

and is one means by which USDA seeks to ensure fairness and soundness in commodity marketing.

*Description of Respondents:* Business or other for-profit.

*Number of Respondents:* 308.

*Frequency of Responses:*

Recordkeeping; Reporting: Weekly.

*Total Burden Hours:* 22,245.

Donald E. Hulcher,

*Deputy Departmental Clearance Officer.*

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## 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 commodity to be furnished by nonprofit agencies employing persons who are blind or have other severe disabilities.

**EFFECTIVE DATE:** October 7, 1996.

**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 April 26, 1996, the Committee for Purchase From People Who Are Blind or Severely Disabled published notice (61 FR 18571) of proposed addition to the Procurement List. Comments were received from the current contractor for this aircraft safety belt. The contractor indicated that its business is exclusively in military specification items, either as a contractor for the Department of Defense (DoD) or as a supplier to other DoD contractors. The contractor claimed that the Committee's actions in the past have generally served to injure or seriously impede the progress of small manufacturers like itself. The contractor also claimed that the Committee's practice of taking items from a family of similar products produced by small manufacturers frustrates the investment strategies which lead small businesses to offer families of products because they can use components interchangeably to provide cost-effective products at lower prices. The contractor stated that the Committee's actions in adding aircraft safety belts to the

Procurement List in 1983 and 1987 have cost the contractor millions of dollars in sales volume. As a result, the contractor considers the Committee's program to be its most significant competitor and the most significant impediment the contractor faces in its attempt to grow from a small to a mid-size business.

It is true that there could be some cost savings realized by a contractor by purchasing larger quantities of components. However, there is no requirement for a contractor to pass these savings to the Government in the form of lower prices for the product being procured. Moreover, the contracting activity did not aggregate the proposed item with other family items in an effort to obtain lower prices. Consequently, the Committee must assume that the contracting activity didn't consider that purchasing the items as a family would result in lower prices. The nonprofit agency will be requested to solicit quotations from the commenter's firm for the components that the firm produces.

As the contractor noted in its comments, the Committee's primary measure of impact of a Procurement List addition on a current contractor is the percentage of the contractor's sales which the addition represents. This addition represents a very small percentage of the contractor's sales. In addition, the Committee does look at the impact of previous additions on a contractor. However, the Committee gives greater weight to the impact of recent additions, and less to earlier ones, particularly when the contractor's sales have increased since the addition occurred. The reason for this approach is that contractors usually recover from Committee impacts, so earlier impacts are not often a significant factor in the total impact on a contractor of a new addition to the Procurement List. In this case, the contractor's sales have increased since the 1983 and 1987 additions and a 1991 addition of another commodity where it was the current contractor. Accordingly, the Committee has determined that the current addition of an aircraft safety belt to the Procurement List will not have a severe adverse impact on the current contractor.

The Committee has interpreted the contractor's comments about the impact of the Committee's Javits-Wagner-O'Day (JWOD) Program on small business generally as a contention that the Committee should not add to its Procurement List commodities manufactured by small businesses. The Committee does not agree with this contention. The great majority of nonprofit agencies participating in the

JWOD Program are small organizations, and their business capacities are similar to those of small businesses. The Committee would not be able to fulfill its statutory mandate of creating jobs for people who are blind or have other severe disabilities through nonprofit agencies if it could not add commodities manufactured by small businesses to its Procurement List. In addition, the JWOD Program's share of Federal contracts is only a very small percentage of the size of small businesses' share of Federal contracting. Consequently, small businesses, including the contractor, will not be significantly impeded by the JWOD Program from competing for DoD and other Federal contracts.

After consideration of the material presented to it concerning capability of qualified nonprofit agencies to provide the commodity 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 will not 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:

Belt, Aircraft Safety  
1680-00-163-1570

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

Beverly L. Milkman,  
*Executive Director.*

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