written statement, if this act could be amended to require the participating workshops to establish, or the committee to require to be established, in these participating workshops a system for representation, at least as good as that recognized for employees, that would give these handicapped workers at least the right to represent themselves in negotiations with any grievances they might have, working conditions they might want to improve.

I suggest to you that this is the time to further recognize these handicapped people as full citizens and notwithstanding the place where they work, to give them the rights that other workers have.

The council is concerned in terms of handicapped persons, particularly blind individuals, with the apparent ignoring of the language of the act which provides that one member of the Committee for the Purchase of Products and Services should be appointed by the President to represent blind individuals employed in workshops for the blind.

Congress did not spell out what it meant by "represents blind individuals."

I was in on some of the discussions at the staff level 3 years ago in which I thought it was clear enough that it meant to actually represent blind individuals.

If Congress meant that an appointee should be one who has some relationship and some connection with blind individuals working in these shops, the administration does not interpret it that way.

The council thinks there should be a principal and agent relationship, without taking anything away from the power of appointment by the President. But if a person is going to serve on the Committee, going to represent blind individuals employed in shops, he has to have some connection with them or he is not going to know how to represent them.

I would suggest to you that I think the language is clear in the act, but the council would like to see some strong language in the report which would interpret this in favor of some true representation of blind individuals.

I have no quarrel with the motives or other qualifications of people on the Committee who may serve in this capacity by virtue of employment, but they cannot represent that which they do not know anything about and cannot do anything with.

The second area of concern of the council is for and on behalf of workshops themselves. They are business institutions with a charitable purpose, and they have payrolls to meet, production problems, and problems affected by the Government business.

One of the things which is squeezing them very badly at this time is the rapid inflation of the cost of raw materials which they must use in the production of commodities.

As the committee knows full well, the statutory committee sets the fair market price for these commodities and services. There is too great a lag between the increase in the cost of raw materials to the shop and the increase in the fair market price by the Committee.

They have worked out some procedures, but in the space of 3 weeks, 3 months, a shop can lose a very substantial amount of money and most of these shops cannot afford that.

I do not know how this committee wants to deal with that, but it seems to me that there ought to be a greater authority in the act for the retroactivity of price increases. Because, if a shop is producing material which has increased 30 percent in the last 90 days, but the increase in the fair market price does not take effect until next month, somebody sustains the loss, and it is the shop and/or the shop employees who get less benefits because the shop cannot afford it.

This is a very serious problem.

I have been in meetings with workshop managers. They are genuinely and seriously worried about the financial effect on these institutions.

It is going to very seriously affect the ability of these shops to stay in the Government procurement program and even more seriously, I think, the ability of the other severely handicapped shops to get into the program.

Because unless they have a backlog of work and capital or unless they can afford just to lose money—of course nobody can do that indefinitely—then they are going to have a hard time taking full advantage in terms of this legislation.

The third area of concern to the council relates to the committee itself and its procedures and due process. The part that I just talked about overlaps into this section, the procedures for changing prices.

In defense of the committee I would say they do not really have as much authority or power as they need on this point of retroactivity in fair market price increases. But be that as it may, there are other aspects of procedures that do concern us.

With respect to that point and due process in particular, the Committee on Government Operations over on the House side 3 years ago discussed the *Ballerina Pen* case, which was an injunction suit against the old committee, and National Industries for the Blind. The Circuit Court for the District of Columbia pretty solidly criticized the lack of due process for the committee, and that was one of the reasons for the amendment, of course.

But the committee report talks of the opportunity to present and so on, and yet as Mr. Meeker, Chairman of the Statutory Committee, said a while ago—I believe Senator Stafford was in the chair at that time—that with respect to the central nonprofitmaking agencies, the heads of those agencies are permitted to meet with the committee but not to substitute representatives.

A statement can be enlarged considerably through the rulemaking power. The Statutory Committee has said that the workshops must be represented through the central nonprofitmaking agency which they deal with, which is to say that the workshop for the blind in Oklahoma City, whose board I still serve on, under that rule cannot appear before the committee.

If the rules do not say anything about other parties, other than workshops, that meetings of the Statutory Committee, are closed, and its proceedings are of an in-house nature, and I say to you this, kind of closed activity—

Senator RANDOLPH. Off the record.

[Discussion off the record.]

Mr. McDANIEL. I will say this on the point of due process, that if the committee proceeds to act in the way that it has, then someone, some interested party, is going to take them into court on the failure to offer due process to interested parties.

Because of limitation of time, I would like to submit a little supplementation in the way of documentation in this matter on due process and on representation.

Senator RANDOLPH. We would wish to have that included, Mr. McDaniel.

[The material referred to follows:]

Oklahoma League For The Blind

LeRoy F. Saunders
Assistant Executive Manager

106 N.E. 2nd STREET
Oklahoma City, Oklahoma 73104

Floyd Qualls
Executive Manager

Telephone (405) 232-4644

February 6, 1974

Mr. M. S. Meeker, Commissioner
Federal Supply Service
General Service Administration
Building 4
Washington, D. C. 20406

Dear Mr. Meeker:

Eight (8) blind workers were displaced from their regular employment on February 1, 1974. This was necessary because the Oklahoma League for the Blind was not low bidder on a sorting-service contract offered by Oklahoma City Air Materiel Area (Tinker Field). The amended Wagner-O'Day Act makes such service contracts eligible for the Federal Procurement List which is determined by the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped.

On October 24, 1973, the Oklahoma League for the Blind, through National Industries for the Blind, requested the Committee to place this service contract on the Procurement List. The service was properly published in the Federal Register and unit prices were submitted to the Committee staff by National Industries for the Blind. In neither instance was objection or criticism raised.

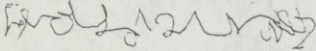
The Committee met January 16, 1974, two (2) days before bids were open. Although a request for the service to be placed on the Procurement List was in the hands of the Committee staff, it was not placed on the agenda and, of course, no action was taken. Without action from the Committee, the Air Force had no choice but to put the contract out for bids. Committee action could have saved the contract for the League, and jobs for blind workers. The contract was let to a company whose employment practices are not handicapped oriented.

When preparing its bid, the League computed costs of fringe benefits. These include: Health and Hospital Coverage; \$2,000 Life Insurance; Unemployment Insurance; Workmen's Compensation Insurance; a minimum of seven (7) paid holidays per year; and vacation and sick leave which may accumulate to 30 days, at no cost to the employee. Those transferring to the successful bidder report comparable benefits are not available from their new employer.

The League will make every effort to provide work for the blind persons affected. The Committee's failure to act, in this instance, defeated the intent and purpose of the Wagner-O'Day Act.

Sincerely yours,

OKLAHOMA LEAGUE FOR THE BLIND



Floyd Qualls, Executive Manager

FQ/zls

cc: Mr. Thomas Richards
 Mr. Jansen Noyes, Jr.
 Mr. Noel B. Price
 Col. John Hanger
 Mr. Rudy E. Elmer
 Mr. Durward McDaniel

Committee for Purchase of Products and Services
of the Blind and Other Severely Handicapped

Suite 610
2009 Fourteenth Street North
Arlington, Virginia 22201

Area Code 703 557-1145

MAR 18 1974

Mr. Floyd Qualls
Executive Manager
Oklahoma League for the Blind
106 N.E. 2nd Street
Oklahoma City, Oklahoma 73104

Dear Mr. Qualls:

Thank you for your letter of February 6, 1974, regarding parts sorting at Tinker Air Force Base, Oklahoma City, Oklahoma.

When you requested addition of this service to the Procurement List in October 1973, the Air Force had already initiated procurement action. The invitation for bids was issued on August 10, 1973, and bids were opened on October 2, 1973. It is Committee policy not to delay or attempt to have a procurement action cancelled once the bids have been opened. It would have been improper for the Committee to take final action on your request until completion of this procurement action by the Air Force.

You state in your letter that, due to inaction by the Committee and its staff, blind workers will lose their jobs. It is our understanding that your workshop has been the contractor to the Government for this service for the last three years. We received no request to add this service to the Procurement List until after the bids were opened and you had become aware that your workshop would not receive the follow-on contract.

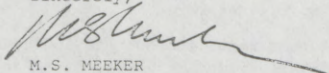
As you are aware, the Air Force cancelled the first solicitation and resolicited offers for this service on January 4, 1974, with bid opening on January 18, 1974. The Air Force, during several discussions we had with them in December and early January, indicated that they were obligated to resolicit offers and to make an award for this service based on the results of the resolicitation. The award was made to Big Four on January 23, 1974.

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The telephone request for Committee vote on the addition of this service to the Procurement List during the January 16, 1974, Committee meeting was received two days before the meeting. The request was considered but not approved for the following reasons. The Committee is required to give careful consideration to the potential impact of its actions before placing an item on the Procurement List. No justification for placing this service on the Procurement List had been received and the necessary detailed information was not available to present to the Committee members at the January 16 meeting. The analysis of the proposed price had not been completed and therefore, there was no agreed price available for the Committee's consideration and approval. General Blank, the Air Force member on the Committee, had indicated his opposition to the Committee's taking precipitant action on this matter in view of the procurement action which was already underway in the Air Force. The information available did not appear to justify overriding the views of the Committee member representing the agency with procurement responsibility for this service.

The Committee seeks every opportunity to increase the employment opportunities for blind and other severely handicapped workers under the Public Law 92-28. We regret that, in view of the circumstances in this case, we could not make this work available to your workshop at this time.

Sincerely,



M.S. MEEKER
Chairman

COMMITTEE FOR PURCHASE OF PRODUCTS AND SERVICES
OF THE BLIND AND OTHER SEVERELY HANDICAPPED

1511 K Street, N.W.
Washington, D.C. 20005

APR 13 1972

Mr. Durward K. McDaniel
National Representative
American Council of the Blind
20 E Street, N.W.
Washington, D.C. 20001

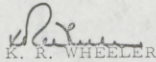
Dear Mr. McDaniel:

Your comments on February 9, 1972, on the proposed criteria for the other severely handicapped have been considered in the course of developing our final version. Your comments have been constructive and helpful.

With respect to the last paragraph of your letter, we are at somewhat of a loss concerning your statement that blind and other severely handicapped individuals are not represented on the Committee. Dr. Carlsen is severely handicapped, and Mr. Hasbrook is blind. It is the opinion of the whole Committee that these two members represent quite well the blind and other severely handicapped. Furthermore, Mr. Jansen Noyes has many years of experience in dealing with the problems of the blind.

As to the representation of blind individuals employed in qualified non-profit agencies for the blind, the Committee looks to the National Industries for the Blind, the Council of Workshops, and to the individual workshops, to represent them. If any individual or group feel that their interests are not being properly represented to the Committee in any given instance, then these individuals or groups would be expected to make a direct appeal to the Committee.

Sincerely,



K. R. WHEELER
Rear Admiral, SC, USN
Chairman

Mr. McDANIEL. There is only one other point.

There is a conflict, in practice at least, between small business set-asides and Javits-Wagner-O'Day Act. I have a recommendation in my statement suggesting that this subcommittee seek a clarification to the Comptroller General's office on that. It is of great importance to these workshops and should be clarified.

I think I will stop there.

Senator RANDOLPH. Thank you very much, Mr. McDaniel, for your helpful testimony.

Of course, the proposals that you make for changes will receive our very careful attention.

I know that you realize that Senator Stafford, in the Rehabilitation Act of 1973, did actually lead us in the effort to mandate certain studies concerning the sheltered workshop program. I think it might be better, Bob, for you to ask a question or make comments on that particular action in reference to what Mr. McDaniel has said.

Senator STAFFORD. Thank you very much, Mr. Chairman.

I appreciate your calling attention to the fact that we did have that provision in the Rehabilitation Act of 1973.

I was going to suggest to Mr. McDaniel, first, the hope that the recommendations he is making to us today might also be made to HEW in connection with the study which we have asked them to make, and which we think is underway.

Would it not be more appropriate if we on this subcommittee, because so many reform proposals have been made to us, that we should wait a reasonable time for the report which is a result of our legislation?

Mr. McDANIEL. When you speak of HEW, I do not know what a reasonable time is. They are very slow over there.

Senator STAFFORD. We will decide what is a reasonable time. We may be impatient long before HEW thinks reasonable time has occurred.

Senator RANDOLPH. I hope that HEW will give us something relatively soon.

Senator STAFFORD. I have nothing further to add at this point, except to note that within the act we are discussing the Department does have 24 months from last September, so they will have to report within that time, and we hope they will report much sooner.

Senator RANDOLPH. Thank you very much, Mr. McDaniel. You have been helpful, as always, to our consideration of the legislation.

[The prepared statement and documents of the American Council of the Blind as presented by Mr. McDaniel follow:]

THE AMERICAN COUNCIL OF THE BLIND

Floyd Qualls, President

Dr. S. Bradley Burson, Chairman
of Legislative Committee

Durward K. McDaniel
National Representative
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Washington, D.C. 20006
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STATEMENT
on H.R. 11143 and S.2687
before the

SUBCOMMITTEE ON THE HANDICAPPED
of the
SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

April 25, 1974

SUMMARY

The American Council of the Blind:

1. Favors an amendment in the definition of a "qualified nonprofit agency" in Section 5(3)(B) and Section 5(4)(B) of the Act. (See Appendix A of this statement).
2. Favors an extension of the duties and powers of the Committee to provide for a system of representation of production employees in qualified nonprofit agencies for the blind. (See Appendix B of this statement).
3. Opposes the open-end authorization for appropriations unless effective amendments are made to assure employee benefits and rights and procedures for the representation of handicapped workers.
4. Favors Committee sponsored studies as authorized by Section 2(e) of the Act.
5. Favors clarification of the Committee's power to impose rehabilitation functions on qualified nonprofit agencies particularly in the absence of statutory authority and without providing for the costs of such functions.
6. Favors a system of allocating orders to qualified nonprofit agencies for the other severely handicapped by a central nonprofit-making agency other than National Industries for the Blind.
7. Favors the requiring of Committee procedures to accelerate adjustments in the fair market prices to compensate for rapid increases in costs of raw materials and wage adjustments.
8. Favors affirmative clarification of the priority of Public Law 92-28 affecting federal contracts otherwise.

- specified as "Small Business Set-asides."
9. Favors affirmative clarifying language to assure that one member of the Committee will be a person who represents "blind individuals employed in qualified non-profit agencies for the blind."
 10. Favors the requiring of definite procedures for the processing of applications for adding commodities and services to the Procurement List and for the establishment and alteration of fair market prices including open meetings of the Committee at which interested parties may appear and be heard.
 11. Favors an amendment providing for applicability of the Administrative Procedure Act.
 12. Favors an amendment providing for judicial review. (See Appendix C of this statement).

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1. The Javits-Wagner-O'Day Act was intended to provide employment opportunities for blind and severely handicapped workers. The Act does not require that these production workers be deprived of such benefits as Social Security, unemployment compensation, workmen's compensation, minimum wages, and the National Labor Relations Act. In defining "qualified nonprofit agency" the Act uses the phrase, "operated in the interest of..." which by implication should include all employee benefits. Last year, 73 agencies associated with National Industries for the Blind paid approximately \$1.4 million in fringe benefits to production workers, but there are no uniform standards for such benefits. In 1961 the General Council of Workshops for the Blind endorsed a goal of paying at least 75% of the minimum wage. While there are some exceptions to this standard, the average wage paid to blind workers in such agencies last year was \$1.83 per hour. The laws providing for such benefits generally exempt nonprofit organizations from their provisions. Some of the workshops for the blind and very few of the other handicapped shops have waived their exemptions from such laws. None of these nonprofit organizations pays income tax, and many of them were established and have been supplemented by grants of government money. In consideration of all of these economic factors, it is timely that Congress should inquire, "Why are these benefits not applicable to blind and other handicapped workers as they are to others?" Workshops which are efficiently managed can afford the cost of these benefits. This conclusion is affected in part by the price-fixing policies of the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped. The Committee has done a very conservative job of price-fixing on products purchased by the government. It will be argued that such prices will have to be increased if the blind and severely handicapped workers are to receive the benefits enumerated above. This is probably true in some cases, but it is nonetheless in the public interest. A worker who earns the minimum or prevailing wage pays more taxes than one who receives a sub-minimum wage. A worker who is entitled to the other benefits will not need to be dependent upon welfare programs financed by the same government. The Act should require as a condition precedent to receiving government contracts that all workshops provide such benefits and that the Committee, in fixing the prices for commodities and services take into account the cost of such benefits. See the proposed language for such an amendment in Appendix A attached hereto.

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2. Handicapped workers are for the most part unorganized, and therefore are in need of a regular system of representation free from employer domination. The Committee should be required to promulgate a system and procedures for representation for handicapped workers at least comparable to those recognized by the federal government for federal employees. Because we do not represent handicapped workers in qualified nonprofit agencies for the other severely handicapped, the amendment advocated on this point is intended to apply to qualified nonprofit agencies for the blind. The Committee does not have the funds to finance such a system of representation or to determine bargaining agents. Through their production, blind workers have financed the National Industries for the Blind operations and they can through a similar arrangement finance their own representative organization through the dedication of a very small portion of the income derived from their production for that purpose. See Appendix B for proposed language of such an amendment.

3. While oversight hearings may occur in the future, the opportunity for badly needed amendments should be kept open by regular review of appropriation authority unless substantial remedial amendments are added at this time. In any event, the present authorization of \$240,000 is not sufficient to finance a fully functional Committee. For example, the studies authorized and referred to cannot be funded from such an amount. This legislation recognizes two major concerns: first, the procurement by the government of good quality products and services and second, employment opportunities for handicapped persons. The Committee has met the first of these concerns quite effectively, but the Committee cannot legislate benefits and working conditions for handicapped workers. The assumption is made here that Congress does want handicapped workers employed in qualified nonprofit agencies to have the same rights and benefits as they would have in other employment.

4. The studies authorized by Section 2(e) of the Act could in many respects be quite helpful in improving the productive capacities of, and working conditions in, qualified nonprofit agencies. All factors considered, it would be preferable to have the Committee do its own studies directly or through qualified private organizations rather than relying upon other departments of government. Studies

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of rights, benefits and working conditions should be conducted by contractual arrangement with the Committee by private organizations whose primary concern is the welfare of handicapped workers.

5. The Act confers no power or duty upon the Committee or the qualified nonprofit agencies to provide a rehabilitation placement service. Nevertheless, the Committee promulgated rules in part as follows:

Part 51-1.2(g)(3) Capability for normal competitive employment shall be determined from information developed by an ongoing placement program conducted by the workshop. Such placement program shall include at least (i) a preadmission evaluation and annual review to determine each worker's capability for normal competitive employment, and (ii) maintenance of liaison with appropriate community services for the placement in such employment of any of its workers who may qualify for such placement.

The foregoing rule first appeared as a part of the Committee's definition of the term "severely handicapped." The Committee makes no provision for the payment of the costs imposed by this rule so that it will inevitably become an addition to the cost of production. In any event, the rule is in excess of the Committee's statutory authority and would impose an obligation upon qualified nonprofit agencies which is by law vested in public vocational rehabilitation and employment agencies. We recommend that this point be dealt with in the Committee Report rather than by amendment to the Act.

6. National Industries for the Blind has performed effectively in its allocating and other roles for the qualified nonprofit agencies for the blind. Its performance has been made possible by commissions paid from income derived from production for sale to the government. We would not want to see the effectiveness of a specialized effort diluted by expanding the responsibilities of National Industries for the Blind to include the monumental problems inherent in the operation of agencies for the other severely handicapped. Blind production workers have a direct investment in the success of National Industries for the Blind which should not be dissipated in an understandable desire to create a miraculous progress. We hope that the Subcommittee will favor the establishment of National Industries for the Severely Handicapped as a counterpart to National Industries for the Blind.

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7. In this period of rapid inflation many of the workshops which file federal orders under the Act have sustained substantial losses because of the slowness of the Committee to make timely adjustments in fair market prices. All indications are that prices charged for raw materials will continue to increase unless the Committee acts to revise its price adjusting procedures. The recent amendments to the Fair Labor Standards Act will automatically increase sub-minimum wages paid to workshop employees thereby causing additional losses to the workshops unless such revised procedures are instituted immediately. The Act should be amended to permit more extensive retroactivity in price changes otherwise there will probably always be unreasonable losses to the workshops.

8. Non-profit workshops have been administratively precluded from bidding on federal contracts designated as "Small Business Set-asides" and such set-asides have been generally treated as being superior to the requirements of Public Law 92-28. Last year Congress amended Section 7 of the Small Business Act to make non-profit workshops eligible for loans. We think there is a clear implication in the fact that Congress has qualified non-profit workshops for loans which requires an interpretation of legislative intent in favor of non-profit workshops and against the practice of their exclusion in "Small Business Set-asides." In any event, both issues should be settled preferably by amendments to Public Law 92-28 or by official interpretations of the Comptroller General of the United States. In the latter event, we recommend that the interpretations be requested by the Subcommittee on the Handicapped.

9. What did Congress mean when it said in Public Law 92-28 that "(B) The President shall appoint one member from persons who are not officers or employees of the Government and who represent blind individuals employed in qualified nonprofit agencies for the blind." ? It seems clear that Congress intended that one member of the Committee would have a direct representative relationship with such blind individuals -- as in the case of any agent to his principal. If the latter interpretation is correct, it has been ignored and we recommend a clarifying definition in the Act or strong report language which will leave no doubt as to the intent of Congress.

10. In the House of Representatives Report 92-228 the Committee on Government Operations in discussing the purposes of the amendments which were later enacted said on page 2

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in part, "...to require that the Committee comply with due process of law -- adequate notice, presentation of views prior to adding or removing commodities or services to the Procurement List." Nevertheless, the Committee has by regulation provided that workshops shall be represented with the Committee by designated central non-profit making agencies and its meetings are closed to all except persons invited by the Committee. The Committee has not established a formal docketing procedure for applications to add commodities or services to the Procurement List or to establish or change fair market prices. The Act and the regulations do not prescribe a quorum for the conduct of Committee business nor do they prescribe what number or percentage of the Committee is required to make an official decision. There is evidence that the Committee is following a practice of deferring to the objection of any Committee member who represents a particular procuring authority. Such was the case when a sorting contract was proposed to be added to the Procurement List. It was proposed on October 24, 1973 and the Committee declined to take action because of the informal objection of one member who did not attend the meeting on January 16, 1974. As a consequence of the Committee's failure to act the contract (which was then being performed by a workshop for the blind) was lost by competitive bidding, thereby eliminating eight job positions which had been performed by blind workers.

We believe that due process requires that the actions of the Committee be open to the public and to all interested parties with recognized rights of advocacy by all parties. Anything less than that would surely result in unfairness and will invite damaging litigation.

11. The Committee is not expressly covered by the Administrative Procedure Act, and P.L. 92-28 should be amended to make that Act applicable; otherwise its decisions will be arbitrary and binding.

12. Because of the confused and conflicting case law, it is important and necessary that P.L. 92-28 provide for judicial review of the Committee's actions, and Appendix C, attached hereto, suggests appropriate language for such an amendment.

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APPENDIX A

Proposed Amendment to P.L. 92-28 Providing for
Rights and Benefits to Workshop Employees

Section 5(3)(B) of the Act would be amended to read in its entirety as follows:

"(B) which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor, and which provides and assures to its employees the following:

(1) Wages at rates not less than 75% of those prevailing for similar occupations in the locality as determined by the Secretary of Labor under Section 6 of the Fair Labor Standards Act;

(2) Coverage for old age, survivors, disability, and health insurance benefits under Titles II and XVIII of the Social Security Act;

(3) Coverage for unemployment compensation benefits under applicable state law, the Social Security Act, and the Federal-State Extended Unemployment Compensation Act of 1970;

(4) Coverage for workmen's compensation benefits;

(5) Participation in any retirement, pension or health care plan; and

(6) Applicability of the provisions of 29 U.S.C. 401 (73 Stat. 519). "

Section 5(4)(B) of the Act would be amended to read in its entirety as follows:

"(B) Which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor, and which provides and assures to its employees the following:

(1) Wages at rates not less than 75% of those prevailing for similar occupations in the locality as determined by the Secretary of Labor under Section 6 of the Fair Labor Standards Act;

(2) Coverage for old age, survivors, disability, and health insurance benefits under Titles II and XVIII of the Social Security Act;

(3) Coverage for unemployment compensation benefits under applicable state law, the Social Security Act, and the Federal-State Extended Unemployment Compensation Act of 1970;

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- (4) Coverage for workmen's compensation benefits;
- (5) Participation in any retirement, pension or health care plan; and
- (6) Applicability of the provisions of 29 U.S.C. 401 (73 Stat. 519). "

APPENDIX B

Proposed Amending Language for a New Subsection (f) Of Section 2 of the Act

"(f) The Committee shall make rules and regulations establishing a system of representation and bargaining for all production workers employed by qualified nonprofit agencies for the blind and providing for the financing of such system from the income of such agencies."

APPENDIX C

Proposed Amendment to P.L. 92-28 Providing for Judicial Review

"Notwithstanding other provisions of this Act, any qualified nonprofit agency or employee thereof suffering legal wrong because of any Committee action, or adversely affected or aggrieved by such action within the meaning of this Act or other relevant statutes, shall be entitled to and shall have standing for judicial review thereof."

Senator RANDOLPH. Mr. Hanger, vice president, National Industries for the Blind.

STATEMENT OF JOHN W. HANGER, VICE PRESIDENT, NATIONAL INDUSTRIES FOR THE BLIND; ACCOMPANIED BY JAMES C. MacFARLAND, ASSISTANT

Mr. HANGER. I have with me James C. MacFarland, who is my assistant.

With reference, Mr. Chairman, to my statement, it is very brief. I could complete the statement in about 5 minutes, if that is all right, or I can even further brief it.

Senator RANDOLPH. You proceed with your statement.

Mr. HANGER. National Industries for the Blind is appreciative of the opportunity to make this statement before the Subcommittee on the Handicapped of the U.S. Senate Committee on Labor and Public Welfare on S. 2687 and H.R. 11143 to amend the Wagner-O'Day Act, Public Law 92-28, June 23, 1971. This bill would provide an authorization of appropriation for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and would permit two minor changes in Public Law 92-28.

The goal of NIB is to develop gainful industrial employment for every blind person who can and wants to work. NIB is a nonprofit organization established in 1938 as an outgrowth of congressional enactment of the Wagner-O'Day Act. Purpose of the legislation was to offer the Federal Government as a market for products manufactured in the Nation's workshops for the blind, thereby helping to train blind citizens to become self-supporting rather than dependent on family and community and with the amended Wagner-O'Day Act (Public Law 92-28, June 23, 1971) these benefits now include the Other Severely Handicapped.

Having been directly involved in the implementation of the Wagner-O'Day Act since its original passage in 1938, and with the Wagner-O'Day Act amended, NIB is understandably interested in the intent, spirit and wording of amendments which will change the Wagner-O'Day Act.

NIB's objective is to support the amended Wagner-O'Day Act and any amendments thereto which will extend the benefits of Government business to nonblind sheltered workshops assuming, at the same time, that this will in no way compromise the position and respect which blind persons have attained as a Government supplier following more than 35 years of concentrated effort to establish reliable production capabilities within the group of shops associated with NIB.

When I testified before this same subcommittee in 1971 in support of the amendment to the Wagner-O'Day Act I stated that it was fundamental to NIB's support of the proposed amendment that the workshops for the blind would have a first priority for Government business over the nonblind shops.

It was evident that this would have little effect on the shops serving nonblind handicapped persons since they have a far wider range of production capabilities than does a shop which employs sightless persons. The limitations on blindness curtail the range of products

which can be produced, and therefore, the continued priority position of the blind shops need not seriously restrict the volume of business which the other shops can obtain.

In the administration of Public Law 92-28 by the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, it is the opinion of NIB that the integrity of the blind priority has been preserved, and this has not been to the detriment of nonblind severely handicapped workers.

NIB recommends favorable consideration of S. 2687 and H.R. 11143 with one suggested change: The word "severely" should be inserted between the words "other" and "handicapped" in line 1, page 3 of S. 2687. The addition of the word "severely" would maintain the spirit and intent of the definition of severely handicapped as now provided for in section 5 of Public Law 92-28, and H.R. 11143.

NIB approves of the amendment of the House of Representatives which adds one additional public member to the statutory Committee by amending section 1(a)(2)(A) of the act concerning the individual "conversant with the problems incident to the employment of the blind and other severely handicapped individuals."

The House amendment provides that there will be a public member conversant with the problems incident to the employment of the blind and another public member conversant with the problems incident to the employment of the other severely handicapped. This would have the effect of broadening the perspective of the statutory committee through participation in its work of two persons of stature from the private business sector instead of just one.

Based on the experience of NIB in working with the original Wagner-O'Day for 33 years, and with the amendment to the Wagner-O'Day Act for the past 2 years, for a total of 35 years of experience in working with this act we would not recommend any other further changes at this time.

NIB looks back over the past 35 years with a strong feeling of indebtedness to the Congress for its wisdom in providing this valuable outlet for blind made products.

Thank you, Mr. Chairman.

Senator RANDOLPH. Thank you very much for your testimony. It will of course be helpful to us, and I am sure that all members of the the subcommittee would want to indicate our appreciation of your long and faithful service in the administration of the purposes of the act.

I would like to know what the average wage now of an individual employed in a workshop is at present.

Mr. HANGER. For 1973, Mr. Chairman, it was \$1.83. To give you some information that you asked Mr. McDaniel about a minute ago, the total annual wages to the blind were \$10,245,745 in the year 1973.

Senator RANDOLPH. What was the average wage?

Mr. HANGER. The average wage to the individual I do not have, Mr. Chairman. As you can well imagine, this varies with the abilities of the individuals, from shop to shop.

Senator RANDOLPH. But there is an overall figure which the subcommittee would like to have, and I think men like yourself and others could help us.

Mr. HANGER. We could certainly make an effort to give you an average wage, but this would be a very difficult thing to do.

Senator RANDOLPH. I do not think so. You know about the average number of hours. I am not asking for an exact figure.

Mr. HANGER. I understand.

Senator RANDOLPH. I would just like to know what the average earning of an individual in this workshop is over a period of 12 months.

Mr. HANGER. Let me see if I can come up with a good figure, and submit it at a later date.

Senator RANDOLPH. Yes, you can provide that. It will be an approximate figure. We know what it is under the Randolph-Sheppard Act. We know that varies from \$5,000 to \$6,000 to as high as \$16,000. We have an average of a little over \$8,000 for Randolph-Sheppard members, and that is what we want to know in connection with this act.

Mr. HANGER. I will submit that for the record, Mr. Chairman.

Senator RANDOLPH. Fine. Thank you very much.

[The information referred to and subsequently supplied follows:]

NATIONAL INDUSTRIES FOR THE BLIND

1511 K STREET N. W., WASHINGTON, D. C. 20005 - 202-347-4918

THOR W. KOLLE, JR.
*Chairman*ABRAM CLAUDE, JR.
*President-Treasurer*NOEL B. PRICE
Vice President-General Manager

May 6, 1974

Senator Jennings Randolph
 Chairman, Sub-Committee on the Handicapped
 U. S. Senate Committee on Labor and Public Welfare
 Room 4230, Dirksen Senate Office Building
 Washington, D. C. 20510

Dear Senator Randolph:

During the April 25, 1974, hearings conducted on S. 2687 and H.R. 11143 to amend the Wagner-O'Day Act (Public Law 92-28, June 23, 1971) you requested that National Industries for the Blind furnish for the record the average earnings of blind clients being served in workshops associated with our organization.

The average annual income for one man/year of blind labor in associated workshops for the blind in FY 1973 was approximately \$3,202. In addition, fringe benefits averaged approximately \$441 for each man/year of blind labor. The total, therefore, is approximately \$3,643.

In light of previous testimony indicating average annual earnings of \$8,000 annually for persons who are blind and working under the Randolph-Sheppard Act, I would be remiss if I did not qualify the figure of \$3,643 indicated above.

As in the case of persons who are sighted, there is a broad spectrum of work being performed by persons who are blind from the standpoint of the types of work, and the earnings accruing to each category. On the one extreme there are blind persons performing as lawyers, engineers, teachers, and in other professional fields. There are the so called white collar and blue collar blind workers in various levels of Government and industry. These groups including the blind performing under the Randolph-Sheppard Act, are working in competitive fields and markets. Then we have the group of persons who are blind most of whom have additional handicaps secondary to blindness. The great majority of this latter group are unable to work competitively in the professions nor in the market place. It is for this group that sheltered workshops for the blind were established to provide a variety of rehabilitative services and the opportunity for gainful employment services. If sheltered workshops did not exist, the

Developing gainful industrial employment of blind persons throughout the United States

SKILCRAFT,
Quality Blind Made Products

NATIONAL INDUSTRIES FOR THE BLIND

Senator Jennings Randolph

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May 6, 1974

limited person who is blind would have no alternative to idleness from the standpoint of earning his own way, and would be limited to income from welfare assistance considerably below that which he could derive if he were being provided with an employment service in sheltered workshops. This new program of supplemental security income (SSI) for the aged, blind and disabled people provided for in Public Law 92-603, in a general sense augments the \$3,643 figure indicated above as the average annual income for one man/year of blind labor. It is, in fact, a work incentive for persons who are blind. Therefore, the existence of sheltered workshops serving clients who are blind, the majority of whom cannot compete in the professional fields and in the market place, represents the only available means of employment, self-respect and the means to provide for an adequate income.

The Rehabilitation Act supported by the Wagner-O'Day Act makes it possible to provide services designed to assist in developing the various skill levels of the multi-handicapped blind and makes it possible to provide a work experience for such persons. Since most blind clients being served in workshops have extremely limited skill levels, their income from work may not be commensurate with the earnings of sighted able bodied workers on the same or similar types of work in the community. However, the rates paid for such work in the workshops are in every case comparable to the rates paid to able bodied sighted workers in the community; the difference in income is directly attributable to the variety of limitations imposed upon the blind person receiving service in the workshop, because of the severity of his handicap or handicaps. This in essence accounts for the average annual income of \$3,643 for one man/year of blind labor in associated sheltered workshops. However, in our opinion the most important point to be considered is that without the sheltered workshop, this least vocationally qualified group would not have the opportunity for earning through the work experience provided by sheltered workshops.

In closing it should be noted that the employment service provided to a blind person in the sheltered workshop is available, in many cases, only as a result of a vocational service rehabilitation program provided prior to the employment service which indicates the need for an employment service and the inability of the blind person, at the time of completion of the rehabilitation program, to be able to compete with his sighted peers in competitive endeavor. However, those blind persons who can compete are helped in every way to find employment in the community. At the end of the last

NATIONAL INDUSTRIES FOR THE BLIND

Senator Jennings Randolph

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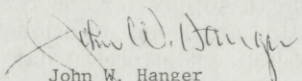
May 6, 1974

fiscal year NIB reported to the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped the competitive placement of 467 blind persons through the efforts of the personnel of the sheltered workshops associated with NIB.

I hope the above provides the information you desire. If there is any further information you will require, we would be only too happy to comply.

Respectfully,

NATIONAL INDUSTRIES FOR THE BLIND



John W. Hanger
Vice President/Government Marketing

JWH:rtv

Senator RANDOLPH. Senator Stafford?

Senator STAFFORD. Just one quick question, out of curiosity.

From your years of experience in NIB, and association with it, has there been any occasion, notwithstanding you are a nonprofit corporation, when you have actually made a profit, if that requires some reflection, maybe you should answer that for the record.

Mr. HANGER. Let me say this. We have 83 workshops associated with NIB in 36 States and the District of Columbia. Each one of these workshops have their own Board of Directors. They have their own officers, have their own workshops, and again each one of these would be a separate and independent operation.

Their accounting is separate, and independent, and what they make or do not make would be reflected over the total number of workshops associated with the program.

Senator STAFFORD. Would it be possible to supply for the record some indication of what has occurred in this area, and additionally, if a profit were experienced in one workshop, or several, what the redistribution of the profits within the system might be.

I think the subcommittee would appreciate that information if you are able to accumulate it and supply it to us for the record.

[The information referred to and subsequently supplied follows:]

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May 6, 1974

Senator Jennings Randolph
 Chairman, Sub-Committee on the Handicapped
 U. S. Senate Committee on Labor and Public Welfare
 Room 4230, Dirksen Senate Office Building
 Washington, D. C. 20510

Dear Senator Randolph:

During the hearings conducted on S. 2687 and H.R. 11143 to amend the Wagner-O'Day Act (Public Law 92-28, June 23, 1971) on April 25, 1974, Senator Stafford requested that National Industries for the Blind furnish some additional information for the record on whether there has been an occasion when an actual profit had been made, and if so, what if any redistribution of profits within the system were made.

National Industries for the Blind and its associated workshops are non-profit organizations. Revenue derived from their business transactions and from other sources, does not accrue to any individual or group of individuals.

NIB and its associated workshops do endeavor to operate efficiently in order to provide income which exceeds costs. If successful, income which exceeds cost in any given period of time is considered as "retained earnings," and is plowed back into workshop operations, equipment, facilities, and fringe benefits for employees. This provides for workshop growth and adds the potential for serving additional blind clients.

National Industries for the Blind is constantly working with associated workshops to upgrade the latter's industrial and managerial capabilities. Much of this effort is aimed at either helping the workshops reduce costs in order that they can realize a positive return, or evaluate products on which the workshops can realize a positive return.

Despite emphasis on efficiency and retained earnings the vast majority of associated workshops do not break even. They are forced to solicit funds from state and community sources in order to make up their deficits.

In summary, there have been occasions in a given period of time when certain of NIB's associated workshops have had

NATIONAL INDUSTRIES FOR THE BLIND

Senator Jennings Randolph

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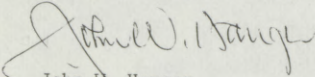
May 6, 1974

income which exceeded costs; the difference between income and costs has been used to improve workshops capabilities to serve their blind clients; but for the most part a majority of workshops do not break even on their income from sales of products as compared to the costs involved.

I hope the above information will be adequate for the Subcommittee's purpose.

Respectfully,

NATIONAL INDUSTRIES FOR THE BLIND



John W. Hanger
Vice President/Government Marketing

JWH:rtv

Mr. HANGER. We will have to see what we can work out for you on this. Again this is going to be a very difficult question to answer, because, of course, as you know, we are a nonprofit organization, and if there were any profits, the workshops plow them back into benefits for their blind workers. I doubt you would find a profit and loss statement in these workshops which would indicate a profit.

Senator STAFFORD. Thank you very much.

Senator RANDOLPH. Thank you very much, Senator Stafford.

I call attention again to your major contributions of the Rehabilitation Act of 1973, with particular reference to the sheltered workshop study.

I am not certain that for the record that we have the name of your associate, Mr. Hanger.

Mr. HANGER. James C. MacFarland.

I might add, Senator, he is a West Virginia boy.

Senator RANDOLPH. He should have spoken.

[Laughter.]

Senator RANDOLPH. Where are you from, Mr. MacFarland?

Mr. MACFARLAND. I am from Lewisburg, W. Va., in Greenbrier County, about 100 miles south of your home.

Senator RANDOLPH. Yes, it is beautiful country.

Mr. MACFARLAND. People in Greenbrier County are very appreciative of your efforts in bringing about the existence of the new airfield in that county.

Senator RANDOLPH. Thank you.

For the record, that airport—I usually say off the record—is Greenbrier Valley Airport, and it has been of very real value in the development of that section from the standpoint of gainful employment.

Last Friday, we held groundbreaking ceremonies for Bendix Corp., a new plant which will be about a mile and a half from that airport. Initially, the plant will employ about 350 persons, and hopefully will employ 600 persons at full production. The plant is about a half a mile from the airport, and has been established since that facility came into being, so there are many workers who are gainfully employed there, Senator Stafford, because this airport came into being.

Facilities by air and by land are very, very important from the standpoint not only of people, but shipping of cargo.

Thank you, Mr. MacFarland, for giving us the opportunity to associate you not only with this work which is so important, but with early days in West Virginia.

We hope you return there often and we thank you both for being with us.

Mr. HANGER. Thank you.

Senator RANDOLPH. Mr. Roberts, executive vice president, International Association of Rehabilitation Facilities.

STATEMENT OF CHARLES L. ROBERTS, L.H.D., EXECUTIVE VICE
PRESIDENT, INTERNATIONAL ASSOCIATION OF REHABILITA-
TION FACILITIES, ACCOMPANIED BY CLAUDE WHITEHEAD,
DIRECTOR OF FIELD SERVICES

Dr. ROBERTS. Appearing with me this morning is Mr. Claude Whitehead, who is our director of field services, and the man most in contact with our workshop members.

As other witnesses have done, I would like to submit a written statement and simplify it here this morning.

Senator RANDOLPH. Yes, it will be printed at the end of your oral testimony. If you would proceed in that way, that would be helpful.

Dr. ROBERTS. I am executive vice president of the International Association of Rehabilitation Facilities.

Our organization is primarily an institutional membership association. We have some 700 rehabilitation facilities as members, including about 500 which operate sheltered workshops, and they are located in every State.

We are international, but we are, however, a 99-percent U.S.-based operation.

These facilities serve over 150,000 handicapped persons each year. We are one of the six national agencies which represent the severely handicapped and the sheltered workshops that serve them. The other five agencies are Goodwill Industries of America, Inc., Jewish Occupational Council for the Jewish Vocational Services, National Easter Seal Society for Crippled Children and Adults, National Association for Retarded Citizens, and United Cerebral Palsy Association. Since we are the only one of the six agencies testifying at this hearing we have consulted with them in order to provide comments and opinions today which are shared by the other five agencies.

The basic program of our organization is that of providing technical assistance and consultation to rehabilitation facilities to assist in the development, expansion, and improvement of rehabilitative services to the handicapped.

State workshop or facility associations operate in nearly every State which means that we have direct contact with a majority of the sheltered workshops in the country. The other national organizations also have member facilities which participate in State association activities.

I have provided this background information to show that the six national organizations represent the majority of sheltered workshops. We have worked closely with the Statutory Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, in attempting to implement the 1971 amendments to the Wagner-O'Day Act.

We commend the Congress for its efforts on behalf of the severely handicapped in developing and implementing the 1971 amendments to the Wagner-O'Day Act. We also commend the Congress for its continued and sustained interest in the severely handicapped as demonstrated through H.R. 11143 and S. 2687.

IARF and the other agencies have provided a continual flow of information to sheltered workshops through special seminars, regional, National and State conferences, and through dissemination of written information. The response by sheltered workshops has been a mixed reaction. The early interest in participation in the Wagner-O'Day program on the part of sheltered workshops was demonstrated by the completion of more than 390 questionnaires which are being used as the basis for developing a sheltered workshop capability inventory.

In a more recent IARF survey conducted, more than 150 workshops indicated an immediate interest in participation in the Wagner-O'Day program, but I should also point out that a like number of workshops have rejected Wagner-O'Day participation because they felt the technical procedures and requirements were too complicated and that there were too many problems involved in participation.

The annual report prepared by the Statutory Committee shows that substantial progress has been made in steering Government work to sheltered workshops but in comparison with the total potential, the progress is minimal. IARF has several member facilities which have begun producing commodities and services for the Federal Government but in a majority of the cases, the facility already had the technical capability to develop the work independently.

The six national organizations simply do not have the technical staff or the funds to provide the necessary help. The one greatest barrier to participation in the Wagner-O'Day program by the average sheltered workshop is the lack of technical expertise in industrial operations. Sheltered workshops historically have been involved in subcontract operations but seldom in prime manufacturing as is required in the Wagner-O'Day program.

A second barrier is the lack of product development and research activities in which commodities and services are systematically identified and evaluated for production by sheltered workshops. An analysis of our 390 capability questionnaires indicated that while more than 100 sheltered workshops were ready and capable of participation in the Wagner-O'Day program, these agencies did not have the ability to identify commodities and services which were feasible for their organizations.

The recognition of these two major barriers led the six national organizations to initiate a consolidated centralized system for providing the necessary technical services. This organizational structure has been identified as National Industries for the Severely Handicapped (NISH). It is to be a counterpart to the National Industries for the Blind.

IARF has been actively involved in the planning and development of this project and especially in the developing of a project grant application to the Rehabilitation Services Administration, Department of HEW under which Federal financial support was requested for a 5-year establishment period.

The formal project application was submitted to Rehabilitation Services Administration, and through unanimous action on the part

of the other national organizations, IARF has been designated as the temporary grantee to expedite the initial activities and finalize the formal development of NISH as a separate corporation. The NISH grant was approved by RSA effective April 1, 1974. A copy of the detailed project proposal, including the budget is available for your information.

The operating budget requested for NISH is a very small and conservative budget because of severe restrictions on Federal funding. The initial year funding of \$200,000 represents a minimum budget to assist NISH to become operational and develop a basic technical assistance program for a pilot group of sheltered workshops.

It is anticipated that NISH will be operated under the advice and direction of a board of directors representative of the six national organizations and State and regional representation of rehabilitation facilities. Projections of activities estimate that within a 5-year period NISH could be responsible for the production of more than \$12 million in Government services and commodities which would result in the employment of more than 2,000 additional handicapped persons in meaningful work and at a respectable wage.

An additional benefit of NISH will be the expansion of placement of severely handicapped persons in competitive industry and an increase in the average wage paid to severely handicapped clients employed in sheltered workshops.

I think here is one place that the other "severely handicapped" workshops may differ somewhat from "blind" workshops.

Primarily the workshops serving the other severely handicapped are transitional in nature, and the ultimate objective is to get the handicapped worker out of the shop into competitive industry. It relates in part to the reasons we have difficulty in coming up with figures on average wages, and the problem of appropriate fringe benefits that have been referred to in earlier testimony.

Many of the clients in our kind of shops are there for 30, 60, 90 days, and hopefully then move into competitive industry.

I earlier suggested that the Wagner-O'Day program was a complicated and complex operation which is not well understood or comprehended by sheltered workshops.

On this point, I would like to pay special tribute to the Statutory Committee and its staff for its efforts to develop effective and more simplified working procedures and policies for implementing the Wagner-O'Day program.

Over the past year, the six national organizations have suggested a large number of policy and procedural changes to the Committee, and a majority of these recommendations have been implemented.

We also applaud the action by the Statutory Committee to permit attendance in Committee meetings by representatives of the Central Nonprofit Agencies.

A point came up in earlier testimony on the ability of the national organization to send alternate representatives to the meetings. Of the six national organizations, only two are located in Washington. Executives have to travel long distances. In fact, the staff person in each of the agencies who knows most about the workshop program is probably not the executive.

If the Committee wishes for the best input, we think it can be strengthened if they would accept a substitute when the national executive himself could not attend.

We strongly support the amendment to expand the Statutory Committee by adding a public member who is knowledgeable in the area of sheltered employment for the severely handicapped.

This change will serve to strengthen the advocacy role of the Committee. The proposed extension of the authorization for funding will provide a stable base for continuity of the program.

Let me summarize my testimony by stating that IARF is fully and completely committed to supporting the implementation of Public Law 92-28, as amended, in 1971, and as proposed through H.R. 11143.

The sheltered workshops serving the severely handicapped view the Wagner-O'Day program as having the potential for providing greater employment and training opportunities for severely handicapped persons through improving both the quantity and quality of work.

We feel strongly that Federal purchases of commodities and services from workshops serving the severely handicapped can result in reduced Federal expenditures for public assistance while increasing the independence of severely handicapped citizens.

Major gains have been made in resolving problems in the administration of the program, new and improved procedures have been implemented, and Government procuring agencies have been informed of the program.

NISH is expected to fill the technical capability void in the individual workshops, but it will progress slowly and it needs additional support.

I have only one final note. It is a request. I think it would be most helpful if the Congress could express in some strong terms a request to those Federal agencies which are in the business of purchasing commodities and services, telling them about this program, telling them about the fact that workshops have the capability and should be utilized.

Thank you very much.

Senator RANDOLPH. Thank you very much, Dr. Roberts. We are delighted that you are accompanied today by Mr. Whitehead.

You have made certain suggestions to us; they are very helpful, and they will be considered very carefully.

Are there any other thoughts that you have in reference to the Wagner-O'Day program that you would like to touch on as we conclude the hearing this morning?

Mr. ROBERTS. Having listened to the previous witnesses, we pretty much strongly agree with those minor technical changes that have been suggested.

We strongly support the addition of this 15th member.

The organizations, however, have not taken a position relative to the position of the 16th member, the State Rehabilitation Agency Director.

Senator RANDOLPH. Could you, within a reasonable number of days, apprise us of what the six organizations might be thinking on that?

Mr. ROBERTS. There are really two parts to the question.

In one part, we do have a position. I think we would agree with everyone so far that if a State Director was to be added to the Committee, that the selection procedure being suggested is not a desirable one.

Senator Javits, I think, most articulately described the problems of selection. If we go ahead with the suggested procedure, in H.R. 11143, we think that is not a workable system.

Senator RANDOLPH. I am gratified that we are attempting, through the Senate stationery room to familiarize all Senators with items on the procurement list published by the statutory committee. Certainly the members of the Senate and their staffs can purchase such items.

There has been, I think, a gap in our knowledge that we want to close.

A meeting was held yesterday morning to promote greater understanding and use of these products by Senators. It will be my purpose in the near future to send out a letter to other Senators and encourage them to use the products that are made by persons in sheltered workshops. I think it is very proper, not discriminatory, to encourage that these purchases of items which are in daily use should be made here on the Hill.

Mr. Whitehead has not said anything, but I know that he concurs of course with what you have indicated to the committee, is that right?

Mr. WHITEHEAD. Yes.

Senator RANDOLPH. Fine.

Thank you very much.

[The prepared statement of Mr. Roberts follows:]

STATEMENT BY
CHARLES L. ROBERTS, L.H.D., EXECUTIVE VP
INTERNATIONAL ASSOCIATION OF REHABILITATION FACILITIES
BEFORE THE SUBCOMMITTEE ON THE HANDICAPPED
OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

APRIL 25, 1974

Mr. Chairman, my name is Charles Roberts and I am the Executive Vice President of the International Association of Rehabilitation Facilities (IARF). Our organization is a membership association representing 700 rehabilitation facilities, including approximately 500 facilities which operate sheltered workshops and other vocational type programs. More important, these facilities serve an estimated 150,000 handicapped persons annually.

We are one of six major non-profit national agencies who represent the severely handicapped and the sheltered workshops that serve them. The other five agencies are: Goodwill Industries of America, Inc., Jewish Occupational Council for the Jewish Vocational Services, National Easter Seal Society for Crippled Children and Adults, National Association for Retarded Citizens, and United Cerebral Palsy Association. It is our understanding that we will be the only one out of the six agencies who will be testifying at this hearing and, consequently, we will attempt to provide comments and opinions which we feel are generally shared by the other five agencies.

The basic program of our organization is that of providing technical assistance and consultation to rehabilitation facilities to assist in the development, expansion, and improvement of rehabilitative services to the handicapped. Our operation consists of a relatively small staff with limited financing and, consequently, the major thrust of our program is through state associations of rehabilitation facilities rather than directly with individual facilities. In the state associations a majority of the facilities are sheltered workshops.

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State associations operate in nearly every state which means that we are working with a majority of the sheltered workshops in operation. The other national organizations also have member facilities who participate in state association activities.

I have provided this background information to show that the six national organizations represent the majority of sheltered workshops. We have worked diligently with the Statutory Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, in attempting to implement the 1971 Amendments to the Wagner-O'Day Act, over the past 2½ years.

I would like to commend the Congress for its efforts in behalf of the severely handicapped in developing and implementing the 1971 Amendments to the Wagner-O'Day Act. I also commend the Congress for its continued and sustained interest in the severely handicapped as demonstrated through HR 11143 and S2687.

IARF and the other agencies have provided a continual flow of information to sheltered workshops through special seminars, regional, national and state conferences and through dissemination of written information. The response by sheltered workshops has typically been a mixed reaction. The interest in participation in the Wagner-O'Day Program on the part of sheltered workshops was demonstrated by the completion of more than 390 capability questionnaires which are being used as the basis for developing a sheltered workshop capability inventory. In a recent survey conducted by IARF, more than 150 workshops indicated an immediate interest in participation in the Wagner-O'Day Program, but I should also point out that a like number of workshops have rejected Wagner-O'Day participation because they feel the technical procedures and requirements are too complicated and there are too many problems involved in participation.

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The Annual Report prepared by the Statutory Committee shows that substantial progress has been made in steering government work to sheltered workshops but in comparison with the total potential, the progress is minimal. IARF has several member facilities which have begun producing commodities and services for the federal government but in a majority of the cases, the facility had the technical capability to develop the work independently. The national organizations typically do not have the technical staff or the funding to provide the necessary help. The greatest barrier to participation in the Wagner-O'Day Program by the average sheltered workshop is the lack of technical expertise in the industrial operation. Sheltered workshops historically have been involved in subcontract operations but seldom in prime manufacturing as is required in the Wagner-O'Day Program. A second and equally important barrier is that of the lack of product development and research activities in which commodities and services are systematically identified and evaluated for production by sheltered workshops. An analysis of our capability questionnaires indicated that more than 100 sheltered workshops were ready and apparently capable of participation in the Wagner-O'Day Program but these agencies typically did not have the ability to identify commodities and services which were feasible for their organization.

The recognition of these two major barriers led the Central Non-profit Agency Group, including our organization, Goodwill Industries, National Easter Seal Society, Jewish Occupational Council, United Cerebral Palsy Association, and National Association for Retarded Citizens, to initiate a program of planning for a consolidated centralized system for providing the necessary technical services. This organizational structure has been identified as National Industries for the Severely Handicapped (NISH). IARF has been actively involved in the planning and development of this project and especially in the developing of a project grant application to the Rehabilitation Services Administration, Department of HEW under which federal

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financial support would be requested for 5-year establishment period. The formal project application was submitted to Rehabilitation Services Administration and through special unanimous action on the part of the other central non-profit agencies, IARF has been designated as the temporary grantee to expedite the initial activities and finalize the formal development of NISH as a separate corporation. The NISH grant was approved by RSA on April 1, 1974. A copy of the detailed project proposal, including the budget, is available for your information.

The operating budget requested for NISH is a very small and conservative budget because of severe restrictions on federal funding. An initial year budget of \$200,000 represents a minimum budget required to assist NISH to become operational and develop a basic technical assistance program for a pilot group of sheltered workshops.

It is anticipated that NISH will be operated under the advice and direction of a board of directors representative of the central non-profit agencies and state and regional associations of rehabilitation facilities. Projections of activities estimate that within a 5-year period NISH could be responsible for the production of more than \$12 million in government services and commodities which would result in the employment of more than 2,000 additional handicapped persons on a daily basis.

The additional benefits of NISH include the expansion of placement of severely handicapped persons in competitive industry and an increase in the average wage paid to severely handicapped clients employed in sheltered workshops. We also anticipate that NISH will permit a centralized consolidated approach to having sheltered workshops work through the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped and that National Industries for the Blind and National Industries for the Severely Handicapped will function as dual

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agencies working directly through and with the Committee to procure work for the severely handicapped in sheltered workshops.

In earlier comment, I suggested and implied that the Wagner-O'Day Program was a complicated and complex operation which is not well understood or comprehended by sheltered workshops. At this point, I would like to pay special tribute to the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped and its staff for its efforts to develop effective working procedures and policies for implementing the Wagner-O'Day Program. Over the past year, the Central Non-profit Agency Advisory Group has suggested a large number of policy and procedural changes to the Committee and a majority of these recommendations have been implemented. The changes have included the revision of the justification and impact studies, development of a fair-market price procedure, development of special communication to government procurement offices, and the improvement of procedures for procuring information on government activity in purchasing products and services.

We also applaud the action by the Statutory Committee to permit attendance in Committee meetings by representatives of the Central Non-profit Agencies. This involvement will assure the presence of a sheltered workshop expert as a resource in Committee meetings and assist in the taking of action regarding placement of commodities and services on the Federal Procurement List. We strongly support the amendment proposed in HR 11143 to expand the Statutory Committee by adding a public member who is knowledgeable in the area of sheltered employment for the severely handicapped. This change will serve to strengthen the advocacy role of the Committee. The proposed extension of the authorization for funding will provide a stable base for continuity of the program.

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Let me summarize my testimony by stating that IARF is fully and completely committed to supporting the implementation of Public Law 92-28, as amended in 1971 and as proposed through HR 11143. The sheltered workshops serving the severely handicapped view the Wagner-O'Day Program as having the potential for providing greater employment and training opportunities for severely handicapped persons through improving the quantity and quality of work for sheltered workshops. We feel strongly that federal purchases of commodities and services from workshops serving the severely handicapped can result in reduced federal expenditures for public assistance while increasing the independency of severely handicapped individuals through increasing wage payments and fringe benefits.

Major gains have been made in resolving problems in the administration of the program, new and improved procedures have been implemented and government procuring agencies have been informed of the program. NISH is expected to fill the technical capability void in the individual workshops, but it will progress slowly and it needs additional support.

Congress can provide a much needed boost through a strong statement to the federal agencies, encouraging their assistance and cooperation in constructive consideration of the production capabilities of sheltered workshops.

Senator RANDOLPH. This is the close of our hearing on S. 2687 and H.R. 11143.

We trust that we may soon guide S. 2687 toward passage in the Senate, and then conference, if necessary, with the House. I look forward to enactment of these amendments.

To all our guests, we are appreciative of your presence, and thank you very much.

[Whereupon, at 12:02 p.m., the subcommittee adjourned, subject to the call of the Chair.]

[EDITOR'S NOTE.—H.R. 11143 was subsequently passed by the Senate incorporating the text of S. 2687 as an amendment in the nature of a substitute. The House later agreed to the Senate amendment, and on July 25, 1974, the President signed H.R. 11143 which became Public Law 93-358. Copies of the texts of S. Rept. 93-908 (S. 2687), H. Rept. 93-808 (H.R. 11143), and Public Law 93-358, follow:]

Calendar No. 880

93D CONGRESS
2d Session

}

SENATE

}

REPORT
No. 93-908

AMENDMENTS TO JAVITS-WAGNER-O'DAY ACT

JUNE 10, 1974.—Ordered to be printed

Mr. RANDOLPH, from the Committee on Labor and Public Welfare,
submitted the following

REPORT

[To accompany S. 2687]

The Committee on Labor and Public Welfare, to which was referred the bill (S. 2687) to provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

PURPOSE

S. 2687, as amended, is designed to extend the authorization of appropriations for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, to simplify the name of the committee, to increase its membership from fourteen to fifteen members (the additional member representing the "other severely handicapped"), and to clarify the term "direct labor" so that it also includes work relating to the performance of a service.

BACKGROUND

The Wagner-O'Day Act of 1938 created a Committee on Purchases of Blind-Made Products to provide employment opportunities for the blind in making products needed by the Federal Government which the Government would otherwise procure on the open market.

Under the system established by the Act, an item placed on the procurement list, subject to a preference given Federal Prison Industries, Inc., have had to be procured at the price specified from a nonprofit workshop for the blind. The prices which have been paid by the Government are "fair market prices", meaning, according to the Courts, "a price paid by a willing buyer to a willing seller." It

has been the responsibility of a central nonprofit agency to allocate the orders placed by various Government agencies to eligible workshops. (In order to be eligible, a workshop must have seventy-five percent of the direct labor involved in making a commodity performed by blind or visually handicapped workers.) The workshop has been required to meet established Government quality standards as well as to be responsive in meeting Government delivery schedules. If a workshop has not been able to deliver the item within the time specified, the agency has been free to procure it on the open market.

In 1971, the Congress enacted Public Law 92-28 (the Javits-Wagner-O'Day Act), which amended the original Act to extend employment opportunities to other severely handicapped persons and to recognize that the workshops could perform services as well as supply commodities. Because of the magnitude of the task of deciding which items should be put on the procurement list and deciding the fair market price of each one, the Congress increased the size of the statutory committee, authorized a full-time staff, and changed its name to the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped to reflect its expanded functions and activities. In 1973 the Congress enacted Public Law 93-76, which increased the fiscal year 1974 authorizations for the committee from \$200,000 to \$240,000.

In fiscal year 1973, 19 new groups of commodities, 9 services, and 1 new military resale commodity were approved. These have an annual sales value of over \$3 million and will create jobs for 172 blind and 102 other severely handicapped persons. Also during fiscal year 1973, workshops sales to the Federal Government and through the military resale program amounted to about \$30 million. This represents a \$5 million increase over fiscal year 1972.

Thus far in fiscal year 1974, the statutory committee has added 17 groups of commodities and 11 services to the Procurement List. These are estimated to have an annual value of over \$2.5 million and should provide continuing employment for over 350 blind and other severely handicapped persons.

HEARINGS

One day of hearings was held on S. 2687 on April 25, 1974, by the Subcommittee on the Handicapped. Testimony was received from the Honorable Jacob K. Javits, United States Senator from New York and sponsor of the bill, and from the chairman of the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped, Mr. M. S. Meeker. Testimony was also received from representatives of interested organizations: the American Foundation of the Blind, the American Council of the Blind, the National Industries for the Blind, and the International Association of Rehabilitation Facilities.

SUMMARY OF THE BILL

S. 2687 changes the title of the statutory committee to "Committee for Purchases from the Blind and Other Severely Handicapped." This would shorten its name (which has been found to be unwieldy) and at the same time retain a description of its role. S. 2687 as originally introduced omitted the word "severely" from the name, but it

was restored in order to more accurately reflect the priority of the program, which is to provide employment opportunities for the severely handicapped.

The measure also expands the committee from fourteen to fifteen members. Of the present membership, 11 represent various Government agencies and 3 are private citizens. The Committee bill has split the private citizen position concerned with the employment problems of the blind and other severely handicapped; one member will be knowledgeable about employment problems of the blind, and the other member will be knowledgeable about employment problems of other severely handicapped individuals. This has the advantage of equalizing the blind and other severely handicapped representation on the committee and should provide additional insight for the other members of the committee on the rehabilitation and employment problems of these two groups.

The present definition of "direct labor" reads that it "includes all work required for preparation, processing, and packing, but not supervision, administration, inspection, and shipping." It is changed to clearly include work "related to the performance of a service." Services presently on the procurement list include ground maintenance, custodial/janitorial care, typewriter repair, and similar duties.

As noted before, during the past year the committee requested and Congress passed an increase in its authorization for fiscal year 1974 from \$200,000 to \$240,000. The continued effective operation of the committee requires an authorization of appropriations for fiscal year 1975 and succeeding fiscal years. S. 2687 authorizes "such sums as may be necessary" for those fiscal years following fiscal 1974 as it is this Committee's belief that an authorization ceiling is unnecessary because first, only a very small appropriation is required by the statutory committee; second, the committee is required to report annually to the President and Congress on its activities; and third, its budget is reviewed in detail each year by the Committee on Appropriations of the House and Senate. If at some future time, as a result of unforeseen circumstances, more than a relatively small amount of funding is necessary, it is this Committee's intention to stipulate a specific appropriations ceiling.

MEETINGS OF THE STATUTORY COMMITTEE

During the course of the hearings, the Committee heard testimony that the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped does not permit alternates to represent the heads of the non-profit agencies at meetings. The statutory committee meetings deal with policy matters rather than specific actions concerning items for the procurement list, and the statutory committee therefore desires that the agencies concerned be represented by the head of the agency who has authority on policy matters.

The non-profit agency executives whose offices are located outside the Washington, D.C. area, find the time and expense involved in travel to the meetings unduly burdensome. In addition, since the status of the agency executives at the meeting is that of invited guests and not voting members, their executive status is often less important than professional expertise.

This Committee therefore recommends that the heads of the non-profit agencies shall designate a permanent alternate to the meetings

of the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped and that designee shall have sufficient authority to deal with policy matters.

COMMITTEE ACTIONS

This Committee is aware of the Senate's own responsibility in purchasing products and services whenever possible from Javits-Wagner-O'Day workshops. As a consequence, it is keeping in close touch with the Senate Stationery Room and the Keeper of the Stationery and is receiving good cooperation to this end.

COMMODITIES AND SERVICES

The following is a list of commodities and services which have been authorized as of June, 1974, by the statutory committee under Public Law 92-28. The committee is constantly reviewing the list in order to expand the number of commodities, military resale items, and services so that employment opportunities for the blind and other severely handicapped can be improved. This list is not meant to limit in any way the expansion or the commodities produced and the services performed through Javits-Wagner-O'Day workshops.

COMMODITIES

Ammonia inhalant	Cap, food handler's
Aprons	Cap, operating, surgical
Archboard file	Card, guide, file and card sets
Ash receiver	Case, field, first aid dressing
Backing plates	Case, maintenance
Bag, barrack	Case, spectacles
Bag, duffel	Catheter, external
Bag, lunch	Chock, assembly
Bag, mailing	Clipboard, file
Bag, motion sickness	Cloth, polishing
Bag, firefighter's, sleeping	Clothes stop
Bag, sleeping	Clothing, operating room
Bag, soiled clothes	Clothing, Traffic safety
Bag, tool	Condiment packets
Bag, waste receptacle	Cover, helmet
Band, helmet, camouflage	Cover, ironing board
Bedspreads	Cover, litter
Bedsprings	Cover, mattress
Belt, automobile	Cover, typewriter
Belt, MP	Cover, water canteen
Belt, trousers	Curtain, shower
Binder, looseleaf	Decalcomania
Binder, note pad	Dining packets
Book ends	Drape, surgical
Box, filing	Eraser, mechanical
Box, mailing, dental	Flags, signal
Brooms	Folder and folder sets, file
Brushes	Kit, shaving, surgical prep
Bulletin board	Kit, spectro-analysis
Cap, compressed gas cylinder	Kit bag, flyer's

Light, marker, distress	Protector, hospital bed pillow
Markers, broad and fine tip	Robe, dressing
Mats, door and floor	Scabbard, bayonet
Mattresses, new and renovated	Scraper and squeegee
Mops, mopheads and handles	Sheet, crib
Neckerchief	Slide fastener unit
Neckties	Sling, adjustable, small arms
Net, laundry	Stakes, hub and location
Packing, preformed (grommets)	Stand, calendar pad
Pad, bakery	Stepladder
Pad, mattress	Strap, helmet
Pad, writing paper	Strap, patient-securing
Pen, ballpoint and refills	Suspenders, field pack
Pen set, desk	Test set, lead
Pencil, woodcase and mechanical	Towel, dish
Pencil pointer	Tourniquet, nonpneumatic
Pennants, signal	Trimmer, paper
Pillow, bed	Washcloths
Pillowcase,	Wrapper, sterilization
Portfolio	

SERVICES

Film developing	Laundering of wool blankets
Food packet, final assembly	Mailing
Grounds maintenance	Microfilm stripping
Furniture rehabilitation	Typewriter repair and maintenance
Janitorial/Custodial	
Key punch and verification	

MILITARY RESALE COMMODITIES—To Be Sold in Post Exchanges

Applicator, wax and refill	Cover and pad set, ironing board
Bag, dampening	Dust pan
Bag, laundry	Duster, all-purpose
Bag, washing machine	Handle, spring lever
Bib	Mat, floor
Brooms	Mitt, oven
Brushes	Mops, mopheads and refills
Cloth, all-purpose	Opener, pour and store set
Cloth, dish	Potholder
Cloth, polishing	Scrubbers
Cloth, wash	Sponge, body
Clothesline, plastic	Swatter, fly
Cover, ironing board	Towel, kitchen

COST ESTIMATES PURSUANT TO SECTION 252 OF THE LEGISLATIVE REORGANIZATION ACT OF 1970

There is no additional cost for fiscal year 1974 because the authorized appropriation remains at the \$240,000 level set by P.L. 93-76.

Estimates of the cost of this legislation are as follows for the next five fiscal years:

Fiscal year:	<i>Estimated cost</i>
1975 -----	\$252, 000
1976 -----	265, 000
1977 -----	280, 000
1978 -----	295, 000
1979 -----	310, 000

VOTES IN COMMITTEE

The bill was ordered reported by unanimous voice vote. There were no rollcall votes in committee.

SECTION-BY-SECTION ANALYSIS

The following analysis explains the amendments which are made by S. 2687 to the Javits-Wagner-O'Day Act as it now exists:

Section 1 of the Act (Establishment of the committee) is changed by:

Striking out "Committee for Purchase of Products and Services of" in subsection (a) and inserting in lieu thereof "Committee for Purchases from";

Striking out "fourteen" in subsection (a) and inserting in lieu thereof "fifteen";

Striking out "and other severely handicapped individuals" in paragraph (2)(A);

Redesignating subparagraphs (B) and (C) of paragraph (2) as subparagraphs (C) and (D) respectively and inserting a new subparagraph (B) which states that the new member shall be "conversant with the problems incident to the employment of other severely handicapped individuals"; and by

Striking out "paragraphs (2) and (3)" in paragraph (1) of section 1(d) and inserting in lieu thereof "paragraphs (2), (3), and (4)". The new paragraph (4) mandates that the term of appointment of the fifteenth member shall be three years.

Section 5 of the Act (Definitions) is amended by:

Inserting after paragraph (4) a new paragraph (5) which defines the term "direct labor" so that it includes "work directly relating to the performance of a service" as well as work required for preparation, processing, and packing of a commodity. Paragraph (6) of the definitions is struck, and paragraphs (7), (8), and (9) are redesignated as paragraphs (6), (7), and (8) respectively.

Section 6 of the Act (Authorization of Appropriations) is amended so that such sums as may be necessary are authorized to be appropriated for fiscal years succeeding FY 1974.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

ACT OF JUNE 25, 1938 (41 U.S.C. 46-48c)

AN ACT To create a Committee on Purchases of Blind-made Products, and for other purposes

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

ESTABLISHMENT OF COMMITTEE

SECTION 1. (a) ESTABLISHMENT.—There is established a committee to be known as the Committee for **[Purchase of Products and Services of]** *Purchases from the Blind and Other Severely Handicapped* (hereafter in this Act referred to as the "Committee"). The Committee shall be composed of **[fourteen]** *fifteen* members appointed as follows:

(1) The President shall appoint as a member one officer or employee from each of the following: The Department of Agriculture, the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Health, Education, and Welfare, the Department of Commerce, the Veterans' Administration, the Department of Justice, the Department of Labor, and the General Services Administration. The head of each such department and agency shall nominate one officer or employee in his department or agency for appointment under this paragraph.

(2) (A) The President shall appoint one member from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of the blind **[and other severely handicapped individuals]**.

(B) *The President shall appoint one member from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of other severely handicapped individuals.*

[(B)] (C) The President shall appoint one member from persons who are not officers or employees of the Government and who represent blind individuals employed in qualified nonprofit agencies for the blind.

[(C)] (D) The President shall appoint one member from persons who are not officers or employees of the Government and who represent severely handicapped individuals (other than blind individuals) employed in qualified nonprofit agencies for other severely handicapped individuals.

(b) VACANCY.—A vacancy in the membership of the Committee shall be filled in the manner in which original appointment was made.

(c) CHAIRMAN.—The members of the Committee shall elect one of their number to be Chairman.

(d) TERMS.—

(1) Except as provided in paragraphs **[(2) and (3)]** (2), (3), and (4), members appointed under paragraph (2) of subsection (a) shall be appointed for terms of five years. Any member appointed to the Committee under such paragraph may be reappointed to the Committee if he meets the qualifications prescribed by that paragraph.

(2) Of the members first appointed under paragraph (2) of subsection (a)—

- (A) one shall be appointed for a term of three years,
 - (B) one shall be appointed for a term of four years, and
 - (C) one shall be appointed for a term of five years,
- as designated by the President at the time of appointment.

(3) Any member appointed under paragraph (2) of subsection (a) to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member appointed under such paragraph may serve after the expiration of his term until his successor has taken office.

(4) *The member first appointed under paragraph (2) (B) of subsection (a) shall be appointed for a term of three years.*

(e) PAY AND TRAVEL EXPENSES.—

(1) Except as provided in paragraph (2), members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of services for the Committee.

(2) Members of the Committee who are officers or employees of the Government shall receive no additional pay on account of their service on the Committee.

(3) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(f) STAFF.—

(1) Subject to such rules as may be adopted by the Committee, the Chairman may appoint and fix the pay of such personnel as the Committee determines are necessary to assist it in carrying out its duties and powers under this Act.

(2) Upon request of the Committee, the head of any entity of the Government is authorized to detail, on a reimbursable basis, any of the personnel of such entity to the Committee to assist it in carrying out its duties and powers under this Act.

(3) The staff of the Committee appointed under paragraph (1) shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(g) OBTAINING OFFICIAL DATA.—The Committee may secure directly from any entity of the Government information necessary to enable it to carry out this Act. Upon request of the Chairman of the Committee, the head of such Government entity shall furnish such information to the Committee.

(h) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Committee on a reimbursable basis such administrative support services as the Committee may request.

(i) **ANNUAL REPORT.**—The Committee shall, not later than September 30 of each year, transmit to the President and to the Congress a report which shall include the names of the Committee members serving in the preceding fiscal year, the dates of Committee meetings in that year, a description of its activities under this Act in that year, and any recommendations for changes in this Act which it determines are necessary.

DUTIES AND POWERS OF THE COMMITTEE

SEC. 2. (a) (1) The Committee shall establish and publish in the Federal Register a list (hereafter in this Act referred to as the "procurement list") of—

(A) the commodities produced by any qualified nonprofit agency for the blind or by any qualified nonprofit agency for other severely handicapped, and

(B) the services provided by any such agency, which the Committee determines are suitable for procurement by the Government pursuant to this Act. Such list shall be established and published in the Federal Register before the expiration of the thirty-day period beginning on the effective date of this paragraph and shall initially consist of the commodities contained, on such date, in the schedule of blind-made products issued by the former Committee on Purchase of **[Blind-Made]** *Blind-made* Products under its regulations.

(2) The Committee may, by rule made in accordance with the requirements of subsections (b), (c), (d), and (e) of section 553 of title 5, United States Code, add to and remove from the procurement list commodities so produced and services so provided.

(b) The Committee shall determine the fair market price of commodities and services which are contained on the procurement list and which are offered for sale to the Government by any qualified nonprofit agency for the blind or any such agency for other severely handicapped. The Committee shall also revise from time to time in accordance with changing market conditions its price determinations with respect to such commodities and services.

(c) The Committee shall designate a central nonprofit agency or agencies to facilitate the distribution (by direct allocation, subcontract, or any other means) of orders of the Government for commodities and services on the procurement list among qualified nonprofit agencies for the blind or such agencies for other severely handicapped.

(d) (1) The Committee may make rules and regulations regarding (A) specifications for commodities and services on the procurement list, (B) the time of their delivery, and (C) such other matters as may be necessary to carry out the purposes of this Act.

(2) The Committee shall prescribe regulations providing that—

(A) in the purchase by the Government of commodities produced and offered for sale by qualified nonprofit agencies for the blind or such agencies for other severely handicapped, priority shall be accorded to commodities produced and offered for sale by qualified nonprofit agencies for the blind, and

(B) in the purchase by the Government of services offered by nonprofit agencies for the blind or such agencies for other severely handicapped, priority shall, until the end of the calendar year

ending December 31, 1976, be accorded to services offered for sale by qualified nonprofit agencies for the blind.

(e) The Committee shall make a continuing study and evaluation of its activities under this Act for the purpose of assuring effective and efficient administration of this Act. The Committee may study (on its own or in cooperation with other public or nonprofit private agencies) (1) problems related to the employment of the blind and of other severely handicapped individuals, and (2) the development and adaptation of production methods which would enable a greater utilization of the blind and other severely handicapped individuals.

PROCUREMENT REQUIREMENTS FOR THE GOVERNMENT

SEC. 3. If any entity of the Government intends to procure any commodity or service on the procurement list, that entity shall, in accordance with rules and regulations of the Committee, procure such commodity or service, at the price established by the Committee, from a qualified nonprofit agency for the blind or such an agency for other severely handicapped if the commodity or service is available within the period required by that Government entity; except that this section shall not apply with respect to the procurement of any commodity which is available for procurement from an industry established under chapter 307 of title 18, United States Code, and which, under section 4124 of such title, is required to be procured from such industry.

AUDIT

SEC. 4. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and other records of the Committee and of each agency designated by the Committee under section 2(c). This section shall also apply to any qualified nonprofit agency for the blind and any such agency for other severely handicapped which have sold commodities or services under this Act but only with respect to the books, documents, papers, and other records of such agency which relate to its activities in a fiscal year in which a sale was made under this Act.

DEFINITIONS

SEC. 5. For purposes of this Act—

(1) The term "blind" refers to an individual or class of individuals whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees.

(2) The terms "other severely handicapped" and "severely handicapped individuals" mean an individual or class of individuals under a physical or mental disability, other than blindness, which (according to criteria established by the Committee after consultation with appropriate entities of the Government and taking into account the views of non-Government entities representing the handicapped) constitutes a substantial handicap to employment and is of such a nature as to prevent the individual under such disability from currently engaging in normal competitive employment.

(3) The term "qualified nonprofit agency for the blind" means an agency—

(A) organized under the laws of the United States or of any State, operated in the interest of blind individuals, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

(B) which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor; and

(C) which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under this Act) during the fiscal year employs blind individuals for not less than 75 per centum of the man-hours of direct labor required for the production or provision of the commodities or services.

(4) The term "qualified nonprofit agency for other severely handicapped" means an agency—

(A) organized under the laws of the United States or of any State, operated in the interest of severely handicapped individuals who are not blind, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

(B) which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor; and

(C) which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under this Act) during the fiscal year employs blind or other severely handicapped individuals for not less than 75 per centum of the man-hours of direct labor required for the production or provision of the commodities or services.

[(6)] (5) The term "direct labor" includes all work required for preparation, processing, and packing *of a commodity, or work directly related to the performance of a service*, but not supervision, administration, inspection[, and] or shipping.

[(7)] (6) The term "fiscal year" means the twelve-month period beginning on July 1 of each year.

[(8)] (7) The terms "Government" and "entity of the Government" include any entity of the legislative branch or the judicial branch, any executive agency or military department (as such agency and department are respectively defined by sections 102 and 105 of title 5, United States Code), the United States Postal Service, and any nonappropriated fund instrumentality under the jurisdiction of the Armed Forces.

[(9)] (8) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated to the Committee to carry out this Act [\$200,000 each for the fiscal year ending June 30, 1972, and the next succeeding fiscal year, and] \$240,000 for the fiscal year ending June 30, 1974, *and such sums as may be necessary for the succeeding fiscal years.*

93D CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
No. 93-808

AMENDMENTS TO THE WAGNER-O'DAY ACT

FEBRUARY 26, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOLIFIELD, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany H.R. 11143]

The Committee on Government Operations, to whom was referred the bill (H.R. 11143) to provide the authorization for fiscal year 1974 and succeeding fiscal year for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Strike out all after the enacting clause and insert the part printed in italic which appears in the reported bill.

Amend the title so as to read:

A bill to redesignate the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped as the Committee for Purchases from the Blind and Other Severely Handicapped, to authorize the appropriation of funds for such committee for fiscal year 1974 and succeeding fiscal years, and for other purposes.

THE PURPOSE OF THE BILL

The bill, as amended, does the following:

1. It simplifies the title of the Committee established under the amended Wagner-O'Day Act.

2. It increases the membership of the statutory Committee from fourteen to sixteen, raising the number of public members from three to five. It provides for the initial term of the new members so that the term of one public member will expire each year.

3. It makes clear that the term "direct labor" also includes work directly relating to performance of a service, so that the statutory test of performance by the handicapped will be applicable to procurement of services.

4. It provides for a continuing appropriation authorization for performance of the statutory Committee's work. The existing authorization does not extend beyond the present fiscal year.

BACKGROUND

The Wagner-O'Day Act of 1938 created a Committee on Purchases of Blind-Made Products to provide employment opportunities for the blind in making products the Federal Government needed and would otherwise procure on the open market. Under the system established by the Act, an item put on the procurement list, subject to a preference given Federal Prison Industries, Inc., had to be procured at the price specified from a nonprofit workshop for the blind. Seventy-five percent of the direct labor involved in making the commodity had to be performed by blind or visually handicapped workers. A central nonprofit agency allocated to eligible workshops the orders placed by Government agencies. If a workshop could not deliver the item within the time specified, the agency was then free to procure it on the open market. At the time the 1971 amendment to the Wagner-O'Day Act was under consideration, sales under the Act by workshops had an annual volume of \$18 million and earlier had reached a high of \$31 million.

The occasion for the 1971 amendment was the desire to extend the opportunities given the blind under the Act to the other severely handicapped, who far outnumber the blind. The amendment also recognized that the various workshops could perform services for as well as supply commodities to the Government. The magnitude of the task of deciding which items should be placed on the procurement list, along with the certification of workshops, required that the Committee be increased in size and be given its own full-time staff, instead of relying on assistance from the General Services Administration. The amendment, P.L. 92-28, broadened the powers of the Committee and provided for an appropriation authorization of \$200,000 annually through fiscal year 1974.

Early in 1973, the statutory Committee decided that the authorization appropriation of \$200,000 was insufficient and requested an increase to \$240,000 for fiscal year 1974. Because of time constraints, Congressional consideration of that request was confined basically to that issue and resulted in P.L. 93-76 of July 30, 1973.

HEARINGS

Hearings¹ were held on H.R. 1143 by the Special Studies Subcommittee on November 8, 9, 13, and 14, 1973. These hearings not only dealt with the amendment proposed in the bill but also examined the operations of the Committee to see whether other statutory changes were needed. A separate report will be submitted subsequently on the operation of the program.

Testimony was received from the chairman of the statutory Committee, its vice chairman, a Government member, and its executive

¹ Hearings, "Amendments to the Wagner-O'Day Act," hearings before a subcommittee of the Committee on Government Operations, House of Representatives, 93d Congress, 1st sess., on H.R. 11143.

director. Other Government witnesses were the acting administrator of the Wage and Hour Division of the Department of Labor; the commissioner of the Rehabilitation Services Administration of the Department of Health, Education, and Welfare; the assistant commissioner; and other staff members. Testimony was received from representatives of the National Industries for the Blind, a central nonprofit organization which handles the allocation of orders to the workshops for the blind.

In addition, there was testimony from representatives of central nonprofit agencies for the other severely handicapped, such as the International Association of Rehabilitation Facilities, Goodwill Industries of America, Jewish Occupational Council, National Association for Retarded Citizens, United Cerebral Palsy Association, Inc., and the National Easter Seal Society for Crippled Children and Adults. Representatives of regional organizations representing workshops, such as the Northwest Association of Rehabilitation Industries and the California Association of Rehabilitation Facilities presented their views. Organizations for the blind such as the American Foundation for the Blind, American Association of Workers for the Blind, Blinded Veterans Association, and the American Council for the Blind also sent representatives to testify.

SCOPE AND PURPOSE OF THE AMENDMENTS

The present title of the statutory Committee is "Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped". This title has been found cumbersome by everyone. H.R. 11143, as introduced, proposed that the title be changed to "Committee for Purchases from the Blind and Other Handicapped". During the hearings there was objection to the deletion of the word "Severely" even though such change would not affect the definition in section 5(2) or (4) in the Act. Accordingly, the committee has modified the title so that the statutory Committee will be known as the "Committee for Purchases from the Blind and Other Severely Handicapped".

Another change would expand the number of public members of the statutory Committee from three to five and thus increase its total membership from fourteen to sixteen. Prior to the 1971 amendment, the statutory Committee had a total of 7 members, of whom only one was a public member. The three public members, under the Act, consist of one who is "conversant with problems incident to the employment of the blind and other severely handicapped individuals", one who represents "blind individuals employed in qualified nonprofit agencies for the blind", and one who represents "severely handicapped individuals (other than blind individuals) employed in qualified nonprofit agencies for other severely handicapped individuals."

The proposal made during the hearings without opposition was that since the blind and other severely handicapped employed in workshops each have a separate representative on the statutory Committee, there should be a separate member who is "conversant with problems incident to the employment of the blind," and another who is similarly knowledgeable as to such problems relating to "other severely handicapped," rather than one member for both as at pres-

ent. The amendment provides that such member shall have an initial term of three years with the succeeding periods of membership being five years.

The other public member added to the statutory Committee would be drawn from the ranks of officials who head State vocational rehabilitation agencies. The President would appoint this official from a list of four submitted by the Executive Committee of the Council of State Administrators of Vocational Rehabilitation. This amendment was first proposed at the markup session of the subcommittee held on January 29, 1974. Rehabilitation of sheltered workshop employees involves moving qualified clients into the workaday world. Representation on the statutory Committee of someone who, on the state level, is engaged in promoting rehabilitation will facilitate the objectives of the Wagner-O'Day Act. The initial term of this new member will be four years and succeeding terms will be five years. This creates the situation where, after the initial terms are served, one of the five public members is appointed each year for a five year term.

Another change, in section 5(5) of the Act, clarifies the definition of "direct labor" so that the requirement for performance of 75 percent of the direct labor by blind or other severely handicapped persons would apply to work performed under a service contract.

The major effect of the bill is to extend the appropriation authority without any limit. It authorizes appropriation of "such sums as may be necessary for succeeding fiscal years". The statutory Committee testified that it does not anticipate that it will require appropriations in the next three years in excess of \$350,000 per annum. For fiscal year 1975 the budget request is \$252,000 for the statutory Committee. This is \$12,000 in excess of the appropriation for the present fiscal year.

COMMITTEE CONCLUSION

The scope of the operations of the Wagner-O'Day Committee is not changed under this legislation. Subject to the existing preferences set forth in the law, products and services of the blind and other severely handicapped are entitled to a preference in Government procurement. The changes made in the Wagner-O'Day Act by the reported bill, in the opinion of the Government Operations Committee, will enable the statutory Committee to perform its duties more efficiently. Public Law 92-28 of 1971 contained only a 3-year authorization of \$200,000 annually. This proved inadequate before the beginning of fiscal year 1974 and led to the enactment of P.L. 93-76. The authorization in this bill is needed so that repetitive authorization of these relatively small amounts will not be required. The change made by the bill in the statutory Committee's present cumbersome title is desirable. The increase in the number of public members on the Committee will facilitate the execution of its responsibilities. These additional public members will bring a viewpoint to the statutory Committee that is only partially represented at present.

ESTIMATED COSTS OF LEGISLATION

There is no additional cost for fiscal year 1974 as a result of this legislation since it leaves the authorized appropriation at the \$240,000

figure set by P.L. 93-76. For the five succeeding fiscal years the Committee estimates the cost of the legislation as follows:

Fiscal year—	
1975	¹ \$252,000
1976	265,000
1977	280,000
1978	295,000
1979	310,000

¹ As in the President's budget.

The increase in the budget for each year allows for the inflation effect on salaries, reimbursable services, and other costs.

COMMITTEE ACTION

The committee reported the bill by a voice vote and without dissent.

AGENCY REPORTS

The executive communication transmitting proposed legislation, introduced as H.R. 11143, and the report of the Office of Management and Budget on the bill are set forth below:

COMMITTEE FOR PURCHASE OF PRODUCTS & SERVICES
OF THE BLIND & OTHER SEVERELY HANDICAPPED,
Arlington, Va., October 26, 1973.

HON. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Transmitted herewith for appropriate action is a proposed amendment to the Wagner-O'Day Act approved June 25, 1938 (52 Stat. 1196), as amended by Public Law 92-28, dated June 23, 1971, and Public Law 93-76, dated July 30, 1973, which will provide the authorization of appropriation for fiscal year 1975 and succeeding fiscal years for this Committee and will permit other minor changes which the Committee, from experience in operating under the new Act, has determined are desirable.

The primary purpose of this proposed amendment is contained in Section 4. Public Law 92-28, for the first time, authorized a staff for the Committee and an initial appropriation of \$200,000 for fiscal years 1972, 1973 and 1974. Public Law 93-76 increased the authorization for fiscal year 1974 to \$240,000.

Section 4 of the proposed amendment would authorize "such sums as may be necessary" for the fiscal years following fiscal year 1974. Since our budget is reviewed in detail each year by the appropriate Committees of the House of Representatives and the Senate, a specific authorization ceiling for this relatively small appropriation is not necessary. We are required by the Act to submit a report annually on our activities. Additionally, we would expect to appear periodically before the appropriate Committees of the Congress to report on our administration of the provisions of our enabling legislation.

The first two sections of the proposed amendment consist of minor modifications to Public Law 92-28. The first would shorten the name of the Committee while retaining a description of its role. Section 2

would expand the definition of "direct labor" to include services. The present definition pertains primarily to commodities.

The Committee urges prompt introduction and enactment of the proposed legislation.

The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this proposed legislation to the Congress.

Sincerely,

M. S. MEEKER, *Chairman.*

Enclosure.

EXECUTIVE OFFICE OF THE PRESIDENT.
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C. November 26, 1973.

HON. CHET HOLIFIELD,
Chairman, Committee on Government Operations, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of November 2, 1973 for the views of this Office on H.R. 11143, a bill "To provide the authorization for fiscal year 1974 and succeeding fiscal year for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes."

In transmitting this bill to the House of Representatives on October 26, 1973, and in testimony before your Committee on November 7, 1973, the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped stated its reasons for recommending enactment of H.R. 11143. The Committee noted, among other things, that since its budget is reviewed in detail by the appropriate committees of both Houses of the Congress each year, a specific authorization ceiling for its relatively small appropriation would not seem necessary.

We concur with the Committee's views and, accordingly, recommend approval of H.R. 11143.

Sincerely,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

SECTION-BY-SECTION ANALYSIS

The bill, as reported, amends the Act entitled "An Act to create a Committee on Purchases of Blind-made Products, and for other purposes," of June 25, 1938 (52 Stat. 1196) as amended by Public Law 92-28 (85 Stat. 77) and Public Law 93-76 (87 Stat. 176), popularly known as the Wagner-O'Day Act (41 U.S.C. 46-48c).

The following analysis explains those sections of the Act which are amended by the bill:

Section 1. Establishment of Committee.—The title of the Committee established in subsection (a) is changed from "Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped" to "Committee for Purchases from the Blind and Other Severely Handicapped." The number of Committee members is increased from fourteen to sixteen.

The member appointed under paragraph (2) (A) as being "conversant with the problems incident to the employment of the blind

and other severely handicapped individuals" will now need to be conversant only "with the problems incident to the employment of the blind."

Subparagraphs (B) and (C) are redesignated, respectively, as subparagraphs (C) and (D) and a new subparagraph (B) is inserted after subparagraph (A) which provides that the President shall appoint one public member who is "conversant with the problems incident to the employment of other severely handicapped individuals."

A new subparagraph (E) is added providing that the President shall appoint one member who is the head of a State Vocational Rehabilitation Agency from a list of four submitted to him by the Executive Committee of the Council of State Administrators of Vocational Rehabilitation.

Subsection (d) is amended so that the exception to the five year term will extend to newly added paragraphs (4) and (5).

Paragraph (4) provides that the term of the member first appointed under subsection (a) (2) (B) shall be three years.

Paragraph (5) provides that the term of the member first appointed under subsection (a) (2) (E) shall be four years.

Section 5. Definitions.—A new paragraph (5) is added which defines "direct labor" as applying to both commodities and services. The requirement for 75% employment of the handicapped will thus be applicable to all contracts. The old paragraph (6) is deleted and paragraphs (7), (8), and (9) are renumbered paragraphs (6), (7), and (8) respectively.

Section 6. Authorization of Appropriations.—The current appropriation authorization which provides for \$240,000 for Fiscal Year 1974 is enlarged to provide for the appropriation of such sums as may be necessary for succeeding fiscal years.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

ACT OF JUNE 25, 1938 (41 U.S.C. 46-48c)

AN ACT To create a Committee on Purchases of Blind-made Products, and for other purposes

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

ESTABLISHMENT OF COMMITTEE

SECTION 1. (a) ESTABLISHMENT.—There is established a committee to be known as the Committee for [Purchase of Products and Services of] *Purchases from* the Blind and Other Severely Handicapped (hereafter in this Act referred to as the "Committee"). The Committee shall be composed of [fourteen] *sixteen* members appointed as follows:

(1) The President shall appoint as a member one officer or employee

from each of the following: The Department of Agriculture, the Department of Defense, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Department of Health, Education, and Welfare, the Department of Commerce, the Veterans' Administration, the Department of Justice, the Department of Labor, and the General Services Administration. The head of each such department and agency shall nominate one officer or employee in his department or agency for appointment under this paragraph.

(2) (A) The President shall appoint one member from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of the blind [and other severely handicapped individuals].

(B) *The President shall appoint one member from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of other severely handicapped individuals.*

[(B)] (C) The President shall appoint one member from persons who are not officers or employees of the Government and who represent blind individuals employed in qualified nonprofit agencies for the blind.

[(C)] (D) The President shall appoint one member from persons who are not officers or employees of the Government and who represent severely handicapped individuals (other than blind individuals) employed in qualified nonprofit agencies for other severely handicapped individuals.

(E) *The President shall appoint one member from a list of four persons, each of whom is the head of a State vocational rehabilitation agency, submitted to him by the Executive Committee of the Council of State Administrators of Vocational Rehabilitation.*

(b) VACANCY.—A vacancy in the membership of the Committee shall be filled in the manner in which original appointment was made.

(c) CHAIRMAN.—The members of the Committee shall elect one of their number to be Chairman.

(d) TERMS.—

(1) Except as provided in paragraphs [(2) and (3)] (2), (3), (4) and (5), members appointed under paragraph (2) of subsection (a) shall be appointed for terms of five years. Any member appointed to the Committee under such paragraph may be reappointed to the Committee if he meets the qualifications prescribed by that paragraph.

(2) Of the members first appointed under paragraph (2) of subsection (a)—

(A) one shall be appointed for a term of three years,

(B) one shall be appointed for a term of four years, and

(C) one shall be appointed for a term of five years,

as designated by the President at the time of appointment.

(3) Any member appointed under paragraph (2) of subsection (a) to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member appointed under such paragraph may serve after the expiration of his term until his successor has taken office.

(4) *The member first appointed under paragraph (2) (B) of subsection (a) shall be appointed for a term of three years.*

(5) *The member first appointed under paragraph (2) (E) of subsection (a) shall be appointed for a term of four years.*

(e) PAY AND TRAVEL EXPENSES.—

(1) Except as provided in paragraph (2), members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of services for the Committee.

(2) Members of the Committee who are officers or employees of the Government shall receive no additional pay on account of their service on the Committee.

(3) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(f) STAFF.—

(1) Subject to such rules as may be adopted by the Committee, the Chairman may appoint and fix the pay of such personnel as the Committee determines are necessary to assist it in carrying out its duties and powers under this Act.

(2) Upon request of the Committee, the head of any entity of the Government is authorized to detail, on a reimbursable basis, any of the personnel of such entity to the Committee to assist it in carrying out its duties and powers under this Act.

(3) The staff of the Committee appointed under paragraph (1) shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(g) OBTAINING OFFICIAL DATA.—The Committee may secure directly from any entity of the Government information necessary to enable it to carry out this Act. Upon request of the Chairman of the Committee, the head of such Government entity shall furnish such information to the Committee.

(h) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Committee on a reimbursable basis such administrative support services as the Committee may request.

(i) ANNUAL REPORT.—The Committee shall, not later than September 30 of each year, transmit to the President and to the Congress a report which shall include the names of the Committee members serving in the preceding fiscal year, the dates of Committee meetings in that year, a description of its activities under this Act in that year, and any recommendations for changes in this Act which it determines are necessary.

DUTIES AND POWERS OF THE COMMITTEE

SEC. 2. (a) (1) The Committee shall establish and publish in the Federal Register a list (hereafter in this Act referred to as the "procurement list") of—

(A) the commodities produced by any qualified nonprofit agency for the blind or by any qualified nonprofit agency for other severely handicapped, and

(B) the services provided by any such agency, which the Committee determines are suitable for procurement by the Government pursuant to this Act. Such list shall be established and published in the Federal Register before the expiration of the thirty-day period beginning on the effective date of this paragraph and shall initially consist of the commodities contained, on such date, in the schedule of blind-made products issued by the former Committee on Purchase of Blind-**[m]**ade Products under its regulations.

(2) The Committee may, by rule made in accordance with the requirements of subsections (b), (c), (d), and (e) of section 553 of title 5, United States Code, add to and remove from the procurement list commodities so produced and services so provided.

(b) The Committee shall determine the fair market price of commodities and services which are contained on the procurement list and which are offered for sale to the Government by any qualified nonprofit agency for the blind or any such agency for other severely handicapped. The Committee shall also revise from time to time in accordance with changing market conditions its price determinations with respect to such commodities and services.

(c) The Committee shall designate a central nonprofit agency or agencies to facilitate the distribution (by direct allocation, subcontract, or any other means) of orders of the Government for commodities and services on the procurement list among qualified nonprofit agencies for the blind or such agencies for other severely handicapped.

(d) (1) The Committee may make rules and regulations regarding (A) specifications for commodities and services on the procurement list, (B) the time of their delivery, and (C) such other matters as may be necessary to carry out the purposes of this Act.

(2) The Committee shall prescribe regulations providing that—

(A) in the purchase by the Government of commodities produced and offered for sale by qualified nonprofit agencies for the blind or such agencies for other severely handicapped, priority shall be accorded to commodities produced and offered for sale by qualified nonprofit agencies for the blind, and

(B) in the purchase by the Government of services offered by nonprofit agencies for the blind or such agencies for other severely handicapped, priority shall, until the end of the calendar year ending December 31, 1976, be accorded to services offered for sale by qualified nonprofit agencies for the blind.

(e) The Committee shall make a continuing study and evaluation of its activities under this Act for the purpose of assuring effective and efficient administration of this Act. The Committee may study (on its own or in cooperation with other public or nonprofit private

agencies) (1) problems related to the employment of the blind and of other severely handicapped individuals, and (2) the development and adaptation of production methods which would enable a greater utilization of the blind and other severely handicapped individuals.

PROCUREMENT REQUIREMENTS FOR THE GOVERNMENT

SEC. 3. If any entity of the Government intends to procure any commodity or service on the procurement list, that entity shall, in accordance with rules and regulations of the Committee, procure such commodity or service, at the price established by the Committee, from a qualified nonprofit agency for the blind or such an agency for other severely handicapped if the commodity or service is available within the period required by that Government entity; except that this section shall not apply with respect to the procurement of any commodity which is available for procurement from an industry established under chapter 307 of title 18, United States Code, and which, under section 4124 of such title, is required to be procured from such industry.

AUDIT

SEC. 4. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and other records of the Committee and of each agency designated by the Committee under section 2(c). This section shall also apply to any qualified nonprofit agency for the blind and any such agency for other severely handicapped which have sold commodities or services under this Act but only with respect to the books, documents, papers, and other records of such agency which relate to its activities in a fiscal year in which a sale was made under this Act.

DEFINITIONS

SEC. 5. For purposes of this Act—

(1) The term "blind" refers to an individual or class of individuals whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than 20 degrees.

(2) The terms "other severely handicapped" and "severely handicapped individuals" mean an individual or class of individuals under a physical or mental disability, other than blindness, which (according to criteria established by the Committee after consultation with appropriate entities of the Government and taking into account the views of non-Government entities representing the handicapped) constitutes a substantial handicap to employment and is of such a nature as to prevent the individual under such disability from currently engaging in normal competitive employment.

(3) The term "qualified nonprofit agency for the blind" means an agency—

(A) organized under the laws of the United States or of any State, operated in the interest of blind individuals, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

(B) which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor; and

(C) which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under this Act) during the fiscal year employs blind individuals for not less than 75 per centum of the man-hours of direct labor required for the production or provision of the commodities or services.

(4) The term "qualified nonprofit agency for other severely handicapped" means an agency—

(A) organized under the laws of the United States or of any State, operated in the interest of severely handicapped individuals who are not blind, and the net income of which does not inure in whole or in part to the benefit of any shareholder or other individual;

(B) which complies with any applicable occupational health and safety standard prescribed by the Secretary of Labor; and

(C) which in the production of commodities and in the provision of services (whether or not the commodities or services are procured under this Act) during the fiscal year employs blind or other severely handicapped individuals for not less than 75 per centum of the man-hours of direct labor required for the production or provision of the commodities or services.

[(6)] (5) The term "direct labor" includes all work required for preparation, processing, and packing of a commodity, or work directly related to the performance of a service, but not supervision, administration, inspection, and or shipping.

[(7)] (6) The term "fiscal year" means the twelve-month period beginning on July 1 of each year.

[(8)] (7) The terms "Government" and "entity of the Government" include any entity of the legislative branch or the judicial branch, any executive agency or military department (as such agency and department are respectively defined by sections 102 and 105 of title 5, United States Code), the United States Postal Service, and any nonappropriated fund instrumentality under the jurisdiction of the Armed Forces.

[(9)] (8) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated to the Committee to carry out this Act [\$200,000 each for the fiscal year ending June 30, 1972, and the next succeeding fiscal year, and] \$240,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary for the succeeding fiscal years.



Public Law 93-358
93rd Congress, H. R. 11143
July 25, 1974

An Act

To provide the authorization for fiscal year 1975 and succeeding fiscal years for the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (41 U.S.C. 46-48c) is amended as follows:

(1) Section 1(a) is amended—

(A) by striking out "Committee for Purchase of Products and Services of" in the first sentence thereof and inserting in lieu thereof "Committee for Purchase from";

(B) by striking out "fourteen" in the second sentence thereof and inserting in lieu thereof "fifteen";

(C) by striking out "and other severely handicapped individuals." in paragraph (2) (A) and inserting in lieu thereof a period; and

(D) by redesignating subparagraphs (B) and (C) of paragraph (2) as subparagraphs (C) and (D), respectively, and inserting after subparagraph (A) the following new subparagraph:

"(B) The President shall appoint one member from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of other severely handicapped individuals."

(2) Section 1(d) is amended—

(A) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)"; and

(B) by adding at the end thereof the following new paragraph:

"(4) The member first appointed under paragraph (2) (B) of subsection (a) shall be appointed for a term of three years."

(3) Section 5 is amended—

(A) by inserting after paragraph (4) the following new paragraph:

"(5) The term 'direct labor' includes all work required for preparation, processing, and packing of a commodity, or work directly relating to the performance of a service, but not supervision, administration, inspection, or shipping;"

(B) by striking out paragraph (6); and

(C) by redesignating paragraphs (7), (8), and (9) as paragraphs (6), (7), and (8), respectively.

Committee for
Purchase of
Products and
Services of the
Blind and
Other Severely
Handicapped.
Appropriation
authorization.
85 Stat. 77.
41 USC 46.
88 STAT. 392
88 STAT. 393

Presidential
appointee.

41 USC 48b.

"Direct labor."

Pub. Law 93-358

- 2 -

July 25, 1974

88 STAT. 393
 85 Stat. 82;
 87 Stat. 176.
 41 USC 48c.

(4) Section 6 is amended to read as follows:

"SEC. 6. There are authorized to be appropriated to the Committee to carry out this Act \$240,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary for the succeeding fiscal years."

Approved July 25, 1974.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 93-808 (Comm. on Government Operations).

SENATE REPORT No. 93-908 accompanying S. 2687 (Comm. on Labor and Public Welfare).

CONGRESSIONAL RECORD, Vol. 120 (1974):

Mar. 4, considered and passed House.

June 13, considered and passed Senate, amended, in lieu of S. 2687.

July 15, House concurred in Senate amendments.



