



## Legislative Session a Success

The OMEGA team worked very hard this session to promote bills to help not only our industry but the entire business community of the state. The new leadership at the Legislature promoted a very transparent and professional operation that encouraged common sense legislation to improve our state. It was a refreshing change of pace from historically being on the defensive side of the lawmaking process for the majority of a session to actually playing offense with many seats at the table on a number of important pieces of legislation. There was a broad coalition behind a comprehensive number of bills aimed to improve the legal and business environments of West Virginia.

Among those were:

- ◆ "Open & Obvious" doctrine for property liability
- ◆ Property owners liability for trespasser's harm
- ◆ "Comparative Fault" liability for degree of fault
- ◆ Punitive damages in civil actions
- ◆ Revised Uniform Arbitration Act
- ◆ Clarifying damages in employment claims (front & back pay)
- ◆ Clarifying "Deliberate Intent" law
- ◆ Relating to medical professional liability
- ◆ Requiring Justices & Judges to be elected non-partisan
- ◆ Creating "one-stop" shop for small businesses
- ◆ Payment of separated employee's outstanding wages
- ◆ Payment of wages by employers time frame
- ◆ Changing calculation of "Prevailing Wage"

*Congratulations*

Senate President **Bill Cole,**

House Speaker **Tim Armstead,**

Governor **Earl Ray Tomblin**

and Members of the 82<sup>nd</sup> Legislature!

The 2015 Legislative Session will go down in history as one of the most impactful in recent memory for the passage of meaningful and holistic legal reform measures and initiatives to keep state government fiscally responsible.

Thank you for a truly productive legislative session!

**OMEGA**  
west virginia oil marketers & grocers assoc.

Representing:



# From the Director

The regular session is now behind us. The 2015 Legislative Session will go down in history as one of the most impactful in

recent memory for the passage of holistic legal reform and initiatives to keep state government fiscally responsible. Doing business in West Virginia now will be much easier without the legal attacks on our businesses. It was truly a productive legislative session under the leadership of Senate President Bill Cole, Speaker Tim Armstead and the cooperation and bipartisan support of Governor Earl Ray Tomblin.



A success for us this session was **SR 35 - Recognizing Robert Sincavich, Chairman of American Wholesale Marketers Association**. Not only was this well-deserved for Rob, but it also showed the importance of our industry to West Virginia and to the entire United States.

For those of you that got involved in the process, attended our Legislative Day, made phone calls or sent letters to your delegates and senators, I would like to thank you for your support. Your voice does and always will make a difference! We are a stronger Association today than we were prior to the session.

I hope that you have made plans to attend the **2015 Mid-Atlantic Conference**, which will be held **May 27th - 29th** at The Greenbrier Resort. Once again, MALC Chairman Rob Sincavich has put together a great event! If you have not signed up, please visit the WVWA web site and download the forms for this event or call the Association Office. Also, if you have not made your room reservation at The Greenbrier, please call 855.859.2294 as soon as possible. The cut-off date to make reservations is **April 26th**. If you have any questions regarding this event, please call the Association Office at 304.205.5496.

See you at The Greenbrier!

*Jan*

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Similar to last year, our industry came under attack from Senators Blair and Snyder from the Eastern Panhandle regarding the Unfair Trade Practices Act and their attempt to exempt gasoline from the Act. We were proud that we were able to defeat their legislation and continue to protect our industries and ultimately the consumers of West Virginia. They attempted to do away with our collection allowance under the rack tax and we were able to defeat that attempt as well.

Numerous tobacco tax bills were introduced and there was a late push during the session to place a \$1.00 increase in the cigarette tax through an amendment in the Legalizing and Regulating the Sale and Use of Fireworks bill. In addition to the tax increase amendment, an additional smoking restriction amendment was added to the bill that was supported heavily by the gaming industry which may have forced some legislators who wouldn't support a tax increase to support the bill for the gaming industry's amendment.

## 2016 Session

During the interims we have been told that Senator Craig Blair is requesting that his Government Organization Committee study the Unfair Trade Practices Act.

Now is the time to start thinking about the 2016 session. If you have ideas or suggestions, please feel free to contact the WVWA office.

## Thanks

For those of you that got involved in the process, attended our Legislative Day, made phone calls or sent letters to your delegates and senators, we would like to thank you on behalf of our industry. Your voice does make a difference!

## **State Government Hiring Freeze Will Remain in Effect with Revenues Miss Mark Again**

Low-energy prices continue to cause problems for West Virginia's monthly tax collections. State Department of Revenue Secretary Bob Kiss reported recently overall January collections fell \$8.2 million below estimates.

Kiss said the state is now more than \$42 million off in collections this fiscal year.

Deputy Revenue Secretary Mark Muchow joined Kiss on a conference call with reporters. Muchow said severance tax collections, which comes from coal and natural gas production, were off \$7 million in January. Muchow predicted low energy prices would continue to impact the current state budget.

Kiss said the state government hiring freeze imposed by Gov. Earl Ray Tomblin months ago would stay in effect for the foreseeable future. Kiss said Tomblin will also propose about \$20 million in supplemental funding bills to the legislature in the coming days to help fill-in the gaps. On another note, it appears state taxpayers are more anxious this year to get their money back from the state. Muchow reported \$18.2 million was refunded to taxpayers in January. He said it was \$10 million for that month in 2014.

## **CALA Poll Showing Support for Judicial Reforms**

Those calling for legal reforms during the Regular Legislative Session pointed to a poll for proof, to support changes to the state's judicial system.

"West Virginians have finally agreed that there are parts of our legal system that are not in line with surrounding states and have put us at a disadvantage when it comes to job creation, when it comes to attracting new jobs to West Virginia," said Roman Stauffer, executive director of West Virginia Citizens Against Lawsuit Abuse.

Mark Blankenship Enterprises conducted the poll for West Virginia Citizens Against Lawsuit Abuse. The poll results show:

- 50 percent of those questioned said they believed legal reforms would have a positive impact on West Virginia jobs and the economy.
- More than half, 56 percent, said they supported the creation of an intermediate court of appeals.
- 74 percent indicated support for legislation dealing with transparency in how the state's attorney general hires outside counsel.

## **State's Working Population down Below 50 Percent**

A Marketwatch report recently published noted the number of West Virginia adults with jobs — ages 16 and up — had fallen below 50 percent, to 49.8 percent in December compared with 62.7 percent nationally.

West Virginia is the only state to ever cross that mark in labor participation rate data from the U.S. Labor Department dating back to 1976.

One of the contributing factors, noted in the report, was the Mountain State's aging population.

# Federal Update

## 4 Members of FDA Tobacco Panel Leave after Court Ruling

Four members of Food and Drug Administration's tobacco advisory panel, including its chairman, have left after a federal judge ruled some of its members had conflicts of interest, the agency said.

Members of the Tobacco Products Scientific Advisory Committee were rescreened after the court ruling and either resigned or were removed from the panel responsible for advising the agency on tobacco-related issues, Mitch Zeller, director of the FDA's Center for Tobacco Products, said in a statement.

In July, U.S. District Court Judge Richard Leon in Washington, D.C., ordered the FDA to reconstitute the panel and barred the agency from using its 2011 report on menthol cigarettes. The agency has since conducted its own review on menthol cigarettes, which concluded in 2013 that menthol cigarettes likely pose a greater public health risk than regular cigarettes. But it did not make a recommendation on whether to limit or ban them.

The ruling stemmed from a 2011 lawsuit by cigarette makers Lorillard Inc. and Reynolds American Inc., alleging conflicts of interest and bias by several members of the panel.

Many panels advise the FDA on scientific issues. The agency doesn't have to follow their recommendations but usually does.

Those no longer on the tobacco panel include Dr. Jonathan Samet, who served as chairman, as well as Claudia Barone, Joanna Cohen, and Suchitra Krishnan-Sarin.

Samet was the only remaining member of the panel challenged in the lawsuit. Samet, director of the University of Southern California's Institute for Global Health and former director of the Institute for Global Tobacco Control at Johns Hopkins University, had previously received several grants from pharmaceutical maker GlaxoSmithKline and testified for lawyers suing tobacco manufacturers, according to court documents.

Their departure from the panel is a loss to the agency and for public health, Zeller said. And while there would be strong reasons for the agency to consider a waiver or authorization that would allow them to continue their service, in light of the ruling, Zeller said, "we do not believe we are able to exercise our discretion to consider this option at this time."

## Merkley Meets with FDA Leader and Urges Action on Tobacco Regulation

Senator Jeff Merkley, joined by Senators Blumenthal (D-CT) and Markey (D-MA), met with the head of the Food and Drug Administration (FDA) Center for Tobacco Products to urge the agency to finalize its plan for regulating tobacco products. During the meeting, Senator Merkley also asked for the FDA to strengthen the proposed rules to address flavorings and marketing clearly designed to attract children and to mandate child-proof packaging of liquid nicotine.

"It has been almost six years since the FDA was given the authority to regulate tobacco products like e-cigarettes and tobacco candy, and we are still waiting for some type of regulation," said Merkley. "In the meantime, more and more children are being introduced to a lifetime of dependence on nicotine through deceptive marketing and flavorings and a complete failure to regulate e-cigarettes. Further delay is unacceptable."

The March 8th meeting comes after all three Senators and Senators Durbin (D-IL), Boxer (D-CA) and Brown (D-OH) called for the FDA to finalize these regulations by April 25, 2015. The regulations would give FDA oversight over cigarettes, cigars, e-cigarettes and smokeless tobacco products, including tobacco candy. The proposed rule on e-cigarettes was issued on April 25, 2014, five years after enactment of the Family Smoking Prevention and Tobacco Control Act, which provided the FDA with authority to regulate electronic cigarettes.

## Convenience Distribution Association (CDA) Launched with Record-Breaking Expo

The Convenience Distribution Association (CDA), formerly the American Wholesale Marketers Association, is off and running with the 2015 Marketplace & Solutions Expo at the Paris Hotel & Casino in Las Vegas, with a record number of distributor company registrants and exhibitors across an exciting, interactive trade show floor.

In his address to the membership, CDA Chairman Rob Sincavich, president, Team Sledd, Wheeling, WV, outlined significant changes underway at the association. The name change from the American Wholesale Marketers Association (AWMA) to the Convenience Distribution Association (CDA) and



numerous enhancements were approved by the board of directors.

While CDA is financially strong, Sincavich pointed out that consolidation means that distributors, the core membership of CDA, have decreased in number by nearly 70% over the past 13 years. Meanwhile, governmental pressures continue to increase, both in Washington, DC, and state legislatures nationwide. At the same time, retail consolidation continues and there is competitive pressure from more directions than ever, he said.

So, CDA is implementing several enhancements, Sincavich said, to provide even stronger governmental representation, more timely information, and resources for collaboration and learning leveraging technology, as announced in yesterday's Marketplace News. All of the changes, he said, "are designed around (our) mission to champion the role of the convenience distributor in the channel and to assist members in meeting the needs of their customers."

Sincavich recognized 2014 AWMA Chairman Mark Davenport, division president, Core-Mark International, Sanford, NC. "Our association and our industry were greatly served by your leadership, your demeanor, and your friendship," he said.

In accepting a plaque in recognition of his work as chairman, Davenport stressed the importance of the association, and the industry, adapting to the changes taking place in the business environment. "For us, it's not just a name change," he said. "It's a culture change. I am proud to wear this green jacket (which symbolizes AWMA (CDA) chairmanship, and be part of this association."

Sincavich also expressed appreciation to all of the sponsors of the 2015 Marketplace & Solutions Expo, all of whom, he said, make it possible to have a successful convention for the benefit of the entire membership.

## AWMA Gets Enhancements, New Name; Bolin Promoted

*AWMA Board of Directors approves new enhancements and name for association.*

Significant expansion of government affairs and industry affairs efforts and a new name -- the Convenience Distribution Association -- were among the enhancements announced at the group's Las Vegas Marketplace & Solutions Expo Feb. 25 by its Chairman, Rob Sincavich, president of Team Sledd, Wheeling, WV.

"Changes in the way people work and do business have been accelerated by adoption of new technologies, and these changes have increased people's expectations of trade associations as well," Sincavich said. "So that means AWMA must change to effectively meet the needs of our evolving membership."

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Regarding the change in name from the American Wholesale Marketers Association (AWMA) to the Convenience Distribution Association (CDA), Sincavich said it more effectively describes what the organization is all about. "It is who we are. It is what we do," he explained. "We distribute convenience products in varying retail formats and store sizes. We distribute convenience products institutionally. When we talk to our government representatives, they will know who we are and what we do. It makes sense."

The group's (formerly the American Wholesale Marketer's Association) Board of Directors approved the name change at its meeting in Las Vegas Feb. 24. The Board also endorsed a wide ranging program of enhancements to the association that include:

- Increased emphasis on government affairs, including the launch of a sophisticated on-line State Advocacy Center.
- Beefed up industry affairs and member engagement efforts, supported by the hiring of two industry veterans: Steve Shing, formerly with GSC Enterprises, Inc., as Vice President of Member Engagement; and David Dresser, formerly of Core-Mark International, Inc., as Vice President of Program Development.
- Increased collaboration with a wide range of other industry associations in an effort to improve the efficacy of programs and encourage supply chain collaboration and efficiency.
- The establishment of a series of "communities" designed to allow collaboration and learning, both at person-to-person gatherings, and in a new custom-built on-line portal.
- Establishment of a Manufacturer Advisory Council designed to get greater input from manufacturer partners.
- New emphasis on digital content delivery to members, allowing the association to provide more information to members, and to make that content more readily available.

The association is already well on its way toward implementation of the enhancements, Sincavich said, with the State Advocacy Center already launched, and development of the on-line community portal underway. The name change will be phased in over the next few months, according to association President Scott Ramminger.

Ramminger announced at the meeting that Kimberly Bolin has been promoted to Executive Vice President of CDA. She will have broad responsibility for implementing the program enhancements.

## **Dirk Smith Named AWMA's Director of State Government Affairs**

Dirk Smith will be launching AWMA's new state government affairs program, which will be designed to better organize a variety of industry resources to address a growing list of state issues. The effort also will include a powerful new state government affairs portal. Smith, founder of Campaign Finance Solutions Group, is a seasoned government affairs professional with more than two decades of experience in Washington, DC. Prior to creating his consulting firm in 2008, Smith held a variety of positions on and off Capitol Hill. He began his career in Washington, DC, working in the office of Senator Larry Craig from 1993 to 1996. He then moved to Union Pacific Resources, where he played a key role in launching their government relations office and organizing the company's new political action committee. From 2000 to 2006, Smith served as the finance director for Senator Trent Lott's campaign and leadership PAC, simultaneously managing the fundraising and compliance needs of both of these organizations. He later went on to serve as executive director for Senator Lott's campaign and leadership PAC from 2006 to 2008.

## **Problems with Digital Stamping Requirements**

A panel of distributors and cigarette manufacturers outlined issues and concerns involving the cost and loss of productivity involved with implementation of encrypted stamping of cigarettes by state governments during a packed session.

There was also resounding support expressed for AWMA's position on encrypted stamping, which specifies six criteria that the association insists must be met in states that decide to require the technology, seen by some as a way to reduce illicit cigarettes and the resulting loss of tax revenue.

Led by Tom Briant, executive director, National Association of Tobacco Outlets (NATO), panel members discussed experiences in Massachusetts and Michigan, two of three states where encrypted digital stamping is now required. The consensus was that even in cases where states provide compensation for new equipment costs, distributors still face substantial additional costs in terms of warehouse retrofitting, labor, and reduced productivity.

Panel members were Randy Castegnaro, Chambers & Owen Inc., Janesfield, WI; Jode Bunce, Eby-Brown Co., Naperville, IL; David Riser, R.J. Reynolds Tobacco Co.; Michael Thorne-Bergland, Altria Client Services, Inc.; and Paul Caron, executive director, National Association of Northeast Distributors.

AWMA is not in favor of encrypted/digital pressure sensitive stamping, or any other new technology that would add cost to the cigarette distribution system. However, in states where such technology is being considered, AWMA believes the following criteria must be met:

- The state should first conduct a study to determine the return on investment and must engage all stakeholders in its discussions.
- Any new stamping system should be built on open architecture that allows multiple manufacturers to supply the needed equipment.
- Increased enforcement must accompany any such system.
- The state must reimburse distributors for the costs of implementing the technology, including warehouse renovations, labor, and other related costs.
- There must be adequate time for implementation.
- The state shall not increase cigarette excise tax rates or levy additional fees on the supply chain to cover its costs.

"Wholesalers need to be up front and vocal with their state legislators," said Caron, who served in the Massachusetts Legislature for 20 years. "We are the ones with the feet on the street and know the systems that are in place."

Castegnaro and Bunce said their companies have experienced dramatic productivity reductions in stamping of cigarettes destined for Michigan because of the complexity of the digital equipment. Bunce said he was skeptical speed would ever be restored to pre-digital levels.

Riser said RJR, which generally opposes state encrypted stamping requirements, supported the effort in Michigan "because it gave us a different model" from initiatives in other states, including Massachusetts, where significant problems have arisen. He noted that Michigan provided \$4 million to step up enforcement as part of its process.

Thorne-Begland, who directs Altria's brand and trade channel integrity program, said his company opposes digital stamping requirements and sees no added benefit. "There were projections of additional revenue in Massachusetts," he said, "But there was no additional tax collected, despite the expenses involved to distributors."

## **Spotlight on Cigarettes & OTP - No Easy Breathing: Nik Modi**

In his Category Spotlight session on cigarettes and OTP, Nik Modi, managing director of RBC Capital Markets, said declining rates of cigarettes are expected to continue at the same rate as in the past, about 3%, and less promotional activity will take place in the market.

The premium segment remained the majority of the marketplace in 2014, but both premium and branded discount cigarettes showed flat growth. Fourth tier products continue to lose volume at a higher rate than the industry overall, he said.

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In terms of OTP, consumers want alternatives, said Modi. "There is a lot of demand for non-cigarette alternatives, and the industry is playing to that right now," he commented.

The smokeless category's growth also has slowed recently, which Modi attributed to lower gas prices, providing consumers with more spending money and shifting some tobacco users back to cigarettes. E-cigarettes also are having a peripheral impact on the smokeless category, he observed.

Still, Modi noted, fewer retailers are looking to expand e-cig offerings. "C-stores do not believe this category will sustain its disruptive nature," Modi said. "Core pack-a-day smokers won't convert."

Plus, pending Food and Drug Administration (FDA) rulings on e-cigarettes is making many in the industry wary of the category, which has led to negative growth in 2014, he said. "There has been a mixed reaction from retailers on vapor trends," Modi said. "Fewer incremental retailers are interested in selling vapor, due to the issues if the FDA comes down hard on this category."

Cigar performance varied significantly, depending on the manufacturer, but total cigar dollars indicated high levels of promotions and discounting.

## **Study Confirms That E-Cigarettes Generate Virtually No Toxins**

Anti-smoking activists and public health officials who question the usefulness of electronic cigarettes in reducing tobacco-related disease often talk as if the content of the aerosol generated by these newfangled contraptions is utterly mysterious. While it may be plausible that the absence of combustion makes e-cigarettes safer than the conventional kind, they say, we can't know for sure without more information about exactly what vapers are sucking into their lungs. That stance is misleading and disingenuous, since we already have a pretty good idea.

A 2013 study reported in *Tobacco Control*, for example, looked at a dozen e-cigarette brands available in Poland and found that "the levels of potentially toxic compounds in e-cigarette vapour are 9–450-fold lower than those in the smoke from conventional cigarettes, and in many cases comparable with the trace amounts present in pharmaceutical preparations [of nicotine]." A new study of leading American and British brands, reported in *Regulatory Toxicology and Pharmacology*, confirms this point, finding that the levels of potentially problematic substances in e-cigarette aerosol are about the same as those detected in ambient air.

For their analysis the researchers picked three flavors of Blu eCigs, which account for about 50 percent of the U.S. market, and two flavors of SKYCIGS, which represent around 30 percent of the e-cigarettes sold in the U.K. They compared the output of these products with air samples and with the smoke generated by Marlboro Golds and two varieties of Lambert & Butler cigarettes. Here is what they found:

Analysis of the smoke from conventional cigarettes showed that the mainstream cigarette smoke delivered approximately 1500 times more harmful and potentially harmful constituents (HPHCs) tested when compared to e-cigarette aerosol or to puffing room air. The deliveries of HPHCs tested for these e-cigarette products were similar to the study air blanks rather than to deliveries from conventional cigarettes; no significant contribution of cigarette smoke HPHCs from any of the compound classes tested was found for the e-cigarettes. Thus, the results of this study support previous researchers' discussion of e-cigarette products' potential for reduced exposure compared to cigarette smoke.

The e-cigarette aerosols consisted mainly of glycerin or propylene glycol (70 percent to 85 percent), water (10 percent to 19 percent), flavoring (3 percent to 11 percent) and nicotine (1 percent to 2 percent). The researchers measured eight kinds of HPHCs: carbon monoxide, carbonyls, phenolics, volatiles, metals, tobacco-specific nitrosamines, polyaromatic amines, and polyaromatic hydrocarbons. The combined weight of all these in 99 puffs from a Blu Classic Tobacco Disposable (which proved to be typical) was less than 0.17 milligram. That's almost the same as the total amount of HPHCs (0.16 milligram) found in 99 puffs of air. By contrast, a single Marlboro Gold generated 30.6 milligrams of HPHCs—180 times as much as the Blu eCig. Per puff, the Marlboro Gold generated 3,357 nanograms of HPHCs—about 2,000 times as much as the Blu eCig. You can find the specific breakdown by substance class and sample in Tables 4 and 5. But any way you cut it, the difference is enormous.

Does this mean e-cigarette vapor is about as safe as air? Not quite, since we don't know the long-term respiratory effects of inhaling the glycerin or propylene glycol that delivers nicotine into vapers' lungs. But whatever those effects are, it is safe to say they will not compare to the effects of smoking.

In light of data like these, anyone who implies that e-cigarette vapor is about as dangerous as tobacco smoke cannot be taken seriously. That includes Mark Leno, the California legislator who predicts that "we're going to see hundreds of thousands of family members and friends die from e-cigarette use, just like we did from traditional tobacco use." It also includes Ron Chapman, director of California's Department of Public Health, who recently declared e-cigarettes "a community health threat" in a report that includes panic-promoting pronouncements like these:

E-cigarettes do not emit water vapor, but a concoction of chemicals toxic to human cells in the form of an aerosol. The chemicals in the aerosol travel through the circulatory system to the brain and all organs. Mainstream and secondhand e-cigarette aerosol has been found to contain at least ten chemicals that are on California's Proposition 65 list of chemicals known to cause cancer, birth defects, or other reproductive harm.

You would never guess from such dire warnings that the toxic chemicals Chapman cites are present in e-cigarette aerosol at levels nearly indistinguishable from those in the air he is breathing right now. But since that appears to be the case, there is no justification for this sort of scaremongering.

## **IOM Releases Study on Raising Legal Age to Buy Tobacco Products**

The Institute of Medicine (IOM) has released a study that concludes raising the minimum legal age to purchase tobacco products "will likely prevent or delay initiation of tobacco use by adolescents and young adults." The Family Smoking Prevention and Tobacco Control Act, the federal law that granted the U.S. Food and Drug Administration the authority to regulate tobacco products, required the FDA to convene an expert panel to conduct a study on the public health implications of raising the minimum age to purchase tobacco products and submit a report to Congress on the results of the study.

In 2013, the FDA contracted with the IOM to conduct the minimum age study, specifically requesting that the study focus on raising the legal minimum age to 21 and 25. It is important to note that the IOM study does not make a recommendation that the legal minimum age to purchase tobacco products should be raised, but only focuses on the question of whether there would be a public health impact of increasing the age to buy tobacco products. Moreover, the FDA does not have the authority to change current federal law that makes 18 the legal age to purchase tobacco products. Any change to the legal minimum age on the federal level would need to be made by Congress.

Some conclusions from the study:

- The age group most impacted by raising the legal age would be 15 to 17 year olds. Specifically, the IOM committee stated that "the impact of raising the MLA [minimum legal age] to 21 will likely be substantially higher than raising it to 19. However, the added effect of raising the MLA from 21 to 25 will likely be considerably less."
- The IOM study confirms what NATO has been saying to elected officials that propose raising the legal age to buy tobacco products; namely, that "the majority of underage users rely on social sources--like family and friends--to get tobacco."
- By the time today's teenagers turn adult age, there would be a "3 percent decrease in prevalence of tobacco use among those adults if the MLA were raised to 19, a 12 percent decrease if raised to 21, and a 16 percent decreased if raised to 25."
- Over time, increasing the minimum age will "likely lead to substantial reductions in smoking-related mortality, though results from the models suggest that these results will not be observed for at least 30 years, assuming that the MLA increase occurs now."

## NATO to Launch “Not One Cent, Not One Percent” Campaign

In mid-February NATO launched the association’s “Not One Cent, Not One Percent” campaign aimed at urging U.S. Senators and U.S. Representatives to oppose President Obama’s budget proposal to raise the federal cigarette tax by \$.94/pack and increase the federal excise tax rate on other tobacco products by 93%. NATO’s campaign will involve sending those retail and wholesale members with their stores or locations listed in the association’s master legislative database an alert e-mail and pre-drafted letter to send to the U.S. Senators and U.S. Representatives opposing the President’s cigarette and tobacco tax increases.

NATO will be using its new web-based e-mail alert and advocacy system, which allows members to easily send a letter via e-mail to state or federal elected officials with just a click or two of a computer mouse. NATO members should be watching their e-mail inboxes for an alert e-mail from the NATO staff member that covers their particular state. When the alert message is received, NATO members are encouraged to send the pre-drafted opposition letter to their pre-selected members of Congress. NATO will also send a separate letter to all 100 U.S. Senators and 435 U.S. Representatives opposing the cigarette and tobacco tax increases.

## Other State News

**Pennsylvania Governor Wolf released his budget recently, which includes a \$1.00 per pack increase** in the cigarette tax and a new tax on OTP (including electronic cigarettes) of 40% of wholesale. House Bill 682 adds e-cigarette use to the definition of smoking;

changes tobacco shop definition to 80% of revenue from tobacco/tobacco-related products; bans smoking in casinos, drinking establishments, private clubs and outdoor dining; eliminates state preemption of local ordinances.

In **Ohio, Gov. John Kasich proposed a \$1 hike in the price of a pack of cigarettes.** Taxes on other tobacco products, such as cigars, chewing tobacco and snuff, would increase to 60 percent of their wholesale price — on par with the taxes on cigarettes. Currently, most of those products are taxed at 17 percent of the wholesale price. The proposal also would tax electronic cigarettes, or vapor products, at the same rate as regular cigarettes. Currently, those e-cigarettes are not taxed in Ohio.



*Have you registered for the  
Mid-Atlantic Legislative  
Conference?*

*Have you signed up to be a sponsor?*

*If not, contact Traci Nelson in the WVWA Office  
at [traci@omegawv.com](mailto:traci@omegawv.com).*

# Mark Your Calendar!

## Mid-Atlantic

## Legislative

## Conference

*Where Wholesalers and  
Manufacturers Come  
Together*



# May 27 - 29, 2015

The  
*Greenbrier*  
AMERICA'S RESORT

# Member News

## Rob Sincavich Recognized by the Legislature

On February 18th, during our Legislative Day, Rob Sincavich, past president of WVWA, was recognized in both the House of Delegates and in the Senate for being named chairman of the American Wholesale Marketers Association. Below is the Senate Resolution:

**SR 35 Recognizing Robert Sincavich, Chairman of American Wholesale Marketers Association  
SENATE RESOLUTION NO. 35  
(By Senators Ferns, Plymale, Kessler and D. Hall)**

*Recognizing Robert Sincavich of Wheeling, West Virginia, for being named chairman of the American Wholesale Marketers Association and for his service to the convenience product distribution industry in the State of West Virginia.*

*Whereas, The American Wholesale Marketers Association is an international trade organization representing convenience distributors in the United States whose distributor members represent more than \$85 billion in convenience product sales; and*

*Whereas, Mr. Robert Sincavich will assume the chairmanship of the American Wholesale Marketers Association at the association's annual convention in Las Vegas, Nevada, later this month; and*

*Whereas, Mr. Sincavich was born and raised in Wheeling, West Virginia, and attended the Linsly Institute and also received a degree in psychology from Allegheny College; and*

*Whereas, Mr. Sincavich is president of Team Sledd, a convenience store wholesale product distributor established in Wheeling in 1937; and*

*Whereas, Under the leadership of Mr. Sincavich, Team Sledd has grown from a company with less than thirty employees with \$3 million in revenue to more than two hundred sixty employees with \$560 million in revenue over the past thirty years; and*

*Whereas, Mr. Sincavich has established Team Sledd as the preeminent supplier of convenience retail products and services in the six state Mid-Atlantic region, serving customers in Pennsylvania, Ohio, Virginia, Maryland, Kentucky and West Virginia; and*

*Whereas, Mr. Sincavich and his business partner, Mr. Randy Emanuelson, purchased Sledd Company in 1996 and have built it into today's Team Sledd, a top twenty-five United States convenience wholesaler; and*

*Whereas, Mr. Sincavich is a two-time past president of the West Virginia Wholesalers Association; and*

*Whereas, Mr. Sincavich is a board member on the Ohio Wholesale Marketers Association and also chairman of the Mid-Atlantic Legislative Conference relating to convenience distribution issues; and*

*Whereas, Mr. Sincavich serves on the board for the Regional Economic Development Council; and*

*Whereas, Mr. Sincavich is entering his thirty-fourth year in the convenience distribution industry; and*

*Whereas, Mr. Sincavich and his wife of nearly 32 years, Dianne, have four children: daughters Carrie, Kimberly and Erin; and son Evan; therefore, be it*

*Resolved by the Senate:*

*That the Senate hereby recognizes Robert Sincavich of Wheeling, West Virginia, for being named chairman of the American Wholesale Marketers Association and for his service to the convenience product distribution industry in the State of West Virginia; and, be it*

*Further Resolved, That the Clerk is hereby directed to forward a copy of this resolution to Mr. Robert Sincavich.*

## Membership Dues

**2015 Membership dues invoices** were mailed in December. We would like to thank every company who is a member of WVWA. We appreciate the trust you have placed in us and we look forward to serving you throughout 2015.

### West Virginia Wholesalers Association



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