

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**

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**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.)

Chairman Wilson, as a representative of the Armed Forces Marketing Council and as a patron of military resale, I want to begin by offering our most sincere appreciation to you, Ms. Davis and the Members of the Personnel Subcommittee who last year joined in signing the letter to the Secretary of Defense to demonstrate strong support for the resale systems and the benefit they provide to military families.

The Council also would like to go on the record and thank the member associations of The Military Coalition and the National Military Veterans Alliance for their efforts last year in opposing S. 277 and the Coburn Amendment to the 2012 National Defense Authorization Act, both of which called for consolidation of military resale. Because of the combined efforts of so many individuals and organizations, we are happy to state that both pieces of legislation were not passed by the Senate.

However, the threat of consolidation remains and I will address consolidation in greater detail later.

We are also very grateful to Congress for passing the repeal of the 3% withholding requirement on government contracts. This subcommittee was instrumental

in highlighting the adverse impact that the impending enactment of the withholding requirement would have on the commissaries and exchanges, specifically that it would result in higher prices on the products sold, diminishing the value of the benefit provided to military families. Passage of the repeal has saved hundreds of thousands to millions of dollars from being unnecessarily spent by the resale systems, protected the Morale, Welfare and Recreation (MWR) dividend provided by the exchanges, and ensured that prices at the shelf remain low for the patron.

Much effort was put forth by numerous people last year to help protect this vital quality of life benefit for military families and we are pleased with the success of these efforts.

We also want to recognize the work put forth by the Department of Defense and the military resale systems to continue to deliver a world-class benefit for military families.

Once again, the Defense Commissary Agency was recognized for its efficiency and received a clean audit opinion. The commissaries continued to provide an average savings of 31% to the patron. In dollar terms, these estimated savings amounted to \$2.6 billion total, or an average of \$4,400 for a family of four.

The exchanges continued to take the benefit to the patrons where ever they were in the world, providing over 20% savings, which amounted to approximately \$3 billion.

Yet again a natural disaster highlighted the importance of military resale in supporting our military families. When the earthquake and tsunami struck Japan in April, 2011, military resale, working with industry partners, ramped up efforts to ensure that military families stationed in Japan had access to food, water and other essentials

like diapers and baby formula. Not only did they support our military families, but also were able to support the recovery effort, providing the United States with another element of humanitarian support to our friends in Japan.

Military resale is also helping to support the national initiative to hire veterans, and the systems as well as industry partners are pleased to count among their employees many veterans, retirees and dependents who make up nearly half of the workforce of some businesses and resale entities.

The resale systems, their employees and the resale industry partners also continue to give back to the military community. The exchanges generated nearly \$300 million in MWR dividends while the employees, manufacturers, brokers and distributors, through numerous fundraisers and promotions contributed millions of dollars to organizations like the Wounded Warrior Project, the National Military Family Association, and Fisher House to name a few, as well as providing numerous scholarships to our military children for college.

As you can see, the military resale benefit is not only about providing access to name brand products at a low price to the patron. The benefit goes beyond price and savings and what we've seen transpire over the past sixteen months since we last met is illustrative of the many facets of the benefit provided to military families through the commissaries and exchanges.

Mr. Chairman, in these challenging budgetary times, we are grateful that, to date, military resale continues to be viewed by leaders both in Congress and in the Department of Defense to be a vital quality of life benefit to our military families. The support to resale has been nothing short of remarkable, particularly in light of proposals

that would seek to significantly alter and/or reduce other benefits cherished by our military families.

Nonetheless, there are a few issues that we would like to highlight in today's hearing that we believe could help enhance the resale benefit or have significant adverse impacts on the benefit going forward.

### **Resale Consolidation**

The Congressional Budget Office developed a proposal, known as Option 6, which was included in its 2011 Budget Options, that calls for defunding the Defense Commissary Agency (DeCA) and converting it into a Non-Appropriated Fund Activity (NAF). It further calls for consolidating the commissary agency with the exchange systems, resulting in one NAF military resale system. Additionally, to compensate for the loss of the appropriated subsidy for DeCA, the proposal recommends raising prices by 7% on food and other merchandise while providing a stipend of \$400 per year to each active-duty service member.

The proposal was included as an illustrative savings in the National Commission on Fiscal Responsibility and Reform's final report, as well as in the Sen. Tom Coburn's "Back in Black" deficit reduction plan. Sen. Coburn also submitted an amendment to the 2012 National Defense Authorization Act last year that would have imposed a variation of consolidation.

Currently, DeCA receives approximately \$1.3 billion of annual appropriation to fund its operations. Additionally, the exchanges receive approximately \$200 million to pay for shipping merchandise to overseas exchanges. These funds ensure that

OCONUS-based military personnel and their families pay the same price on merchandise as that which is sold in CONUS exchanges.

The consolidation proposal fails to recognize the fundamental reason for military resale - to provide a non-pay compensation benefit to military families. As stated earlier, military families save an average of 31% by shopping in the commissary and an average of over 20% by shopping in the exchanges. These savings to military families were estimated at \$5.6 billion last year.

The CBO proposal makes some significant assumptions without the benefit of a business-case analysis to prove its conclusions. For instance, the 7% increase in prices on merchandise is based on an arbitrary assessment of the cost of operations of a new consolidated system. CBO assumes that a 7% across-the-board price increase would cover the costs. How does CBO know what the cost would be to operate one system? CBO does not provide any details on how it arrives at this assumption.

Further, CBO did not include the cost of consolidation into its assessment. This cost would be borne by military families through higher prices as well, since non-appropriated funds would be required to pay for consolidation. The 7% increase in prices is a floor, not a ceiling. The anticipated increases would be significantly higher to pay for consolidation and operations concurrently.

In our view, the proposal establishes a military resale system that is not sustainable and will result in the loss of the benefit. A fundamental law of retailing is that if you raise your prices arbitrarily, then your customers shop elsewhere. As the higher prices in the commissaries and exchanges drive military patrons to shop elsewhere, the system, in order to continue operations, will have to respond by raising

prices and/or cutting services, both of which will result in more and more patrons shopping elsewhere. The CBO's proposal will result in a downward spiral in sales, ultimately resulting in the demise of the resale benefit for military families.

CBO states that military families will have to pay \$1.4 billion more for the food and merchandise they purchase in the commissary and exchange. In essence, that is a \$1.4 billion tax placed military families.

However, as the benefit spirals downward, military families will pay more and more losing all of the savings currently enjoyed, ultimately resulting in the loss of all savings, making them pay \$5.6 billion more for their groceries and household items.

Consolidation of military resale, particularly the exchanges, is not a new idea. On the surface, consolidation appears to provide savings to the taxpayer while enhancing the benefit for military families. Thus, the Department of Defense has made many attempts at consolidation since 1968. The latest attempt took place between 2003 and 2006 when the United Exchange Task Force was created to implement consolidation. After \$17 million of studies and analysis of consolidation methods, it was determined that the most cost-effective approach was not consolidation, but rather cooperation between the systems. It should be clearly understood that, to date, no business case exists for the consolidation of the military resale systems. Otherwise, consolidation already would have occurred.

The CBO proposal actually encourages military families to use the annual \$400 stipend to shop elsewhere, but fails to recognize that military families overseas and in remote locations in the U.S. depend on commissaries and exchanges exclusively. Even if there were options outside of the gates of overseas bases, military families would

have to pay exchange rates, higher tax rates, as well as foreign exchange transaction fees if they use credit cards, resulting in their purchases costing significantly more.

It should also be understood that most of these overseas and remote stores do not generate enough sales to sustain themselves. Thus, the sales from stores in CONUS ensure the delivery of the benefit to military families in the more remote and overseas locations. Thus, undercutting sales in CONUS stores by having patrons shop elsewhere will hurt military families overseas and in remote locations.

The military resale system saves taxpayers money, too. These savings, as described below, would disappear with the implementation of the consolidation proposal. The loss of these savings was not a factor considered by CBO in its calculations to determine the amount of reduction in spending:

- *The exchanges generate \$300 million in MWR dividends* which are used to support quality of life programs for military families. The loss of those dividends would mean taxpayers would have to make up for the loss of the dividends and/or the quality of life programs would be eliminated due to lack of funding.
- *Military resale supports retention.* The Commissary benefit is the one of the most important benefits to military families - second only to healthcare - and is one of the leading reasons why expensively-trained service members stay in the military. Savings to the taxpayer are generated because less money is spent on training new personnel due to attrition.
- *Military resale supports readiness.* Ask most service members currently engaged in our war efforts what we can do to support them, they would respond, "Take care of our families." The peace of mind that military resale gives to our warfighters

helps them focus on their mission. The benefit helps to ensure that military families at home are able to pay their bills because of the savings provided. At a time where we are seeing the value of food stamp usage in the commissaries triple in recent years, the benefit is even more important in helping our military families make ends meet.

- *Military resale saves money by lowering Cost-of-Living Allowances (COLA).* DoD uses the savings generated by the commissaries and exchanges in their formula to determine the annual COLA. These savings to shoppers result in savings to the taxpayer through lower COLAs. As prices rise in the commissary and exchanges, the amount of off-set generated by the savings is reduced, resulting in more taxpayer dollars being spent to pay for the COLAs.
- *Military resale provides for the readiness of military lift capabilities.* Overseas transportation of goods to commissaries and exchanges on OCONUS bases helps maintain a robust and ready lift capability, particularly in peace time. Without military resale, ships and aircraft would be mothballed during times of peace and would have to be brought back to a ready state in times crisis. This process is very costly, time consuming and limits our ability to respond. Because of military resale, our lift capability is maintained at all times and is ready at a moment's notice.

The military resale system is a strong benefit and provides an incredible return on investment for the taxpayer. Combined, DeCA and the exchange systems receive \$1.5 billion annually and with those dollars they generate \$5.6 billion in benefit savings. That

means for every dollar spent to support military resale, the systems generate nearly \$4 in benefits.

The CBO proposal to consolidate the resale systems would reduce the savings to the patron, put the benefit on a death spiral and adversely affect recruitment and retention of our troops. The estimated savings determined by CBO will be greatly reduced or even eliminated by higher costs elsewhere in the budget due to the loss of offsets generated by resale. It is the view of the Council that without a business case analysis, it is extremely premature to entertain the idea of consolidation. Additionally, any efforts to consolidate should not come at the expense of the patron through higher prices or loss of benefit.

## **Sequestration**

As we look to 2013, we are very concerned about the lack of progress in reversing the automatic \$500 billion in additional cuts to the defense budget called for in the *Budget Control Act*, otherwise known as sequestration.

As stated earlier, we are pleased that military resale has remained relatively untouched in light of the \$487 billion in cuts the DoD proposed in its FY2013 budget. However, given the depth of cuts mandated under sequestration, which some are estimating at 12% in 2013 alone, we are concerned that the commissaries and exchanges will be adversely affected.

It should be noted that, given DeCA's efficiency efforts over the past decade and the decline in its budget since 2000, in real dollars, that the agency does not have 12%, or approximately \$168 million, of so-called "waste" in its budget. Cuts of that magnitude

would result in significant reductions in store operating staff, which would lead to store closures and significantly reduced store hours at best, or, at worst, would significantly alter the delivery of the benefit in a way that costs military families more.

Some have suggested moving DeCA to a variable pricing model, where some items are offered at a profit, with profits used to pay for operating costs. Some have discussed increasing the commissary surcharge amount, to even doubling it to 10%. The Armed Forces Marketing Council is strongly opposed to either of these ideas.

Past variable pricing models for funding combined commissary and exchange stores (i.e. Carswell Air Force Base) were complete failures and patrons stopped shopping those stores. Increasing the surcharge is nothing short of imposing a sales tax on families in the name of deficit reduction. That is a burden that military families should not have to bear.

The other threat to resale would be the loss of secondary destination transportation funding for the exchanges, which covers the cost of shipping products overseas and ensures that patrons stationed at OCONUS bases pay the same price on products as they would if they were shopping in the U.S. Loss of these funds would result in significant price increases, up to 30% in some instances, which far exceeds the savings offered by the exchanges.

Under these scenarios, it is the military family that has to pay more to balance our federal budget. In our view, given the eleven years of war where military families have served and sacrificed already, it is unconscionable that our nation would call upon them to bear the brunt of deficit reduction.

## **Relevancy**

In this day and age of e-commerce and m-commerce, the brick and mortar store continues to lose ground in the world of retail. In today's shopping environment, patrons can shop multiple venues with their laptops, tablets, and smartphones, comparing prices and brands, reading reviews from other shoppers, and ordering while never leaving their homes or offices. Many "shop" before leaving home and go to the store that has their chosen brand at a favorable price. And patrons can shop and pay for products online for later pick up at the store.

Military resale is seeking ways to remain relevant in a constantly and quickly evolving market place. Meeting the needs of patrons goes beyond price and value to providing a shopping experience that extends beyond the four walls of a store.

The Armed Forces Marketing Council appreciates and supports the Department of Defense's efforts to study and determine the laws, policies and regulations that may need to be updated in order to ensure that military resale remains relevant in the 21<sup>st</sup> century marketplace. We would also encourage the Subcommittee to work with DoD and the resale systems in this endeavor so that the military resale continues to deliver a technologically-evolved, world-class benefit.

## **Fiscal Year 2013 National Defense Authorization Act**

The Armed Forces Marketing Council greatly appreciates the interest of the Members of the Subcommittee in the military resale benefit as was demonstrated in the House's recently-passed version of the FY13 NDAA.

As the bill continues its progress towards passage, there are a couple of small items that we would like the Committee to consider.

- *Sec. 641 - Charitable Organizations Eligible for Donations of Unusable*

- Commissary Store Food and Other Food Prepared for the Armed Forces.*

While a noble endeavor, we would note that DeCA currently provides food donations to 60 or so recognized food banks in the United States. The language in its current form opens up the opportunity for food pantries and soup kitchens to receive these donations. There are approximately 60,000 such organizations in the United States, many of which are also served by the food banks. We are concerned that the language could lead to an overwhelming number of requests for donations, requiring full-time staff support to determine whether organizations requesting donations are legitimate and distributing the food to them. With an already limited budget, it would seem more efficient and less costly to maintain the status quo in terms of DeCA's food donation process.

- *Sec. 642 - Repeal of Certain Recordkeeping and Reporting Requirements*

- Applicable to Commissary and Exchange Stores Overseas*

The Armed Forces Marketing Council understands the reporting requirement that was established years ago has not been met in quite some time and therefore the requirement should be removed. The Council hopes that Congress will continue to maintain oversight of the underlying issue. It should be noted that the report that would no longer be required under this provision came about as a result of some stores in Germany selling imported products being distributed by a

local distributor and which competed directly with U.S. made products. Our concern is that this practice may be renewed without proper oversight.

- *Sec. 644 - Purchase of Sustainable Products, Local Food Products, and Recyclable Materials for Resale in Commissary and Exchange Store Systems*

While another well-intended provision, we are very concerned that if the provision becomes a requirement, it would impose significant costs on the resale systems and most probably lead to increased prices on the patron due to the increased operational costs as well as limited supply of required products, effectively reducing the value and savings of the benefit for military families.

- *Report language regarding state container deposit programs.*

We are proud to recognize the efforts put forth by many manufacturers to reduce waste by reducing the amount of packaging of many products, including plastic bottles. The initiatives by states to encourage recycling is commendable. In the case of military resale, we are concerned with language that would potentially diminish the immunity of the resale systems from state laws. We are also concerned that the mandate to comply would lead to higher costs for the systems and higher prices for the patron, reducing their savings and the value of the benefit. It is the view of the Council that local base commanders should be able to work with the commissaries and exchanges to voluntarily seek ways to support state container deposit programs rather than Congress seeking to establish a mandate for compliance.

## **Conclusion**

Chairman Wilson, it is honor to offer this testimony to you on behalf of the Armed Forces Marketing Council. Our motto is, "Serving the most deserving." By our efforts, we know that we are serving and supporting the one-percenters - those who raise their hands and swear an oath to "support and defend" our constitution, our nation, our freedoms and our citizens, is a just and noble cause.

That the people of the United States rely on just one-percent of our fellow citizens to carry the burden to protect our way of life and, as well as that of our friends and allies around the world, is remarkable.

When some look at military resale, they wonder why it even exists. When we look at military resale, we know why it exists and for whom it exists. Taking care of our military families is critical if we desire to have the best and strongest military in the world. Military resale helps to take care of them, meeting basic and personal needs where ever they are in the world.

In conclusion, the view of the Armed Forces Marketing Council is that the military resale benefit works well. It is an honest, straight forward benefit. It is efficient and responds to the needs of the patron, even in times of crisis. And it is successful.

This success is derived from the unfailing commitment that exchange and commissary operators have made to customer service, patron savings and continued process improvements and efficiencies that serve 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. So I end with where I began - by saying, "Thank you."

The members of the Armed Forces Marketing Council are grateful for the subcommittee's leadership in protecting and enhancing this incredible quality of life benefit for military families.

-END-

## Exhibit I

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 Senior 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 various 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, Virginia where he enrolled in the Masters 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. He is currently assigned to the Chief of Naval Personnel/N1 where he serves as Assistant Public Affairs Officer.

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.

Since October 2008, Tom has successfully owned and managed River Woods Retreat, a mountain-side log cabin vacation rental in Virginia's Shenandoah River Valley.

Tom and his family reside in Prince William County, Virginia.

**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 2012**

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

**FISCAL YEAR 2011**

<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 2010**

<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 (2012): 0 ;  
 Fiscal year 2011: 0 ;  
 Fiscal year 2010: 0 .

Federal agencies with which federal contracts are held:

Current fiscal year (2012): N/A ;  
 Fiscal year 2011: N/A ;  
 Fiscal year 2010: 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 (2012): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2011: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ .

Aggregate dollar value of federal contracts held:

Current fiscal year (2012): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2011: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ 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 (2012): \_\_\_ 0 \_\_\_\_\_ ;  
Fiscal year 2011: \_\_\_ 0 \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ 0 \_\_\_\_\_ .

Federal agencies with which federal grants are held:

Current fiscal year (2012): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2011: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ .

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

Current fiscal year (2012): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2011: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ N/A \_\_\_\_\_ .

Aggregate dollar value of federal grants held:

Current fiscal year (2012): \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2011: \_\_\_ N/A \_\_\_\_\_ ;  
Fiscal year 2010: \_\_\_ 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

### **GET Marketing**

3744 Arapaho Road  
Addison, TX 75001

### **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