

Opening Statement
Tom Gordy, President
Armed Forces Marketing Council
Military Resale Hearing - June 7, 2012

Chairman Wilson, Ranking Member Davis and Members of the Personnel Subcommittee, thank you for allowing the Armed Forces Marketing Council to participate in today's hearing.

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

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. 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.

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.

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

In my mind, one event occurred last year that completely demonstrates the importance of the benefit and valuable partnership that makes it all work.

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. The resale stores in Japan remained stocked, while the stores outside the gate were empty. Not only did the system support our military families, but also was able to support the recovery effort with essential supplies, providing the United States with another element of humanitarian support to our friends in Japan.

There is a strong partnership between the Congress, the DoD and the Services, and the resale industry to ensure the effective, efficient, and continuous delivery of this very important quality of life benefit for our military families.

There are, however, issues of concern to the Council that we've highlighted in the written testimony and look forward to addressing those and other concerns in today's hearing.

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