



Serving the Vending, Coffee Service and Foodservice Management Industries

**Testimony of Richard M. Geerdes, NCE
President and Chief Executive Officer
National Automatic Merchandising Association (“NAMA”)
Legislative Hearing on H.R. 5512
“The Coin Modernization and Taxpayer Savings Act of 2008”
March 11, 2008**

Chairman Gutierrez and other distinguished members of the Committee, thank you for the invitation to testify today in support of H.R. 5512, the “Coin Modernization and Taxpayer Savings Act of 2008”, introduced on February 28, 2008.

I am Richard Geerdes, President and Chief Executive Officer of the National Automatic Merchandising Association (“NAMA”), a 501(c)(6) national trade association headquartered in Chicago and founded in 1936. I am here on behalf of NAMA’s nearly 1,000,000 members nationwide in this over \$40 billion dollar a year industry. NAMA’s membership is composed of the key elements of our nation’s vending industry: the small and mid-sized businesses who are the owner/operators of millions of coin-operated vending machines across our country in public and private locations, and the small, mid-sized and large businesses who are the suppliers of bottled and canned and cup beverages, packaged foods and other packaged products sold to the public in those coin-operated vending machines.

H.R. 5512 is very important, and NAMA supports its passage. The coin modernization process and needs of our federal government and country, the productive operation of our industry, and meeting the needs and best interests of the taxpayer consumer/customers who use our country’s vending machines and purchase our suppliers’ products, are all vital aspects of H.R. 5512. I am here to offer NAMA’s specific and unique perspective on H.R. 5512 and discuss why this legislation should be passed.

In its current form and after very productive collaboration with your Committee staff, H.R. 5512 now provides that future coins, while reducing production costs for the taxpayer, must work in existing coin-acceptance equipment in our country’s vending machines and anywhere where coins are used without modification to that equipment. NAMA, on behalf of the food and refreshment vending industry, appreciates very much this fine-tuning of H.R. 5512 from both a practical and cost-to-the-industry standpoint, and the opportunity to work with your Committee staff to make H.R. 5512 as practical and beneficial as possible.

Sec. 3 of H.R. 5512 is important because, in its current form, it provides the following two key benefits:

- ▶ First and foremost, it will result in keeping costs down for the customers who use our country’s vending machines. Vending is a low-profit high capital investment business without much room to absorb cost increases without asking its customers to pay more. Of course, these customers also are taxpayers, so H.R. 5512 will help make their dollars stretch further in meeting their personal and family needs.

- ▶ Second, it avoids millions of dollars of additional expense for our nation's owner-operator run vending industry, a mature but key retail delivery channel of convenience to consumers. Those dollars are vitally needed for the viability and modernization efforts now underway in the industry that will ensure it can continue to meet the needs of consumers in the future as well as maintain and grow the jobs it supplies to taxpayers across the country.

NAMA believes that H.R. 5512 thus promotes both the financial interests of our country's consumers and taxpayers as well as those of our economy. Today, it is even more apparent that every effort to assist small businesses to operate more productively and to invest more dollars to that end, and to help keep vending machine user costs down for American consumers and taxpayers is vital for the U.S. economy's health and growth.

We at NAMA share your Committee's interest in protecting consumers from unnecessary higher prices and in saving the taxpayer money. We are pleased to be part of this process in which your Committee develops legislation to make these goals a reality. We agree that rising prices for copper, nickel and zinc require an examination of the alloys used in making U.S. coins, but we submit that such an examination should be just one element in broad, fundamental coin and currency reform. Any such reform should include replacing dollar bills with dollar coins, which would save the taxpayer at least \$600 million a year.

With the full concurrence of our Board of Directors, NAMA fully endorses H.R. 5512 as written, and we will communicate our support nationally to our membership and ask them to do likewise. We look forward to working with you and all members of the House Committee on Financial Services, as well as the Committee's staff, on continuing initiatives to modernize our nation's coins and currency.

I would be happy to answer any questions at this time.

Thank you.

Richard M. Geerdes, NCE
President & Chief Executive Officer
National Automatic Merchandising Association