



2013 Mid-Atlantic Legislative Conference A Huge Success

The recent Mid-Atlantic Legislative Conference, which was held May 29—31st at The Greenbrier Resort, was a huge success! The event included an in-depth panel discussion on Food and Drug Administration (FDA) regulation of cigarettes and tobacco as well as illicit trade issues and the outlook on OTP products,

including e-cigarettes. Panel discussions were moderated by **Rob Sincavich** of Sledd Co., and included **John Rainey** and **Steven Callahan** of Altria Group Distribution Company/Altria Client Services Inc., **Stuart Newbrough** of Commonwealth - Altadis, Inc., **Thomas Hirshfield** of JT International USA, Inc., **Bhavani Parameswar** of King Maker Marketing, Inc., **Steve Kottak** of R. J. Reynolds Tobacco Company, **Everett Gee** of S & M Brands, Inc., **Chris Newbry** of the Cigar Association of America, **Ron Tully** of National Tobacco Company, and **Robert Maples** of Swisher International.

The panelists provided an overview of current FDA tobacco regulation initiatives, stressing the "critical" importance of industry involvement with that agency as it continues to regulate these products. Panelists also stressed the importance of stakeholder input at the state and local level to ensure that industry concerns are addressed effectively as numerous legislative and regulatory initiatives aimed at tobacco products are considered nationwide. In fact, some on the panel noted that the current trend is toward more state and local activity with respect to anti-tobacco activities, including the most recent efforts to raise the consumer age limit in some states from 18 to 21.

Discussion also centered on the emerging new market of e-cigarettes and the issues surrounding those products, including recent taxation proposals. An entire segment of the panel discussion on OTP was devoted to the e-cigarette market, including initiatives on the federal and state level relating to marketing and consumer age restrictions and manufacturing regulation.

The conference provided a unique opportunity for distributors, manufacturers and other stakeholders to share information and learn more about the rapidly changing tobacco industry, including regulation, legislative initiatives and trends nationwide. The event was also attended by **Anne Holloway**, Vice President of Government Affairs for AWMA.

Mark Your Calendar!

2014 Mid-Atlantic
Legislative Conference

May 21st & 22nd

The Greenbrier Resort



From the Director

It is hard to believe that it is July! Since our last newsletter, we came out of a successful legislative session. If you missed the our *Legislative Summary*, it is available on our web site at www.wvwholesalers.org.

In May, I had the pleasure of attending my first Mid-Atlantic Legislative Conference at The Greenbrier Resort. Rob Sincavich did a wonderful job putting together this great event, especially the panels each day. I think we all walked away with a better understanding of the many old and new issues facing our industry.

On May 31st, the WVWA Board of Directors met. At this meeting the torch was passed, so to speak, when David Ramella finished his tenure as President and Randy Emanuelson took the helm. We would like to thank David for his leadership. We also would like to congratulate Randy, who we look forward to working with in the future.

In the coming weeks, the WVWA Board will be establishing a committee to work on a strategic plan for the Association. We will be focusing on several areas, including where we see ourselves as an Association in five years. I look forward to working with this group to move WVWA forward.

The WVWA Scholarship Application to Class A Wholesale Members shortly. We are proud to announce that there is now a \$2000 Sponsorship honoring John Hodges, which is designated to be awarded to a Marshall University student. If you have employees and/or children who would benefit from one of these scholarships, please make sure they fill them out and return them to the Association Office by August 1st.

Have a great summer!

WV News

State Budget to be Tight in Coming Year

Governor Earl Ray Tomblin's Chief of Staff says there will be little wiggle room in the state budget during the next 12 months.

"It'll be tight," said Charlie Lorensen, who most recently worked as the state's Secretary of Tax and Revenue. "I don't think anyone expects upside surprises in the revenue stream for the state of West Virginia."

Monday was the first day of the new fiscal year in West Virginia.

"The revenue estimates for this current fiscal year, now 2014, were basically flat, actually a little less than the revenue estimates for the year just concluded," said Lorensen. "So we've already aligned that."

Back on Friday, Governor Earl Ray Tomblin issued an executive order to cut more than \$17 million from the Medicaid budget in the final days of the 2012-2013 fiscal year to make up for revenue collections that were still below estimates. Under state law, the state had to close out the former fiscal year on June 30th with a balanced budget.

State officials have said a struggling coal industry and continued low prices for natural gas are the key contributors to revenue collections finishing below estimates for each of the past 12 months.

Lorensen said the cut to Medicaid was just one step that was taken to meet the balanced budget requirement.

In March, the Legislature cut \$28 million in state spending and the state spent \$45 million in emergency funds to pay state income tax refunds. A state hiring freeze that had been in place was lifted Monday.

WV Food Tax Eliminated

Effective July 1, the sales tax on food and food ingredients was eliminated. The State Tax Department did not send special notices. They did however, send secure web notices to those taxpayers using MyTaxes and on the paper returns there was a special notice on the top of the return for July.

WV House Elects Miley as New Speaker

A Harrison County lawyer, Miley prevailed 53-44 over House Minority Leader Tim Armstead of Kanawha County during a brief special session convened by Gov. Earl Ray Tomblin. Miley, 47, had been Judiciary Committee chair under former Speaker Rick Thompson, who resigned over the weekend to join Tomblin's Cabinet atop the Department of Veterans' Assistance. He will preside over the House through the end of 2014.

In a floor speech after Supreme Court Justice Robin Davis administered his oath as speaker, Miley described growing up in a bipartisan household. He pledged to focus on education, improving the state's road and Internet infrastructure, linking both to economic development.

Ahead of the special session, Timothy Kinsey was sworn in to take Thompson's seat representing Wayne County. Tomblin had appointed the retired banker earlier Tuesday.

Jan Vineyard was present for the election and ceremony. Jan was able congratulate Speaker Miley after the proceedings and pledge her support to him in his role as Speaker. Vineyard said, "Tim was a great judiciary chairman and I expect him to be an even greater Speaker. I look forward to working with him on behalf of OMEGA, WV Trucking and WV Wholesalers Associations."

Governor Earl Ray Tomblin Appoints Charles Lorensen as Chief of Staff, Mark Matkovich as Acting Tax Commissioner

Governor Earl Ray Tomblin announced that Charlie Lorensen, who has served as Secretary of the Department of Revenue, will take over the role of Chief of Staff for Tomblin. Lorensen has served as Secretary since January 2011. He formerly served as tax commissioner and previously was a staff attorney for the state Senate and its Finance and Ways and Means committees.

Tomblin announced May 14th the appointment of Mark Matkovich as acting state tax commissioner, effective May 15. Matkovich most recently was general counsel to the cabinet secretary for the Department of Revenue. Matkovich started his career in government in 1996, according to a news release from Tomblin's office, serving as Beckley city attorney, staff attorney for the West Virginia Senate and as general counsel to the Senate majority leader.

The appointment came after Rob Alsop, who served as Governor Tomblin's Chief of Staff since 2010, resigned. Alsop will return to the private sector in hopes of spending more time with his family.

Governor Tomblin Appoints Former Speaker of the House Robert S. Kiss as Secretary of Revenue

Governor Earl Ray Tomblin has appointed Robert "Bob" S. Kiss as Cabinet Secretary of the West Virginia Department of Revenue. Kiss' appointment becomes effective July 1, 2013.

Kiss represented Raleigh and Summers counties from 1989 to 2006 in the House and held several leadership positions including House Finance Chair from 1993 to 1996 and Speaker from 1997 to 2006. During his service in the House, Kiss was instrumental in major economic and fiscal legislation including state tax policy, workers' compensation, PEIA and Medicaid, and the State's Tax Increment Financing (TIF) legislation.

Federal Update

Lorillard Wins FDA Approval of Tobacco Products

The Food and Drug Administration (FDA) approved two new tobacco products for Lorillard Inc. under a

"substantially equivalent determination," Bloomberg reports.

The clearance applies to two of Lorillard's Gold Box cigarettes for sale in the U.S. — Newport Non-Menthol Gold Box 100s and Newport Non-Menthol Gold Box — and are the first rulings handed down by the FDA since it was given authority in 2009 to regulate tobacco products.

The FDA cleared the two cigarettes, saying they had the same characteristics as existing ones.

The FDA said for legal reasons, it couldn't reveal which substantially equivalent requests they denied.

There is a backlog of requests at the FDA. As of earlier this month, there were 500 requests to approve new products and 3,500 for products already in stores.

E-Cigs Take On Big Tobacco

"Vapor" smoking companies are ramping up advertising to capture a bigger slice of the cigarette market.

"Smoke" billows around the man in the TV commercial, as he sits with a satisfied expression on his face. The ad? For NJOY King, an electronic cigarette, the first "cigarette" ad to appear on TV since the ban on cigarette advertising on TV and radio went into effect in 1971.

NJOY and other e-cig companies have become increasingly aggressive with their advertising, making it no secret that they want to encroach on big tobacco's market share, Time reports. E-cigarettes currently occupy a tiny corner of the \$80 billion U.S. cigarette sector, but UBS predicts e-cigarette sales will be \$1 billion this year. "Consumption of e-cigs may overtake traditional cigarettes in the next decade," wrote Bonnie Herzog, an analyst for Wells Fargo. "And they'll only evolve and improve as time goes forward — at far less risk."

Big tobacco is taking notice. Lorillard snapped up Blu, an e-cig manufacturer with around a quarter of the market share. Reynolds American has been testing Vuse, an e-cig. British American Tobacco is investing in e-cigs. Wells Fargo and Goldman Sachs analysts liken the interest in electronic cigarettes with the explosion of energy drinks. Many of the beverage company players didn't catch on to the energy drink craze until it was firmly established, and analysts are starting to see the same thing happening with e-cigs.

"Cigarettes haven't evolved in 70 years," said Craig Weiss, NJOY president. "The last 'product innovation' was the filter in 1952 and the flip-top box in 1954." He's upfront about his desire to take down big tobacco. "Our mission at NJOY is to obsolete cigarettes," he said.

Thus far, e-cigs do not fall under the province of the U.S. Food and Drug Administration. For more about electronic cigarettes, read "Make Room for Smokeless" in the September 2012 NACS Magazine.

Study Suggests E-Cigs' Potential as Cessation Devices

Although most electronic cigarettes aren't being marketed as smoking cessation devices, an online study hosted by the University of East London and published in the journal *Addiction* suggests they have great potential to help current smokers quit or greatly reduce their tobacco consumption. Titled "'Vaping' Profiles and Preferences," the article reports that of the 1,347 committed e-cigarette users surveyed, about 75% found that e-cigs helped them quit smoking. "Survey respondents were predominantly ex-smokers who wanted a complete alternative to smoking," wrote the article's lead author, Lynne Dawkins. "The majority of respondents reported that e-cigarette use (vaping) had dramatically reduced their craving for cigarettes and helped them to stop or substantially reduce their tobacco consumption. ... E-cigarettes were generally considered to be satisfying to use, associated with very few side effects, healthier than smoking, and responsible for improved cough and breathing."

Antitrust Suit Against Wholesalers To Move Forward

InsideCounsel.com reports that the 8th Circuit federal appeals court reversed a lower court decision, and sent a case involving Supervalu and C&S Wholesale Grocers to trial.

The story says that the court "reversed a lower court's ruling dismissing the case, which five grocers brought against the two companies claiming they colluded to raise prices on groceries. The grocers say that a 2003 agreement between C&S and SuperValu to exchange assets in the Midwest and New England and not compete with each other for customers was a violation of antitrust laws. They claim the deal allowed the two wholesalers to overcharge retail customers in the Midwest and New England.

Each of the retailers had arbitration agreements with one or the other wholesaler. To get around having to arbitrate the case, the retailers brought suit against the wholesaler with which they did not have an arbitration agreement. The question over these agreements played a role in the previous court's decision to dismiss."

Neither Supervalu nor C&S have responded to the decision.

U.S. Smoking Rate Declines

Smoking is on the decline among U.S. adults, according to a new report from the U.S. Centers for Disease Control and Prevention (CDC), the Associated Press reports. In 2012, around 18% of adults surveyed said they smoked.

While the U.S. smoking rate has dipped for years, it stalled out at the 20% to 21% mark for the past seven years, although the rate did decrease to 19% in 2011. There's some debate that the 2011 rate might have been a statistical bump.

The CDC is currently analyzing its 2012 figures to determine why the dip happened. The agency's 2012 anti-smoking campaign used graphic images to encourage smokers to quit. The agency says that 200,000 smokers phoned the call lines about quitting smoking. Earlier this year, the CDC released another round of smoking-cessation advertisements.

The report found that adults age 65 and older smoked at a 9% rate, while younger adults clocked in at 20%. More men than women said they currently smoked. The current report did not ask teens about smoking.

"This is a real decline in smoking in America. I'm ecstatic about it. It's proof that we are winning the battle against tobacco," said Patrick Reynolds, executive director for the Foundation for a Smokefree America. Reynolds pointed to increases in the federal and state tobacco taxes, more public smoking bans and additional funds for smoking prevention and stopping initiatives as contributing to the drop in adults smoking.

Supreme Court Does Not Accept Appeal of First Graphic Warning Lawsuit

In Mid-May the U.S. Supreme Court announced that it did not accept the appeal of the federal Sixth Circuit Court's decision that upheld the FDA rule requiring graphic warning labels on cigarette packages and advertisements as well as other restrictions on cigarette, roll-your-own tobacco and smokeless tobacco promotions. While the industry filed two lawsuits against the FDA regarding the graphic warning labels, the Sixth Circuit decision involved the earlier of the two lawsuits against the agency and challenged the legality and constitutionality of the FDA law on its face. At the time this first lawsuit was filed, the FDA had not yet issued the actual graphic warning pictures to place on cigarette packaging and advertising.

Tobacco Challenges Piling Up

CSP Daily News

The competitive environment is adding one more reason for convenience store retailers to worry about tobacco sales trends, according to a recent survey of c-store retailers and wholesalers.

"Our survey respondents indicated the competitive environment was slightly more intense vs. last quarter," wrote Bonnie Herzog, senior analyst for Wells Fargo Securities in a Tobacco Talk report titled "Q1 2013 U.S. Tobacco Retailer Survey."

Among the concerns weighing in retailers' minds:

- Dollar and drug stores have gotten more meaningfully involved in the tobacco category.
- Cool weather, high gas prices and higher payroll taxes impacted the low-to-middle income consumer.
- The relative price gap widened slightly, resulting in increased downtrading pressure.
- Deep discount brand activity has picked up slightly given strained consumer.
- E-cigarettes appear to be taking share of the total tobacco category.

Herzog surveyed tobacco retailer and wholesaler contacts representing more than 45,000 convenience stores in the United States.

"According to our survey, volume growth for the industry and all major brands decelerated in Q1," Herzog wrote. "We anticipate industry reported volume was down close to -4.5% during Q1, which is a deceleration and toward the low end of the long-term industry decline rate of -3%-4%."

She noted, however, that promotional support decreased for most brands, suggesting accelerated net price realization for cigarettes in Q1. "This could drive increased profitability as cigarette manufacturers realize three times the leverage on a point of pricing vs. a point of volume. We believe the industry is on track for net price realization to accelerate in fiscal year 2013 to +4%, up from +2.9% in 2012."

Herzog said the "outlook is increasingly rosy for e-cigarettes as nearly 90% of our respondents indicated the category accelerated in Q1 vs. Q4, with annual growth topping 30%."

Retailers have become incrementally more positive on the category, she said, and have praised the advertising and marketing efforts of e-cig manufacturers.

Cigarette sales account for about 45%-50% of merchandise sales for the average c-store, but profits on cigarettes have been squeezed by the manufacturers with gross margins of only about 20% vs. 30% gross margins on most other merchandise and 50% gross margins on food service, Herzog said.

"Given the disproportionate impact tobacco has on c-stores' merchandise gross profit, decelerating volumes in this important category could pressure c-stores' merchandise same-store sales this quarter."

During the Mid-Atlantic Legislative Conference we had the pleasure of hearing from John Eichenberger of the National Association of Convenience Stores (NACS). John gave a great presentation about the many challenges facing the industry, not the least of which is tobacco. You may view John's presentation at www.wvwholesalers.org/.

Will New FDA Graphic Tobacco Warning Labels Pass Legal Challenge?

When the U.S. Food and Drug Administration (FDA) imposes new graphic warning labels for tobacco products, they can survive a First Amendment challenge if they depict health consequences and their effectiveness is supported by adequate scientific evidence, according to a Georgetown University Medical Center public health expert and attorney.

Graphic tobacco warning labels — which combine images with health warnings — are a widely used tool for reducing tobacco use in other countries, but the tobacco industry argues they are unconstitutional in the United States.

In an analysis of legal and scientific issues for graphic warning labels published in the American Journal of Preventive Medicine, John Kraemer, JD, MPH, outlines how the courts will likely analyze graphic warnings and identifies what health evidence must be presented to survive a legal challenge. Kraemer is an assistant professor of health systems administration at Georgetown University School of Nursing & Health Studies and member of the O'Neill Institute for National and Global Health Law.

Despite the fact that smoking kills 443,000 Americans each year, "the U.S. has some of the weakest tobacco warning labels in the world, and they haven't been updated in almost 30 years," said Kraemer, in a press release.

In 2009, Congress passed the Family Smoking Prevention and Control Act requiring graphic warning labels on tobacco products, giving the FDA authority to specify the images and text that must be included. The FDA issued nine graphic warnings in June 2011, but withdrew them after two federal appeals courts came to opposite conclusions about their constitutionality.

Though ambiguity exists over what constitutional standard would be applied in a legal challenge to the labels, Kraemer argued that it is possible for the FDA to meet the two most likely standards — rational basis review and intermediate review — with the right scientific evidence.

Kraemer said the labels would likely be analyzed under rational basis review and almost certainly prevail "if the courts decide the warnings combat the industry's past deception." He says some courts have also applied this review to uncontroversial, factual warnings, such as information intended to help consumers make healthier decisions.

The second possibility is intermediate review, which requires a stronger governmental interest and greater certainty that warning labels would be effective. "Under this review, the FDA could likely win, but the case will turn on how well the government can convince the courts about certain empirical evidence," said Kraemer. "Providing clear evidence of [graphic warning labels'] impact on smoking rates themselves or for the causal mechanism [by which they reduce smoking] would meet the Court's test."

He added that the FDA must also take care to avoid images that could be interpreted as opinions instead of facts or which do not show a negative health consequence of smoking, such as an image previously adopted by the FDA, which depicted a man with a no-smoking sign on his shirt.

State News

Local Governments Seek More Retail Tobacco Restrictions

It began in 2011 with the Centers for Disease Control and Prevention (CDC) using stimulus

funds to give tobacco-related grants to local governments to adopt additional restrictions on the promotion and sale of tobacco products. The federal funding of these local tobacco grants continued into 2012 and was extended through 2015 under the federal health care reform legislation enacted into law. This flow of federal funds has resulted in a new wave of local tobacco restrictions being proposed from Massachusetts, to New York, to Rhode Island, to Florida, to Minnesota, to Colorado and to California. In 2012 alone, NATO monitored more than 50 such local tobacco ordinance proposals and assisted retailers in responding to many potential restrictions. Three months into 2013, and NATO is monitoring and responding to 19 proposed local tobacco ordinances.

Mass. Budget Amendment Would Prohibit Sale of Single Cigars

The language states that non-retail tobacco stores, such as convenience stores, cannot stock cigars in packs of less than four, unless the single cigar costs more than \$2.50.

State Tobacco Tax Legislative Update

With some thirty-five state legislatures having adjourned their 2013 regular legislative sessions, the outcome of cigarette and tobacco tax increase legislation is becoming more clear.

During 2013, bills to increase or decrease cigarette and/or tobacco product tax rates were introduced in thirty-one states. This compares with twenty-three states that introduced tax bills in 2012 and four of the states enacted higher cigarette or OTP taxes last year.

The thirty-five states that have adjourned their 2013 regular legislative sessions as of June 10, 2013 include the following:

Alaska	Idaho	Missouri	Tennessee
Alabama	Indiana	Montana	Texas
Arkansas	Iowa	Nebraska	Utah
Arizona	Kansas	Nevada	Vermont
Colorado	Kentucky	New Mexico	Virginia
Connecticut	Louisiana	North Dakota	Washington
Florida	Maryland	Oklahoma	West Virginia
Georgia	Minnesota	South Carolina	Wyoming
Hawaii	Mississippi	South Dakota	

Tobacco Tax Legislation Passed

Three state legislatures passed bills this year that would either increase or decrease cigarette and/or certain tobacco product tax rates.

Kentucky: House Bill 361 was passed and signed into law which lowers the state tax on chewing tobacco to \$.19 per each one and one-half ounce single unit, \$.40 per half-pound unit, \$.65 per pound unit, and an additional \$.19 for each four ounces or more over 16 ounces, while also setting the tax rate on other tobacco products, except moist snuff and chewing tobacco, at 15% of the wholesale price. This lower tax rate on chewing tobacco will go into effect on August 1, 2013.

Minnesota: The Minnesota legislature passed and the governor signed into law a \$1.60 per pack cigarette tax increase, an increase in the OTP tax rate to 95%, a minimum tax on moist snuff of \$2.83 per container, and an increase in the non-settlement cigarette fee to \$.50 per pack. The cigarette and OTP tax increases go into effect on July 1, 2013 and the minimum moist snuff tax increase becomes effective on January 1, 2014.

Texas: House Bill 3536 passed the legislature and has been sent to the governor which would impose a tax of 2.75 cents per cigarette on both non-settling manufacturer cigarette brands and non-settling manufacturer cigarette tobacco.

NYC Proposes Raising Legal Smoking Age from 18 to 21

Mayor Bloomberg's administration proposed another major anti-smoking initiative. New York City proposed raising the legal age of smoking from 18 to 21, the Associated Press reports.

Public health advocates maintain a higher minimum age deters or at least delays smoking, thus reducing health risks. But opponents say 18-year-olds, who are legal adults, should be able to decide whether or not to smoke.

If the measure passes, New York would be the biggest city to have such a smoking limitation. Needham, Massachusetts, recently raised its minimum smoking age to 21. And Texas lawmakers tried to increase the minimum age to 21 throughout the state, but the plan stalled.

Under Mayor Bloomberg, New York City has launched a number of anti-smoking initiatives, including imposing the country's highest cigarette tax and barring smoking at parks and beaches.



Mid-Atlantic Legislative Conference

The Mid-Atlantic Legislative Conference was recently held at The Greenbrier. We hope you enjoy the photo recap of this wonderful event.



Mid-Atlantic Legislative Conference Chairman Ron Sincavich moderates a panel discussion.



Randy Emanuelson of Sledd Co., Sharon & Eric Fitzer of Intra-State Insurance and Rick Dearien of Swisher International



Zach Weir, Jim Cunningham, Patricia Weir and Andrea Cunningham of Goldsmit Sydnor



Jeremy and Erin Goddard, Dianne and Evan Sincavich of Sledd Co.



Adam Stopka of Lorillard Tobacco, Chris Greer of JT International USA, WVVA Executive Director Jan Vineyard and Tom Hirshfield of JT International USA



Jesus Telleria and Chris Greer of JT International USA, Steve Hite and Tom Pressler of Liggett Vector Brands



Kevin Morrow of JT International USA, Stuart Newbrough of Commonwealth-Altadis, James Glockner of H. T. Hackney and Bhavani Parameswar of Kingmaker Marketing



Stephanie and John Zona of Swisher International



Debbie and William Dunn of Swisher International



Traci Nelson of OMEGA WV and Steve Kottak of R. J. Reynolds Tobacco Company



B.G. and Bill Beitler of
W. J. Beitler Co.



Meghan Quinn and Chris Newbry of
Cigar Association of America



Louise and Murray Jones of R. J. Reynolds
Tobacco Company



Jill and Bill
Steiger of Fuma
International



Kit and Nancy B.
Francis of R. J.
Reynolds
Tobacco



Charlie Casper and Vickie Howell
of Hardec's

AWMA Members Battle Proposed Tobacco Tax Hikes During Day on the Hill

"If you don't speak up, no one will hear you."

In more than 60 individual face-to-face Congressional meetings in Washington on May 16th, AWMA distributor members urged lawmakers to reject a proposed massive federal excise tax (FET) hike on tobacco products, warning that blackmarket sales would increase and devastate the convenience store industry.

During AWMA's annual Day on the Hill lobbying event, AWMA members also urged Congress to repeal the employer mandate provision of the Patient Protection & Affordable Care Act (Obamacare), and expressed support for the strengthening of the law prohibiting the use of federal funds to lobby any level of government.



As the sun set on a long day of trekking between House and Senate office buildings and the Capitol itself, it was clear that the effort was worthwhile.

"When Anne Holloway (AWMA vice president of government affairs) and I call on Congressional offices, they remember us because they remember you," said AWMA president & CEO Scott Ramminger. "There is no way to overstate the importance of this, and this is the time to be here because AWMA is working harder than ever to protect the interests of our members."

Rob Sincavich, president, Sledd Co., in a meeting with Rep. Shelly Capito (R-WV) and her legislative director, Adam Tomlinson, noted that his company is in the middle of completing a new \$14 million addition designed to accommodate its increased push into foodservice – made necessary because of declining tobacco sales.

Nevertheless, the company is 70 percent dependent on tobacco, he said, and so the talk of increasing the FET is cause for concern. Noting that the tax was increased significantly in 2009, he declared, "I don't think our industry should be fair game for another huge increase again."

At the end of the day, Sincavich expressed the views of many AWMA members. "I think we got our representatives to become attuned to our industry and our concerns," he said. "It was great to get that reaffirmed."

I am sure that Rob would love to have WVWA members join him next year.

Industry Calendar

AWMA SHOW
February 25 - 27, 2014
The Paris Hotel
Las Vegas, NV

Mid-Atlantic Legislative
Conference
May 21 & 22, 2014
The Greenbrier Resort
White Sulphur Springs, WV

West Virginia Wholesalers
Association



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

Phone: 304.204.5496

FAX: 304.343.5810