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LETTER FROM WASHINGTON

For Lack of a Pin...

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By SHIRLEY ELDER

IT started as a fairly routine Congressional project. Representative Thomas J. Downey, Democrat of West Islip, heard that a constituent, Henry Medina, was having trouble with the Federal Government. It seems that Mr. Medina had been the low bidder on a Defense Department contract for making grenade pins—and still lost the job. Mr. Downey directed his staff to try to find out what was going on.

Today, nearly one year and two Congressional inquiries later, the Department of Labor has been accused of trying to enforce an unworkable law, and regional contracting officials in New York are

under investigation for a number of alleged improprieties. Along the way, small businesses in New York have lost \$50 million in defense contracts over the last three or four years.

That "unworkable law," the Walsh-Healey Act, is at the heart of the problem. It was enacted 40 years ago to correct a problem of the day, something known as "bid brokerage," which occurs when persons who are not legitimate dealers or manufacturers submit bids so low that none of the established companies can compete.

The law applies to all Federal supply contracts over \$10,000 (a fair size in the 1930's) and requires that the bidder be a regular manufacturer of what is to be

produced. The key word is "manufacturer."

The Labor Department has ruled that any concern classified as an "assembler" cannot be considered a "manufacturer." Thus the Defense Contracts Administrative Services office in New York has systematically ruled against bidders like Mr. Medina and his Welmetco concern, now in Melville (Representative Jerome A. Ambro's district).

Among the approximately two dozen other low-bidding companies turned down in recent years, Mr. Downey said, are Apoca Industries, Deer Park; Inacom Electronics, Freeport; Ramal Industries, Deer Park, and Solar Laboratories, New York City.

At Mr. Downey's request,

the General Accounting Office looked into the matter and concluded that Labor Department standards under the Walsh-Healey Act were "fragmented and unclear" and, perhaps worse, the law was not evenly applied throughout the country. Statistics showed that while the New York office found 53 low bidders failed to qualify as manufacturers from 1973 to 1975, none were turned down in Los Angeles and only one in Philadelphia and four in Atlanta. The General Accounting Office suggested that the Secretary of Labor take another look at the law.

Meanwhile, two subcommittees of the House Small Business Committee, on

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which Mr. Downey serves, are looking into charges of improprieties and discrimination against minority businesses by the New York office. Representative Joseph P. Addabbo, Democrat of Queens, chairman of one of the subcommittees, has a bill that would allow businessmen to appeal Walsh-Healey complaints to the Small Business Administration in Washington.

Representative Norman F. Lent, Republican of East Rutherford, has asked the Commerce Department to try to find out whether striped bass, poisoned by PCB's

(polychlorinated biphenyls) in the Hudson River, pose a serious health hazard to Long Island. Mr. Lent suspects they do.

"It is my understanding," Mr. Lent said, "that these striped bass migrate from the Hudson fishery (now closed by state order to commercial fishing) out to sea in a northeastern direction." If so, he said, they could easily wind up in fishing areas off the Island.

So far, Commerce has been particularly helpful. Robert W. Schoning, director of the National Oceanic and Atmospheric Administration wrote Mr. Lent that the widespread

Complaint about loss of grenade-pin contract leads to investigations

evidence of PCB deposits in fish "demonstrate that restrictions are in order." But then he said the problem

is in deciding what form the restrictions should take. He said he didn't think the Hudson River contamination

would necessarily spread to Long Island.

However, Mr. Lent said there was a statistical weak-

ness in Mr. Schoning's position. If one PCB-contaminated fish joins dozens of others, the statistical PCB content might be very low, he said, but, at the same time, it would remain high in that one fish and pose a danger to anyone who might eat it.

Mr. Lent's neighbor, Mr. Downey, is attacking the same problem from another angle. He wants to know why this country cannot stop companies from dumping PCB's into the water.

In New York's case, the chemicals are used in the manufacture of electronic

equipment by a General Electric plant near Albany, with waste dumped into the Hudson. PCB's contain unique chemical properties that reduce heat and thus reduce the possibility of fire on complex closed-circuit electrical systems.

Mr. Downey has noted that Japan, which had a serious PCB problem several years ago, banned all production and imports of PCB's and imposed stringent disposal methods. He would like to see this country do the same thing.

The House Armed Services

Committee, prodded by Mr. Downey, has adopted an amendment from Representative Samuel S. Stratton, Democrat of Albany, to keep the A6E (all-weather attack plane) assembly line operating at Grinnan plants in Calverton and Bethpage. The plane has been marked for extinction by the Pentagon, which would like to move on to what they call the "next generation" of aircraft. But Mr. Downey and Mr. Stratton have inserted, at least for now, \$125 million into the defense budget to keep production at a minimum pace.