

Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212.

SUPPLEMENTARY INFORMATION:

Authority: Executive Order 11651 of March 3, 1972, as amended; section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854).

The United States Government has decided to rescind the request made on March 27, 1995 to consult on imports of cotton and man-made fiber nightwear and pajamas in Categories 351/651 from Honduras.

In the letter published below, the Chairman of CITA directs the Commissioner of Customs to cancel the limit established for Categories 351/651 for the period March 27, 1995 through March 26, 1996.

A description of the textile and apparel categories in terms of HTS numbers is available in the CORRELATION: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States (see Federal Register notice 59 FR 65531, published on December 20, 1994). Also see 60 FR 32655, published on June 23, 1995.

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

Committee for the Implementation of Textile Agreements

September 27, 1995.

Commissioner of Customs,
Department of the Treasury, Washington, DC 20229.

Dear Commissioner: This directive cancels and supersedes the directive issued to you on June 16, 1995, by the Chairman, Committee for the Implementation of Textile Agreements. That directive concerns imports of cotton and man-made fiber textile products in Categories 351/651, produced or manufactured in Honduras and exported during the period which began on March 27, 1995 and extends through March 26, 1996.

Effective on September 29, 1995, you are directed to cancel the limit established for Categories 351/651 for the period March 27, 1995 through March 26, 1996.

The Committee for the Implementation of Textile Agreements has determined that this action falls within the foreign affairs exception to the rulemaking provisions of 5 U.S.C.553(a)(1).

Sincerely,

D. Michael Hutchinson,

Acting Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc.95-24417 Filed 9-28-95; 8:45 am]

BILLING CODE 3510-DR-F

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Procurement List; Addition

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Addition to the Procurement List.

SUMMARY: This action adds to the Procurement List a finger bleeding lancet to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

EFFECTIVE DATE: October 30, 1995.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, Crystal Square 3, Suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202-3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603-7740.

SUPPLEMENTARY INFORMATION: On July 14, 1995, the Committee for Purchase From People Who Are Blind or Severely Disabled published notice (60 F.R. 36266) of proposed addition to the Procurement List. The Committee received comments from the current contractor in response to its 1995 and 1994 proposals to add the lancets to the Procurement List. The contractor indicated that it is a considerably smaller entity than the Committee deemed it to be, and addition of the lancet to the Procurement List would have a severe impact on that entity, including loss of jobs and of the opportunity to recoup the entity's investment in equipment, possibly resulting in the entity going out of business.

The contractor also questioned whether people with severe disabilities are capable of producing the lancets, and whether the nonprofit agency which will produce them is in compliance with Food and Drug Administration (FDA) requirements for the production of medical instruments. The contractor was particularly concerned about the nonprofit agency's ability to avoid certain critical defects identified by the FDA in the production of lancets. The contractor also questioned the nonprofit agency's compliance with the statutory direct labor ratio requirement as it applies to lancet production, and indicated that the Committee's pricing mechanism is not in accordance with law.

As the result of a 1986 merger, the contractor's Medical Supply Division, which provides the lancets to the Government and other customers, is

part of the same corporate entity as the administrative holding company for the contractor's various business ventures. This corporate entity reports its sales and income for tax purposes separately from its subsidiary corporations.

In situations like this, it has long been the Committee's policy to look at impact on the total business of the contractor affected by a decision to add a commodity or service to the Procurement List. This policy was specifically incorporated in the Committee's regulations as part of a regulatory revision which became effective December 16, 1994 (59 F.R. 59338, Nov. 16, 1994). In this case, the Committee's policy is especially appropriate. A review of the various documents submitted by the contractor, including its Form 10-K report for 1993 filed with the Securities and Exchange Commission, revealed a large interlocking financial enterprise controlled by the contractor, with substantial identity of officers, board members, and ownership for the various corporations in the enterprise. The lancets are even made for the contractor by one of its subsidiaries, in a building near the contractor's headquarters which the contractor bought from the same subsidiary and leases back to the subsidiary.

The contractor's sales of the lancets to the Government are only a very small percentage of the sales of the total enterprise. The Committee does not consider loss of such a small percentage to constitute severe adverse impact on the contractor. The contractor's ability to transfer assets and employees between various parts of the enterprise should allow it to absorb any employees who may be displaced by the Committee's action and any manufacturing equipment, which it can continue to use in producing lancets for the commercial market. Because no contractor is guaranteed to continue receiving Government contracts for an item under the competitive bidding system, the contractor assumed a risk of losing the use of this equipment when it entered the Government market.

The Committee's conclusion that people with severe disabilities employed by the designated nonprofit agency will be capable of producing the lancets to fill Government orders is based on findings by the Committee's industrial engineer and an assessment by the engineering staff of the authorized central nonprofit agency for this action. The Committee's engineer reviewed production plans with the nonprofit agency and a central nonprofit agency engineer to address each of the contractor's capability contentions in

the course of making a capability determination.

The nonprofit agency has met all FDA requirements for producing lancets. Contrary to what the contractor implied, there is no FDA list of critical defects for lancets. FDA guidelines merely reflect general good manufacturing practices for medical devices, which the nonprofit agency will follow.

The specific defects the contractor mentioned, including reversed or overly long needles in the lancets, appear to be a factor in the operation of the contractor's automated manufacturing process. The nonprofit agency plans to load the needles by hand, which will avoid these defects. The more manually intensive manufacturing process to be used will also be easier and safer for people with severe disabilities. The process is consistent with injection molding operations which have been successfully used by other nonprofit agencies to produce items under the Committee's program.

The contractor questioned the nonprofit agency's ability to produce acceptable lancets on short notice, based on the contractor's "learning curve" to produce the lancets. The nonprofit agency does not intend to start at a high volume of production, but to have a pilot production period to perfect its production methods. In addition, initial orders will come from individual Government medical centers, which will allow the nonprofit agency to ensure that it will not receive more orders than it is capable of filling during the startup period.

Contrary to the contractor's contention, the Committee's statute requires qualified nonprofit agencies to have an overall 75 percent direct labor ratio for the work they do on all commodities and services they produce. The ratio requirement does not apply to all work which must be done to produce each Government item. The nonprofit agency will be using well above this percentage in the work they will do on the lancets. Inspection is considered indirect labor which is not counted in determining compliance with the requirement.

The contractor did not challenge the initial fair market price for the lancets, which was based on bids submitted on the last competitive procurement, in accordance with the Committee procedures.

The contractor's contention that the Committee's fair market pricing procedure is inconsistent with the Committee's statute challenges the "price change exception" procedure, which the contractor claims insulates the Committee's prices from changes in

the market. However, as its name implies, this procedure is used only on an exceptional basis. The procedure allows a price change to be based on actual cost experience rather than changes in a producer price index. Where the exception is used, the Committee believes that commercial users would experience similar cost changes, so the price change exception procedure would have a relation to the market.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the commodity, fair market price, and impact of the addition on the current or most recent contractors, the Committee has determined that the commodity listed below are suitable for procurement by the Federal Government under 41 U.S.C. 46-48c and 41 CFR 51-2.4.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the commodity to the Government.

2. The action does not appear to have a severe economic impact on current contractors for the commodity.

3. The action will result in authorizing small entities to furnish the commodity to the Government.

4. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with the commodity proposed for addition to the Procurement List.

Accordingly, the following commodity is hereby added to the Procurement List:

Lancet, Finger Bleeding
Special Item B-11

(Requirements for the Department of Veterans Affairs under the Multiple Award Schedule FSC Group 65, Part II, Section B)

This action does not affect current contracts awarded prior to the effective date of this addition or options exercised under those contracts.

Beverly L. Milkman,
Executive Director.

[FR Doc. 95-24328 Filed 9-28-95; 8:45 am]

BILLING CODE 6820-33-P

Procurement List; Additions

AGENCY: Committee for Purchase From People Who Are Blind or Severely Disabled.

ACTION: Additions to the Procurement List.

SUMMARY: This action adds to the Procurement List a commodity and services to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

EFFECTIVE DATE: October 30, 1995.

ADDRESSES: Committee for Purchase From People Who Are Blind or Severely Disabled, Crystal Square 3, Suite 403, 1735 Jefferson Davis Highway, Arlington, Virginia 22202-3461.

FOR FURTHER INFORMATION CONTACT: Beverly Milkman (703) 603-7740.

SUPPLEMENTARY INFORMATION: On June 17, 1994, March 17, July 28, August 4, 11 and 18, 1995, the Committee for Purchase From People Who Are Blind or Severely Disabled published notices (59 F.R. 31217, 60 FR 14427, 38794, 39947, 41060 and 43126) of proposed additions to the Procurement List.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the commodity and services, fair market price, and impact of the additions on the current or most recent contractors, the Committee has determined that the commodity and services listed below are suitable for procurement by the Federal Government under 41 U.S.C. 46-48c and 41 CFR 51-2.4.

I certify that the following action will not have a significant impact on a substantial number of small entities. The major factors considered for this certification were:

1. The action will not result in any additional reporting, recordkeeping or other compliance requirements for small entities other than the small organizations that will furnish the commodity and services to the Government.

2. The action does not appear to have a severe economic impact on current contractors for the commodity and services.

3. The action will result in authorizing small entities to furnish the commodity and services to the Government.

4. There are no known regulatory alternatives which would accomplish the objectives of the Javits-Wagner-O'Day Act (41 U.S.C. 46-48c) in connection with the commodity and services proposed for addition to the Procurement List. Accordingly, the following commodity and services are hereby added to the Procurement List: