

Nevada News

Serving the Retail Community Since 1969

February 2005

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Representative Jim Gibbons Speaks on Issues Facing Nevadans

Mary Lau, executive director of the Retail Association of Nevada, talked with Representative Jim Gibbons about a number of issues facing Nevadans. Here is the first part of that interview.

Q. One of the biggest challenges facing small business is the high cost of providing health insurance benefits for employees. What do you see upcoming on the federal level this year that could help solve that problem?

A. Nearly 44 million Americans are without health insurance and millions more have the most basic of health insurance plans. Rising health care costs are a major concern for small businesses and the millions they employ. In recent years, small businesses have seen double digit increases in insurance costs and many have been forced to scale back benefits, increase premiums or even drop health insurance.

Congress will consider proposals such as association health plans (AHPs) to allow small businesses to group together and purchase health insurance. Small businesses deserve the chance to obtain high-quality health insurance at an affordable price. AHPs give Congress the opportunity to bring Fortune 500 health benefits to the nation's main street small businesses and their employees.

In addition, the high cost of insurance is often increased by excessive state regulations. States have passed more than 1,500 benefit mandates, requiring insurance companies to cover services from hair prosthesis (wigs) to infertility treatments and support providers to acupuncturists to massage therapists. These state mandates raise the cost of insurance, which, in turn, increases the number of Americans who are priced out of the health insurance market.

The Health Care Choice Act, H.R. 66, which has been introduced in the 108th Congress, will allow consumers to shop for health insurance just like they do for other insurance products—online, by mail, over the phone, or in consultation with an insurance agent in their hometown. However, consumers will no longer be limited to picking only policies that meet their state's regulations and mandated benefits. Instead, they will be able to examine the wide array of insurance policies qualified in one state and offered for sale in multiple states. They can then choose the policy that best suits their needs and their budget.

These important bills are just a few options that could help small businesses cope with rising health care costs. Real health care reform means crafting policy that will improve quality, choice and accessibility for all Americans—particularly those who lack health coverage. Heavy-handed Washington mandates would only exacerbate skyrocketing health care costs and leave more Americans without coverage.

Seen & Noted

Notes From Nevada News Editor

The starting gun sounded for the 73rd Session of the Nevada Legislature on February 7, with the Retail Association of Nevada staff ready to carry the business banner for the next 120 days, or longer if the regular session once again spills over into special sessions. Be assured that Mary Lau, executive director, Liz MacMenamin, director of government affairs and Paul Enos, manager of government affairs, will be hard at work for association members throughout the session.

Also, RAN welcomes Lea Lipscomb, newest member of the RAN staff. (*Please see related story about Lea on page 6.*) She'll be helping at the legislature during most mornings and will be putting in busy afternoons at the office answering phones, posting new bill draft requests and generally keeping the website updated, all while maintaining the busy home front. Good luck, Lea.

If you haven't noticed yet, take a look at RAN's new website, which is now up and running at <http://rannv.org>. The new site was designed and is maintained by a local company, Virtual Reality Public Relations (VRPR). Anyone with access to the Internet can stay updated on all bill movement at the RAN site. You can also email members of the staff directly from the site, and you can always call the office at 775-882-1700 for help.

Mary, Liz and Paul will continue to communicate with members through the monthly newsletter, *Nevada News*. However, Mary was able to get an interview with Representative Jim Gibbons, and because of its length, this issue will run the first part of the interview in this newsletter (the second part to come in March) and Paul and Liz will run articles in subsequent issues.

The RAN newsletter has a new look for the front page. This, along with RAN's new letterhead, was designed by Bill Madhava Miller, an international award-winning graphic designer who works with Sam Shad Productions. Formerly with agencies in San Francisco and Reno, Bill has begun to transition into a life of spiritual service and is currently completing a Doctorate Degree and his clinical training to become a professional chaplain. His principle interest is in working with the dying and bereaved, and he has launched a website called ARTSofSOLACE.com where you can find out more about his vision and work.

If you don't already know, long-time employee Megan Mygatt left RAN last month to return to her studies. She is pursuing a master's degree in anthropology at the University of Nevada, Las Vegas. Megan had become a welcome voice on the phone and sight at the RAN home base in Carson City, and she will be missed. We wish Megan the best of luck.

If you have anything you would like to see in the newsletter, or if your business has news that you would like to share, please contact me, Joan Morrow, newsletter editor, at 775-425-6303.

Smith's Food & Drug Fundraises for Tsunami Victims

Following the December 2004 tsunami, Smith's Food and Drug Stores decided to focus on fund raising to help raise money for humanitarian relief efforts for the stricken countries. They gave employees and customers throughout their system a chance to donate to the Red Cross relief efforts. There are more than 3,300 other stores in the Kroger Co. in the U.S.

Smith's customers and employees in Nevada contributed over \$14,000 in the January fund drive, which Kroger will match. A northern Arizona casino donated another \$11,000 to the effort.

The stores used satellite prerecorded in-store announcements to alert customers that Smith's was conducting the fundraising effort. Checkers launched the January, 2-week campaign by wearing stickers that invited customers to participate. Customers could donate at the checkout counter by adding the donation to their grocery orders either through cash, check, credit or debit transactions. All monies were given to the Red Cross International Response Fund.

Gibbons Speaks on Issues

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Q. Fear of another terrorist attack on U.S. soil remains high. Do you think that is likely? And what is being done to address that concern, both here in Nevada and elsewhere in the country?

A. Since September 11, it is understandable that US citizens might feel at risk to another attack. It would be naïve to think the terrorists have stopped planning to attack us in some form or fashion. This is the reason we need to continue our support for the Global War on Terrorism. We need to continue our battle abroad so we don't have to fight the terrorists here at home.

As a nation, we need to continue to work to strengthen our homeland security. We have made great strides in improving communication between our first responders and federal agencies. We also need to continue to support our local first responders by providing better technology, equipment and training. FEMA and the Department of Homeland Security continue to provide fire grants and other sources of funding to assist our local communities.

To be victorious in our war on terror, we need to ensure that our military has the resources they need to win. In addition, today's multi-rolled military is critical in fighting the Global War on Terrorism, not just abroad but also in the Homeland Defense roll in our backyard. Our military will continue to be asked to do more, and I will fight to give them the tools and personnel they need.

Q. Many of Nevada's National Guard units have been sent to Iraq, and we hear that troop levels there are still too low. Do you foresee the need for an even larger force being sent there?

A. Based on current events, I would not expect any significant increase in the troop levels in Iraq. The Combatant Commander ultimately determines the troop levels in the region, and Secretary Rumsfeld has been responsive to the Combatant Commander's changing needs. The recent Iraqi elections proved to be successful with minimal Insurgent activity, due in part to the strong presence of U.S. troops in Iraq. Our current level of troops in the region are performing bravely and accomplishing their designated missions. Our troop level is always reviewed to ensure that our missions are achieved with the lowest level of casualty possible. Additionally, as our war on terrorism progresses, it will be important to have a more mobile military that can readily respond to 21st Century crises around the globe. Such a military does not necessarily require additional personnel.

Q. President Bush has called for a complete review of the federal income tax system. Where do you think that will lead?

A. I believe that President Bush has taken the necessary step by asking for a review of the federal income tax system. I have remained committed to eliminating burdensome and unnecessary

"While we are making progress, the U.S. tax code is still too complicated and burdensome."

taxes for every hardworking Nevadan. Last year, Tax Freedom Day, marking the day the average American will have earned enough to pay off his or her federal, state and local tax bills, was April 11th, the earliest date since 1967, thanks to the tax relief we have passed under the Bush Administration. However, while we are making progress, the U.S. tax code is still too complicated and burdensome. It is 17,000 pages long and includes more than 1,100 forms. Americans spend \$200 billion each year to comply with IRS regulations. Hardworking Americans deserve tax reform. Please know that I support a major overhaul of the current tax code to replace it with one that is more simple and fair.

Gibbons Speaks on Issues continued on page 4

Gibbons Speaks on Issues

continued from page 3



Q. Rising property taxes in Nevada are taking their toll on families and businesses. What solution do you see to help reduce the burden?

A. Property tax reform is an issue that will be before the State Legislature this year. Certainly, some sort of reform will be necessary to reduce the burden too many Nevadans face this year. Our local and state governments need to take a hard look at the services they provide and the revenue they are receiving to ensure that the current tax system is fair and proper. Every government should live within its means and not impose burdensome taxes just to increase bureaucracy.

Q. Recently, the President suggested that proceeds from the sale of federal lands in Clark County be diverted to the federal government rather than being used in accordance with the SNPLMA. What is your view of this idea, and do you have any alternatives to suggest?

A. Reducing the deficit is an important priority, but I do not support using revenue from the Southern Nevada Public Lands Management Act to accomplish this goal. Those dollars should be spent on providing the necessary funds to accommodate the growth allowed by the Act. We should use the funds to take care of our education needs, transportation requirements and environmental restoration in the state. Those funds should not be used to acquire more land or simply given to the federal government for use in other states. While I applaud efforts to lower our deficit, I will fight this proposal and work to keep these dollars in Nevada to address the needs of our growing communities and citizens.

It shouldn't come as a surprise to anyone that the administration has decided to use proceeds from this account for other purposes. The federal government owns and regulates over 90

“The federal government owns and regulates over 90 percent of Nevada’s lands...”

percent of Nevada’s lands, yet they continue in their drive to buy more lands and push that percentage higher. Federal bureaucrats in Washington have never considered, in my opinion, the tremendous burdens their land grabs have caused for many Nevada counties and citizens. It isn't the job of an Interior Department bureaucrat sitting at a desk 2,600 miles away from Nevada to consider the difficulties of counties like Lincoln or Nye as they struggle to fund their roads, hospitals, law enforcement, schools and infrastructure on just two percent of taxable private lands.

I agree that the federal government does not need any more money to continue buying up land in Nevada. After all, in the past several years the federal ownership of our state has risen from 87 to over 91 percent. That is why I proposed last year to change the funding formula and put a larger percentage of revenue into Nevada’s education trust fund. The state’s education fund needs the revenue to provide a quality education to the thousands of new students moving to our state every year. This revenue will help compensate for the loss of property tax revenue that the local counties suffer as a result of federal ownership of our lands. It is not at all proper for those Nevada funds to be sent to Washington.

Q. The Education First initiative that you proposed was passed by the voters in 2004 and now must be passed again in 2006. Some have said it will not really do anything for education. What is your view?

A. The Education First initiative will ensure that education can never be used as a political football again. Last session’s legislature refused to fund education first and waited until they needed to pass a tax increase to provide the necessary funds to teach our children. The future of our state rests in our children and they deserve better. They should be our first priority—not our last. Education First will assure our state’s priorities are set straight.

Gibbons Speaks on Issues continued on page 5

Gibbons Speaks on Issues

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Q. We are hearing again about possible military base closures. Do you believe that will impact Nevada's bases, and what are you doing to ensure that these facilities remain open?

A. The fifth and final round of the Base Realignment and Closures (BRAC) will occur this calendar year. However, I believe Nevada is postured very well against the realignment analysis. Nevada's military installations are vital to our nation's mission. Nevada's numerous military installations have some of the latest equipment and technology on hand as well as some of the best-trained military personnel.

I have fought hard on the House Armed Services Committee for Nevada to obtain these modern programs. It was my goal for our military installations to have the latest technology and equipment to make sure we would remain on the leading edge in today's modern military. I believe, through past efforts, Nevada will continue to be a reliable and relevant military force going forward. I expect our facilities in

"I expect our facilities in Nevada to remain secure throughout the Realignment process and into the future."

Nevada to remain secure throughout the Realignment process and into the future. However, I also don't take anything for granted, and that is why I created the Nevada Military Advocacy Commission (replicating many of the efforts other states have already initiated) to address issues surrounding improving our bases and the communities they call home to make sure they remain in Nevada in the 21st Century.

Q. Yucca Mountain remains an issue. What can our federal representatives do to slow or halt plans to open Yucca Mountain as the national dumping ground for the country's nuclear waste?

A. Nevada's battle against storing high-level nuclear waste at Yucca Mountain has been a fight that is now in its third decade. We have fought hard on all fronts to try to prevent this misguided policy, and there is still hope we can prevail. There is undoubtedly a lack of sound, geologic science supporting the Yucca Mountain site, even though Congress mandated in the Nuclear Waste Policy Act that the site be geologically sound before being designated as suitable to receive the waste. There are also serious transportation risks associated with moving this high-level waste across our nation's roads, highways and railways, near our community centers, schools, churches, parks and playgrounds. And finally, new scientific technologies are currently being advanced that will give us a more viable, safer and significantly less expensive way of disposing of this deadly waste.

In light of these important points, the federal government still seeks to rid itself of this problem and force Nevada to become the solution. In Congress, we will continue to stop or limit the amount of funding for Yucca Mountain, and it is my hope that through these efforts, we can continue to fight this issue in Congress. However, the main fight is currently in the courts.

Please know that I will not rest, nor will the majority of Nevada's citizenry, in continuing to fight this proposal. Nevada has always had a fighting spirit, and no other issue has better demonstrated this characteristic than our battle to avoid becoming the nation's nuclear waste dump.



Gibbons Speaks on Issues continued on page 8

Lea Lipscomb Brings Expertise and Enthusiasm to RAN

RAN has a new face in the office. She's bright, articulate and enthusiastic, and the Association found her in the best way—word of mouth.

When RAN found out that Megan Mygatt was leaving to pursue a master's degree in anthropology, they were faced with the hiring process, and they needed someone who was not only ready to hit the ground running, but also someone they could trust. They found Lea Lipscomb. It so happened that Paul, manager of government affairs for RAN, had worked with Jenny Welsh who was friends with Lea. Lucky for RAN, Lea was looking for a job, and this fit into her plan perfectly.

Lea says, "This is a whole new arena for me. I'm just excited to learn a whole different aspect of the business world that I didn't know about." Lea is RAN's new Legislative Analyst and Office Administrator. And she started just in time for the opening of the 73rd legislative session, the "busy" season for RAN.

Coming to RAN has been a circuitous trip for Lea. She was born in Michigan and went to school there until the 8th grade, then moved to Nevada. But Sparks is her hometown. Her dad worked for GM in Michigan and transferred to Sparks in 1992. She graduated from Reed High, then attended the University of Nevada, Reno with a major in Logistics Management and a minor in Computer Information Systems. (The minor is a big plus for RAN.) In between her junior and senior years, she interned at GM's regional office in Thousand Oaks, CA. It was a natural progression that found her heading back to Detroit and a fulltime job with



GM. It wasn't long, though, before she headed out west again.

In 2001, she landed a position with GM's San Francisco office. She was an Area Parts Manager, which found her traveling a large territory that spread from Ukiah to King City to Guam to Hawaii. As much as she liked visiting Hawaii for one week out of every six, she was feeling the pull of home and wanted to get back to Reno, her family, and her boyfriend, Jered Davidson.

In May 2004, she took a position with Henry Schein, Inc, a medical supply company. But she was also listening to her friend Jenny talk about how much she loved her job, working on issues and with the legislative process. When she found herself with the opportunity to work in that arena, she jumped. Now she commutes from Sparks Monday through Friday and is loving it.

"This is a great opportunity to learn how public policy can be affected, changed, altered and made. I want to learn the process," says Lea. She's in the right place. During session Lea will spend her mornings at the Legislature attending committee

meetings and will return to the office to record her minutes and keep RAN's website updated on all the latest movement on BDRs, pertinent committee business and comments.

Lea encourages everyone to use RAN's new website to keep abreast of what's happening in Carson City. She says this year it's really easy to get the information quickly. All BDRs are listed by number, and the website allows users to track each BDR by sponsor, topic status and if it's an Assembly Bill or a Senate Bill. She says the information is instantaneous because all a user has to do is click on the link, which then brings up the already updated status.

Lea says her business background will be a great help in her position with RAN. She says, "The parts department [at GM dealerships] is basically a retail operation." Besides that experience, she brings to her work a love of business—"I can't remember when I didn't know that I was going into business"—and an ease and expertise with the computer and the website that makes her a great asset for RAN.

What will her future bring? Well, for at least the next 120 days, the future will be early mornings and late nights in Carson City, lots of computer time and lots of new challenges. No problem, says Lea. "I'm a quick learner and have a good memory. And I'm very organized. I'll balance everything, will keep the office functioning smoothly and keep everything up to date and done."

Spend some time with her. You'll be convinced that she'll succeed in her latest endeavor.

Welcome to RAN, Lea Lipscomb.

Seminars

First Health Offers Classes for Implementing NCPDP Program

On April 15, 2005, First Health Services will begin to accept and process the National Council for Prescription Drug Programs (NCPDP) Version 5.1 for Multi-Ingredient Compounds Segment (MIC) and Partial Fill claims used for submitting pharmacy claims to the Nevada Medicaid program.

The Division of Health Care Financing and Policy (DHCFP), in conjunction with First Health Services Corporation, will present training sessions addressing the MIC and Partial Fill functionalities. The sessions are scheduled to begin at 1:00 p.m. and are anticipated to last one hour. Session dates and locations are:

Reno

Tuesday, March 8
First Health Services
885 Trademark Dr., Suite 150
Reno, NV

Las Vegas

Thursday, March 10
AARP Office
5820 S. Eastern, Suite 190
Las Vegas, NV

If you plan to attend one of the above sessions, please RSVP by Friday, March 4, to Shirley Hunting, First Health Services, 775-784-3983.

A special session will be offered via teleconference for those who cannot attend the above listed sessions. Participants from the above sessions are also invited to join the conference call. The call is scheduled for 10:00 a.m., Wed., March 16th.

Teleconference Instructions

Dial-In #: 1-800-824-7254
Guest Room #: 159350

- 1) Call dial-in number
- 2) Enter Guest Room Number when prompted
- 3) Record Name Followed by Pound (#) key

Small Business Solutions Seminars Delivered Over the Net

Would you love to take part in a seminar designed for small- and medium-sized specialty retailers but just can't take the time away from the business? Then this might be the solution for you.

Vormittag Associates, Inc. (VAI), a member of the National Retail Federation and an authorized Premier IBM Solution developer/business partner, is offering a series of monthly Retail Solution Briefings to be delivered over the Internet. If you have an Internet connection and an hour of time, you may want to take advantage of this opportunity.

The next seminar will be held on Tues., April 12 at Noon, Pacific Standard Time (3:00 p.m. EST). Tune in to see how customers are using VAI and IBM solutions to fit the needs of their business. VAI says it offers solutions to energize your customers' experience from end-to-end, improve back-end efficiency to help reduce bottom-line costs, and empower employees to raise the standard of service.

To find out more about these free seminars, either go to www.vai-solutions.com/solutionbriefing or call 800-824-7776, ext. 212.

• Seminars •

April 2005

IFA International Franchise Expo

April 8 - 10, 2005
Washington, DC
Contact: 202-628-8000 or www.franchise.org

NACS State of the Industry Summit

April 11 - 13, 2005
Chicago, IL
Contact: www.nacsonline.com

Grocery Supply Company

Marketplace 2005

April 16 - 17, 2005
Arlington, TX
Contact: Lori Ray, 800-231-1938

May 2005

FMI Institute Supermarket Industry Convention & Ed. Expo

May 1 - 3, 2005
Chicago, IL
Contact: 202-220-0807

NACDS Marketplace Conference

May 4 - 7, 2005
New Orleans
Contact: 703-549-3001 or www.nacds.org

NACStech 2005

May 16 - 18, 2005
Nashville, TN
Contact: 703-684-3600

June 2005

Internet Retailer 2005 Conference & Exhibition

June 7 - 8, 2005
Chicago, IL
Contact: <http://www.internetretailer.com/IR2005/index.htm>

Retailer's Bakery Association Marketplace 2005

June 16 - 18, 2005
Chicago, IL
Contact: 800-683-0924

Abbreviations

FMI • Food Marketing Institute
IFA • International Franchise Association
NACDS • National Association of Chain Drug Stores
NACS • Nat'l Assn. of Convenience Stores

Gibbons Speaks on Issues

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Q. You are the new chair of the House Resources Subcommittee on Energy and Mineral Resources. You have spoken about the need for reforming mining laws and for developing a national energy policy that will reduce our dependence on foreign oil. Could you elaborate on your plans in those areas?

A. The energy and minerals industries provide the foundation upon which our economy is built. These industries offer high paying jobs to many Nevadans. The consuming industries—manufacturing, health care, telecommunications, chemicals, etc—are heavily dependent on a stable and affordable supply of energy and minerals to deliver their goods and services to the American public. But for years now, U.S. laws affecting the development of energy and minerals on federal lands have not reflected the realities of the modern world. Despite the fact that the bulk of our domestic energy

We will be looking at the country's energy and minerals policies and how they affect the viability of the domestic energy and minerals industries.

and mineral resources can be found on federal lands, very little of these resources are being produced from these lands. The country's energy and minerals policies are woefully inadequate to attract domestic investment and sustain a growing economy for the long term. For example, the country's trade deficit in energy is more than 25 percent of our total balance of payments and continues to increase at a rapid rate. We will be looking at the country's energy and minerals policies and how they affect the viability of the domestic energy and minerals industries.

Energy –

Every Nevadan depends on energy, plain and simple. Yet, our nation depends on foreign sources for nearly two-thirds of our energy. That is simply unacceptable. We can do better, and we must. The House of Representatives has passed energy legislation four times and yet, the Senate has failed to act. This year, we will again reiterate our commitment to reducing our nation's dependence on foreign oil and our support for alternative, renewable energies, like wind, solar and geothermal. Additionally, about 30 percent of the oil and 23 percent of the gas produced domestically comes from federal waters. We need to continue to examine the status of the Energy and Minerals Workforce as it relates to the wellbeing and viability of our domestic energy and minerals security and examine impediments to alternative energy production on federal lands.

Our legislation will help to ensure that we can keep our lights on, our cars running and our economy growing. It will enhance energy conservation, research and development, and provide for security and diversity to the energy supply for the American people. And I intend to work with my colleagues on the provisions I drafted to increase the production of geothermal energy, a clean, renewable energy source abundant in Nevada. This plan is exactly the same as the comprehensive energy package that passed the house in November 2003, by a vote of 246-180 but which has stalled in the Senate. Had this legislation passed, Americans would not be facing the increased energy costs they do today.

National Minerals Policy –

The last time Congress acted on major minerals and materials legislation was in 1980 with the enactment of a House Science Committee-crafted package. The last time the House Resources Committee looked at national minerals policy was also in 1980 with the release of a U.S. minerals vulnerability report. In reasserting and protecting our jurisdiction on these matters, we propose to provide oversight on the need for a revitalized National Minerals Policy for the 21st Century. We believe it's important to go forward as worldwide demand for natural resources, including mined materials, is increasing significantly as developing countries with strengthening economies such as China and India continue to grow.

Gibbons Speaks on Issues continued on page 9

New Program to Help Underserved Buy Prescription Drugs

Together RX™ has released another program, the Together Rx Access™ Card, designed to help U.S. citizens without prescription drug insurance to save on their prescriptions. The program started enrolling eligible citizens in January. The card program will be activated in mid-February.

The program is designed to help about 80 percent of the 45 million Americans who are uninsured and without prescription drug coverage, although they are actively employed. The card is free and will help participants save from 25 to 40 percent or more on over 275 brand name and generic prescription products. Products include those used to treat diabetes, hypertension, high cholesterol, cancer, allergy, asthma, arthritis, depression and more.

The card is also simple to use. Just present it along with your prescription at participating pharmacies, and the discount is given at that time.

Eligibility requirements are –

- Legal US resident under age 65 and not otherwise eligible for Medicare;
 - No prescription drug coverage, public or private;
 - Household income equal to or less than—
 - *\$30,000 for a single person
 - *\$40,000 for a family of two
 - *\$50,000 for a family of three
 - *\$60,000 for a family of four
 - *\$70,000 for a family of five
- *(Some income limits are higher in Hawaii and Alaska)

Together RX is made up of a number of pharmaceutical companies and endorsed by groups such as the Arthritis Foundation and the National Community Pharmacists Association. In 2002, seven of the companies offered the Together Rx™ Card for low-income Medicare beneficiaries.

To enroll for the card or get

more information, call Together Rx at 800-444-4106 or visit www.togetherRxAccess.com.

Recent Actions Makes Smoking More Expensive

New York is leveling the playing field between brick-and-mortar stores and Internet retailers—at least for buying cigarettes.

The New York Finance Department just served 2,300 citizens of that state with notices of back taxes due on cigarettes they bought over the Internet from Cigs4Cheap.com, a website that is now closed.

New York has been trying to close the tax loophole of cigarette sales over the Internet because the sellers are not complying with rules that require residents to pay the state tax, and in New York City, the city tax.

Both the state and city tax are \$1.50 per package. Adding \$3 to the price of a pack of cigarettes bought over the Internet will add up to some needed income for the municipalities. Residents who don't comply by paying the back taxes within 30 days of receiving their notification can be charged up to \$200 for each carton bought online.

In other tobacco news, in 2003 Weyco Inc., a company in Okemos, MI, decided to take a no-smoking stance to help keep down its healthcare costs. Not only can employees not smoke at work, they can't smoke at all.

When Weyco announced the no-smoking policy, it offered employees help to stop smoking. Some complied and stopped smoking. When the company put its permanent no-smoking policy in place on January 1, it asked all employees to submit to a test to determine if they smoke. Those who refused were fired. Weyco says their policy allows them to do that.

Michigan has no law prohibiting employers from not hiring, or firing, smokers. Some states do have laws that would prevent this action, while 29 states have smokers' rights laws.

Gibbons Speaks on Issues

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We would like to continue to build on our national minerals policy record with additional oversight hearings focusing on the economic and national security implications of minerals policy and its impacts on other industries. We would work closely with the mining industry to develop a national campaign promoting a revitalized minerals policy that works in conjunction with manufacturing and sound economic policy. We would highlight the current impediments to minerals production in the U.S. and look at policy changes that would improve access to minerals on federal lands. This would be a combination of oversight hearing with the ultimate goal of developing a legislative package that will be signed into law. Oversight activities would take place throughout the year.

The remainder of the question/answer piece will appear in the March 2005 issue of Nevada News.

Self Insured Group



Are processing fees cutting into your profits?

Cut your processing costs and boost your overall savings with our new, discounted payments program from our endorsed processor - Global Payments.

With Global Payments, you get the advantage of industry-leading hardware and software with market specific features designed for retail systems.

- End-to-End Payment Card Processing for Credit, Debit, Purchasing, Gift & Loyalty, Stored Value and EBT
- Electronic Check Guarantee, Verification and Recovery
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nancy.hawk@globalpay.com



globalpayments
www.globalpaymentsinc.com

Important information for SIG members

The NRS governing self insured groups requires notifying members of all new members to the Group. New members for NRNSIG from January 14, 2005 to February 10, 2005, are listed below. For a complete member list, please call RAN at 775-882-1700.

NRNSIG

Always There For You LLC
Auto Title Loan Store, Inc.
Baskin Robbins Store #4352
Bodily's Furniture
Diane's Cleaning Services LLC
High Desert Barns
Home Plate Grill and Bar, Inc.
Jimmy John's
L & T Medical Supply

Lend A Hand Senior Services, Inc.
Mount Rose Animal Hospital
Nevada Business Services, Inc.
Perfect Floors LLC
RJ Calvert Co.
The Technology Center, Inc.
To A Tee, Inc.

NRNSIG members who wish to register a negative vote on a new group member, please write NRNSIG at 810 E. Fifth Street, Suite A, Carson City, NV 89701, indicating which member and the reason(s) for the negative vote.

Membership Information

Find out more about RAN's self insured group.

Call Willie Kerschner, 775-720-8125,
or the RAN office at 775-882-1700
(Toll-free in Nevada – 800-690-5959).

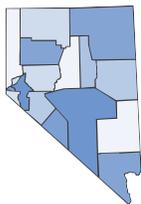
Don't forget to check out our website, www.RANNV.org.

TAKE CONTROL OF YOUR WORKERS' COMP COST

Be Part of...

The Nevada Retail Network

Certificate #5004



• Self Insured Group •

• Membership in RAN Required •

- ✓ Greater management control that cuts overhead costs
- ✓ Pre-employment screening at a small co-pay for NRN members only
- ✓ Team Safety/Loss Control Program for all members
- ✓ Investigation and defense of claims
- ✓ Direct savings that give members greater incentive to control losses

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Mood and Persuasion

Research Reveals an Unexpected Influence of Mood on the Acquisition of Attitudes

If you watch sporting events on television, you undoubtedly have watched more than a few beer ads, so answer a question if you can: Do you remember any product claims from these commercials? You probably have to think to remember any.

Now try a different question: Do you remember any party scenes in the beer ads where people are having a wonderful time, pretty young women are showing interest in pretty ordinary looking guys, or humorous situations make you chuckle? Do these descriptions trigger a memory? Probably so. Finally, do you remember thinking that these ads were running pretty frequently and maybe you'd really like to get back to the game?

Your experience with these beer ads reflects an ongoing controversy in the advertising industry, and Eva Walther, from the University of Heidelberg, conducted research that yielded findings that oppose current advertising practice in two areas illustrated in the beer ad. If you purchase advertising for your business, these findings could save you a lot of money.

The first area of controversy involves repetition.

Business owners want their advertising to give consumers a favorable attitude toward their business or brand so that when they are faced with a choice, they will be more likely to choose it. Forming favorable attitudes is the job of advertising, and ads accomplish this by pairing a brand with something that already has a favorable value. Young men like parties and pretty young women, so pairing a brand of beer with parties and young women causes the favorable attitudes toward the former to attach themselves to the beer.

Advertising agents insist that the more repetition you can afford of your ad, the better. Professor Walther's research supported an opposite conclusion. She found that minimal exposure to a favorable association worked just fine. She also found that such attitudes were persistent and carried over into novel situations.

A second area of controversy involves the mood consumers are in when they view the ad. Current industry practice maintains that

people need to be in a happy mood when they view ads so that their happy mood will become part of their attitude toward the brand. That's why so many beer ads are humorous. Just in case your team is losing badly and you're in a sad mood, they'll make you chuckle with their ad so that a favorable attitude attaches to the brand of beer in the commercial. This concern also explains why Coca Cola refuses to air commercials during news programs. They're afraid that sad feelings generated by the news will spoil the "fun" attitude they hope will attach to their product.

Professor Walther conducted an experiment that carefully controlled the mood of the consumer and then measured the strength of the attitudes that attached to the brands in her experiment. Her findings will surprise you.

People with happy moods were the most resistant of all to forming any new attitudes toward the products featured in her experiment. Conversely, people with sad moods were most likely to form attitudes.

Walther explains it this way. When people are happy, they are satisfied. They aren't looking for anything at the moment, and they deliberately ignore cues from the environment. They aren't hungry. But when people are sad, they feel that something isn't right, and they are alert to information that will help them respond to this feeling. Advertising is trying to get their attention and to point it toward new, positive associations. A sad mood creates ideal conditions for considering ad messages.

Walther puts it this way: "Because the acquisition of attitudes was dramatically reduced in the good-mood condition, being happy may be a potent defense mechanism against unwelcome influences in advertising." (p. 771)

What to do? Perhaps you should photocopy this article and forward it to your ad agency. Ask them to study Professor Walther's work and explain to you why they should ignore it. If they can't, perhaps they could follow it. You could find your ads appearing fewer times in a wide variety of mediums and reaching many more people. You could also reduce your cost of producing ads.

Reference: Walther, Eva, and Sofia Grigoriadis (2004) "Why Sad People Like Shoes Better: The Influence of Mood on the Evaluative Conditioning of Consumer Attitudes." *Psychology & Marketing*, 21 (10), 755-773.

C 2005 Management Resources

Capital Watch



IRS Targets 2006 for E-Tax Filing for Certain Corporations and Tax Exempt Groups

The Internal Revenue Service has served notice—the year 2006 is the designated year when certain groups will be required to file their IRS tax returns and forms over the Internet.

This deadline applies to corporations with a worth of more than \$50 million and tax-exempt organizations with assets of at least \$100 million. No new groups have been officially included as yet, but in 2007, the threshold

for both corporations and tax-exempt organizations will lower to \$10 million. Exceptions include companies that file fewer than 250 annual IRS returns such as income, excise, information and employment tax forms.

As stated, the IRS has not announced plans to make e-filing mandatory for any other groups, but everyone is strongly encouraged to do so, and that encouragement comes through dollars spent on tons of advertising between January and April each year.

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