

U.S. Congressman
Nick Rahall
WORKING FOR WEST VIRGINIANS

FOR IMMEDIATE RELEASE

FEBRUARY 6, 1991

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GOVERNMENT REPORT SHOWS DEFENSE DEPARTMENT TWO-TIMING TAXPAYER

WASHINGTON, D.C. -- In a speech this morning before the National Association of State Agencies for Surplus Property, U.S. Rep. Nick Rahall questioned the Defense Department's methods and cited a General Accounting Office report, which Rahall requested, on the Humanitarian Assistance Program (HAP). A program which has been sending the top of the line surplus property to foreign governments, before states, for five years now.

Rahall also pointed to the report's findings which show that for \$48.8 million of HAP aid, it cost the Defense Department \$46 million to transport it.

"The American people are not only being shafted once, by being placed behind foreign governments in terms of getting vital surplus property, but they are also being made to pay twice the cost of what it would take for **the states themselves** to have the equipment, the additional costs being used to transport the property overseas," said Rahall.

In 1949, the Federal Property and Administrative Services Act stated that all excess Defense Department property would be deemed surplus and opened up to the states. In that way, states could get property like generators, hospital equipment, and construction equipment at rock bottom prices. But in 1986, an amendment to the Defense Authorization Act put foreign governments before the states. All of the best equipment went overseas.

Rahall's bill seeks to change all of that and reverse the law back to its original intent. It has been overwhelmingly endorsed by the National Association of State Surplus Property and the Fraternal Order of Police.

U.S. Representative Alan B. Mollohan, an original cosponsor of the legislation, said, "It is unacceptable that surplus property needed by American agencies and organizations is being shipped to foreign governments at a huge cost to our taxpayers.

"We would be much better served if this property were used to aid state and local governments," he added.

Rahall pointed out that, "in these times, with war escalating and our economy in a most delicate position, the states are desperately strapped for cash. They are looking to the federal government. My bill seeks to restore the intention of the original law: states first before foreign governments."

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FACSIMILE WORKSHEET

TO: STEVE SPINA

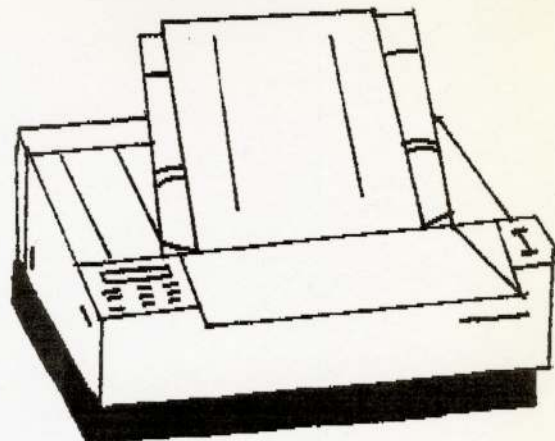
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NOTES:

STEVE:

FOLLOWING IS THE PRESS RELEASE WE DID
LAST YEAR ON THE SURPLUS PROPERTY BILL.
PLEASE GIVE ME A CALL WHEN YOU WANT
TO START DRAFTING THE '91 VERSION.

THANKS!

RON

FROM CONGRESSMAN ALAN B. MOLLOHAN

Contact: Ron Hudok

MAY 14, 1990

202/225-4172

FOR IMMEDIATE RELEASE-----

WASHINGTON -- U.S. Rep. Alan B. Mollohan, D-W.Va., said today it is "unacceptable" that foreign governments get to pick and choose from Federal surplus property, leaving the leftovers for American agencies and organizations.

The First District Congressman is cosponsoring a bill that would end the practice by giving potential domestic buyers the first opportunity to purchase surplus goods.

"When Federal property is no longer needed by an agency or a department, it is declared 'excess' and made available to Federal agencies, state agencies and public organizations, in that order," Mollohan said.

"But under current law, much surplus property is diverted for use by foreign governments before it's ever available to Federal agencies as excess -- much less to state agencies as surplus."

H.R. 4026, which Mollohan has cosponsored, would repeal the Secretary of Defense's authority to provide excess property for foreign distribution, and make surplus property available for foreign humanitarian assistance only after all eligible domestic agencies have had the opportunity to acquire it.

"The military has \$34 billion worth of equipment in excess of Department of Defense requirements," Mollohan said. "I believe that \$34 billion could best be used to bolster local development."

The bill, titled the Federal Used Property for Domestic Use Act of 1990, has been referred to a subcommittee of the House Committee on Government Operations.