

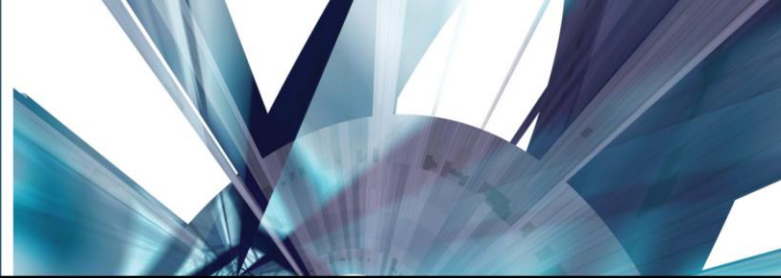
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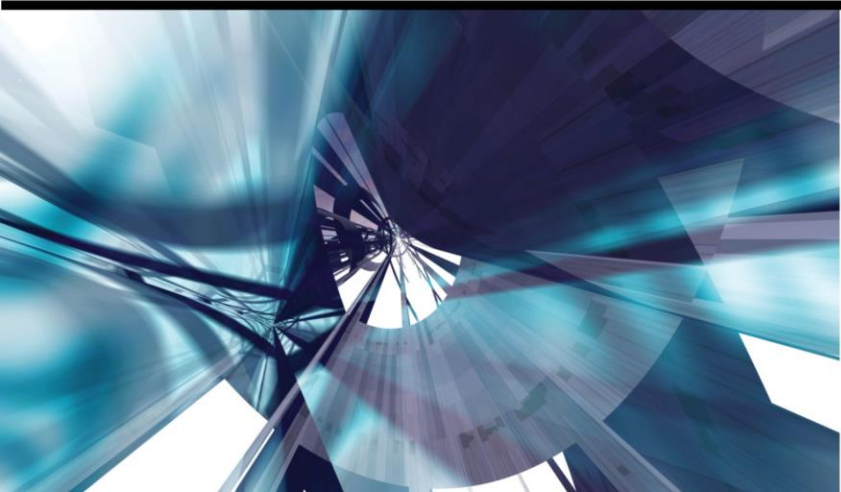
THE VOICE OF FOOD RETAIL 

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Washington Update

Jennifer Hatcher, Senior Vice President, Government and Public Affairs, FMI



FMI Government and Public Affairs

- What We Do
- How we are different
- Overview of Political Climate
- Legislative Priorities
- Regulatory Priorities
- State and Local
- Political Programs
- Asset Protection Hot Buttons

FMI Government and Public Affairs Overview

- Federal – Offense and Defense
- Regulatory – Advocacy and Compliance
- State and Local – Strengthening State Associations and Providing Resources for FMI members
- Political Programs – Food PAC; FMI LEAD

FMI Government Relations

Differentiators

- Focus on Supermarket issues that no one else would cover.
- Substantive/long term relationship/teach elected officials about the industry.
 - Bottle dumping
 - Heat and eat
- Bi-partisan; look for positive result/ outcome.
- Staff experience 110 years in the industry; even more in GR. Team of 11.

Legislative/ Regulatory and Political Overview

- Many retirements; contested primaries and midterm elections to determine control of U.S. Senate. Little expected legislatively until Lame Duck – Post Election Session
- 70,000 Pages in Federal Register. Much activity expected. 900 page Farm Bill has to be implemented.
- Primaries are key for now and open seats. Lots of state and local and judicial initiatives for LEAD.

Federal Legislative Priorities

- Affordable Care Act Amendments (Full-Time Employee Definition, Health Insurance Tax/Reinsurance Fee, FSA/OTC, Part-Time Employee Coverage)
- Food Labeling (Menu Labeling, GMO Labeling, Product Dating)
- Tax Reform (LIFO, Effective Tax Rates, Corporate/Pass Through Reform)
- Hours of Service (34 Hour Restart)
- Minimum Wage with CPI Adjustment
- Marketplace Fairness/Online Sales Tax
- Pension Reform
- Patent Trolls
- Paycheck Fairness
- Truck Weights

Regulatory Priorities

- ACA/Health Care Reform Implementation
- National Labor Relations Board Enforcement/Regulations
- Food Safety Modernization Act Implementation
- Country of Origin Labeling
- Nutrition Labeling/Menu Labeling
- SNAP Food Policy
- Food Marketing Claims Enforcement/Regulations
- Occupational Safety and Health Administration Enforcement/Regulations
- Wage and Hour Enforcement/Regulations
- Privacy Enforcement/Regulations

State and Local Issues

State: Alcohol (Direct Shipping, Hours Of Sale, Pricing, Sales Restrictions, Samplings, Three Tier) BPA, Credit/Debit Card Surcharging, Data Protection, Extended Producer Responsibility (EPR), Food Safety, GMO Labeling, Government Assistance – WIC, SNAP, TANF, Swipe Fees, Labeling, Privacy, Security Breach, Shopping Bags, Taxes (Main Street Fairness/Internet Sales Tax)

Local

- Food product dating
- Food taxes
- Licensing
- Minimum/living wage
- Plastic bags / polystyrene bans
- E-cigarettes

Political Programs

- **FoodPAC** is FMI's Political Action Committee. FoodPAC provides financial assistance to both Republican and Democratic candidates for Congress who understand and support issues that affect the supermarket industry.
- **FMI Lead:** Leadership, Education, Advocacy, Development Fund funds industry research, coalition efforts and advocacy campaigns. FMI LEAD supports coalitions that educate elected officials and customers on important issues and initiatives to the industry. FMI's political education fund was created in 1998 to expand our industry's reach in the public policy process.

Background/Credit Checks

- Equal Employment Opportunity Commission
 - Impact of Criminal Background Checks on Minorities (Block the Box in State Legislatures)
 - Concerns regarding employer use of credit history checks

Data Security

1. *Threat Information Sharing*
2. *Cybersecurity Risk Mitigation*
3. *Advanced Card Present Security Technology*
4. *Card Not Present and Mobile Security*
5. *Cybersecurity & Data Breach Notification*

NLRB and Labor Practices

- National Labor Relations Board (NLRB)
 - Re-proposed “quickie/ambush” election
- Department of Labor
 - Proposed “Persuader” regulations
- Occupational Safety and Health Administration
 - Pending rulemaking on record keeping

FSMA – Food Safety Modernization Act

- **Sanitary Food Transportation Act** In-transit temperature monitoring is required for both TCS foods and non-TCS foods(that are at risk of microbial spoilage if subject to temperature abuse)
 - Fully packaged shelf-stable foods are exempt
 - Raw agricultural commodities (RACs) are exempt when transported by farms (whether or not they are shippers, carriers or receivers)
 - Rule applies to animal food and USDA-regulated meat, poultry and egg products
- **Food Defense** Applies to domestic and foreign facilities required to register under section 415 of the Bioterrorism Act. Requires facilities to write and implement a food defense plan. Rule does not apply to holding of food (except food in liquid storage tanks); certain small businesses are exempt; rule does not apply to animal food or activities of a facility subject to the Produce Safety Rule.
 - Covers acts intended to cause massive public health harm, including acts of terrorism
 - Does not include acts of sabotage by disgruntled employees

Swipe Fees/ Madder than Hornets

- Legislation, Litigation, Research, Public Affairs
 - Durbin Amendment/ Dodd-Frank
 - Economic Impact
 - Federal Reserve Litigation
 - Education of reports/community

Organized Retail Crime

- Interest remains strong in the supermarket industry for enactment of legislation that would make organized retail crime (ORC) a federal felony. FMI and its retail coalition partners continue to work with lawmakers to achieve a legislative solution to this growing security concern for the retail industry and our customers. FMI strongly supports legislation that would make ORC a federal offense in an effort to deter this type of criminal activity.

What is ORC?

Organized retail crime (ORC) is a growing problem throughout the United States, affecting a wide range of retail establishments including supermarkets, chain drug stores, independent pharmacies, mass merchandisers and convenience stores. It has become an increasingly pressing security problem confronting retailers and suppliers, and now accounts for over an estimated \$30 billion in losses at store level annually according to the Federal Bureau of Investigation's (FBI) interstate theft task force. ORC is separate and distinct from petty shoplifting in that it involves professional theft rings that move quickly from community to community and across state lines to pilfer large amounts of merchandise and then resell it often on the Internet.

Thank you!

Jennifer Hatcher

jhatcher@fmi.org

202.220.0734

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