

METALLIC CONTENT OF COINS

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.

In 2010, NAMA successfully advocated for the passage of the Coin Modernization, Oversight, and Continuity Act of 2010 and the inclusion of language which provides protections for the vending industry. This bill provided the Mint with the authority to complete research and development on the metallic content of coins. In the bill, Congress specifically tasked the mint with conducting research, soliciting input from stakeholders, and producing Biennial Reports to Congress on its efforts and findings. In 2014, the Mint presented its most recent and substantive Biennial Report including the following, applicable, important conclusions and recommendations:

1. Based on the response from coin industry stakeholders, the estimated industry cost (\$2.4 billion to \$6 billion) to accommodate an alternative metal for circulating coins that incorporates a change to the weight or EMS characteristics far exceeds the estimated annual government savings (\$46 million to \$57 million) (Appendix 5).
2. The coin industry stakeholders overwhelmingly recommended no change to the quarter.
3. The Mint does not recommend the use of copper-plated zinc or tin-plated copper-plated zinc for circulating coins with a face value equal to or exceeding five-cents. In addition, the Mint does not recommend the use of multi-ply-plated-steel or nickel-plated steel for circulating coins with a face value equal to or greater than twenty-five cents.
4. Based on the coin industry response as well as the Mint's R&D results, the Mint should evaluate the potential cost savings (\$5.25 million annually) of alternative metal compositions that meet the seamless criteria of no change to the weight or EMS characteristics for circulating coins and its corresponding effect on the coin stakeholders.

NAMA regularly and actively communicated with the U.S. Mint on this issue by providing extensive input from affected stakeholders within the convenience services industry and other coin-acceptance industries. This effort was positively recognized and referenced in the Mint's 2014 Biennial Report. NAMA continues to cultivate a positive relationship with the U.S. Mint during its annual Public Policy Conference (PPC) and on an as needed basis.

NAMA POSITION:

- NAMA is opposed to any changes in coins that would place a financial burden on the vending industry or cause an interruption of service to existing coin acceptance equipment without modification.
- NAMA strongly supports the conclusions and recommendations contained in the Mint's 2014 Biennial Report to Congress.
- NAMA urges the U.S. Mint and Congress to consider government assistance to ease the burden of any costs of compliance on the convenience services industry.