

Statement of

**Thomas T. Gordy**

**President**

**Armed Forces Marketing Council**

before the

**Subcommittee on Military Personnel**

**Committee on Armed Services**

**United States House of Representatives**

**February 10, 2011**

**Submitted for the record.**

**Not for publication until**

**released by the House**

**Armed Services Committee.**

Good afternoon, Chairman Wilson, and distinguished members of the Subcommittee on Military Personnel.

My name is Tom Gordy and I am President of the Armed Forces Marketing Council (AFMC). Thank you for inviting me here today to offer comments regarding the military resale services and the vital role they serve in supporting the quality of life of our service members and their families. (A curriculum vitae and disclosure form are provided in Exhibit I, as well as information about the Armed Forces Marketing Council and the role its members play in supporting the military resale industry in Exhibit II.)

Mr. Chairman, as we consider the military resale systems and the benefit they provide, there are a few facts that I believe should be noted first and kept in mind throughout our discussions:

- DeCA continues to receive clean audit opinions, demonstrating responsible stewardship of taxpayer dollars
- All systems continue to maintain or improve their Customer Satisfaction Index (CSI) scores showing they are more in step with customer needs
- All systems continue to exceed savings benchmarks for patrons, providing double digit savings for military families
- The exchanges continue to post strong dividends in support military quality of life programs
- All systems continue to see increases in numbers of transactions
- All systems continue to recapitalize their stores and modernize their systems, seeking to always provide military families with a quality shopping environment while driving efficiencies whenever and wherever possible.

The military resale systems are also to be commended for their expeditionary support to the warfighter. The exchanges, particularly AAFES and MCX, continue to support the needs of our warfighters on the front lines in Iraq and Afghanistan, while NEXCOM supports our service members in places like Guantanamo Bay and Djibouti. They also rapidly deploy to support troops mobilized to respond to natural disasters such as the devastating earthquake that struck Haiti last year. The employees of the exchanges who deploy in support of these contingencies are to be commended for their commitment and dedication to serve our warfighters in these difficult environments.

Over the past few years, as our economy has struggled to regain momentum, we have seen the impact on military families. According to recent analysis published in a November 29, 2010 Army Times issue, the value of food stamp usage among commissary patrons has tripled since 2007. This rate of increase is 33% higher than for civilians, which saw a doubling of the value of food stamp usage. Thus, the benefit is as important as ever in supporting the financial readiness and the health and well-being of our service members and their families.

### **Value and Success through Partnership**

The success of military resale can be attributed to the strong partnership among everyone engaged in and with the military resale systems over a period of many years - from this Subcommittee and its Senate counterpart to the Pentagon leaders, from systems' headquarters to the store level employees. Their collective efforts have been characterized by great vision, dedication, and hard work.

Industry support and cooperation has been another key factor in the ability of military resale to offer familiar brand name products at the lowest possible prices. The supplier community understands the role of commissaries and exchanges and fully subscribes to their respective missions. In our view, the interaction between military resale and industry is one of the very best examples of public private partnership.

The partnership that has been forged between industry and military resale is very strong, with a common mission and vision to provide quality, name brand products at low prices for the patron, and through the sale of those products, particularly in the exchanges, to reap a dividend to support military quality of life programs for our military families.

The Armed Forces Marketing Council is a passionate advocate for military resale because it recognizes how important commissaries are to the men and women who serve our nation around the world. However, the importance of military resale as one of the major components of military quality of life programs is even more profound.

At the end of the day, what makes the military resale systems a success is value. And that is why the Armed Forces Marketing Council and its members strive to protect and strengthen the military resale benefit.

Although we often discuss the value of the military resale benefit in terms of savings to military patrons, the overall value goes far beyond those savings. This truth can best be understood in the context of President Obama's recently announced initiative to support military families. Military resale is already aligned in a significant way with the four pillars of that initiative:

1. Enhance the well-being and psychological health of the military family.

2. Ensure excellence in military children's education and their development.
3. Develop career and educational opportunities for military spouses.
4. Increase child care availability and quality for the Armed Forces.

Military commissaries and exchanges enhance the peace of mind and "financial readiness" of military families by the substantial savings they offer. For example the average family of four can save \$4,400 per year by shopping at the commissary.

In addition, military resale supports and encourages the health and wellness of military families. The commissaries stock a broad array of healthy eating choices, highlighting them with special signage and educating their shoppers about the better diet options on the DeCA shopper website. For its part, industry promotes these good-for-you products with recipes, coupons and advertising.

The exchanges promote the concept of family fitness, featuring and cross-merchandising nutritional supplements with sports apparel and exercise equipment. They also help fund the gyms, pools, tracks, parks, and other quality of life amenities through annual MWR dividends. The systems, as well as the industry partners, participate and sponsor events such as races and marathons, recycling initiatives, and other programs that promote clean, healthy living.

The DoD school lunch program overseas is an important additional and somewhat unheralded facet of the mission of the exchanges. In order to ensure the excellent education and development of military children, the children must have proper nourishment and the exchanges are doing their part to by providing healthy meals for our children in overseas schools.

The military resale systems, as well as the specialized companies supporting the them, provide jobs for military family members, guard and reserve members, veterans and retirees. The percentage of military affiliated employees ranges from 25% for some firms to 62% for DeCA. The industry has and continues to be committed to supporting jobs for military families. And many of these jobs are transferable, meaning if the service member gets permanent change of station orders, his or her spouse's job goes with them to the new base.

As for childcare, again, MWR dividends generated through the exchanges helps financially support this incredibly important quality of life benefit for military families.

Beyond the four pillars identified in the President's initiative, the benefit itself serves as a tool for retention and recruitment and it supports the readiness of our troops and their families. For military families stationed overseas, it is the comfort of being able purchase the products they know and trust in a safe environment.

It should also be noted that the resale industry, from manufacturers to the local store employees, supports a wide range of military related charitable endeavors that benefit military families, wounded warriors, and the children of those who have paid the ultimate sacrifice. They do so through individual and corporate contributions, as well as all manner of fundraising events. We are proud to be a part of such a wonderful community that serves the most deserving customers in the world.

### **Protecting and Strengthening the Benefit**

As it stands today, we view the benefit as strong and vibrant, providing good value to our military families. However, as we look to the future there are policies,

practices and proposals that we believe warrant Congress' attention and action in order to prevent them from adversely impacting the resale benefit.

### **3% Withholding**

The first policy that concerns us is the 3% withholding requirement that will go into effect on January 1, 2012. Established under Section 511 of the 2005 Tax Prevention and Reconciliation Act of 2005, federal, state and local governments will be required, as of the implementation date, to withhold 3% of contract payments.

We agree that delinquent contractors should be forced to pay their taxes, but this legislation also applies to those who have been compliant. In effect, it requires every contractor to make what constitutes an interest-free loan to the government. However, our concern lies more in the fact that, when implemented, the requirement will most certainly have an adverse impact on the military resale benefit:

- If implemented, withholding three percent on payments to vendors would lead to higher prices on products sold in exchanges and commissaries, and impose increased costs on the military resale systems because they will need to develop accounting processes and systems to comply with the withholding requirement.
- The military resale systems will see less willingness on the part of suppliers to offer deals, allowances, promotions, and prompt payment discounts.
- The systems will be faced with a complicated reconciliation process between payable and receivable statements, which may require additional staff to monitor and report to the IRS.

- Additional costs on the exchange systems will result in reduced dividends for Morale, Welfare & Recreation (MWR) programs thus adversely impacting military family quality of life programs that already operate on tight budgets.
- The military resale systems will be placed at a competitive disadvantage because the law applies only to government retailers, not civilian.

We know it was never the intent of Congress to hurt military families through Section 511. But the reality is that military families will have to pay more for the products they purchase at the commissaries and exchanges.

Mr. Chairman, we greatly appreciate your efforts in seeking to exempt military resale from Section 511 and also your partnership with Mr. Herger (R-CA) in sponsoring legislation to repeal Section 511 once and for all. We hope that all Members of the Subcommittee will join you in both of those efforts in order to protect our military families.

Please keep in mind - time is of the essence. Although implementation is just over ten months away, costs will be borne this year to prepare for compliance, by both the government agencies and the industry. The sooner exemption or repeal is achieved, the less money and time will be expended and wasted by all.

### ***Funding of DeCA***

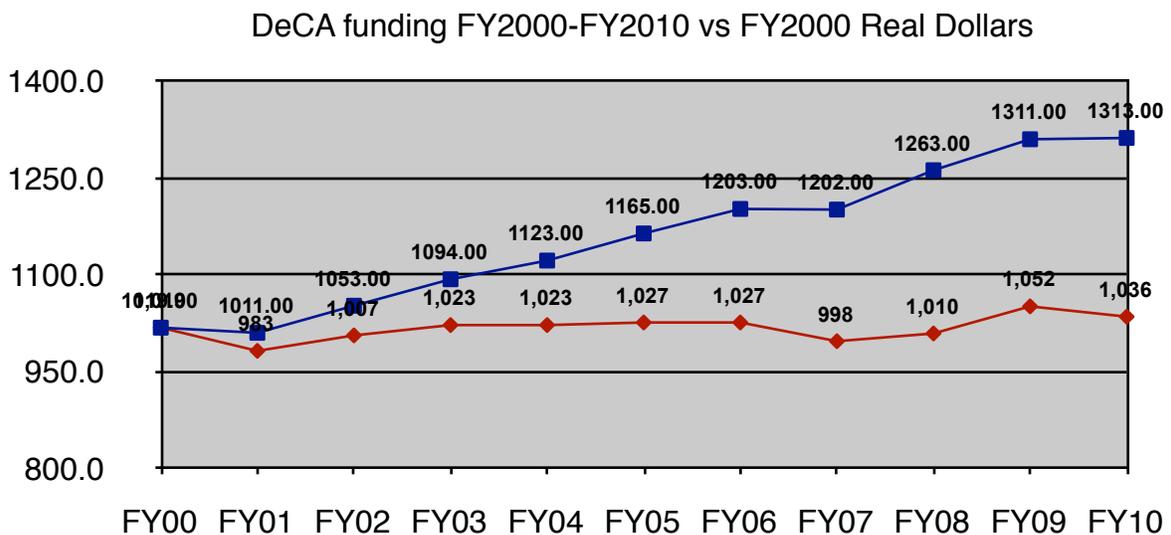
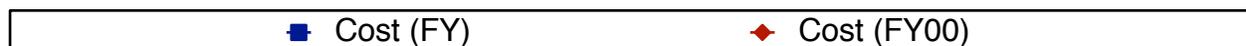
Another issue of concern is the potential for cuts to the commissary operating fund appropriation. In this time of fiscal austerity, we recognize that Congress and the executive branch must seek savings in the federal budget to reduce the deficit and federal debt. There have been many discussions over the past year regarding areas to

cut or eliminate to achieve efficiencies and savings. Some of the proposals have recommended cutting DeCA's budget or consolidating the agency with a consolidated exchange system.

### Budget Cuts

The Armed Forces Marketing Council favors cuts based on increased efficiencies. It opposes budget reductions that would close stores or otherwise degrade the value of the commissary benefit.

Nine straight clean audit opinions confirm that DeCA is a responsible steward of taxpayer dollars. DeCA's history also demonstrates that it is a model of efficiency for the entire Department of Defense, as well as the entire federal government. Consider that, since 2000, DeCA's budget has remained flat in real dollars, meaning they have done more with less for the past eleven years.



Source: DeCA/Consumer Price Index data (FY2000-FY2010)

It should also be noted that DeCA reduced its budget from \$1.313 billion in FY2010 to \$1.273 billion in FY2011 due to lower operating costs resulting from Base Realignment and Closure (BRAC), as well as fewer operating days related to slight year-to-year variations in the calendar.

With the \$1.31 billion DeCA received last year, it generated savings to military families in the amount of \$2.69 billion. This represents a more than a 2-to-1 return on the taxpayer's investment, and a sizable boost to military family budgets. In short, DeCA is a real and vital benefit to those continue to sacrifice so much in defense of our country.

Although we've not seen the President's budget proposal for FY2012, we are hopeful that further efficiencies will enable DeCA to absorb any cuts that might be imposed without any discernible impact on the benefit. However, we are very concerned that there might be additional cuts in FY2013 and beyond that could force DeCA to close stores, reduce operating hours and diminish service. All such actions would have an immediate, negative impact on military families and effectively degrade the value of this vital benefit.

The Subcommittee has always served as a bulwark against misguided initiatives that would compromise the commissary benefit. For that we are very grateful. We respectfully request Members of the Subcommittee oppose any cuts in commissary funding that would diminish the benefit for military families.

## **Resale Consolidation**

Mr. Chairman, you are aware that the National Commission on Fiscal Responsibility and Reform's recommended the consolidation of the exchanges and the commissary into one non-appropriated fund entity. In order to pay for the new consolidated system, commissary prices would have to be raised 5%. They also propose that government provide active duty military personnel a \$600 stipend to offset the increased prices on groceries. The stipend would not be provided to Guard or Reserve service members or retirees, who are also eligible patrons of the benefit.

Since 1968, numerous exchange consolidation proposals have been put forward. On their face, they seem to make sense. The arguments for consolidation promise efficiencies and reduced costs. They certainly brief well and seem unassailable in a Power Point presentation. But current and past proponents of consolidation have not understood how complicated and expensive an endeavor consolidation is. They also fail to take into account the many retail business mergers that have been wracked with difficulties and have never lived up to expectations.

At a cost of well over \$17 million, study after study has been conducted to determine a cost effective business case for consolidating the exchanges. The most recent of these studies was given impetus by a 2003 memo by then-Deputy Secretary of Defense Paul Wolfowitz when he wrote in a memo to then-Under Secretary of Defense for Personnel and Readiness David Chu, that "a single optimized Armed Service exchange system would best serve the department and exchange patrons."

After extensive research and analysis, the study concluded that a single consolidated exchange system was not cost effective, that any savings generated by

consolidation would take years to achieve, and that collaboration amongst the exchanges was a much more cost effective approach at reducing overhead costs.

Therefore, since exchange consolidation itself is not a cost effective approach at delivering the exchange benefit, it only stands to reason that consolidating the exchanges and the commissary would not be cost effective.

We respectfully ask the Subcommittee to oppose consolidation proposals as long as there is no cost effective business case for doing so. We also ask the committee to remain committed to current law which requires the DoD to operate separate commissary and exchange systems (Title X, Section 2481(a)).

### ***Local Procurement Mandates***

Mr. Chairman, over recent years, there have been occasional attempts to require DeCA and the exchanges to purchase certain items from local vendors. We understand the desire of congressional representatives to support local jobs by encouraging such actions. However, in our view, mandating such requirements would be costly, unnecessary, perhaps in some cases illegal, and could potentially result in higher prices and fewer products from which to choose that meet the patron's budget.

Please let me explain. First, to mandate local procurement would mean the systems would have to hire more buyers, produce more contracts, conduct more inspections, etc. This would put undue pressure on already tight resale operating budgets at a time when DeCA faces the specter of even greater budget constraints.

We believe such measures are unnecessary in that military resale already does business with local suppliers and small businesses if their products meet established

criteria and, in the case of DeCA, the legal requirements set forth in Title X, Section 2484(f), which requires the products to be sold in the commissary to be a name brand, sold in more than one commercial grocery or other retail operation on a national or regional basis. It is this law that undergirds the commissary benefit, ensuring that military patrons are able to buy at cost the name brand products with which they are familiar and they desire.

Lastly, because the products are local does not necessarily mean they are cheaper or healthier. The systems should have the flexibility to purchase the products the patrons desire, that meet Title X requirements, based upon competitive pricing. Mandating local procurement could result in price gouging by some vendors knowing that the systems must purchase locally with little or no competition.

The current procurement systems work well: They are efficient, competitive, and provide the recognized brands that patrons desire at a price that ensures they are getting real savings. We encourage the subcommittee to support their local businesses by encouraging their participation in the open and fair competitive processes that already exist instead of imposing mandates that would limit with whom the military resale systems can do business. Ultimately, patron demand will determine the success or failure of any product carried.

### ***Relief from Armed Services Exchange Regulations***

One issue we believe would enhance the resale benefit is relief for exchanges from the Armed Services Exchange Regulations(ASER).

Our concern is that if military resale cannot provide the shopping experience that patrons expect, then the patron will be driven outside the gate to find the product assortments they need and desire. When patrons have no choice but to shop elsewhere due to policy constraints, the result is a loss in dividend revenue for MWR and quality of life programs and a loss of savings for the patron.

It should also be noted that if military families were able to go to their exchange and purchase, for instance, quality furniture that meets their needs, they could purchase those products using the military star card, which provides favorable credit terms that are sensitive to the military lifestyle and sacrifices, and at a significantly lower interest rate. For instance, if a service member purchases furniture with his star card, then if he deploys, the finance charges are reduced until he returns home.

Additionally, the exchanges provide free repair of the furniture if damaged during a permanent change of station move. These are aspects of the value proposition of the benefit that are not well-known. However, military families are not being allowed to enjoy the full value of their benefit because of limitations in place because of ASER.

We thank the subcommittee for its past efforts to provide relief to the merchandise restrictions as established in Enclosure 4 of DoD Instruction 1330.21. We respectfully request you to again consider providing additional relief to the exchanges from remaining ASER merchandise restrictions so that military families can enjoy the full value of this benefit they have earned.

## **Base Access**

We commend the American Logistics Association and the Department of Defense for their protracted efforts to address vendor access to military bases in order to support this benefit. This has not been an easy undertaking. Because of their hard work, patience and diligence, we are hopeful that a solution is nearly at hand. However, there is still work to be done to ensure the person checking access cards at the gate recognizes the card provided to the vendor community.

Each vendor undergoes a vigorous background check and is issued a government-issued identification card. However, the electronic readers that would validate the access card still need to be purchased and installed at the gates of our military facilities. These devices are part of the program, not just for vendor access, but for access by Common Access Card holders as well.

We are very concerned that the military services may choose different vendors and products to support identification authentication at the gate and their systems may not be interoperable. This would require multiple Common Access Cards for the single individual and multiple background checks, which is very expensive. We hope that an interoperable solution can be achieved, one that is efficient, reasonably priced, and effective at protecting our military facilities.

We are hopeful that this issue will see a quick resolution and ask the subcommittee to ensure that the issue is fully resolved so that vendor employees are able to access base exchanges and commissaries to continue unimpeded support for the delivery of the benefit to military families.

## ***Interchange Fees***

Last year, Congress passed and the President signed into law the Financial Reform Act. The act included the Durbin amendment, which provided relief from interchange fees for debit card transactions.

We fully support the Durbin amendment for it has helped to reduce the overhead costs of the exchanges. Interchange fees continue to increase as more and more consumers use credit and debit cards for their purchases. The costs to the exchanges for interchange fees is over \$100 million per year and growing.

These costs eat away the MWR dividends, which are vital in supporting quality of life programs for military families. We urge Subcommittee Members to oppose any repeal of the Durbin amendment.

## **Conclusion**

In conclusion, the view of the Armed Forces Marketing Council is that the military resale benefit continues to work well. It's honest, efficient and responsive. Its success derives from the unfailing commitment that exchange and commissary operators have made to customer service, patron savings and an unfailing commitment to continued process improvements and efficiencies to keep costs and, thus, prices low.

Credit is also due to this Subcommittee and its staff for its well-informed, non-partisan oversight and support. The members of the Armed Forces Marketing Council are grateful for the subcommittee's efforts, as are other segments of the supplier community. But more importantly, given the chance, military members and their families appreciation if they fully understood your pivotal role.

Chairman Wilson, again I thank you for allowing the Armed Forces Marketing Council to participate in today's hearing. I look forward to answering your questions.

## Exhibit I

### Thomas T. Gordy Curriculum Vitae

Tom Gordy serves as the President of the Armed Forces Marketing Council, a position he has held since March 2008. In this role, he works to support and enhance the military resale benefit for military families by engaging with congressional and military resale industry leaders to address issues of concern to the members of the Council.

Prior to being appointed to his position at AFMC, Tom worked as a Sr. Strategic Communications Consultant for The Wexford Group/CACI supporting the congressional and public affairs directorates of the Joint Improvised Explosive Device Defeat Organization.

In January 2001, Tom began a six-year career on Capitol Hill, serving as a Communications Director, Defense Policy Advisor, and Chief of Staff to two successive Members of Congress representing Virginia's Second Congressional District.

Tom is a native of Monroe, Louisiana, and alumni of the University of Louisiana at Monroe, graduating in May 1995 with a Bachelors of Business Administration.

While in college, Tom served as a minister of youth and pastor at churches in northeast Louisiana. Following graduation, he and his wife Theresa moved to Juneau, Alaska where he served as Associate Pastor at Glacier Valley Baptist Church. Living in Juneau, the state capitol, Tom became involved in politics, which led to a career change in 1998.

In June 1998, Tom and his family moved to Virginia Beach, VA where he enrolled in the Master of Arts in Political Management program at Regent University. He completed his degree in December 2003.

In November 2002, Tom was commissioned as a U.S. Navy Reserve Public Affairs Officer. From March 2009 to February 2010, Tom was mobilized to active duty and served in Iraq as the Legislative Affairs Officer and Deputy Public Affairs Officer to U.S. Army Gen. Ray Odierno, Commander, Multi-National Forces-Iraq.

Tom's awards include Army Commendation Medal, Joint Service Achievement Medal, Joint Meritorious Unit Award, National Defense Service Medal, Iraq Campaign Medal, Global War on Terror Service Medal, Sea Service Deployment Ribbon, Armed Forces Reserve Medal with "M" Device, and Navy Expert Pistol Marksmanship Medal.

**DISCLOSURE FORM FOR WITNESSES  
CONCERNING FEDERAL CONTRACT AND GRANT INFORMATION**

**INSTRUCTION TO WITNESSES:** Rule 11, clause 2(g)(5), of the Rules of the U.S. House of Representatives for the 112<sup>th</sup> Congress requires nongovernmental witnesses appearing before House committees to include in their written statements a curriculum vitae and a disclosure of the amount and source of any federal contracts or grants (including subcontracts and subgrants) received during the current and two previous fiscal years either by the witness or by an entity represented by the witness. This form is intended to assist witnesses appearing before the House Armed Services Committee in complying with the House rule. Please note that a copy of these statements, with appropriate redactions to protect the witness’s personal privacy (including home address and phone number) will be made publicly available in electronic form not later than one day after the witness’s appearance before the committee.

**Witness name:** Thomas T. Gordy

**Capacity in which appearing:** (check one)

Individual

Representative

**If appearing in a representative capacity, name of the company, association or other entity being represented:** Armed Forces Marketing Council

**FISCAL YEAR 2011**

federal grant (s) / contracts	federal agency	dollar value	subject(s) of contract or grant
None			

**FISCAL YEAR 2010**

<b>federal grant (s) / contracts</b>	<b>federal agency</b>	<b>dollar value</b>	<b>subject(s) of contract or grant</b>
None			

**FISCAL YEAR 2009**

<b>Federal grant (s) / contracts</b>	<b>federal agency</b>	<b>dollar value</b>	<b>subject(s) of contract or grant</b>
None			

**Federal Contract Information:** If you or the entity you represent before the Committee on Armed Services has contracts (including subcontracts) with the federal government, please provide the following information:

Number of contracts (including subcontracts) with the federal government:

Current fiscal year (2011): 0 \_\_\_\_\_ ;  
 Fiscal year 2010: 0 \_\_\_\_\_ ;  
 Fiscal year 2009: 0 \_\_\_\_\_ .

Federal agencies with which federal contracts are held:

Current fiscal year (2011): N/A \_\_\_\_\_ ;  
 Fiscal year 2010: N/A \_\_\_\_\_ ;  
 Fiscal year 2009: N/A \_\_\_\_\_ .

List of subjects of federal contract(s) (for example, ship construction, aircraft parts manufacturing, software design, force structure consultant, architecture & engineering services, etc.):

Current fiscal year (2011): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2009: \_\_\_ N/A \_\_\_\_\_ .

Aggregate dollar value of federal contracts held:

Current fiscal year (2011): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2009: \_\_\_ N/A \_\_\_\_\_ .

**Federal Grant Information:** If you or the entity you represent before the Committee on Armed Services has grants (including subgrants) with the federal government, please provide the following information:

Number of grants (including subgrants) with the federal government:

Current fiscal year (2011): \_\_\_ 0 \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ 0 \_\_\_\_\_ ;  
Fiscal year 2009: \_\_\_ 0 \_\_\_\_\_ .

Federal agencies with which federal grants are held:

Current fiscal year (2011): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2009: \_\_\_ N/A \_\_\_\_\_ .

List of subjects of federal grants(s) (for example, materials research, sociological study, software design, etc.):

Current fiscal year (2011): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2009: \_\_\_ N/A \_\_\_\_\_ .

Aggregate dollar value of federal grants held:

Current fiscal year (2011): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2009: \_\_\_ N/A \_\_\_\_\_ .

## Exhibit II

The Armed Forces Marketing Council was incorporated on April 25, 1969 as a non-profit business league. It is comprised of firms representing manufacturers who supply consumer products to military resale activities worldwide. The purpose of the Council is to:

- Promote unity of effort through a cooperative working relationship among the Congress, the military, and industry.
- Provide a forum for addressing industry issues.
- Encourage worldwide availability of quality consumer products at the best possible prices and value.
- Encourage continued congressional support and funding of the resale system.
- Assist in maintaining the resale system as an integral part of military life.
- Promote awareness of sales and marketing agency services to the military resale system.

Council firms also subscribe to a code of ethics requiring that each member firm maintain the highest level of integrity and professional conduct and consider this to be critical to its credibility.

Some firms serving on the Council have been providing service to the resale system for over sixty years. For the most part, member firms are small, privately-held businesses formed in response to the need for quality, specialized sales representation to the unique worldwide military resale market. These firms have developed marketing and merchandising programs tailored specifically to deliver efficient support to military resale operations.

Through the link they form between the resale services and the manufacturers, these firms assure continuous availability of the complete array of consumer products normally found in the civilian marketplace. They offer services in a more efficient manner than all but the very largest manufacturers can provide using their own resources. If that were not the case, the firms belonging to the AFMC would not exist.

AFMC firms collectively represent several hundred manufacturers, both large and small. Together, our firms have nearly 3,000 people working directly in the stores, with the various resale services headquarters, and with the manufacturers to assure that the right products are on the shelf at the right time, in the right quantities and at the best prices and value. By so doing, they have played a significant role in maintaining the resale system as a vital part of the fabric of military life.

It is important to note that AFMC members see themselves as:

- “Stakeholders” in the military resale system.
- Interested in contributing to the continued viability and health of the resale system.
- Having expert perspective based on many decades of experience in servicing the military resale system.

## **Member Firms of the Armed Forces Marketing Council**

### **Acosta Military Division**

8031 Hampton Blvd.  
Norfolk, VA 23505

### **Dixon Marketing, Inc.**

301 Darby Avenue  
PO Box 1618  
Kinston, NC 28503

### **Dunham & Smith Agencies**

8220 Elmbrook Dr.  
Dallas, TX 63103

### **Overseas Service Corporation**

1100 Northpoint Parkway  
West Palm Beach, FL 33407

### **S&K Sales Co.**

2500 Hawkeye Ct.  
Virginia Beach, VA 23452

### **Specialized Marketing International**

8220 Elmbrook Dr.  
Dallas, TX 75247