

AT THE PUMP DOWN THE AISLE &

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



October 2013

Number 630



OMEGA Members Raise \$161,466 for Make-A-Wish

Providing Life's Essentials to West Virginia - Fuel, Food and Convenience.

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



Fueling the American Spirit.

From the President ...



We have just wrapped up another **Make-A-Wish Campaign** and to say that we are pleased with the results would be a huge understatement! We could not be more proud of our members! Once again we have proven that we truly are "Neighbors serving neighbors."

I'm always amazed at how our members and the West Virginia public truly get behind efforts to help our children. As you know, this is our second fundraising campaign for children in West Virginia this year, our first one being our Taking It Home For Mother's Day Campaign for the Children's Home Society.

We have raised \$254,981 this year alone and since 2003, OMEGA members have raised over \$1.8 million for charities that improve the health, safety and wellbeing of West Virginia children.

Once again this year, we are working with the WV Department of Education on their **School Bus Safety Campaign**. They have designated October as School Bus Safety Month. The following retailers have agreed to display posters for this campaign: **Go-Mart, Inc., Little General Stores, Inc., R. T. Rogers Oil Company, DeFazio Oil Company** and **Stop In Food Stores**. If you would be willing to place posters in your stores for this campaign, please contact Traci Nelson at traci@omegawv.com or call the Association Office. Also, if you have materials left over from last year's campaign (including pump toppers, etc.), please feel free to use those.

As you know, at our September Board Meeting **Chairman Jim Oppe** passed the torch to Greg Rogers to lead the Association. Jim was a great leader and was instrumental in the decision to purchase a new office for the Association. On September 17th, we honored Jim with a caricature, which will hang in the Association Office. (Turn to page 22 for pictures.)

We hope you are enjoying a beautiful October in the Mountain State!

Jan

OMEGA 2013 - 2015 Officers

Chairman

Greg Rogers

R. T. Rogers Oil Co.

Vice Chairman

Joe DeFazio

DeFazio Oil Co.

Secretary/Treasurer

Brian Waugh

Little General Store, Inc.

President

Jan Vineyard

Immediate Past Chairman

Jim Oppe

TWJ, Inc.

Senior Board Members

Greg Darby

Little General Store, Inc.

Patrick C. Graney, III

One Stop

John Heater

Go-Mart, Inc.

H. C. Lewis, Jr.

H. C. Lewis Oil Co.

Douglas M. Roach

R. M. Roach & Sons

R. T. "Ted" Rogers

R. T. Rogers Oil Co.

Board Members

Cory Beasley

Little General Store, Inc.

Sam Chico, III

Chico Enterprises Inc.

Edward J. Coyne, II

Tri-State Petroleum Corp.

Gouverneur Graney

Pilot Logistics

Michael Graney

One Stop

Wayne Harris

Harris Oil Co.

Gary Hatch

Bruceton Petroleum

Art Hartley, Jr.

City Ice & Fuel Co.

Sam Heater

Go-Mart, Inc.

Tom Jamieson

Jamieson Family Markets

Rick Joseph

Kanawha City Foodland

Frank Lester

7-Eleven

H. C. Lewis, III

H. C. Lewis Oil Co.

Sandra Morgenstern

Par Mar Oil Co.

Thad Ours

Petersburg Oil Co.

Steve Roach

R. M. Roach & Sons

Darroll Talbott

Guttman Oil Co.

Dennis Thompson

Dawson-Thompson Oil Co.

Curt Woodford

Woodford Oil Co.

Associate Supplier Members

Dave Brickley

Superior Services

Randy Emanuelson

Sledd Co.

Victor Flanagan

Pullin Fowler Flanagan

Brown & Poe LLC

Denny Huff

Sammie Huff Contractors

Mike Legg

Pepsi Beverages Co.

Kris Matre

Marathon Petroleum Co.

Scott Parkes

Northern Eagle, Inc.

Ron Similo

Lykins Transportation

Greg Walls

Frito Lay

Allan Williams

BrickStreet Insurance



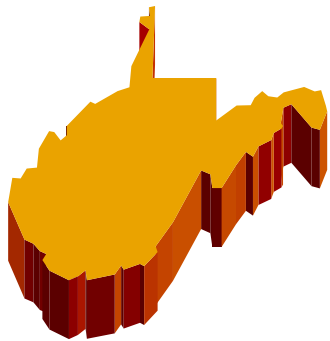
Some see a BP station.
We see a powerful retail network.

BP Branded Marketers are part of a powerful retail network committed to driving traffic and volume growth, building consumer loyalty, increasing revenue and reducing operating costs.

Thanks to the strong BP brand, our differentiated, quality fuel slate and superior marketing programs, our Branded Marketers can be sure their site will stand out from the competition.

**To learn more about becoming a BP Branded Marketer, contact your local Jobber Sales Manager:
Bob Zampini | (330) 757-0089 | robert.zampini@bp.com**





West Virginia News

Governor Tomblin Announces West Virginia Share in \$82 Million Award from U. S. Labor Department

Gov. Earl Ray Tomblin recently announced West Virginia is one of a three-state consortium to receive \$82,771,460 from the U.S. Department of Labor to fund projects to improve state Unemployment Insurance programs.

The West Virginia group includes Vermont and Maryland. The consortium funding will be used for the design and development of a new automated and integrated common unemployment compensation system that will include unemployment benefits, appeals and employer tax contributions. The integrated system is schedule to be deployed in early 2018.

"Being between jobs is a very trying time for any family. The Unemployment Insurance program is an important support system to help these folks get back on their feet," said Gov. Tomblin. "West Virginia WorkForce has provided these important services for many years, and this award will enable them to do even greater work in the future."

In a separate award, West Virginia will receive \$752,780 to develop practices relating to the State Information Data Exchange System (SIDES) which will prevent improper payments before they occur.

Of the three consortium projects that were awarded U.S. Labor Department funding, the West Virginia contingent received the largest share. The Colorado/Arizona/North Dakota/Wyoming consortium received \$12 million; the New York/New Jersey consortium, \$4 million.

The consortium approach is intended to allow multiple states to more cost-effectively make system redesigns while achieving program integrity function.

Lawmakers Told Medicaid Shorted \$109 Million in Recent Months

State lawmakers were told at September interims there will be cash flow problems with Medicaid unless they allocate more money to the health care program by March 2014.

The shortage is the result of three unplanned moves.

McKown said state lawmakers passed a bill at the end of the regular session that would have transferred \$67 million in excess lottery funds to Medicaid but the transfer was not allowed by the state Auditor because of a technical flaw. Medicaid was also supposed to get up to \$50 million in what was left in excess lottery funds at the end of the fiscal year, but only \$29 million came in. The state Budget Office also cut Medicaid by \$17 million at the end of the fiscal year and shifted the money to make sure the state had its required balanced budget. McKown said those three moves equal the \$109 million shortage.

Medicaid is a joint federal and state program that pays for health care for the poor and elderly. Gov. Earl Ray Tomblin decided to expand Medicaid earlier this year. It's anticipated an additional 91,000 state residents will receive coverage.

Employer Work Skills Survey

The West Virginia Workforce Planning Council has put together a survey to assist Governor Tomblin's administration in identifying specific workforce challenges facing business employment recruiting efforts. This survey can be accessed from the homepage of the Governor's website, at <http://www.governor.wv.gov/Pages/default.aspx>. The Governor is asking that a high-level decision maker at your company take this survey. We appreciate you taking the time to complete the survey or see that it gets forwarded to the appropriate person in your organization.

State Revenue Collections Miss Mark Again

State tax collections missed estimates once again in September.

State Deputy Revenue Secretary Mark Muchow said in early October the state brought in \$406 million in revenue for the month, missing the estimate by \$2 million. Muchow said through the first three months of the fiscal year tax revenue collected has missed estimates by a total of \$34 million.

Muchow said there are signs of an improving economy and he expects revenues to improve in the months to come. He said the money from the taxes on natural gas has started to surge. Collections have exceeded estimates so far this fiscal year by \$2.2 million.

"There's been a significant increase in natural gas production along with more stabilized natural gas prices," he said.

Coal continues to struggle although the rate of decline in production levels has slowed. Muchow said exports of metallurgical coal are also down.

There's some caution and optimism a quarter of the way into the fiscal year.

"Underlying economic variables are weaker than expected, wage growth is a bit tepid," Muchow said. "However, this weakness is forecasted to improve."

Annual State Economic Conference Says WV Has Made Strides, But State Policies Are Critical to Growth

John Deskins, director of the WVU Bureau of Business and Economic Research, told the 2014 Annual Economic Outlook Conference in Charleston the state has made strides in improving the economy, but "we still have a long way to go."

Zito Sartarelli, dean of the WVU College of Business and Economics, emphasized the critical importance state policies play in continued future growth, "There is no reason for a state with the natural resources like West Virginia has, that it can't be a powerhouse for economic development." Sartarelli noted the state needs to improve its policy environment, which he described as "over-regulated" when it comes to business

Addressing state legislators in attendance he said, "Every bill should be checked for its economic impact --- will it help create jobs and advance the economic interest of the state. And if it does not, it shouldn't be considered."

To read or download the WV Economic Outlook for 2014, visit http://be.wvu.edu/bber/outlook_pdfs/WV-Economic-Outlook-2014.pdf.

Obamacare Starts Now

As of October 1st, Americans began signing up for health insurance under the Affordable Care Act.

A mid-tier health insurance plan will cost the average American \$328 per month. This information is based on the average premiums of approved plans in 48 states. Many of the expected 7 million individuals that are likely to opt for the exchange plans will be eligible for government subsidies that will lower those costs. The federal government will run the exchanges in 36 of the states, while 14 states will be managing their own plans

Recently, the U.S. Department of Health and Human Services released a report summarizing the marketplace plans from state to state. Here are a couple of examples for West Virginia:

The monthly premium for a family of four with an income of \$50,000 would be \$789 for the silver plan before the tax credit. After the tax credit, the monthly cost would fall to just \$282. The premium for a 27-year-old with an income of \$25,000 would be \$218 for the silver plan before the tax credit and \$145 after the tax credit.

The first to sign up will likely be those who have had trouble getting affordable insurance because of pre-existing conditions. Those are also the folks with some of the highest health care costs. Since premiums are capped, they do not reflect the true cost of the coverage. Higher cost customers will have to be subsidized by younger, healthier customers. At issue is whether or not those people will sign up at all.

Some will be tempted to pay a modest penalty instead of buying insurance. In 2014, it's \$95 dollars a year or one percent of your family income with a cap of \$285. In 2016, the penalty rises to 2.5 percent of family income or \$695, whichever is higher, with a cap of \$2,085.

If not enough healthy people join the exchanges, the premiums will inevitably rise, as will the taxpayer funded subsidies.

West Virginia hospitals generally support the ACA because they believe it will cut down on their uncompensated care, which has reached \$800 million a year. If more people have insurance, the hospitals will be able to collect payment for care.

In West Virginia, you can go to www.healthcare.gov and you'll be directed to the state's portal.

Once there, you can choose from four plans: bronze, silver, gold and platinum. The bronze plan has the lowest premiums, but the highest out-of-pocket costs. Platinum has the highest premiums and the lowest out of pocket.

Those who sign up will also find out if they qualify for subsidies to help pay the premiums. The subsidies will be in the form of tax credits that will vary depending upon a series of variables, including income, age, family size, and whether or not you are a smoker.

The Affordable Care Act is billed by its supporters as health care reform, but at its core Obamacare is subsidized insurance. Millions more Americans will have insurance, and that's a good thing, especially for those with pre-existing conditions.

However, charging individuals below market price—or in the case of Medicaid, nothing at all—will be difficult to sustain. In their battle to hold down premiums—and subsidies—the marketplaces may be forced to limit the kind of care available.

The Affordable Care Act creates a mammoth new entitlement. Millions of people will have "free" or reduced price insurance. As always, though, someone has to pay for it. Whether it's a healthy business model—with some consumers and taxpayers balancing out the cost for others—remains to be seen.

WV Continues to Lose Manufacturing Jobs, but a Bit Slower

According to an annual survey conducted by Manufacturing News, manufacturing employment in West Virginia fell 1 percent between July 2012 and July 2013. During the same period the year before, it fell 1.3 percent. The largest decline came in primary metals manufacturing, where jobs declined by 13.4 percent. Chemical manufacturing employment is down 3.3 percent, while employment increased in electronics, petroleum products, food products, rubber and plastics and transportation equipment manufacturing. There are 1,866 manufacturers in the state employing nearly 81,000 workers.

WorkForce West Virginia Offering Online Filing for Employer Contributions and Payment

WorkForce West Virginia now offers online filing for employer contributions and payment via electronic check. The service is free and offers a number of advantages over paper filing, including the following:

- Employees are saved from report to report. You must only add/delete if necessary and update wages.
- You can pay a contribution due easily with a bank account (credit card payment is not available).
- Safe and secure handling is provided for employee and payment information.
- If inactive, request account activation online.
- Submit changes to account information online.
- Filing online means no forms to print or mail and no checks to write!

To access the online system, visit go.wv.gov/eocr.

WV Blue Book Now Available Online

It's been published since 1916 and is now available online ... all 916 pages. The Blue Book is the state's definitive reference book. It includes information on state and federal officials, cities & counties, state departments & institutions, political organizations, etc. It is published by the WV Senate Clerk and is available on the Legislature's website. You can access the online Blue Book, by visiting <http://www.legis.state.wv.us/Senate1/clerk.cfm>.

WV BIC Announces New Slate of Officers

The WV Business and Industry Council (BIC), which represents more than 50 business organizations around the state, recently announced the election of officers to its Board of Directors.

The leadership team, including the executive committee, is as follows:

- ◆ Chair: **Chris Hamilton, Vice-President, WV Coal Association**
- ◆ First Vice Chairman: **Joe Letnaunchyn, CEO, WV Hospital Assoc.**
- ◆ Second Vice Chairman: **Mike Clowser, Executive Director, Contractors Association of WV**
- ◆ Secretary: **Juliet Terry, Cliffs Natural Resources**
- ◆ Treasurer: **Sam Minardi, Minardi Public Affairs**

Jan Vineyard, Immediate Past Chairman, will continue to serve on the Executive Committee.

IRS, DOL, Post Information on Health Care

The Internal Revenue Service has a very significant role in the administration of the federal health-care reform program. IRS has recently been putting out a series of regulations to implement the new act, as well as guidance on how affected parties are to deal with issues arising out of the series of postponements by the Administration of the effective date of various components of the law. General information, with links to at least some of the regulations and guidance may be found at the IRS site here: <http://www.irs.gov/uac/Affordable-Care-Act-Tax-Provisions-Home>. The site includes a link to information on the new PCORI fee, which was first due from employers at the end of July this year. (See the SLN of 6/21/13 for more on this fee.) The U.S. Department of Labor, which is also involved in implementing the new health-care system, has a special webpage on it as well, with more information on employer requirements. It's here: <http://www.dol.gov/ebsa/healthreform/>.



Federal Issues

Government Shutdown

For the first time since 1996, the government officially began shutting down at 12:00 AM on October 1. The Affordable Care Act (ACA) remains the largest point of contention and as of this writing neither Chamber appear willing to budge. While House Republicans have passed various forms of legislation to tie the continuing resolution (CR) to dismantling or defunding the ACA, Senate Democrats will only agree to a clean continuing resolution (CR).

We will continue to keep members up-to-date via bulletins on issues surrounding the shutdown as it affects our industries

Federal Gas Tax Rate Celebrates 20 Years

Twenty years ago this month, the federal gas tax jumped from 14.1 cents to 18.4 cents. Before the 4.3 cent increase in 1993, Congress voted to raise the tax 5 cents in 1990 following a 5-cent jump in 1983. Unfortunately, the purchasing power of the gas tax proceeds is 28 percent less than it was 20 years ago. This is compounded by the fact that more fuel efficient vehicles have reduced the revenue generated by the tax. These dynamics work to create a \$20 billion shortfall annually in funds available for transportation needs.

A new report from the Institute on Taxation and Economic Policy (ITEP) offers specific policy recommendations for modernizing the federal fuel tax. Among its findings, "A Federal Gas Tax for the Future" argues for increasing the tax rate to offset its recent decline; restructuring the tax so that its rate automatically rises each year with construction cost inflation and so that it also rises when vehicle fuel-efficiency improves; and implementing reforms to ensure that this restructuring does not lead to unnecessary volatility in fuel tax collections.

The Tax Foundation Releases Midyear Report

The Tax Foundation, a non-partisan organization providing research and analysis on federal and state tax policy, has released their "State and Local Sales Tax Rates Midyear 2013" Report. Tennessee has the highest combined state and local sales tax rate in the country at 9.44 percent and Alaska the lowest at 1.69 percent. After Tennessee, the states with the highest average combined rates are Arkansas (9.18 percent), Louisiana (8.89 percent), Washington (8.87 percent) and Oklahoma (8.72 percent). States constantly evaluate their tax rates in comparison to neighboring states. An example is Vermont, with a 6 percent state sales tax and 16th highest in the nation, and neighboring New Hampshire, with no sales tax.

Online Sales Tax

Chairman of the House Judiciary Committee Bob Goodlatte (R-VA) recently decided to take a new direction for online sales tax legislation when he released a statement of principles on September 18. Goodlatte didn't say whether he will introduce legislation of his own or schedule a hearing, however this step indicates that the Marketplace Fairness Act that passed the Senate earlier this year will likely undergo major revisions before it reaches the House floor. NGA supported the Senate bill.

Revamping the Tax Code

On September 19, two business coalitions, the Coalition for Fair Effective Tax Rates and the Reforming America's Taxes Equitably Coalition came together to publically support a revenue-neutral revamping of the tax code. The two groups announced that they supporting comprehensive changes in the tax code and would work together to push for lower rates and fewer tax preferences. Tax committee chairmen Dave Camp (R-MI) and Max Baucus (D-MT) praised the coalitions.



Convenience Store News

Swipe Fee Reform Saves W.Va. Consumers \$27 Million

*Study Finds Cutting Debit Fees Saved West Virginia Consumers \$27 Million
in Lower Prices & Created Approximately 173 New Jobs*

According to a new economic report released today by the Merchants Payments Coalition, debit card swipe fee reform has accomplished much of what Congress intended when it passed debit reform legislation in 2010 by pumping a significant infusion of savings and jobs into state economies across the country. The report, named *The Costs and Benefits of Half a Loaf: The Economic Effects of Recent Regulation of Debit Card Interchange Fees*, can be found at www.unfaircreditcardfees.com.

In West Virginia, the lower debit card swipe fee, which the Federal Reserve dropped from 48 cents per transaction to 24 cents, allowed West Virginia merchants to reduce costs, saving consumers \$27 million and spurring the creation of approximately 172 new jobs in 2012.

"It's clear that debit card swipe fee reform lowered prices, and its effects are helping OMEGA member businesses across West Virginia, says Jan Vineyard, President, WV Oil Marketers and Grocers Association (OMEGA). "It's imperative that we get this right and keep moving forward with swipe fee reform so that merchants can continue to pass along their savings through lower prices and invigorate consumer spending, our primary economic driver."

Vineyard also says that swipe fee reform is just what small business owners, who historically have been the primary drivers of job creation in the U.S., need as it would boost their cash reserves and allow them to invest in their stores and expand their employee base.

Viewed from a national perspective, the savings and jobs numbers are significant and would help revive the country's sluggish economic recovery. The major findings of the report include:

- Reducing the cost for merchants to swipe debit cards put \$5.8 billion back into the hands of consumers across the country through lower prices, which led to increased spending and helped create 37,501 new jobs in 2012. Merchants realized savings of \$2.6 billion.
- These savings and job gains, however, could have been substantially larger had the fee been cut to 12 cents as originally recommended by the Federal Reserve. If that cut had been implemented, an additional \$2.79 billion would have been generated in consumer savings, \$1.2 billion in merchant savings and 17,824 more jobs would have been created.
- If credit card swipe fees had been reduced to 24 cents, consumers and merchants would have realized an annual savings of \$22.3 billion, generating a total of 98,600 jobs every year. All told, with improved debit reform and credit reform, the savings to consumers and merchants would be \$34.9 billion and nearly 154,000 jobs would be created annually.

"Making debit card reform consistent with the law we already have and reforming credit card swipe fees would be a tremendous boost to West Virginia," says Vineyard. "We need the lower prices and jobs that full swipe fee reform would give us now."

Credit card swipe fees continue to gouge merchants and consumers. The fee, which can be as high as four percent of the transaction and often exceeds what the merchant earns on the sale, is the second highest operating expense for merchants, trailing closely behind labor costs. Consequently, merchants often have no choice but to pass a portion of this expense down to consumers in the form of higher prices irrespective of their form of payment.

As it stands now, Americans pay the highest swipe fees in the industrialized world, eight times more than in Europe. Although the cost to process these transactions has fallen given improvements in technology, the swipe fee for credit cards continue to skyrocket. All told, swipe fees generate approximately \$50 billion for banks every year. Visa and MasterCard, who together control 80% of the card market, set these fees in secret so that banks don't compete on price.

Circuit Court Agrees to Delay Debit-Card Fee Ruling

Existing levies will remain in place while the appeals process unfolds

A U.S. Circuit court judge agreed in mid-September to the Fed's request to grant a delay on an earlier decision that tossed out the agency's rules governing interchange fees, allowing existing levies to continue while the appeals process unfolds, the Wall Street Journal reports.

U.S. District Judge Richard Leon agreed to the Fed's request, while the U.S. Court of Appeals signaled it plans to move the appeals process through quickly. The Fed's brief in the matter is due October 21, NACS' brief is due November 20, and the Fed's reply brief is due December 4. Once briefing is complete, an oral argument date will be set.

Both the Fed and the merchants (including NACS) that sued the Fed argued for the stay, maintaining banks would sharply raise fees if the current system was immediately scrapped.

"Our view on this was that the Fed followed about one-third of the law. If he had removed the stay, none of the law would've been in place, so one-third is better than nothing," said Mallory Duncan, general counsel for the National Retail Federation.

Electronic Cigarette Rule Anticipated

Some retailers are anticipating the FDA Center for Tobacco Products will propose a regulation to regulate electronic cigarettes. Earlier this week, 40 state Attorneys General sent a joint letter supporting FDA regulation. Even though electronic cigarettes do not use tobacco, the FDA stated it will issue a proposed "deeming regulation" in October 2013. Once the proposal is published, all interested parties will likely have 60 days to comment. Depending on the scope of the regulation, it will likely face extended legal challenges.

Federal Judge Blocks Surcharge Limits

U.S. District Judge Jed Rakoff in New York has ruled in favor of retailers who challenged a New York state law limiting credit card surcharging. The judge found the law violated retailer free speech rights by prohibiting them from alerting customers to the extra costs of paying with credit cards.

Rakoff said the law violated the First Amendment of the U.S. Constitution saying it "perpetuates consumer confusion by preventing sellers from using the most effective means at their disposal to educate consumers about the true costs of credit-card usage."

Authorities, including New York State Attorney General Eric Schneiderman and Manhattan District Attorney Cyrus Vance, had argued that the law protected shoppers by enabling them to rely on advertised prices, rather than be surprised at checkout by unexpected surcharges.

Retailer Op-Ed Blasts Menu Labeling Law

Jay Ricker, owner of Ricker's Convenience Stores, penned an op-ed recently for The Journal Gazette criticizing the FDA's expected release next month of menu labeling requirements.

"America's 149,000 convenience stores offer a quick, clean and friendly space for Americans to grab life's essentials without breaking stride in their daily routine," Ricker began. "So how much time would you be willing to spend deciphering nutrition information if it were wallpapered across the store? And how much more money would you be willing to pay to cover those costs?"

Menu labeling legislation will require foodservice retailers with 20 or more chain locations to create calorie labels for all products that they sell onsite.

But Ricker, who also served as the 2009-2012 NACS chairman, argues that while his stores sell packaged foods and freshly prepared foods, "we are not a restaurant and should not be together with other businesses in this overly broad law."

He said nutritional testing, employee training and new signage will cost stores like his "a lot of money and man-hours" that "will result in higher prices for families like yours.

Ricker also criticized the law's effectiveness, citing a recent Gallup poll that revealed less than half of all Americans look at nutrition information when it is provided in restaurants.

"Ricker's is proud to be made in Indiana, and we want to continue to provide jobs as well as convenience and quality service for all Hoosiers," Ricker concluded. "While I'm eager to help drive the discussion on public health and nutrition forward, this top-down, paternalistic style of governance is not good for our business or our customers."

FDA Issues Guidance for Tobacco Retailer Training Programs

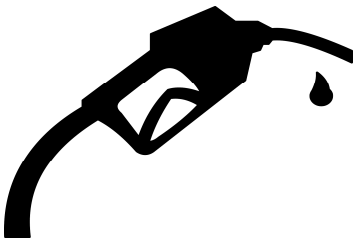
The U.S. Food & Drug Administration (FDA) announced in The Federal Register the availability of a guidance for tobacco retailers entitled "Tobacco Retailer Training Programs."

This guidance document is intended to assist retailers in implementing training programs for employees to learn about and comply with the federal laws and regulations restricting the sale and distribution of, including youth access to, cigarettes and smokeless tobacco; and advertising and promotion of cigarettes and smokeless tobacco.

The Family Smoking Prevention & Tobacco Control Act does not require retailers to implement retailer training programs.; however, the Tobacco Control Act does provide for lower civil money penalties for violations of sale and distribution, including youth access, advertising and promotion restrictions issued under the Federal Food, Drug & Cosmetic Act (FD&C Act), as amended by the Tobacco Control Act, for retailers who have implemented a training program that complies with standards developed by the FDA for such programs.

The FDA intends to issue regulations establishing standards for approved retailer training programs. In the interim, this guidance document is intended to assist tobacco retailers who wish to implement training programs for employees.

The FDA intends to promulgate regulations establishing standards for approved retailer training programs. In the interim, however, for retailers who wish to implement training programs, this guidance document explains definitions; recommendations for elements to be included in a retailer training program; recommended hiring and management practices; the civil money penalties that may be assessed against retailers for violations of restrictions; and how the penalty structure differs for retailers with and without approved training programs.



Oil Marketers Update

EPA Expands Heating Oil Definition in RFS

On September 24th, the EPA expanded the definition of heating oil in a final RFS rule by allowing all fuel oils that are used to generate heat for homes, businesses and recreation to generate Renewable Identification Numbers (RINs). This is welcome news to petroleum marketers who participate in the biodiesel RIN market and will expand the use of BioHeat®. Under existing definitions promulgated in March 2010 under RFS-2, only #1 and #2 heating oil are allowed to generate RINs. The expanded heating oil definition will not be subjected to obligated parties' (refiners) Renewable Volume Obligations (RVOs), but obligated parties will be allowed to use these new qualifying heating oil RINs to demonstrate compliance with their RVOs. The final rule also includes: requirements for product transfer documents (PTDs) to ensure stakeholders taking possession of the newly defined fuel oil are aware of its limited use and penalties for improper use; detailed requirements for producer registration; and quarterly reporting requirements.

GAO Report Concludes PHMSA Wetline Incident Data is Unreliable

Recently, the U.S. Government Accountability Office (GAO) released a scathing critique of the U.S. DOT Pipeline and Hazardous Materials Safety Administration's (PHMSA) wetlines incident data collection efforts. Congress ordered GAO to conduct the study after a successful lobbying campaign mounted by PMAA. The GAO report is important because PHMSA is attempting to use its incident data to support a rule PMAA opposes requiring cargo tank wetlines to be retrofitted with expensive purge equipment.

Specifically, the GAO reported that PHMSA's incident data cannot be used to reliably identify risks from incidents involving collisions with and spills from cargo tank wetlines because the incidents are not specifically identified in PHMSA's database and the data contain inaccuracies. PHMSA identifies wetline incidents through a resource-intensive process of reviewing carrier-reported incident reports. However, GAO found that the reports do not always clearly indicate whether an incident is wetline related and that information about the consequences of incidents, including fatalities, is not always accurate. This is the same conclusion was found by a PMAA-sponsored review of incident reports several years ago. The GAO said that PHMSA's cost benefit analysis for wetline retrofit overstated the number of fatalities the proposed rule would prevent when considering actual past incidents.

The GAO concluded that DOT should improve its wetline incident data by requiring carriers to specifically report wetline incidents and by improving its information on incident consequences. DOT should also address uncertainty in the assumptions and data underlying its regulatory cost-benefit analysis. DOT did not agree or disagree with the recommendations, but provided technical comments.

New Federal Underground Storage Tank (UST) Rule Delayed until Spring 2014

The new federal UST rules are delayed again. EPA's Office of Underground Storage Tanks (OUST) estimates it will take until next spring to review and respond to all of the comments received on the rule it proposed November 18, 2011. Although we heard several specific dates when the rule is expected to be finalized—April 15, May 1 and May 15—everyone we talked with at OUST thinks the "spring" target date is reasonable and provides for unexpected delays in the process.

EPA Delays Final Rule Mandating Reduction in Gasoline Sulfur Content

The EPA will delay publication of a final rule that would reduce the sulfur content of gasoline from 30 parts per million to 10 parts per million by 2017. The rule is controversial because it could add as much as nine cents per gallon to the cost of gasoline with very little environmental benefit. The major oil refiners along with PMAA oppose the new gasoline sulfur standard while automobile manufacturers say it is necessary to meet strict new federal vehicle emissions standards.

EPA originally planned to publish the final rule before the end of 2013. EPA now says the rule will be published in early 2014. In explaining the delay, the agency said it needs more time to analyze the more than 200,000 public comments submitted on the proposed rule. Notwithstanding the rulemaking delay, EPA said the 2017 effective date for the new gasoline sulfur standard would not be changed. In addition to the reduction in gasoline sulfur content, the Tier 3 rule would; reduce nitrogen oxide and volatile organic compound emissions from light and medium duty vehicles to 30 milligrams per mile by 2025 from the current 160 milligrams per mile; establish a particulate matter emissions standard of three milligrams per mile, down from the current 10 milligrams; reduce VOC and NOx emissions from heavy duty vehicles; and set an evaporative emission limits for both light and heavy duty vehicles.

CSG Releases New Transportation Issue Brief

The Council of State Governments released a new issue brief on the "Changing Face of Transportation Revenues." According to CSG, "2013 has seen a burst of activity on the transportation funding front. From gas tax increases to tax swaps, from general fund transfers to tolling and public-private partnerships and from mileage-based user fees to taxing electric vehicles, the strategies have been varied and the trends sometimes contradictory. In a series of June 2013 interviews, six transportation experts weighed in on the reasons behind the burst of activity, the states they believe were the most significant stories, what the various strategies mean for the future of transportation and the factors they believe are necessary for states to be successful in seeking new transportation funding." A companion article includes updates on transportation financing in several other states.

Fuel Efficiency Reaches Record High

Cars and trucks sold last month averaged 24.9 miles per gallon in fuel economy, nearly five miles per gallon higher than in October 2007.

Gasoline Prices Fall by 18 Cents Per Gallon

The U.S. Energy Information Administration's (EIA) short-term energy outlook projects gasoline prices will fall even further during the fourth quarter of 2013.

The weekly U.S. average regular gasoline retail price dropped by 18 cents per gallon during September, ending the month at \$3.43 per gallon. EIA's forecast for the regular gasoline retail price averages \$3.34 per gallon in the fourth quarter of 2013. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to be \$3.52 per gallon in 2013 and \$3.40 per gallon in 2014.

Contributing to the lower gas prices, Brent crude oil spot prices decreased from a recent peak of \$117 per barrel in early September to \$108 per barrel at the end of the month as some crude oil production restarted in Libya and concerns over the conflict in Syria moderated. EIA expects the Brent crude oil price to continue to weaken, averaging \$107 per barrel during the fourth quarter of 2013 and \$102 per barrel in 2014. Projected West Texas Intermediate (WTI) crude oil prices average \$101 per barrel during the fourth quarter of 2013 and \$96 per barrel during 2014.

Meanwhile, EIA projects average U.S. household expenditures for natural gas and propane will increase by 13% and 9%, respectively, this winter heating season (October 1 through March 31) compared with last winter. Projected U.S. household expenditures are 2% higher for electricity and 2% lower for heating oil this winter. Although EIA expects average expenditures for households that heat with natural gas will be significantly higher than last winter, spending for gas heat will still be lower than the previous 5-year average.



Grocery Highlights

House Votes to Extend WIC through December 15th

The House voted on October 4th on the Nutrition Assistance for Low-Income Women and Children Act, that would fund WIC through December 15 at 2013 sequester levels. The legislation passed by a vote of 244-164, but is unlikely to be considered by the Senate. The National WIC Association did not support the legislation and the White House has put out a veto threat against it and other "mini-CRs."

Farm Bill/SNAP

On September 19, the House narrowly passed the Nutrition Reform and Work Opportunity Act of 2013 (H.R. 3102) on a 217-210 vote. This bill reauthorizes nutrition programs for 3 years instead of the traditional 5 years, cuts \$40 billion to SNAP over 10 years, rolls back automatic eligibility programs, and restricts state waivers of work requirements for able-bodied adults without dependents. Passage of H.R. 3102 moves the House and Senate one step closer to a farm bill conference, however given the disparities between the two bills, an extension is a more likely scenario

FDA Regulatory Priorities

The Center for Food Safety and Applied Nutrition (CFSAN), a public health regulatory center within the FDA tasked at ensuring the nation's food is safe and properly labeled, recently released its Plan for Program Priorities for 2013-2014. This plan lists many pending food safety rules (proposed and final), many of which may impact retailers and wholesalers. The plan is available at <http://www.fda.gov>.

New COOL Resources

As the education and outreach period comes to a close and the implementation deadline approaches for the new COOL regulations on November 23, we wanted you to be aware of all the resources NGA has available to you. Resources are free and include:

1. NGA's Comprehensive Resource Guide to the Final COOL Rule
2. USDA PowerPoint on the New Rule
3. USDA COOL Labeling Provisions FAQ
4. USDA COOL Labeling Tables

These resources are open documents and can be seen by all on the NGA website at www.nationalgrocers.org/COOL.

Now Available: 2013 NGA/FMS Independent Grocers Financial Survey

NGA and FMS have released the results of their joint 2013 Independent Grocers Financial Survey. Showing their resilience and business savvy, independent grocers capitalized on the improvements in the economy and posted an average net profit before taxes of 1.65 percent in fiscal year 2012, up from 1.12 percent in 2011. They also grew inflation-adjusted same-store sales and improved gross margins across key store categories. As unemployment, consumer confidence and other key economic indicators improved, so did the financial results of independent grocers. For more information or to purchase the survey, visit https://netforum.avectra.com/eweb/shopping/shopping.aspx?site=nga2&prd_key=8c19cfed-8fef-4976-b5eb-160a5334495f.



**Trade Expo Moves to
Waterfront Place
Hotel in Morgantown
for 2014!**

**Mark Your Calendar!
May 13 - 15, 2014
Waterfront Place Hotel
Morgantown, WV**



Make-A-Wish Charity Golf Outing

On September 17 & 18 we held our Make-A-Wish Charity Award Banquet and Golf Outing at Stonewall Resort. We were thrilled to present a check to Make-A-Wish for \$161,466!

Below are some pictures from our Charity Awards Banquet:



Kevin Hockey, Wish Kid Sean and Kristin Miller of ExxonMobil



Randy Flesch, Scott Voegle, Nikki Trout, Andy DeCocker and Kris Matre of Marathon Petroleum with OMEGA Chairman Jim Oppe



Linda Bryant, Della Blankenship, Rena Pelphry and Brian Waugh of Little General Stores with Wish Kid Sean



Scott Siemer, Chelsea Blair, Jeralynne Offenberger, Dana Mosser of Par Mar Oil Company with Jim Oppe



Jay Jones and Derek Ward of Sledd Co. with Jim Oppe



Gary Hatch of Bruceton Petroleum/BFS Foods with Jim Oppe



Mike Romanek, John Berry, Frank White, Steve Bresnay and Mike Zeiner of Tri-State Petroleum Corp. with Jim Oppe



Jason Kupfner, Greg Walls and Jonathon Smith of Frito Lay with Jim Oppe



Mike Krakauskas of Anheuser-Busch with Jim Oppe



Allan Williams of BrickStreet Insurance with Jim Oppe



**Ron Similo of Lykins Transportation
with Jim Oppe**



**Mark George and Jim Linsenmeyer of Proud
Eagle with Jim Oppe**



**Denny Huff of Sammie Huff Contractors
with Jim Oppe**



**Victor Flanagan of Pullin, Fowler, Flanagan,
Brown & Poe with Jim Oppe**



**Greg Rogers of R. T. Rogers Oil Company
with Jim Oppe**



**Nick DeFazio, Andy DeFazio, Joe DeFazio and
Joe Clark DeFazio of DeFazio Oil Company
with Jim Oppe**



Levi Harris, Chris Welch and Kristen Schoeneberger of Federated Insurance with Jim Oppe



Wish Kid Sean with Tom Panigall of Red Bull Energy Drink



Top Star Seller

Par Mar Stores

Scott Seimer of Par Mar Stores, Leandra Hickman of Make-A-Wish, Dana Mosser of Par Mar Stores, Jim Oppe and Chelsea Blair of Par Mar Stores

Make-A-Wish Charity Golf Outing Sponsors

We would like to thank the following sponsors, who helped make this campaign such a success:



Underwriter

**ExxonMobil Fuels
Marketing**

Platinum

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

Gold

BP

**BrickStreet Insurance
Bruceton Petroleum/BFS Foods
Frito Lay
One Stop
Prima Marketing LLC
Tri-State Petroleum Corp.**

Silver

**Anheuser-Busch
Bandy's Inc.
Bolger Brothers, Inc.
Broughton Foods Company
Harris Oil Company
Liberty USA Inc.
Lykins Transportation
Pepsi Beverages Company
Proud Eagle, Inc.
Red Bull Energy Drink
Reynolds American
Sammie Huff Contractors
TWJ, Inc.
U. S. Foods LLC**

Bronze

**DeFazio Oil Company
Eagle Transport Corporation
Enviroprobe Integrated Solutions, Inc.
Federated Insurance
Go-Mart, Inc.
Guttman Oil Company
Pullin Fowler Flanagan Brown & Poe
R. M. Roach & Sons
R. T. Rogers Oil Company**

Supporter

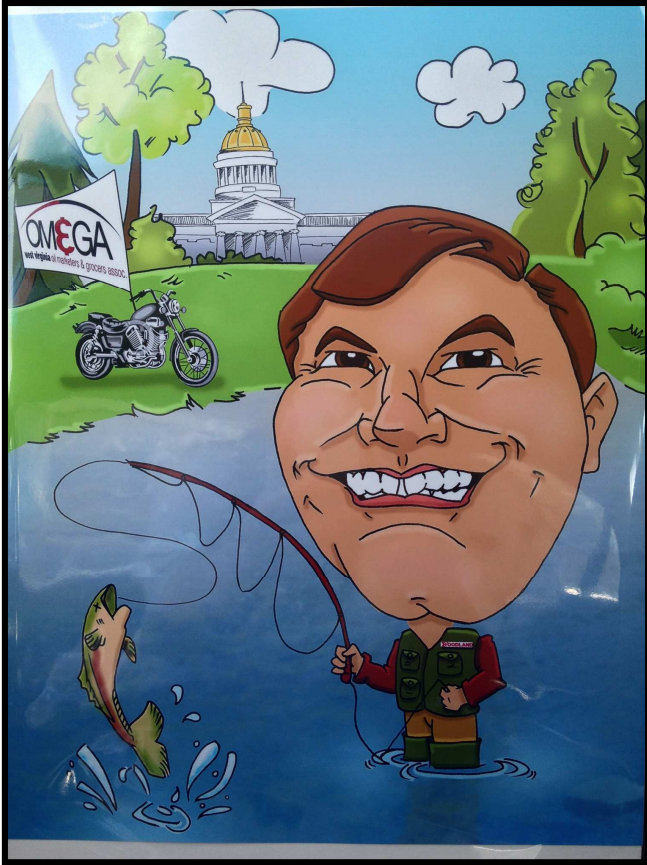
**Dawson-Thompson Oil Co.
Gorman Sheatsley & Company, LC
H. C. Lewis Oil Company
Horne Bantam Markets
J. T. Davenport & Sons
Petersburg Oil Company
Woodford Oil Company**

We would like to thank the following retailers who sold stars in their stores during the month of August:

- ♦ **BFS Foods**
- ♦ **DeFazio Oil Company**
- ♦ **Go-Mart, Inc.**
- ♦ **Jamieson Family Markets**
- ♦ **Little General Stores, Inc.**
- ♦ **One Stop**
- ♦ **Par Mar Oil Co.**
- ♦ **Petersburg Oil Co.**
- ♦ **R. T. Rogers Oil Co., Inc.**
- ♦ **Sledd Co.**
- ♦ **Stop In Food Stores**
- ♦ **TWJ, Inc.**
- ♦ **Tri-State Petroleum Corp.**

A Tribute to Outgoing Chairman Jim Oppe

On September 17th at Stonewall Resort we paid tribute to our Outgoing Chairman Jim Oppe. Following are some pictures from the celebration:





Miscellaneous



On October 16th, we will be hosting a **BrickStreet Safety Seminar** in **Charleston** at the **BrickStreet Office** located at 400 Quarrier Street. The seminar will be held from **9:00 a.m. to 12:00 p.m.** The seminar is free to members and you may attend even if you are not part of the BrickStreet Discount Program. We encourage you to attend along with your key personnel. Information on this event will be distributed soon.

UST Re-Certification Training

We will be hosting a UST Re-Certification Training Seminar October 22 - 24, 2013 at the Charleston Civic Center in Charleston, WV. Information was mailed on this seminar last week. If you have an A & B License and need to recertify, please sign up soon. Note that this is now a three-day seminar. A class will be on October 22nd, OSHA Refresher (required) will be on October 23rd and B class will be on October 24th.

Thanks from A Scholarship Winner

A Note from a Scholarship Recipient, Melissa Terry
"I just wanted to thank you and your associates at OMEGA once again for your generous financial support of my education. As William Butler Yeats once said, "Education is not the filling of a pail, but the lighting of a fire". My family and I would like to thank you for continuing to fuel my educational aspirations. Sincerely, Melissa Terry"

Welcome New Member

We would like to welcome the following new member to the Association:

Gold Medal Products - Pittsburgh

519 Parkway View Drive
Pittsburgh, PA 15205
Phone: 412.787.1030
Fax: 412.787.7295
Email: gcramer@gmpopcorn.com
Web site: www.goldmedalpittsburgh.com

Contact: **Greg Cramer, Branch Manager**

Calendar of Events

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

BrickStreet Safety Seminar
October 16
BrickStreet Office
400 Quarrier Street
Charleston, WV

UST Re-Certification Training Seminar
October 22 - 25
Charleston Civic Center
Charleston, WV

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
2006 Kanawha Blvd., East
Charleston, WV 25311
www.omegawv.com

Phone: 304.343.5500
FAX: 304.343.5810



We're Stronger Together

Relationships take work. Sometimes things go smoothly, sometimes not so much. But a winning relationship—like the one between Federated and your association—is worth the effort. The result? A solid partnership built on a foundation of mutual respect. That partnership has one primary goal: helping you build the business you imagined.

Visit www.federatedinsurance.com to find a representative near you.



Federated Mutual Insurance Company • Federated Service Insurance Company* • Federated Life Insurance Company
Owatonna, Minnesota 55060 • Phone: (507) 455-5200 • www.federatedinsurance.com

*Not licensed in the states of NH, NJ, RI, and VT. © 2013 Federated Mutual Insurance Company