



Congressman

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**OPENING STATEMENT OF
THE HONORABLE JOHN M. McHUGH**

**MWR PANEL MARKUP OF NATIONAL DEFENSE AUTHORIZATION ACT
FOR FISCAL YEAR 1998**

Good afternoon. I want to welcome everyone to this meeting of the MWR Panel. Our purpose today is to make recommendations to the full committee concerning morale, welfare and recreation issues for inclusion in the National Defense Authorization Act for Fiscal Year 1998.

We have several issues before the panel this year that have significant implications for the military resale system, for service MWR activities, and, most importantly, for service members and their families. Our goal in making today's recommendations is to ensure the health of the resale system so that we preserve the benefit and quality of life for our service men and women who make such great sacrifices in order to serve our country. Perhaps just as important, at a time when we are under increased pressure to balance the federal budget and to do more with less, we must strive to make the MWR system as efficient and cost effective as we can. I believe the recommendations before the panel today represent a significant step in achieving these objectives, and I am hopeful that panel members on both sides of the aisle will be able to support today's recommendations.

At this point, I'd like to highlight some of the more important provisions contained in the panel's recommendations. First, and in partial response to some of the actions of the department over the last year, we have included a provision that would tighten up existing merchandise and pricing requirements at commissaries. Commissaries would only be permitted to sell the categories of items now found in current law, unless other new categories are specifically authorized by law. In addition, DECA would not be permitted to alter the current five percent surcharge on items sold in commissaries unless authorized by law. Any change in pricing policies for categories of items, such as we saw with tobacco, would require advance notice to Congress, followed by a 90 day waiting period.

Other provisions make more rigorous the requirements for brand name commercial items sold at commissaries and transfer administrative responsibility for MWR programs to the office of the Comptroller of the Department of Defense. Finally, we have included a provision giving the department the authority to go forward with public-private ventures, as long as those activities will benefit MWR activities, will not interfere or be inconsistent with military mission requirements, and as long as the venture would be open only to authorized patrons of the MWR system.