



*Serving the Vending, Coffee Service and Foodservice Management Industries*

April 7, 2008

## AN OPEN LETTER TO THE INDUSTRY

NAMA is repeatedly asked about its response to the relationship between vending operators and soft drink bottlers. We know that it's an important issue, heard feedback from many and share the desire of both sides to gain a positive solution. NAMA has paid a lot of attention to this issue over the last 10 years and taken many positive steps.

A good operator-bottler working relationship is in the industry's best interests and the majority have found ways to forge ties that work. But others have different expectations from NAMA. Some are asking that NAMA solve their business relationship problems, get the Soft Drink Interbrand Competition Act overturned, intervene in industry mergers, manufacturer cost increases, etc. Some have even told us NAMA should be an operator-only organization and some dropped their membership.

There's a place for all views at the NAMA table, but true understanding can only come when we all come to grips with what an association can do and the things that NAMA has done on this issue. NAMA is a very diverse trade association that represents all segments of our industry. It's this diversity and service for all that has given us such a strong voice with Government and lets NAMA offer successful Expos, educational opportunities and such a full portfolio of member benefits.

NAMA's Legal Counsel, known nationally for their not-for-profit expertise and experience, continues to remind us that NAMA's involvement (or that of any trade association) in competitive issues within the industry is prohibited by State and Federal antitrust laws. Even eliminating certain categories of membership would not eliminate the antitrust issues. And, by the way, most soft drink bottlers are not members of NAMA as some believe.

But that's not to say that NAMA has done nothing to help. We've mediated countless individual disputes, quietly putting the parties together to work out their differences when it appeared face-to-face communication had failed. We've done many member education programs with outside experts focused on how to make the relationship work. We've reached out to the product manufacturers and built a dialogue bridge and working relationship. We've even had some quiet conversations with members of Congress and been told that there is no support to revisit the issue. On the NAMA website, there's a White Paper that goes into even more depth about the issue and alternatives.

NAMA will continue to provide everyone with information and opportunities to air their concerns to the fullest extent allowed by law. We will continue to seek appropriate opportunities to focus industry attention on all sides of the issue and encourage all parties to work together. We will continue to mediate the situation to the maximum extent we can by law. We will once again step up our membership educational efforts too.

As an Operator prominent on the Board puts it:

***“Operators who know NAMA realize that we must have all parties (operators, suppliers, manufacturers, brokers, etc.) involved in our organization. Trying to use NAMA as leverage against another business negates the purpose of what we are all doing. Competition issues have to be solved with diplomacy, not confrontation, requiring communication and skill. NAMA has not backed down from that. NAMA is and has been a conduit of communication. We bring together the leadership of our industry and the industry has moved forward because of it. We have encouraged open discussion on this and many critical issues. To endanger the association by involvement in something that is detrimental to our industry makes no sense and is simply not our place.***

***On another note, pulling a membership or making other threats has always proved to be short term thinking. Ultimately those who are willing to get in there and negotiate and work with their suppliers are the ones that win. We have a lot of good things going for our Members. Every operator has benefited greatly from the work of NAMA. For a leader to have a vision of the horizon is invaluable. Short term thinking is not a best practice of a business leader.”***

NAMA is about going forward and we cannot solve competition issues between members. As your elected leaders, we will keep NAMA moving in directions that benefit everyone. If you're not a NAMA member, we encourage you to join and get involved now. If you are a member, use all the positive things NAMA has to offer as help. In these difficult economic times, we all must pull together to find the way forward. No one of us is as strong as all of us together. Thank you.

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