

**DAILY NEWS CLIPS****FEDERAL NEWS CLIPS**

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LETTER: CONGRESS NEEDS TO CLOSE LOOPHOLE AND EVEN TOBACCO-PRODUCING PLAYING FIELD

Letter to the Editor by Kevin Fitzgerald
MLive (MI)
April 24, 2012

In 1995 my wife, Sharon, and I opened The Tobacco Shoppe of Midland. Things have changed in the business over the years, but one thing is for sure: We have always followed the rules.

Recently, stores with roll-your-own cigarette manufacturing machines have been bypassing the appropriate federal and state taxes and laws through a loophole in our tax code. By ducking taxes, these stores are able to produce cigarettes at alarmingly high rates and sell for artificially low prices. Not only does this jeopardize our ability to keep business, it also has an effect on our employees and community.

Sadly, this is the story coast to coast of numerous traditional retailers similar to us. The good news is that there is a common sense solution. House Resolution 4134 will close this loophole and create a level playing field. Congress needs to pass H.R. 4134 to ensure a fair and open marketplace.

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MASS PRODUCING CIGARETTES MAKES SOME STORES MANUFACTURERS

Letter to the Editor by Doug Campbell
Lansing State Journal
April 24, 2012

As owner and operator of a tobacco shop in East Lansing, I am disappointed that some stores here in Michigan and across the country are cheating the system by installing industrial roll-your-own cigarette manufacturing machines.

These machines allow customers to mass-produce cigarettes made from pipe tobacco. We're talking about manufacturing 200 cigarettes in just a few minutes. That's a whole carton of cigarettes that are produced in the store, are not compliant with health and safety labeling regulations or fire codes and sell at unfairly low rates by exploiting tax loopholes.

There's a bill in Congress — H.R. 4134 — that solves this problem and closes tax and regulatory loopholes by classifying these stores as the cigarette manufacturers they are. We need Michigan's representatives to get behind this bill in the name of fair competition.

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CRITICAL REASONS FOR RETAILERS, WHOLESALERS & MANUFACTURERS TO JOIN NATO

By Thomas A. Briant
CSP News –Online
April 24, 2012

There are compelling reasons for tobacco stores, convenience stores, service stations, liquor stores, grocery stores, wholesalers and manufacturers that sell tobacco products to join NATO. These compelling reasons to have your company consider joining NATO in 2012 are as follows:

Reason No. 1: NATO is the premier retail tobacco trade association that works exclusively on tobacco issues and informs and advises retailers and the industry about tobacco legislation and FDA regulations. The NATO News bulletin published exclusively for NATO members is a critical source of industry news on legislative and regulatory issues.

Reason No. 2: NATO has launched a national local ordinance advocacy project to respond to proposed local restrictions and tobacco taxes in 2012. There are numerous local governments seeking to enact ordinances restricting the sale and promotion of tobacco products or adopting tobacco taxes. Many of the proposals are funded by \$245 million dollars in federal government stimulus funds. In just the past two months, NATO has succeeded in stopping cities from banning the sale of cigars in packages of less than four cigars and posting graphic health warning posters near cash registers.

Reason No. 3: NATO is the only national retail trade association that specializes exclusively in tobacco issues on the local, state and federal levels. NATO coordinates member responses to FDA regulations, state tobacco legislation, and local tobacco regulations. NATO staff members are experts on FDA issues and provide unequalled information on current and proposed FDA regulations and rules along with explanations so that members know how to comply with regulatory requirements.

Reason No. 4: NATO sues when necessary to protect the rights of retailers, wholesalers and manufacturers including bringing lawsuits against a Worcester, Mass., tobacco advertising ban and a Providence, R.I., flavored tobacco ban. On April 2, 2012, a federal court ruled that the Worcester advertising ban is unconstitutional.

Reason No. 5: NATO acts as a clearinghouse for tobacco information. If you have a tobacco question, NATO staff will either answer that question or find the information needed to respond to your question.

Reason No. 6: NATO assists its retail and wholesale members respond to state cigarette/tobacco tax increases. In 2011, NATO's efforts helped limit tax increases to only two out of nineteen states.

Reason No. 7: NATO membership currently benefits some 23,000 tobacco stores, convenience stores, gas stations, liquor stores and grocery stores plus numerous wholesalers and manufacturers.

To join NATO, visit www.natocentral.org and click "Join NATO" for a 2012 NATO membership application. Join NATO and join the fight against tobacco legislation and regulations.

Originally published here: <http://www.cspnet.com/news/tobacco/articles/critical-reasons-retailers-wholesalers-manufacturers-join-nato>

SENATE NAMES CONFEREES FOR HIGHWAY BILL

By Daniel Strauss
The Hill
April 24, 2012

The Senate announced its conferees for resolving differences between the House and Senate version of a highway funding extension bill.

Sens. Barbara Boxer (D-Calif.) Max Baucus (D-Mont.), Dick Durbin (D-Ill.), Tim Johnson (D-S.D.), Bill Nelson (D-Fla.), Charles Schumer (D-N.Y.), Robert Menendez (D-N.J.), James Inhofe (R-Okla.), David Vitter (R-La.), Orrin Hatch (R-Utah), Richard Shelby (R-Ala.), Kay Bailey Hutchison (R-Texas), Jay Rockefeller (D-W.Va.) and John Hoeven (R-N.D.) will be the Senate conference chairmen to resolve the differences between the Senate and House versions of the highway funding extension bill.

The House version, H.R. 4348, is a simple extension of existing transportation funding while the Senate bill, S. 1813, funds highway programs for two years with \$109 billion.

The House is expected to appoint conferees sometime later in the week.

A day earlier, Sen. Sheldon Whitehouse (D-R.I.) issued strong criticism aimed at House Republicans for failing to pass a long-term federal highway program funding bill.

A week earlier the House passed a short-term extension that goes through the end of the year. Whitehouse called the short-term extension "job-killers" and said that the House should have been able to pass a longer-term extension.

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HOUSE GOP DIVIDE HOLDS UP HIGHWAY PROJECTS

By David Lawder

Reuters

April 25, 2012

Nearly every day, rush-hour traffic backs up for miles on both ends of the overburdened Brent Spence Bridge, which spans the Ohio River and links Cincinnati with its suburbs in Kentucky.

The bridge, one of the busiest in the U.S. interstate system, has been dubbed "functionally obsolete" by the federal government because its narrow four lanes on each level - originally designed as three lanes - create massive bottlenecks for traffic.

For commuters and businesses desperate for an improved crossing, the good news is that they have a powerful friend in Congress: U.S. House Speaker John Boehner, a Republican whose district includes Cincinnati suburbs.

But a \$2.4 billion plan to replace the Interstate 71/75 bridge has gotten little help from Boehner's House of Representatives, which abandoned efforts to pass long-term federal highway funding in favor of two 90-day extensions, the second of which passed last week.

In the process, the highway bill has become a symbol of Boehner's frustrations in dealing with budget-conscious Republicans allied with the Tea Party movement.

It also is part of a broader debate over whether the U.S. government - at a time when the federal debt tops \$15 trillion - should spend billions of dollars on much-needed projects that would create thousands of jobs.

That debate is behind much of the gridlock in Congress since Boehner became speaker of the 435-member House in 2011, leading a 242-member Republican majority that includes dozens of Tea Party-backed conservatives who say this is not the time to spend big on transportation projects.

The latest 90-day extension, "like the others before it, authorizes spending levels that are billions of dollars beyond the revenue in the Highway Trust Fund," said Representative Justin Amash, a Republican from western Michigan who voted against the extension last week. "It's more reckless and irresponsible deficit spending."

The 90-day measures would keep concrete pouring until the end of September into U.S. road, bridge and transit projects now under construction. But they do not provide the long-term funding that analysts say is needed for many projects - including replacement of the Brent Spence - to make it beyond the planning stage.

Last week, Boehner told reporters that if it were his choice, a long-term transportation bill would have been enacted weeks ago. But "the House decided it didn't want to vote for it," Boehner said, adding, "So you have to go to Plan B."

IMPACT ON JOBS

As a result, hundreds of thousands of construction jobs across the nation could go unfilled and road projects are likely to be delayed at a time when the U.S. unemployment rate remains at about 8.2 percent, the American Association of State Highway and Transportation Officials noted.

"It's a torturous effect on these projects, not having a long-term bill," said Mark Policinski, chief executive of the Ohio, Kentucky and Indiana Regional Council of Governments. "Uncertainty cripples everybody's ability to plan and to execute projects."

Policinski said that for each one-month delay of the Brent Spence project, its total costs inflate by \$8 million, or \$96 million a year. That does not count the economic ripple effect of traffic delays on the clogged thoroughfare.

The 48-year-old bridge, named after a former Democratic congressman from Kentucky, is a lynchpin on the I-75 corridor linking Midwest automotive suppliers to newer foreign-owned car plants in the South. It carries more than \$400 billion worth of freight annually.

Last November, Democratic President Barack Obama turned the bridge into a poster child for overwhelmed or crumbling U.S. roadways, using it as a backdrop to tout an infrastructure investment plan that was largely ignored by Congress.

Such interstate bridges have received heightened attention since 2007, when bridges over the Mississippi River collapsed in Minneapolis, Minnesota.

Many states have projects waiting for long-term funding.

Nevada has a \$1.8 billion redesign of Interstate 15 through the core of Las Vegas, dubbed "Project Neon" for the casino lights that surround the route. North Carolina has \$1.2 billion worth of bridges and highways slated for reconstruction that will be put on ice if funding remains uncertain.

"If we continue to have the short-term resolutions, we would look at starting to have to delay projects and that would result in job losses," said Nicole Meister, a spokeswoman for the North Carolina Department of Transportation in Raleigh.

Delaying these projects would prevent about 41,000 jobs from being filled, she said.

SPILL-OVER EFFECTS

With 17 percent unemployment in the construction industry, such jobs and the spill-over effects - demand for steel, concrete and construction machinery - would boost the U.S. economy as it struggles through energy-cost headwinds and lackluster job growth, analysts said.

But "a contractor is not going to make that commitment to buy a \$750,000 piece of equipment if they don't know whether they'll have enough work to keep it busy," said Brian Deery, senior director of highway and transportation at the Associated General Contractors of America.

Boehner had wanted a long-term, five-year transportation construction bill, but the measure once touted as his signature jobs plan failed to get enough votes from either party.

Conservative Republicans revolted over its \$260 billion price tag. Some Democrats and moderate Republicans from suburban districts balked at part of the plan that would end dedicated funding for mass transit projects.

Democrats also objected to linking contentious oil drilling projects to transportation construction.

The second short-term extension, backed by most Republicans and 69 of the 190 Democrats in the House, is largely devoid of these provisions. But Boehner did create a new obstacle by including in the bill approval of the Canada-to-U.S. Keystone XL oil pipeline that Obama has opposed.

Political analysts discount the notion that Republicans might want to sabotage job-creating projects to deny Obama any political credit in an election year. Republicans want credit for creating jobs, too, and will have to answer to frustrated contracting firms and other business groups.

"My take is that this is a symbol of the dysfunction that grips Congress: Even things they essentially agree on can't get passed," said Greg Valliere, chief political strategist at Potomac Research Group in Washington.

House Republicans this week are expected to start negotiating a compromise with Senate Democrats.

The Senate last month rejected putting the Keystone plan in its two-year, \$109 billion transportation bill and Obama has threatened a veto if Keystone makes it into a final bill.

Prospects for a House-Senate deal on longer-term transportation funding in the coming months seem bleak, as Senate Democrats are vowing to exclude Keystone - a provision meant to entice House Republican votes - from the measure.

"There will not be a bill before the election," U.S. Transportation Secretary Ray LaHood predicted last week at an event sponsored by Politico.

"America's one big pothole right now," added LaHood, a former Republican congressman from Illinois. "If the transportation bill passes, people go to work."

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