AT THE PUMP & DOWN THE AISLE

PROVIDING LIFE'S ESSENTIALS TO WEST VIRGINIA- FUEL , FOOD & CONVENIENCE

OMEGA west virginia oil marketers & grocers assoc.

August 2013 **Number 628**

OMEGA Kicks Off

Make-A-Wish Campaign

Value...

one way we stand out!

Building Brand Value:

- Marathon Brand employs 33 Territory Managers and 5 Program Territory Managers to deliver value to our customers.
- Marathon Petroleum has excellent supply with truck loading racks at our 83 terminals, all operated with the driver in mind.
- Marathon Petroleum has approximately 9,400 miles of pipeline, which ensures stable and flexible supply.
- Marathon Petroleum is the 5th largest refiner in the United States, owning and operating six refineries with a combined capacity of 1,193,000 barrels per day.

For Brand and Wholesale opportunities visit
www.marathonpetroleum.com

MARATHON® *Fueling the American Spirit.*

From the President ...

It is so hard to believe that we are mid-way through August and our **Make-A-Wish Campaign.** We kicked off the month with Make-A-Wish events in Parkersburg, Fairmont, Beckley and Charleston. We would like to thank Little General Stores, Par Mar Stores and Go Mart for hosting these events. If star re-orders are any indication, it looks as if we are having a very successful campaign!

Our Make-A-Wish Charity Golf Outing will be held September 18th at Stonewall Resort. If you have not signed up to sponsor and attend this event, please do so. The registration forms are available on our Web site at www.omegawv.com. Also, if you have not made your room reservation at Stonewall, you need to do so ASAP. Our room block ends on August 17th. Please call 888.278.8150 TODAY!

In July, we were honored to receive a **Commendation for Volunteer Service to the State of West Virginia,** which was presented by Governor Earl Ray Tomblin. It is an honor for OMEGA to receive this award which recognizes the work the Association and our members do to raise money for children's charities in West Virginia.

For those of you who have **A and B licenses for removal and installation of underground storage tanks,** we have scheduled our re-certification training for October 22nd—24th at the Charleston Civic Center. Because of the more stringent guidelines, this is now a three-day class. Please note that we will not be covering C licenses with this training. Information will be mailed to all licensees in the near future.

We are gathering information for our new **Membership Directory.** We will be going to print on this publication in late September. If you have not returned your information update to us, but have changes, please email to traci@omegawv.com or fax it to 304.343.5810. Also, if you are interested in advertising in this publication, please contact Traci Nelson at 304.343.5500. We still have space available.

West Virginia News

State Agencies Could Face Budget Cuts Again

West Virginia state agencies could face budget cuts for the second time in two years.

Department of Revenue Secretary Bob Kiss sent a letter to agencies recently telling them to prepare both a base budget and one with a 7.5 percent cut.

State Budget Director Mike McKown says that agencies should expect a 7.5 percent budget reduction.

McKown says the state faces a more than $300 million budget gap for the fiscal year that begins July 1, 2014. Kiss' letter attributes the budget gap to several factors. They include Medicaid, a slowdown in the coal industry, declining lottery revenues due to competition in border states and a sluggish national economy.

Gov. Earl Ray Tomblin had called for similar cuts for the current fiscal year.

Rate Reduction for W.Va. Employers

Last month, the National Council on Compensation Insurance announced a reduction in workers' compensation insurance rates for West Virginia effective this November. This rate decline is the ninth consecutive one, and it is largely a result of the state's workers' compensation system transitioning to a privatized system.

The cost level change of -8.8% to become effective November 1, 2013. In addition, NCCI will be filing a –8.5% decrease in the residual market as part of the November 1, 2013 filing.

Governor Tomblin Appoints Josh Barker to Represent 22nd District in House of Delegates

Gov. Earl Ray Tomblin has appointed Josh Barker to represent the people of the 22nd District in the House of Delegates. Barker fills the vacancy created when former Del. Josh Stowers resigned.

The Chapmanville native's public service career includes serving as Town Manager for the Town of Danville for the past five years and working for the West Virginia Division of Highways. Barker is member of the West Virginia Municipal Leagues' Board of Directors for Town Managers, a former member of the Madison Rotary Club, and has served as an assistant high school football coach at Chapmanville High School, his alma mater.

OMEGA Kicks Off Make-A-Wish Campaign

Photo above from Go Mart's kick off event on August 2nd in Charleston. Photo on front is from Little General's kick off event on August 1st in Beckley. Photo in Jan Vineyard's column from Par Mar Stores kick off event in Parkersburg on August 1st.

WVDOL Weights and Measures to Host 68th Annual Conference on the Southern Weights and Measures Association

from Rich McComas, Director WV Weights & Measures

WV DOL Weights and Measures is hosting the 68TH Annual Conference of the Southern Weights and Measures Association this year. The Association is comprised of the Weights and Measures agencies of Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, US Virgin Islands, Virginia, West Virginia, associate members from related private industries- meter and scale manufacturers, oil and gas refiners and marketers, the alternative energy industry sector, and regional, as well as national, retailers.

Four Regional Conferences make up the National Conference of Weights and Measures. The National Conference, like its regional components, is a nonprofit association of state and local weights and measures officials, federal agencies, manufactures, retailers, and consumers. The goal of the Conference is to create equity in the marketplace by setting standards for labeling, method of sale, fuel quality, and technical specifications for commercial measuring and weighing equipment. These Conferences annually deliberate and adopt new editions of NCWM/NIST Handbooks. In the case of WV, like many others, these handbooks are adopted into state code, and are the requirements we enforce, and, the regulations that businesses must follow.

We think the work is important; Maintaining a level playing ground for buyers and sellers, and a uniformity of standard from state to state, so that package and labeling , automotive fuel quality, and tolerances for truck scales do not vary depending on where you are buying or selling.

WVDOL is proud to play its modest part in this process by hosting the Southern Conference this year. The Conference is being hosted at the downtown Charleston Embassy Suites on Oct. 6th -9th. I'd like to welcome you to register and participate. It will be an opportunity for you to see how the 'system' works, and, to meet us. We've negotiated special rates with the good folks at the Embassy. You can register on-line at http://www.swma.org/.

Just for the sake of transparency-and because I know that all the OMEGA members are thoughtful and thrifty tax payers –I'd like to point out that the cost of this conference is paid for with membership fees and registration money. No WV tax dollars.

WV Lottery Sales Marketing Report

June 2013

Through June 30, 2013, fiscal year end sales totaled $1,328,376,549. This was down 9 percent from fiscal year 2012, a decrease of $129 million. The weekly per capita fiscal average was $13.98, down $1.45 from the same period last fiscal year.

June's overall sales were $103,768,495, a decrease of 12 percent from May's sales. Compared to the same month last year, sales were down 8 percent.

<u>Traditional Lottery</u>
Through June 30, 2013, fiscal year end sales for traditional lottery (Instants and Online) totaled $195,620,630. This amount was down 3 percent from fiscal year 2012, a decrease of $6 million. Traditional lottery sales for June 2013 of $13,612,268 were down 33 percent from May and down 12 percent from June 2012.

<u>Video Lottery</u>
Through June 30, 2013, fiscal year end Racetrack Video Lottery gross terminal revenues totaled $655,676,762. Revenues were down 6 per-cent from the previous month and down 8 percent from June 2012. Limited Video Lottery fiscal year end gross terminal revenues totaled $399,223,893 through June 2013. Revenues were down 10 percent from the previous month and down 5 percent from June 2012.

Fiscal 2013 year end gross terminal revenue for the Greenbrier totaled $4,737,669. Gross terminal revenues

Federal Issues

House Votes to Stop IRS Enforcement of ObamaCare

The House voted recently to prevent the IRS from enforcing any aspect of ObamaCare, a bill meant to exact revenge against an agency that Republicans say is incapable of neutral enforcement of the law.

Members approved the Keep the IRS Off Your Health Care Act in a 232-185 vote that capped off several days of work in the House on bills aimed at reining in government regulation and overreach. Four Democrats supported the bill.

Senate Confirms Members to NLRB

On July 30, 2013, the Senate confirmed five members to the NLRB. The new Board includes: Democrat Mark Pearce (Chair the NLRB since 2011), Democrat Kent Hirozawa (Pearce's Chief Counsel), Democrat Nancy Schiffer (AFL-CIO Attorney), Republicans Phil Miscimarra, and Harry Johnson who are both labor attorneys. Sharon Block and Richard Griffin, the unlawful recess appointments, have been withdrawn by President Obama as a compromise as the issue makes its way to the U.S. Supreme Court this fall in the court case Noel Canning v. the NLRB.

House Votes to Give Congress Power over Major Regulations

Taking direct aim at executive branch power, the House on August 2nd approved legislation requiring Congress to sign off on the most costly federal regulations. The Regulations From the Executive in Need of Scrutiny (REINS) Act passed 232-183 in a vote that went largely along party lines, hours before the House was to adjourn for its August recess. Under the bill, both chambers of Congress would have to sign off on any federal rules that carry an annual price tag of $100 million.

Transportation-Housing Appropriations Bills Stall in Both the House and Senate

Recently the House and Senate considered their competing versions of Fiscal Year (FY) 2014 Transportation-Housing funding. Both made progress on the legislative proposals, considering and offering many amendments. However, both bills stalled before Members of Congress left for the August recess.

On July 31st, House leadership removed its transportation-housing funding bill from floor consideration, with indications that there were not enough votes to ensure passage in the House. The House bill allocated approximately $44 billion in 2014 funding, fully funded the MAP-21 highway program, but provided no funding for the multi-modal TIGER discretionary grant program, and includes significant cuts to Amtrak, aviation infrastructure, and other areas.

On August 1st, the Senate voted against cloture on its transportation-housing funding bill, killing it a day after House leaders yanked their version from floor consideration. The motion to end debate, which needed 60 votes, failed on a 54 - 43 tally. The Senate legislation allocated approximately $54 billion in transportation and housing funding in 2014 and fully funds the MAP-21 highway program.

When Congress returns in September, we expect appropriations will be handled through a Continuing Resolution to fund the government.

Action on Farm Bill Will Be After August Recess

Action on the farm bill is unlikely until after the August recess as Congress continues to debate a path forward. While leaders of the House and Senate Agriculture Committees have begun informal conference conversations, it remains unclear whether House Republicans will be able to come up with a nutrition title that can pass the House. If no agreement is met, House Agriculture Committee Chairman Lucas (R-OK) has stated that the farm bill conference should proceed without the nutrition title. Farm bill legislation begins to expire on September 30.

Coalition Urges Transition Relief Extension for Employer Mandate

A coalition of employer groups, including NACS, is communicating to the government that the one-year delay of Obamacare's employer mandate creates a need for the administration to clarify various obligations the law imposes on employers.

The Employers for Flexibility in Health Care (E-Flex) coalition made the request yesterday in a letter to the U.S. Department of Health and Human Services (HHS), the Treasury Department and the Labor Department. The Obama administration provided earlier transition relief granting employers flexibility in determining which of their employers are full-time during 2014, which at the time was the year the employer mandate was scheduled to take effect. Now that the mandate's enforcement has been delayed one year, the coalition is asking for this relief to be extended through 2015.

"Given that 2015 will now be the first year in which employers could face excise taxes…employers need clarification regarding whether such transition relief will be extended into 2015," the group wrote. "Timely clarification around the application of these and other transition rules in 2015 will minimize confusion for employers working towards compliance with the law in 2014 and 2015."

Employers are going to have to comply with various reporting requirements under the law so that the Internal Revenue Service (IRS) and Department of Health and Human Services (HHS) can verify whether employers that are offering health care are complying with the employer mandate. NACS is urging the government to ensure that these reporting requirements are as simple, streamlined and efficient as possible.

Simply put, NACS wants to make sure its members don't have to duplicate reporting requirements for the IRS, HHS and other agencies implementing Obamacare. This can be particularly problematic with the employer mandate because HHS is tasked with determining whether an employee is entitled to a subsidy on an exchange, while the IRS is responsible for determining whether an employer should be penalized.

If an employer provides adequate health-care coverage to its employees, yet an employee is nonetheless able to receive a subsidy on an exchange, employers should not be penalized. Without adequate reporting mechanisms, however, the various government agencies implementing the healthcare law may not communicate to one another that employers have in fact provided adequate coverage. NACS wants regulators to implement the law in a manner that minimizes unnecessary penalties on employers that comply with the law. Otherwise, employers that provide sufficient coverage under the law may nonetheless have to endure an expensive penalty appeal process.

Senate Confirms Tom Perez as Secretary of Labor

The Senate recently voted 54-46 to confirm Tom Perez as Secretary of Labor. It was a party-line vote, with no Republicans supporting Obama's nominee. Several GOP senators charged that Perez has engaged in "ethically questionable" actions while heading the Civil Rights division of the Department of Justice.

Senate Confirms Gina McCarthy as EPA Administrator

The Senate has confirmed President Obama's Nominee Gina McCarthy to lead the Environmental Protection Agency and Department of Labor, news services reported.

EC Proposes Lowering Interchange Cap, Fed Review Requested of U.S. Cap

With the results of a multi-year investigation in hand, the European Commission (EC) has announced that debit and credit card interchange fees that Visa and MasterCard charge merchants are unjustifiably high and harm consumers. The EC has recommended an EU-wide 0.3 percent credit cap and a 0.2 percent debit cap and plans to further regulate the debit and credit card interchange fees that Visa and MasterCard require merchants to pay to card-issuing banks.

In response to the EC announcements, Assistant Majority Leader Dick Durbin (D-IL) and Congressman Peter Welch (D-VT) sent a letter to Federal Reserve Board Chairman Ben Bernanke urging the Board to adjust its regulations to reflect the Commission's proposal, particularly as applied to small dollar debit transactions.

Next Steps on Debit Fee Reform Ruling

On July 31, Judge Richard Leon of the U.S. District Court for the District of Columbia ruled that the Federal Reserve 's regulation implementing the Durbin Amendment violated the Administrative Procedure Act (i.e., the Fed misapplied the intent of Congress when it implemented required swipe fee reforms) in a case brought by NACS, the Food Marketing Institute (FMI), National Restaurant Association (NRA), National Retail Federation (NRF), Miller Oil Co. and Boscov's Department Store LCC.

The Fed's regulation departed from the language of the law in two key respects. First, the Fed included costs in its calculation of allowable interchange fee that were not allowed to be included by Congress. The only costs to be included, according to the court, are the incremental costs incurred by the issuing bank in authorizing, clearing, and settling a debit transaction. Second, the court found that the Fed did not allow for network competition on every debit transaction as required by the law. Instead, the Fed merely required that two debit networks be active on each debit card — even though those networks could be limited to PIN or signature transactions such that the two networks would never compete for any actual debit transaction.

What Now?

What happens now is not entirely clear. The Fed could appeal the decision to the Circuit Court of Appeals for the District of Columbia. If that were to happen, the current rule is likely to remain in place while the appeal is pending.

If the Fed does not appeal, Judge Leon has asked for the plaintiffs' and the Fed's views of what should happen next. Open questions include:

- How long it should take the Fed to correct the problems with the current rule,
- Whether there should be an interim rule put in place while the Fed does its work, and
- Whether the current regulations should remain in effect while the Fed comes up with a new rule.

Many of these questions could get sorted out when the court holds a status conference on August 14. The Judge, however, indicated in the decision that he expected corrections to the regulations to take "months, not years."

If the Fed does decide to appeal the decision, that process could take a year or more to get resolved. Following the appeal, if the District Court decision (or part of it) is upheld, then the same questions about the process and timing for correcting the rule will be before the District Court.

Consumers Began 3rd Quarter with Renewed Optimism

The news is decidedly mixed as it relates to consumer confidence about the economy. On one hand, U.S. gas consumers headed into July more optimistic than they have been all year. However, given that consumer sentiment closely tracks gas prices, this optimism may be short-lived as oil prices spiked to 16-month highs and gas prices have followed suit over the past two weeks.

The third quarter began with consumer optimism regarding the economy at the highest level recorded this year — 48% of consumers expressed optimism while only 52% expressed pessimism, according the latest monthly NACS Consumer Fuels Survey. The national consumer survey was fielded July 12-14, when national gas prices averaged under $3.50 per gallon, based on reported weekly gas prices from the Oil Price Information Service (OPIS).

A huge percentage of consumers (86%) surveyed said that gas prices impacted their feelings about the economy in July.

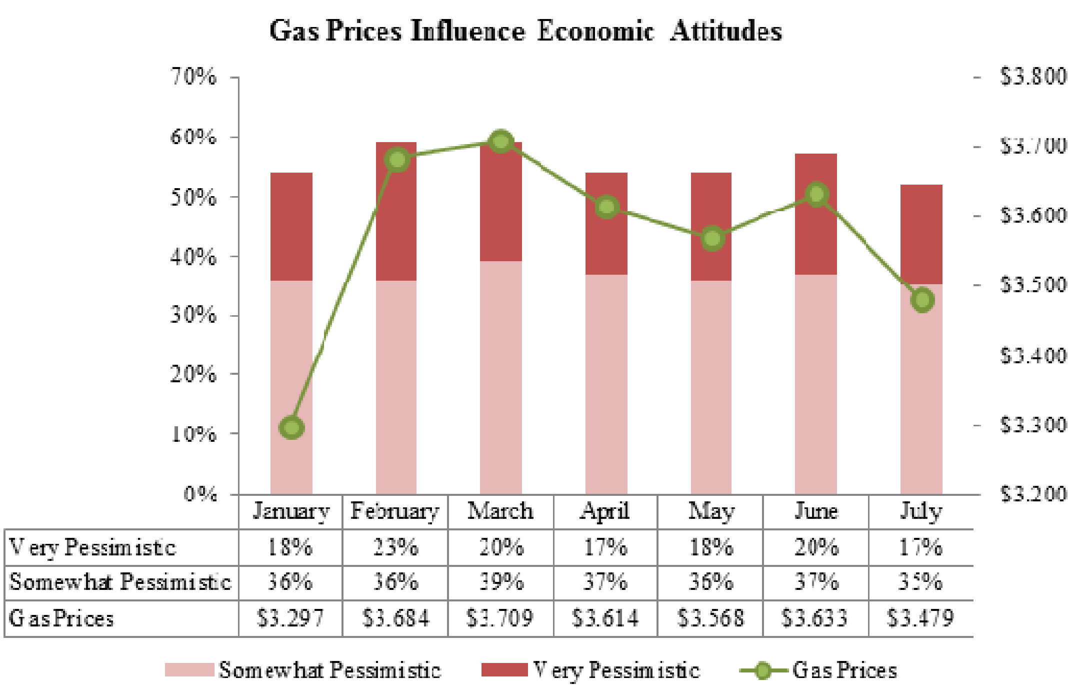
"Gas prices play a big role in defining consumer sentiment and that continued in July," said NACS Vice President of Government Relations John Eichberger. "For the past seven months, consumer sentiment has risen or fallen along with gas prices, and consumers were clearly in a good mood as July began. However, the steep increase over the past few weeks is a strong indicator that we could see a spike in pessimism in August and it is something that we will closely monitor in our next survey."
While consumers expressed more optimism in July, nearly two thirds of consumers (64%) surveyed also said that they expected gas prices to climb over the coming 30 days.

In light of the recent price increase, it's logical to wonder at what point gas would get so expensive that consumers would try to reduce the amount they drive. On average, consumers said that price is $4.11 a gallon, which is coincidentally the record average national gas price reached in July 2008.

Gas prices would have to reach nearly $5.00 per gallon before consumers say that they would seek out an alternative to driving or drive drastically less. The mean price cited by consumers was $4.93 per gallon.

"While the second half of the year began with much promise, retailers in all channels may be in for a bumpy ride over the coming weeks. This may be particularly acute for fuels retailers who squeeze margins to fight for customer traffic when gas prices rise."

Every month, the National Association of Convenience Stores (NACS) conducts a nationwide survey in partnership with Penn, Schoen and Berland Associates LLC to measure consumer perceptions about gas prices and how they relate to broader economic conditions. For the July survey, 1,266 gas consumers were surveyed from July 12-14, 2013. The margin of error for the entire sample is +/- 2.75 at the 95% confidence interval and higher for subgroups. Some percentages may add to more or less than 100% due to rounding. The OPIS weekly national average price for gas was $3.479 on June 8. Summary results from this and previous surveys can be found at www.nacsonline.com/gasprices.



	January	February	March	April	May	June	July
Very Pessimistic	18%	23%	20%	17%	18%	20%	17%
Somewhat Pessimistic	36%	36%	39%	37%	36%	37%	35%
Gas Prices	$3.297	$3.684	$3.709	$3.614	$3.568	$3.633	$3.479

NACS Releases Compensation Report of 2012 Data

NACS has released its NACS State of the Industry Compensation Report of 2012 Industry Data, the latest snapshot of compensation levels, turnover and benefits metrics for the convenience and fuel retailing industry.

More than 90 companies, representing almost 8,000 stores, provided data and responses for the latest survey, which tracks industry compensation as of January 1, 2013.

The report examines annual base salaries and the dollar value of all additional compensation for 11 executive-level positions, 7 operations positions and 7 store-level positions, sorted by region, firm size and operating area classification (metropolitan, rural or suburban). The report also provides total projected percentage salary and benefits increases.

The report also provides data on turnover, examining 9 positions by firm size and region, as well as metrics on benefits, including paid time off, total employee health-care costs, percentage of employer contribution to medical, medical and dental coverage, 401(k) plans, life insurance and pension plans. One section also looks at the cost of medical plans, examining employee cost sharing and average annual premium contributions for both individual and family plans by firm size and region.

"Strengthening top- and bottom-line performance and leadership development within a retail operation begins with managerial pay and how a company invests in its talent. Data from the NACS State of the Industry Compensation Survey of 2012 Data increases human resource's strategic value to your business by providing up-to-date and accurate information for human capital decision-making and refining your priorities for workforce investments," said Joe Sheetz, CFO of Sheetz, Inc. and NACS Vice Chair of Research.

NACS has compiled and presented compensation data for the industry since the release of its first compensation report in 1978.

Court Rules NYC Large Soda Ban Illegal

An appeals court upheld a lower court decision that struck down the city's prohibition on the sale of large, sugary beverages.

Oil Marketers Update

Small Business Concerns with UST Rule Expand

On August 1st, House Small Business Committee Chairman Sam Graves (R-MO) sent a letter to EPA Administrator Gina McCarthy urging the agency to withdraw the Underground Storage Tank (UST) proposed rule, form a Small Business Advocacy Review (SBAR) panel and issue an initial regulatory flexibility analysis (IRFA) before reissuing a UST proposed rule. The letter, similar to the Harper-Barrow and Landrieu-Risch letters sent last week, questions EPA's methodology which led to its flawed Regulatory Impact Analysis (RIA) certifying that the proposed rule wouldn't have a significant impact on small business retailers.

PMAA's UST Task Force has worked diligently on this issue since the rule was first proposed, meeting with the EPA, winning a comment deadline extension, drafting comments, collecting cost data and coordinating a Small Business Administration review of the EPA's rulemaking process. The ultimate goal of PMAA's regulatory and Congressional efforts is to force the EPA to convene a SBAR panel so that the proposed rule can be re-written in a way that significantly reduces any new compliance costs on retail marketers, both large and small.

PMAA thanks Chairman Sam Graves for championing the House Small Business Committee letter.

FMCSA Proposes to Eliminate Significant Paperwork Burden on CDL Drivers

U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) has announced a proposal to eliminate a burdensome daily paperwork requirement for CDL drivers that will reduce regulatory costs for all petroleum marketers.

Current federal regulations require commercial truck drivers to conduct pre- and post-trip equipment inspections and keep on file Driver Vehicle Inspection Reports (DVIRs) after each inspection, regardless of whether or not an issue requiring repairs is identified. DVIRs are the 19th-highest paperwork burden, based on the number of hours needed to comply, imposed across all federal agencies. A recent FMCSA study noted that the paperwork burden is not justified given that only 5 percent of reports filed include defects. Under the proposed rule change, commercial truck drivers would continue conducting pre- and post-trip inspections. However, DVIRs would be required only if defects or deficiencies were discovered by or reported to the driver during the day's operations.

In June 2012, the Federal Motor Carrier Safety Administration eliminated a comparable requirement for truck drivers operating intermodal equipment trailers used for transporting containerized cargo shipments. By eliminating a requirement for drivers to submit "no defect" inspection reports of intermodal equipment trailer, cost savings to the intermodal industry is estimated to be $54 million annually without an adverse impact upon safety.

The FMCSA will collect and review comments on the proposed rule. PMAA will submit comments supporting the change.

PMAA Calls for Tax Reform

PMAA has joined 50 other groups in a letter to Senate Finance Committee and to House Ways and Means Committee leadership in support of tax reform. Specifically, we are urging lawmakers to make reform comprehensive and include both the individual and the corporate tax codes; to keep top tax rates low, and keep them at similar levels; and continue to reduce the incidence of double taxing business income.

U.S. Court of Appeals Invalidates 30-Minute Break Requirement for Short Haul Drivers

The U.S Court of Appeals for the District of Columbia has handed petroleum marketers a significant victory by vacating a key provision in the new hours of service regulations that went into effect on July 1. Specifically, the Court vacated the provision requiring drivers to take a 30-minute break within the first eight hours of coming on duty as it applies to short haul drivers only. Short haul drivers are those that travel less than a 150 air mile radius from their home base and return each day after their shift ends.

The court decision is a significant victory for petroleum marketers who would not only be forced to pay drivers for the 30-minute break but also lose 30-minutes from the 14-hour daily maximum driving window within which drivers may drive no more than 11-hours.

The court vacated the 30-minute break requirement for short haul drivers as part of its decision on a petition by the trucking industry to strike down the all the new HOS provisions that went into effect on July 1, including the 34-hour restart provision. The court, however, kept in place the 34-hour restart provision, the requirement that it may only be used once per week and must include two overnight periods between 1:00 a.m. and 5:00 a.m.

In its opinion vacating the 30-minute break period for short haul drivers, the court cited written comments filed by PMAA and NEFI on the HOS rulemaking opposing the break period as it applied to short haul petroleum marketers.

The following HOS provisions are unaffected by the court decision and must be complied with as of July 1, 2013:

1) Maximum 11-Hour Daily Driving Period:
The maximum 11-hour daily driving period remains unchanged under the new rule. The U.S. DOT had proposed to reduce the number of hours a driver could drive in a day to 10 but decided not to adopt the change due to opposition from industry groups including PMAA. Drivers may drive up to 11-hours within a daily 14-hour driving "window".
Example: A driver has had 10 consecutive hours off, comes to work at 6:00 a.m. and drives from 7:00 a.m. until 2:00 p.m. (seven hours driving). The driver may continue to drive for another four-hours but only within the 14- hour driving window that begins when the driver came on duty at 6:00 a.m. When the driver goes off duty, he/she may not drive again until having at least 10 consecutive hours off duty. The driver may do other work after 6:30 p.m., but cannot drive a commercial motor vehicle on a public road.

2) Maximum 14-Hour Daily On-Duty Period:
The maximum 14-hour daily "driving window" formerly called the driver's "on duty period" is effectively reduced to 13 ½ hours due to the new 30-minute mandatory rest period requirement. A driver can drive the maximum 11 hours per day only within the 14-hour driving window after which 10 consecutive off duty hours is required before the driver may return to driving a CMV.
Example: A driver has 10 continuous hours off and comes to work at 6:00 a.m. The driver must not drive after 8:00 p.m. that evening, which is 14 hours later. The driver may do other work after 8:00 p.m., but cannot do any more driving until taking at least 10 consecutive hours off.

3) Mandatory 34-Hour Rest Period to Restart Driver's Work Week:
The new rule limits when and how often a driver can "restart" the work week. The 34-hour restart provision is maintained in the new rule but significantly limited. The new HOS rule now requires the 34-hour restart period to include two periods between 1:00 a.m. to 5:00 a.m. to allow drivers the opportunity to sleep according to their natural circadian rhythms. The two 1:00 a.m. to 5:00 a.m. periods need not be consecutive. This change will likely force drivers who work overnight to be off duty for longer than 34-hours in order to get a valid restart. The new rule also limits the use of the restart period to once during any 168-hour period. Finally, if the driver has multiple 34-hour periods off within a seven-day period, the driver must indicate in log book or on time records which one of the 34-hour periods is being counted as the official restart. The new restart limitations effectively reduce the maximum number of hours a truck driver can drive during a work week from 82 hours to 70 hours.

Example: If a driver is following the 70-hour/eight-day limit and works 14 hours per day for five days in a row, the driver will have been on duty for 70 hours. The driver would not be able drive again until the he or she drops below 70 hours worked in an eight-day period. However, if the driver's employer allows use of the 34-hour restart provision, he or she would have driving time available immediately after 34 consecutive hours off duty. The driver would then begin a new period of eight consecutive days and have 70 hours available. However, effective July 1, 2013, the hours of service regulations limit the use of the 34-hour restart provision to once every 168 hours (once a week) and require that anyone using the 34-hour restart provision have as part of the restart two off-duty periods that include 1:00 a.m. to 5:00 a.m.

4) New Definition of "Egregious" Violations:
Companies and drivers that commit egregious violations of the rule could face the maximum penalties for each offense. Trucking companies that allow drivers to exceed the 11-hour driving limit by three or more hours could be fined $11,000 per offense, and the drivers themselves could face civil penalties of up to $2,750 for each offense. This rule allows, but does not require, the agency to treat these violations as egregious. An "egregious" offense negatively impacts carrier safety rating scores.

Gas Pump Card Skimmers Growing More Sophisticated

The attention to detail seen in current card skimmers is quite impressive. The criminal rewards are also impressive. According to a security expert the current card skimmers "have moved from analog, clunky things to the level of workmanship and attention to detail that is normally only seen in ATM skimmers."

Routine inspections at gas stations in Englewood and Moraine, OH yielded high-tech devices used by criminals to steal credit card information. During inspections on August 6th, three credit card skimmers were found at the Moraine Murphy USA/Wal-Mart gas station and one device was discovered at the Englewood Murphy USA/ Wal-Mart station. The black plastic devices were illegally installed on outside lanes at both stations behind the frame of the credit card readers inside the pumps and connected to the keypad.

A wireless device was used and whoever planted the skimmer can access it remotely and download any credit card data, then use the credit card. Police are investigating how long the device has been in the pump, and said inspections are done annually.

Short-Term Energy Outlook: Oil Demand Strong

Crude oil prices increased during the first three weeks of July 2013 as world oil markets tightened in the face of seasonal increases in world consumption, unexpected supply disruptions, and heightened uncertainty over the security of supply with the renewed unrest in Egypt. The U.S. Energy Information Administration (EIA) expects that the Brent crude oil spot price, which averaged $108 per barrel over the first half of 2013, will average $104 per barrel over the second half of 2013, and $100 per barrel in 2014.
The discount of West Texas Intermediate (WTI) crude oil to Brent crude oil, which averaged $18 per barrel in 2012 and increased to a monthly average of $21 per barrel in February 2013, closed below $1.50 per barrel on July 19, 2013, and averaged $3 per barrel for the month. The strong demand for light, sweet crude oil in the Midwest and new pipeline capacity to deliver production from the West Texas Permian Basin directly to the Gulf Coast contributed to the price of WTI rising relative to Brent crude oil. EIA expects the WTI discount to widen to $6 per barrel by the end of 2013 as crude oil production in Alberta, Canada, recovers following the heavy June flooding and as midcontinent production continues to grow.

Rising crude oil prices and seasonal demand increases contributed to U.S. regular gasoline retail prices increasing from an average of $3.50 per gallon on July 1, 2013, to $3.63 per gallon on August 5. EIA expects the regular gasoline retail price to average $3.59 per gallon in the third quarter of 2013, and the annual average price to decline from an average of $3.63 per gallon in 2012 to $3.52 per gallon in 2013 and to $3.37 per gallon in 2014.

U.S. crude oil production increased to an average of 7.5 million barrels per day (bbl/d) in July 2013, the highest monthly level of production since 1991. EIA forecasts U.S. total crude oil production will average 7.4 million bbl/d in 2013 and 8.2 million bbl/d in 2014, both about 0.1 million bbl/d higher than forecast in last month's STEO.

EPA Finalizes 2013 RFS Blending Volumes

On August 6th, the EPA held firm in its finalized 2013 RFS corn-based ethanol volume mandate requiring obligated parties (refiners) to blend 13.8 billion gallons, but indicated that the agency has concerns with the upcoming 2014 blending volumes and it intends to use its statutory authority to address them. Overall, the EPA decided to make minimal changes to the 2013 RFS blending requirements. The agency only reduced the cellulosic biofuel requirement by 50 percent. Obligated parties such as refiners and importers will have an additional four months to meet their 2013 renewable volume obligations (RVOs) by extending the compliance deadline from February 28, 2014 to June 30, 2014.

Final blending volumes:

- Biomass-based diesel -- 1.28 billion gallons or 1.13 percent (finalized in September 2012)
- Advanced biofuels -- 2.75 billion gallons or 1.62 percent
- Cellulosic biofuels -- 6 million or 0.0004 percent
- Total renewable fuels -- 16.55 billion gallon RFS mandate for 2013

The EPA noted that the E10 blend wall is a concern for 2014 and the agency intends to use its RFS statutory authority to adjust both the advanced biofuel and total renewable volumes. They will propose the adjustments in its upcoming notice of proposed rulemaking (NPRM) 2014 RFS blending volume requirement which is expected in September. PMAA continues to encourage EPA to make changes to the 2014 corn-based ethanol blending requirement to achievable levels in today's marketplace.

Grocery Highlights

NGA Speaks Out Against Corporate-Only Tax Reform

President Obama released a tax proposal calling for corporate only reform. NGA President and CEO Peter J. Larkin released a statement in response. NGA also signed on to a joint letter to the Senate Finance and House Ways and Means Committees last week asking Congress to ensure tax reform is fair and balanced for both C-Corps and pass-through entities.

Letter:

Dear Chairmen and Ranking Members:

As Congress confronts the challenge of reforming the tax code to make American businesses more competitive, the undersigned organizations representing thousands of S corporations, partnerships and sole proprietorships offer the following three principles to help guide your efforts.

First, tax reform needs to be comprehensive. Most private sector workers are employed at pass-through businesses that pay taxes at the individual rates, not the corporate rates.To ensure that we avoid harming a large segment of American employers, tax reform needs to be comprehensive and include both the individual and the corporate tax codes.

Second, Congress needs to keep the tax rates paid by individuals and corporations at similar, low levels. The resolution of the fiscal cliff resulted in individuals and pass-through businesses paying, for the first time in a decade, a significantly higher top marginal tax rate than C corporations. Splitting business income and taxing it at different rates penalizes pass-through businesses and Encourages planning to circumvent the higher rates, ultimately resulting in wasted resources and lower growth.To ensure that tax reform results in a simpler, fairer and competitive tax code, Congress needs to keep top tax rates low, and it needs to keep them at similar levels.

Third, Congress should continue to reduce the incidence of double taxing business income. A recent study by Ernst & Young made clear that the predominance of pass-through businesses in the United States, and the single layer of tax they face, results in higher levels of investment and employment.This prevalence of pass-through taxation is the result of purposeful and explicit reforms enacted by Congress over the past half-century.A key goal of tax reform should be to continue this progress to tax business income only once. By embracing these broad concepts, Congress can move the taxation of business income in a direction that helps ensure that all employers, regardless of how they are organized, are ableto invest and create jobs here in America.

We appreciate your consideration of these priorities.

Food Stamp Usage On The Rise

The Wall Street Journal reports that "food-stamp use rose 2.4% in the U.S. in May from a year earlier, with more than 15% of the U.S. population receiving benefits."

The good news is that the growth in food stamp usage has slowed since the depths of the recession. But the bad news is that usage continues to grow, despite the recovery that seems to be taking place.

OMEGA Signed Onto Letter in Support of Food Donation Tax Incentives

We recently signed onto a letter urging support for food donation tax incentives. Below is the body of the letter:

We are writing to urge your support for food donation tax incentives through the tax reform process. Food donation giving incentives provide modest tax incentives for companies to donate excess fit and wholesome food to nonprofits instead of sending nutritious food to the landfill. Since its inception in 1976, and expansion to include small businesses in 2006, the tax provision has had a significant positive impact on the amount of food donated to our nation's hungry.

Feeding America, the nation's largest anti-hunger organization, is feeding more than 37 million Americans through its network of 201 food banks and 60,000 agencies across all 50 states. Charity cannot meet this need alone and needs the continued partnership of nonprofit, business and government to help millions at risk of hunger.

The protracted economic downturn, coupled with lingering underemployment and unemployment in many regions has created a perfect storm: client need is at an all-time high while food streams and income assistance programs are threatened. The Feeding America network has seen demand for food assistance skyrocket in recent years, with a 46 percent increase in client demand from 2006 to 2010. For the last few years, food banks have been doing much more with much less and they are struggling to keep up.

A majority of the food that moves through the Feeding America network comes from donations from food manufacturers, retailers, farmers and ranchers and restaurants. Food donations simply are not keeping pace with the staggering increase in demand.

It is absolutely critical that Congress protect food donation tax incentives through the tax reform process. The expansion to include small businesses in 2006 has resulted in significant success and increases in food donations, with Food Donation Connection reporting a 127 percent increase in pounds of food donated by restaurant clients. It is crucial that we expand and extend the food donation tax deduction in tax reform legislation so that food manufacturers, retailers, farmers, ranchers, small businesses and restaurateurs continue to donate rather than dump food needed by hungry Americans.

2013 Scholarship Winners

In June we announced our 2013 Scholarship Recipients. We are extremely pleased to be in a position to help support our members, employees and their families in furthering their education. Our eight scholarship recipients for 2013 are exceptional in every way, and we wish them the best of luck.

Our 2013 winners are:

- **Kyle Bush,** Ashland, KY (He is a student at Union College in KY.)
- **Katherine Leann Plas,** Sardis, OH (She was accepted at both WVU and Marietta College.)
- **Robert Joseph Michels,** Pennsboro, WV (He is a student at Marietta College.)
- **Larry Dean Miller,** Beckley, WV (He is a student at Westminster Choir College.)
- **Joshaua Nathaniel Stephenson,** Shoals, WV (He attends Marshall University.)
- **Sarah Gray Talbott,** Elkins, WV (She attends WVU.)
- **Melissa Mena Terry,** Summersville, WV (She attends the WV School of Osteopathic Medicine.)
- **Mackenzie Lee Keenan,** Morgantown, WV (She attends WVU.)

The member companies represented in the class of 2013 include: **Speedway, Witschey's Galaxy Foods, Par Mar Oil Company, Bruceton Petroleum/BFS Foods, Go-Mart, Inc., Guttman Oil Company, One Stop** and **Little General Stores, Inc.** In July, OMEGA President Jan Vineyard made the following presentations:

2013 Scholarship Winners

Scholarship Winner Katherine Leann Plas pictured with her father, Greg Plas (left) and Witschey's Galaxy Foods Owner Bill Witschey.

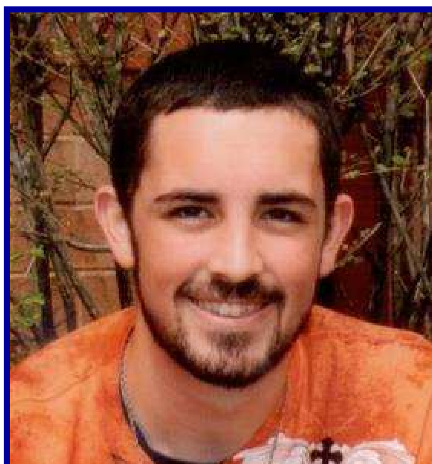
Scholarship Winner Larry Dean Miller pictured with her mother, Teresa Foss (left) and Jan Vineyard.

Scholarship Winner Sarah Gray Talbott with her father, Darroll Talbott, and Jan Vineyard. (Four-time winner)

Scholarship Winner Kyle Bush pictured with his father, John Bush (left) and Jan Vineyard.

Joshaua Nathaniel Stephenson
(two-time winner)

Melissa Rena Terry
(seven-time winner)



Robert Joseph Michels

Connect to Federated's Shield Network

At Federated, our most valuable resource is our people. We believe in personal service and a firm handshake. When you need assistance, we respond with a sense of urgency and a strong desire to help.

Federated wants clients to consider their marketing representative as their Number 1 Federated resource. An exciting tool we have available to help us serve you even better is something called Federated's Shield Network.

Federated's Shield Network is a one-stop cyber shop for risk management tools and materials. It's available 24/7—any day, any time, during any shift—and comes with sort, search, and filter functions, so you are able find what you need when you need it. The network contains hundreds of forms, brochures, signs, and multi-media items. Services include the ability to download, e-mail, edit, and save files to your computer or request them for delivery.

Looking for an industry-leading online training solution?

Federated's Shield Network makes available more than 140 online environmental, health, and safety courses, plus OSHA 10- and 30-hour training. These online courses offer the convenience of meeting regulatory and compliance needs, without the travel costs, scheduling issues, or lost productivity.

Tired of showing the same old safety video?

Federated's Shield Network provides access to more than 300 video titles in multiple languages, complete with facilitator guides, PowerPoint presentations, employee handbooks, and quizzes. If you prefer streaming video over DVD, no problem—you choose the format.

Other services include drug and alcohol testing resources for both workplace needs and Department of Transportation regulations. In addition, employment screening services, employment-related services, business continuity, and much more are available. If you are looking for a comprehensive source for solutions to your risk management needs, check Federated's Shield Network first.

Clients can go to client log in on the www.federatedinsurance.com home page to be taken directly to Federated's Shield Network. Or, your local Federated representative can assist you with the registration, and guide you through the variety of online resources—all designed to have a positive impact on your business.

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Miscellaneous

Make-A-Wish Charity Golf Outing

We would like to thank the following companies who have signed up to sponsor our Make-A-Wish Charity Golf Outing, which will be held September 18th at Stonewall Resort:

Underwriter
ExxonMobil Fuels Marketing

Platinum
Little General Store Inc.
Marathon Petroleum Company
Par Mar Oil Company
Sledd Co.

Gold
BP
Bruceton Petroleum/BFS Foods
Frito Lay
One Stop
Tri-State Petroleum Corp.

Silver
Bolger Brothers, Inc.
Broughton Foods Company
Lykins Transportation
Pepsi Beverages Company
Pullin Fowler Flanagan Brown & Poe
Sammie Huff Contractors
TWJ, Inc.

Bronze
DeFazio Oil Company
Eagle Transport Corporation
Federated Insurance
Guttman Oil Company
Enviroprobe Integrated Solutions, Inc.
R. M. Roach & Sons

Supporter
Dawson-Thompson Oil Co.
Gorman Sheatsley & Company, LC

If you have not done so, please make sure you sign up to sponsor and attend our **Make-A-Wish Charity Golf Outing.** Registration materials are available on our Web site at www.omegawv.com.

Also, if you have not made your room reservations at Stonewall, you need to do so ASAP. **Our room block ends on August 17th.** Please call 888.278.8150 to make your reservations.

Calendar of Events

Make-A-Wish Charity Golf Outing and Awards Banquet
Sept. 17 - 18
Stonewall Resort
Roanoke, WV

NACS Show
October 12 - 15
Georgia World Congress Center
Atlanta, GA

2014 Trade Expo & Golf Outing
May 13 - 15, 2014
Waterfront Place Hotel
Morgantown, WV

At The Pump & Down the Aisle is a Monthly Publication of

West Virginia Oil Marketers and Grocers Association
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Charleston, WV 25311
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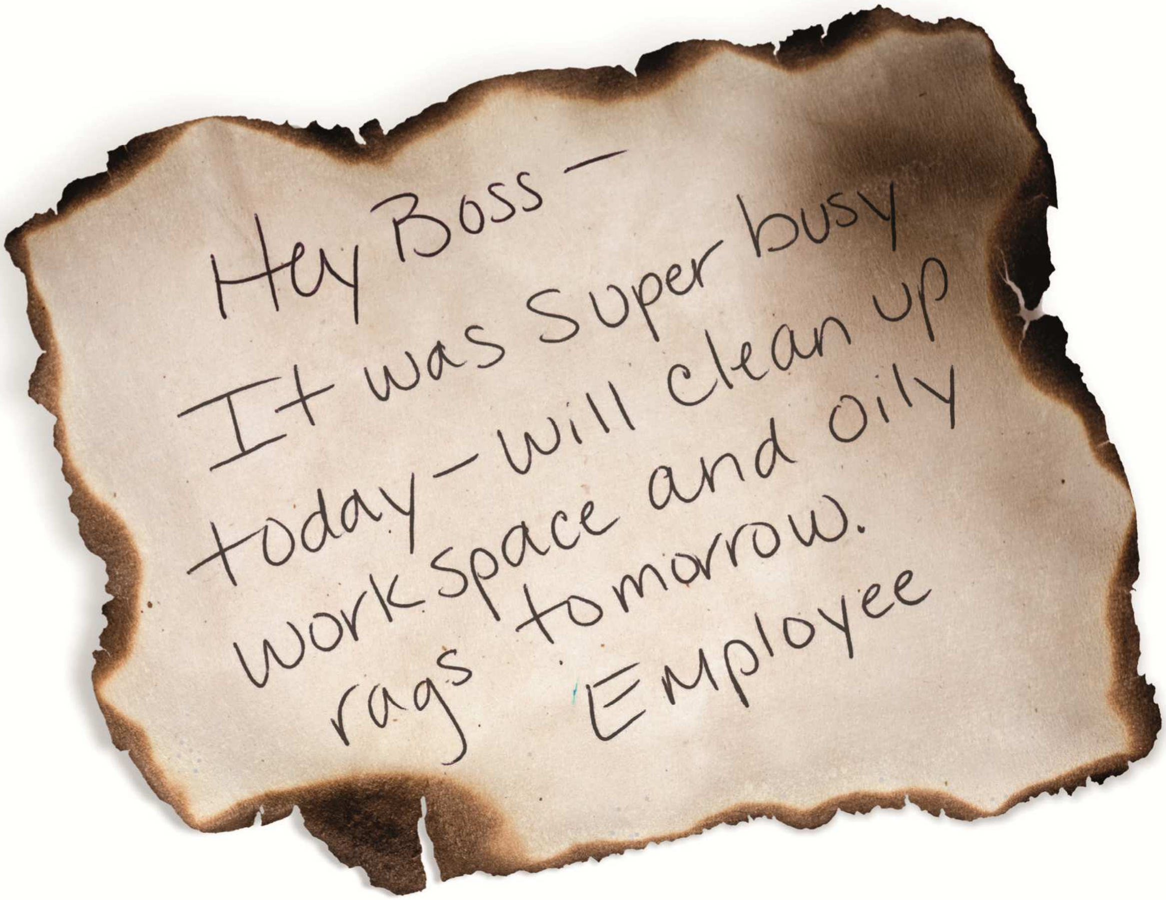

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