



Serving the Vending and Refreshment Services Industry

## Policy Position: Coin and Currency

### ISSUE:

Each day, millions of American consumers choose vending to purchase a broad range of products with the use of U.S. coin currency. Consumers are able to make their purchases with confidence, as the industry has a very high trouble-free vend rate due to consistencies in coin composition and currency reading technology. However, Congress is considering legislation that would require a change in the alloy content of coins to reduce the cost of production, including H.R. 1719, known as the “Cents and Sensibility Act.”

NAMA applauded the passage of the Coin Modernization, Oversight, and Continuity Act (CMOCA) in 2010, which protected operators from potentially millions of dollars of unnecessary new coin validation costs, which H.R. 1719 seeks to undo. The CMOCA allows the U.S. Treasury to study changes in coin alloys (to reduce minting costs) and specifically:

1. Allows Congress to retain authority for approval of any potential changes in the metal alloy content of coins;
2. Requires the U.S. Mint to ensure that any new coins work without interruption in existing unmodified coin acceptance equipment, and to specifically consider the effect on vending machines and commercial coin equipment; and
3. Ensures that the U.S. Treasury does not include any recommendations for new specifications for coins that would require any significant change to coin accepting/handling equipment to accommodate changes to all circulating coins simultaneously.

### NAMA POSITION:

As the voice of the vending and refreshment services industry and one of America’s largest conduits of coin usage by consumers, **NAMA is OPPOSED** to legislation such as H.R. 1719 because changes in coin composition could lead to burdensome modifications to coin mechanisms and/or equipment used by the vending industry.

H.R. 1719 seeks to require the nickel, dime, and quarter-dollar coins be produced primarily of steel and be imparted with a color so that the coins’ appearance is similar to the coins currently produced. However, those changes could render the aforementioned coins incompatible with current coin processing equipment (i.e., validators, acceptors, etc.) and cost the industry millions of dollars. These costs are directly related to expensive equipment replacement, and will result in price increases, job losses, and consumer inconvenience—all of which places the vending industry at an unfair disadvantage with other retail channels.

There are more than 7 million food, beverage, and product vending machines in the U.S., and the costs to accommodate changes in these machines for new coins would range from \$250-\$400 per machine. Thus, NAMA encourages Congress to protect the vending industry from proposed legislation like H.R. 1719 that would levy changes in coin composition. Such legislation would cause significant harm by negatively impacting our industry’s ability to serve consumers daily, to keep prices and costs reasonable, to create jobs, and to contribute to the recovery of America’s economy.