

**TOBACCO AND ALCHOL REPORTING DELAYED:** The Comptroller's office has been fielding request for information about the reporting requirements of HB 11, passed by the 80<sup>th</sup> Texas Legislature, effective Sept. 1. Wholesalers *are not* required to file any reports until a rule has been passed implementing the reporting, a process that will include public notice and the opportunity for comment. The Comptroller's office is currently crafting a rule to implement such a reporting requirement, and procedures for affected wholesalers and distributors to request allowances for alternative filing methods (as allowed by HB11): This rule is not expected to be effective until at least Nov. 15 at the earliest. Affected wholesalers and distributors will get a letter from the Comptroller's office giving more details on the newly designed web-based filing system that will be used, and ask for contact information for e-mail updates.

**TEXAS TO REQUIRE FIRE-SAFE CIGARETTES BY 2010:** Legislators couldn't agree to ban smoking in public places this session, but they did mandate that all cigarettes sold in Texas by 2010 be designated to snuff out after the last puff. New York was the trend-setting state in this regard (adopting a similar measure in 2004). The cigarettes employ two or three bands of special paper that act as tiny firewalls to self-extinguish if the user isn't actively smoking. Texas will start affixing tax stamps only to fire-safe cigarettes as of Jan. 1, 2009, and any retail stock of non-fire-safe cigarettes remaining could not be sold after 2010. Similar legislation is now pending in an additional 15 states.

**STATE LEGISLATURES A VARIED LOT:** There are 7,382 seats in the nation's 50 state legislatures. These bodies are diverse; few have the same number of lawmakers or compensate them the same way. Alaska, the largest state in area, has only 40 members in their state house. Tiny New Hampshire has 400. Some lawmakers receive six figure salaries; others receive none.

**NUMBER OF NATIONAL GUARD SOLDIERS AT BORDER TO BE SLASHED BY 40%:** The number of National Guard soldiers on the Texas border in El Paso will soon be cut from 1,500 to 900, representing continuation of cuts that started in June. The Guard members were in both Texas and New Mexico as part of Operation Jumpstart, where they were assigned to assist U.S. Border Patrol agents. The Border Patrol hopes to add 2,500 new agents throughout the country through the end of this year and 3,000 next year. The U.S government ordered 6,000 guard members to the United States/Mexico border in May of 2006 to play a support role to the Border Patrol. They were not serving in a law enforcement capacity, but rather were responsible for building barriers, monitoring security devices and maintaining the infrastructure. Meanwhile, the new \$41 billion congressional homeland security bill will not only involve the enhanced law enforcement efforts but will give local entities a say in where border fences will be built to enhance local commerce. The general bill includes \$3 billion for the increased U.S. Border Patrol and for the construction of 700 miles of fences and 300 miles of vehicle barriers. Another \$100 million is provided to reimburse law enforcement in U.S. border cities that arrest and detain smugglers and undocumented workers.

**IS THE STATE ECONOMY SLOWING?:** Growth in state sales tax collections hit its slowest pace in almost two years in July, indicating that an expected cool-down in the state's economy may be looming. The amount of sales tax revenue that the state collected in July increased just 5.3% when compared with July 2006. That was the smallest increase since August 2005. While Texas is a long way from recession, the robust sales-tax growth that gave lawmakers a major budget surplus this year is expected to fade, or at least slow down. Meanwhile, total nonagricultural employment gained 8,300 jobs in June. This increase followed a gain of 25,200 jobs in May.



**CONGRESSIONAL UPDATE:** Congress will return for its fall session after Labor Day with approximately 45 legislative days remaining until Thanksgiving, or about 60 legislative days if they stay in session until Christmas. The center of attention will be the completion of appropriation bills for federal agencies and the pending report to Congress on the status of Iraq war. Key issues facing the Retail and Wholesale grocery industry are: **1) Credit Card Interchange Fees** – After the successful July 19 hearing on interchange fees before the House Judiciary Task Force on Antitrust, momentum has been building for more hearings, potentially another one before the Antitrust Task Force and others before Small Business Committees. One of the key questions in the hearing was how is small business affected. This is a question that members can clearly answer by contacting your Congressman and report on the excessive and discriminatory fees that must be paid compared to larger competitors. **2) ILC Banking** – The FDIC moratorium against commercial firms applying for ownership of Industrial Loan Companies (ILCs) to engage in retail banking will expire on January 31, 2008. H.R. 698 that would prohibit commercial firms from owning ILCs. **3) Country of Origin Labeling** – In July the House passed its version of the 2007 Farm Bill with some revisions to mandatory country of origin labeling that is scheduled to go into effect September 30, 2008 for meat and produce. **4) Tobacco Taxes and Regulation** – The Senate will take up S. 1893, the Children’s Health Insurance Reauthorization Act of 2007, which would raise the tax rate on a pack of cigarettes to \$1.00 per pack to pay for the health care program. The House passed legislation (225-204) to raise the tax to 84 cents per pack. Retailers and Wholesalers would have to pay a floor stock tax on January 1, 2008. President Bush has threatened and has sufficient votes to sustain, a veto because of the tax. Senator Kennedy’s bill, S.625 to regulate the tobacco industry, including retail merchandising and sales, was voted out of committee and a Senate vote can be expected in the fall.

**DHS FINALIZES NEW RULE ON NO-MATCH LETTERS FOR ALL EMPLOYEES:** U.S. Department of Homeland Security Secretary Michael Chertoff and Commerce Secretary Carlos Gutierrez on Aug. 10, 2007, announced several procedural changes to strengthen enforcement of existing federal immigration laws. As part of the enhanced enforcement effort, DHS finalized a set of regulations that employers must follow when they receive no-match letters from the Social Security Administration (SSA). The SSA routinely sends “no-match” letters to employers with employees whose Social Security numbers do not match government records. The new “no-match” rule will take effect September 2007, 30 days after appearing in the Federal Register. Under the new rules, employers will be in violation of federal immigration laws if they ignore the “no-match” letters and fail to take corrective steps within 90 days. Corrective steps will include checking employment records for clerical errors and confirming that employee information matches government records. Employers that make “good faith” efforts to solve any problems will not be held liable, according to DHS officials. However, the new rules will require employers to terminate any workers with “no-match” Social Security numbers problems that cannot be resolved in 90 days.

**FEDERAL GOVERNMENT UPDATES MANDATORY PERSONNEL FORMS:** The U.S. Department of Homeland Security has announced that the I-9 Form to verify new hire eligibility requirements will be released in the coming weeks. The new form will include changes that better reflect current employment eligibility verification requirements. The IRS is set to release the 2008 version of its mandatory Federal W-4 form. All employers are REQUIRED to have the most recent version of the W-4 form available for employees. TGCA will notify all members when these forms are available.

## Memoriam:

Virginia Ward, executive assistant for the former Texas Association of Wholesale Distributors for almost 25 years, past away in Austin, August 24th. She previously had retired from administrative work with the Austin Independent School District. She came to Austin as an infant, and was a resident of that city for the remainder of her 89 years. Funeral services and burial were in Austin on August 26th. She is survived by three daughters and their families, and other relatives. She also will be missed by her many friends, especially those in the distribution industry. Memorial contributions in Virginia's name can be made to the scholarship program of the Texas Grocery & Convenience Education Foundation.



# TGCA'S ANNUAL FALL FOOD CLASSIC

Thursday, September 27, 2007

River Place Golf Club, Austin, Texas

The 2007 Fall Food Classic Golf Tournament with [U.S. Smokeless Tobacco Brands Inc.](#) as the title sponsor is Thursday, September 27, at River Place Country Club, in Austin, Texas. The Fall Food Classic builds stronger working relationships between retailers, suppliers, and wholesale distributors.

**SIGN UP TODAY!** For Golf Registration, Hotel Information, Maps, and Directions, see us on-line at: [www.txgca.org/html/fall.html](http://www.txgca.org/html/fall.html).

**SPECIAL THANKS TO ALL OF OUR SPONSORS FOR THEIR CONTINUED SUPPORT IN TGCA ACTIVITIES!**

#### TITLE SPONSOR

U.S. Smokeless Tobacco Brands Inc.

#### EVENT SPONSORS

GSC, Inc. (*Dinner & Awards*)  
Oak Farms Dairy (*Golf Cart*)  
Borden Milk Products, LLC (*\$5,000 Hole-In-One*)  
SHAZAM, Inc. (*Contest Holes*)

SPONSORSHIP SIGNS: Brown Distributing Co.  
GOODIE BAG ITEMS: Atkinson-Crawford Sales Co.

#### GOLF AGENDA

**12 pm** Check-In, Registration, and Driving Range  
**1 pm** Shot Gun Start  
**6 pm** Dinner & Awards Presentation

#### HOLE SPONSORS

Blue Bell Creameries, LP  
Conwood Company, LLC  
CTGCA  
First Cardinal of Texas  
G-Tech Corporation  
Hill Country Dairies  
HORTGA  
McLane Southwest  
Mercantile Trust of Texas  
Swisher International

**MARK YOUR CALENDAR! MARK YOUR CALENDAR! MARK YOUR CALENDAR!**

### 2008 TGCA'S ANNUAL MID-WINTER CONFERENCE

**FEBRUARY 28 - MARCH 2**

HARVEY'S HOTEL LAKE TAHOE

\$149 Per Night



We are bringing back **Bob Bettac** of Ogletree Deakins to speak on a variety of topics to include:

*Wage-An-Hour, Exempt vs. Non-Exempt, Interviewing, and Problem Solving.*

More info will be available on TGCA's website in mid-October.

# Welcome

TGCA would like to welcome our new Administrative Assistant, **Laura Mangalindan**. Laura will provide administrative support to our staff. She will also, be working with the Coupon Redemption Services.

If you have any questions or need assistance you may reach Laura at [laura@txgca.org](mailto:laura@txgca.org) or call 512/926-9285.

## TGCA STAFF

Rick Johnson, President  
[rick@txgca.org](mailto:rick@txgca.org)

*Rick is the Chief Executive Officer of TGCA, and helps guide the association's programs and policies approved by the Board of Directors. He represents the association and is also responsible for the effective operation of the association and its subsidiaries.*

Dana Fuller, CEM, Director of Meetings & Expo  
[dana@txgca.org](mailto:dana@txgca.org) [www.txfoodandfuelexpo.com](http://www.txfoodandfuelexpo.com)

*Dana is the main contact for TGCA's Annual Expo & Convention. She plans, organizes, and coordinates all aspects of the Texas Food & Fuel Expo. Dana also manages and promotes the association's advertising and sponsorship opportunities, providing much needed funding for our member services and lobbying efforts. Additionally, she plans and coordinates a variety of TGCA's annual meetings, including the Mid-Winter Conference, Spring Swing Golf Tournament, Fall Food Classic Golf Tournament, and Board Retreat. She is also the webmaster for TGCA's and the Expo's websites.*

Esmeralda Flores, Executive Assistant/Member Services  
[esmeralda@txgca.org](mailto:esmeralda@txgca.org)

*Esmeralda is responsible for maintaining the membership database, performs various administrative functions vital to the business operations, handles invoicing, maintains all accounts receivable records, and coordinates the coupon redemption service operations. Esmeralda also provides administrative support to TGCA's local chapters and provides benefits information to potential and current members.*

Laura Mangalindan, Office Assistant  
[laura@txgca.org](mailto:laura@txgca.org)  
As listed above.

## 2007 CALENDAR

**STRGA Golf Tournament**  
Thursday, September 20  
Canyon Springs Golf Club  
San Antonio, TX

**Fall Food Classic Golf**  
Thursday, September 27  
River Place Country Club  
Austin, TX

**TGCA Board Retreat**  
Friday, September 28  
Vintage Villas, Austin, TX

## 2008 CALENDAR

**NGA Convention & Expo**  
February 5 - 7  
Paris Hotel, Las Vegas, NV

**AWMA Real Deal Expo**  
February 20 - 22  
Hilton Hotel, Las Vegas, NV

**Mid-Winter Conference**  
February 28 - March 2  
Harvey's Hotel  
Lake Tahoe, NV  
*Details Coming Soon*

**Grocery Supply Co.**  
**NEW SHOW DATE**  
Marketplace Show

