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RELEASED

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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Dear Senator Spong:

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Reference is made to your request of December 3, 1971, that the General Accounting Office investigate the impact of the Government's purchase of products made by handicapped and blind persons on the Rubbermaid Commercial Products, Inc.

Under the Wagner-O'Day Act (41 U.S.C. 46), enacted June 25, 1938, the Committee on Purchases of Blind-Made Products was created to provide employment opportunities for the blind by requiring that Federal agencies purchase brooms, mops, and other commodities manufactured in nonprofit workshops for the blind. The Committee on Purchases of Blind-Made Products, comprising six representatives of Federal agencies and a private citizen, was made responsible for selecting the commodities included under the program and for establishing prices for the commodities.

About 80 workshops in 36 States participate in the program and employ about 7,600 severely handicapped persons, about 4,600 of whom are blind. The workshops produce about 435 items, such as mops, brooms, pillowcases, ball-point pens, mattresses, and dish towels, which are purchased by the Government. Between 40 and 50 percent of the products made by the workshops are sold to the Government. During fiscal year 1971 Government purchases from the workshops amounted to about \$12 million.

The Wagner-O'Day Act was amended, effective August 1, 1971, to (1) include services, as well as commodities, under the program, (2) extend to severely handicapped persons the special priority in the selling of commodities and services to the Government, (3) establish a new committee, the Committee for Purchases of Products and Services of the Blind and Other Severely Handicapped, comprising 11 representatives of Federal agencies and three private citizens, to administer the program, and (4) require that notices of intent to add or remove commodities or services to those included in the program be published in the Federal Register to provide interested parties with the opportunity to present their views.

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Also the law requires that at least 75 percent of the man-hours of direct labor required for production or provision of the commodities or service be performed by blind or severely handicapped persons.

We discussed with the Executive Secretary of the Committee the August 1, 1971, amendment and the potential impact on Rubbermaid sales to the Government. He was not aware of the specific items that were of concern to Rubbermaid.

The Executive Secretary informed us that, in accordance with the new legislation, a list of the commodities that were being purchased from nonprofit workshops for the blind had been published in the Federal Register on August 26, 1971. Lists of services and additional commodities being considered for purchase from blind and handicapped persons were published in the Federal Register on October 19 and December 16, 1971. He advised us that, in deciding whether to designate these additional items for purchase from blind and handicapped persons, the Committee would consider comments received from interested parties.

We suggest that Rubbermaid be encouraged to present the Committee with specific information identifying the items manufactured by Rubbermaid that may be affected by the Committee's proposals and with pertinent sales data. It appears that information showing the extent of Rubbermaid's employment of handicapped and underprivileged persons would be of interest to the Committee and could be a persuasive factor in Committee decisions regarding commodities manufactured by Rubbermaid.

We trust that the foregoing information is responsive to your request. If we can be of further assistance, please let us know.

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We are returning Rubbermaid's letter of November 24, 1971, to you.

Sincerely yours,



Deputy Comptroller General
of the United States

Enclosure

The Honorable William B. Spong, Jr.
United States Senate