

GOVERNMENT-REJECTED CONSUMER ITEMS

TUESDAY, APRIL 2, 1968

HOUSE OF REPRESENTATIVES,
SPECIAL CONSUMER INQUIRY,
SPECIAL STUDIES SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington D.C.

The subcommittee met at 10 a.m. in room 2203, Rayburn House Office Building, Hon. Benjamin S. Rosenthal presiding.

Present: Representatives Rosenthal, Gallagher, Wydler, and Myers. Also present: Peter S. Barash, professional staff member in charge; I. Warren Harrison, professional staff; and Dolores L. Fel'Dotto, clerk (Special Inquiry on Consumer Representation in the Federal Government).

Mr. ROSENTHAL. The subcommittee will be in session.

For several months the Special Consumer Inquiry has been examining into the sale to consumers of products intended for use by Federal departments and agencies, but rejected because of a failure to meet specifications and standards.

Our preliminary investigation indicates that numerous products rejected by the Government for reasons which cast doubt on their fitness and suitability for private consumer use frequently find their way into normal commercial channels and that consumers purchasing such products are likely to sustain economic loss and, in some instances, may even be subjected to possible health hazards.

Approximately 60 percent of those contractors queried by the committee reported the sale of their Government-rejected items into normal commercial channels.

We are not unmindful of the fact that Government specifications on some consumer-type items reflect a performance standard more stringent and demanding than that found in products sold directly to consumers and that the rejection and resale of such items probably would not pose any difficulties for consumers.

But it is also a fact that the performance requirements set by the Government for many consumer items are identical or substantially similar to that regularly found in products in normal commercial channels, and that the rejection and resale of such items could result in an economic loss to consumers.

We are particularly concerned about the continuing influx into the private marketplace of Government-rejected consumer items in containers or cartons which make reference to Federal agencies, programs, or specifications and which thereby suggest U.S. Government endorsement of the product. Presently, only one of the several major procure-