Thursday, November 18, 2010

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## Legislative & Regulatory News

## NAEDA midterm election follow up

Following the midterm elections, both the U.S. House and Senate Agriculture committees will have new chairs and several other key positions will change as well. Many of these changes may have an effect on issues of importance to U.S. equipment dealers.

Rep. Frank Lucas (R-OK), the current ranking member of the House Agriculture Committee, is set to take over the panel as chair, while the current chair, Collin Peterson (D-MN) is expected to become the new ranking member. In the wake of Senate Agriculture Committee Chair Blanche Lincoln's (D-AR) election defeat, Democrats will pick a new chair for the committee. Sen. Debbie Stabenow (D-MI) has announced she intends to seek the gavel and Ben Nelson of Nebraska has also been mentioned for the position.

In addition to changes in leadership atop the committees, the House Agriculture Committee is set to have a drastically different membership. In all, more than half (at least 16) of the Democrats on the committee saw their seats won by Republicans, while no Republican committee seats switched parties. The committee will very likely see a huge influx of new Republicans and Democrats to fill out the committee roster. These new appointments will have a great effect on the next farm bill and all the programs at the U.S. Department of Agriculture.

Also of note, House Transportation and Infrastructure Chair Jim Oberstar (D-MN) and Sen. Russ Feingold (D-WI), who both sponsored legislation over the years that would expand jurisdiction of the Clean Water Act, were defeated in their re-election bids. Oberstar was defeated after 36 years in Congress. The new chair is expected to be Rep. John Mica (R-FL). This committee will have to look at the Highway Authorization Bill and revenue funds to determine whether it should be set up as a new-miles-traveled tax or as some type of a gas tax hike. They also have to deal with the standoff concerning Mexican trucks being forbidden to enter the U.S. and the resulting tariffs on U. S. products being shipped into Mexico.

As you know, Congress has convened to begin the "lame duck" session. Atop their agenda are the 2001 and 2003 tax cuts. If allowed to expire, these additional taxes could severely inhibit the growth of small businesses around the U.S. and diminish employment opportunities. In addition to the tax cuts, Congress must tackle the estate/death tax, which is set to be reinstated Jan. 1, 2011, at a rate of 55 percent on estates valued at more than \$1 million.

Congress may also consider the president's comments concerning free trade agreements with South Korea, Columbia and Panama. Whether these agreements will be considered in the lame duck session has yet to be determined. They could easily be put off until the new Congress convenes in January.

#### NAEDA signs on to letter encouraging Congress to act on key tax provisions

NAEDA and other top equipment industry trade associations have sent an open letter to Congressional leaders Pelosi, Reid, Boehner, and McConnell urging Congress to work in a bipartisan manner to prevent the 2001 and 2002 tax cuts from expiring, permanently resolve the uncertainty surrounding the estate tax, repeal the government contractor withholding tax, and renew five-year depreciation for ag equipment.

Download a copy of the Equipment Industry Tax Letter.

## Last Chance! Take this survey to share your input about young farmer/rancher equipment purchasing

NAEDA and the Association of Equipment Manufacturers are developing a legislative proposal for the next Farm Bill to create initiatives for young farmers and ranchers to purchase new equipment. Share your thoughts in a brief survey.

To establish the most effective program, we need your input and expertise. Complete this survey by Nov. 30 to help us design the program.

## Will Congress now rein in EPA?

www.farmfutures.com/blogs.aspx?fcb=23

## Report suggests new clean energy strategies for new political environment

A report issued this week by the national, nonprofit Clean Energy Group (CEG) recommends a number of new strategies to advance emerging clean energy technologies that do not require major new federal legislation or more federal funding.

The proposals, which have not been part of past proposed federal energy legislation, call for reprogramming about \$1 billion in existing funds and committing federal and state agencies to procure \$1 billion in power from clean energy. The strategies call for clean energy pragmatism – to overcome specific bottlenecks in technology innovation and finance – and for the federal government to work with the states in a new "clean energy federalism" partnership. The practical and bottom-up clean energy solutions consist of short-term measures to increase new technology investment in the long term. CEG sent the report to President Obama for his consideration, noting that the White House, with creative use of executive authority, could enact many of the strategies immediately.

The report, Innovation to Infrastructure: Clean Energy without Cap and Trade, calls for five energy strategies that are relatively small in nature but that could have large economic and environmental benefits. One calls on the DOE and other federal agencies to use new "open and distributed" innovation strategies from the corporate sector to move clean energy from lab to market by reprogramming at least \$100 million from existing funds to institute several experimental, corporate-style innovation programs to accelerate technology commercialization breakthroughs. Another calls on the federal government to recognize that states are the key to a future clean energy transition and invest \$650 million of existing funds to support a stronger technological and financing partnership with the states to deploy clean energy throughout the nation - a new "clean energy federalism." For more information, including the remaining strategies and access to the full report, vist http://www.cleanegroup.org/.

## **CEO Blog**

## "It Doesn't Take a Ph.

D. ..."

#### November 2010

Some of you already know a dirty little secret about me, and some may not - I happen to have a Ph.D. in economics from Cornell University. I only mention it because many people today are asking the question, "What will it take to get our economy growing again"? Well since I am a Ph.D., I know it doesn't take a Ph.D. to fix the economy. The answer is simple:

#### Remove the uncertainty.

Whether we are discussing people's spending habits, entrepreneurial activity. manufacturing, stock markets, bond markets. etc. ... every aspect of the economy has one thing in common ... the people involved don't like uncertainity

It reminds me of when the U.S. experienced a volatile and uncertain period in the mid to late 1970s. There were periods of high inflation, high interest rates and even price controls in an attempt to bring the economy under control. Today, while the issues are different, the negative effect of uncertainty is the same - when people are scared, they hunker down, stop spending and wait for fair skies to return.

Uncertainty abounds. People are asking tough auestions like:

- Will Congress continue to pass spending packages that add to our budget deficits and our future debt burden?
- Will the Fed raise interest rates and, if so, by how much?
- Will Congress increase taxes, hold them the same or lower them?
- Will bond markets be the next bubble? When will housing prices and markets recover?
- Will I have a job?
- What happens if I am unemployed?
- How much will my health care really cost me?
- Will I face additional regulation and costs going forward?

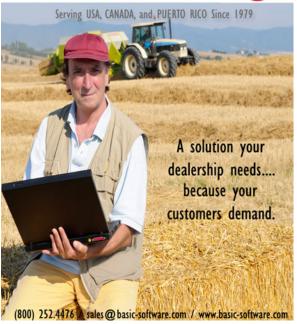
#### OSHA case could change time limits on reporting violations

legaltimes.typepad.com/blt/2010/11/osha-case-may-break-new-legal-ground.html

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### **Industry & Manufacturing News**

## Caterpillar digs deep in \$7.6B deal for Bucyrus

www.cat.com/cda/files/2535301/7/111510+Caterpillar+to+Acquire+Bucyrus+Creating+Mining+Equipment+Company+With+Unmatched+Product+Range,+Unrivaled+Customer+Support.pdf

## Fastline.com surpasses one million visitor sessions

Fastline.com, one of the largest farm equipment databases in the world, has announced that it is now averaging more than 1 million visitor sessions per month to the Web site.

"Over the years we have watched our Web site steadily grow and evolve," said Cliff Wolfe, Director of IT. "This ongoing trend shows that our customers recognize that Fastline.com is the ideal resource for making purchasing decisions about trucks and farming equipment."

The amount of time people are spending on Fastline.com continues to increase as well. "Visitors are spending nearly 20 minutes on our site each time they visit," added Wolfe. "That's 20 minutes they are looking at our dealers' nationwide selection of farm equipment!"

This is in addition to the Web site consistently providing visitors with a selection of more than 100,000 items. This site constitutes one of the largest ag databases of quality new and used equipment.

When visiting Fastline.com, farmers see large, colorful photos of equipment. They can get pricing for used equipment and parts, and they can locate the equipment they need with just a few clicks. They can also find the most current listings of equipment dealers throughout the U. S.

"Fastline maintains a high level of customer loyalty by providing them with dependable customer service, a large online selection, and a Web site that is easy to use," said Joe McWilliams, president of Fastline. "Fastline.com provides information our customers need 24 hours a day, seven days a week, 365 days of the year.

Fastline's publications consist of 22 nationwide farm publications, six truck publications, and one Mexico farm publication. Independently owned by Bill Howard, Fastline has been in business for more than 30 years serving as the #1 print and Internet buying source in the industry.

For more information call 800/626-6409 or don.durs@fastline.com.

## Deere topples historic facility in East Moline, III.

wcfcourier.com/business/local/article\_0dad96ec-efdc-11df-a697-001cc4c03286.html



NAEDA, Association & Program Partner News

Throw in a good measure of geopolitical unrest in Iran, Iraq, Afghanistan, Korea, Russia, and a few other potential hot spots, and the uncertainty increases

So what is the answer? Simply take all the questions above and provide answers. People can argue the fine points, but providing definitive answers and reducing the volatility and uncertainty would be a huge step forward.

for Congress: Stop spending more than we can afford. Cranking up the printing presses to print more money is not the answer and having China hold massive amounts of our treasury bonds is not the

fix either

Here are my solutions

Hold tax rates stable or lower them to stimulate private sector growth. Entrepreneurs and investors love risk, but they don't want to take unmitigated risks. The ability to put together a business plan, know what interest rates will be 6 or 12 months from now, and not simply a wild guess predicting the inflation rate, would be helpful in calculating return on investment.

Make banks lend money. If there is one area of the economy that is too stable, it's banking. Banks can borrow from the central bank, purchase T-bills, not lend a penny, and still make a good return on their investments. That's not right!

Give definitive answers now. If the government will provide definitive answers, businesses and investors can make plans and consumers can feel safe about spending and saving now and into the future. The sooner this can happen, the sooner we will work our way out of this economic slump.

I recall an interesting discussion once in an economics class. It was about consumer confidence and its importance in decision making. My professor, who was steeped in traditional economic and mathematical theory, rejected my theories about the crucial role consumer psychology and consumer confidence play in determining economic outcomes

Despite this opposition, I soon learned I was on the right track. I noticed an article about a new concept in economics emanating from the University of Michigan called the "Consumer Confidence Index." And then it struck me: A thriving economy truly boils down to consumers

## KPA's new product manages OSHA's hazard communication, safety requirements

www.prweb.com/releases/OSHA/hazard-communication/prweb4780914.htm

## FedEx and UPS announce rate hikes; increases go into effect in January

FedEx Corp. and UPS will increase small package and envelope shipping rates for 2011. The new rates will go into Jan. 3.

"The cost to ship an overnight envelope with FedEx Express will increase by a net average of 3.9 percent," says Keith Korhely, program manager for PartnerShip, which administers the NAEDA Discount Freight Program. "The full average rate increase of 5.9 percent will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 2 percent. Pricing changes for FedEx Ground and FedEx SmartPost for calendar year 2011 will be announced later this year."

Korhely says UPS\* also will increase its rates Jan. 3 for ground and express services by a net average 4.9 percent for U.S. domestic and U. S. export services. He says the rate increase for UPS ground shipments will reflect a 5.9 percent increase in the base rate, less a 1 percent reduction to the index-based ground fuel surcharge. The rate increase for UPS air express and international shipments is based on a 6.9 percent increase in the base rate, less a 2 percent reduction to the index-based air and international fuel surcharge.

\* UPS services are not offered through the NAEDA Discount Freight Program.

#### Dimensional weight calculation change

In addition, both FedEx and UPS will apply a change to the dimensional (DIM) weight volumetric divisor to 166 from 194 for U.S. domestic air and ground services. The DIM factor also has changed to 139 from 166 for international shipments. The lower DIM factors may have a substantial effect in the form of higher shipping rates for businesses, such as dealers and companies that ship lower density packages whose packages are subject to dimensional weighting.

Details of dimensional weight charges and additional changes that will be made to other FedEx Express surcharges can be found at <a href="www.tedex.com/us/2011rates">www.tedex.com/us/2011rates</a>. Updated UPS rate and service information can be found on <a href="www.ups.com/rates">www.ups.com/rates</a>. The UPS 2011 Rate and Service Guide will be available from for review/download when the new rates go into effect.

#### NAEDA can lighten the load

PartnerShip and NAEDA developed the program to save NAEDA-affiliated dealers money on their shipping expenses. The program's discounts allow small- to medium-sized dealerships to save on their small package, express, and LTL (less than truckload) shipping. "The discounts are vital to help counter the annual carrier rate increases, allowing dealers to recoup at least a portion of their shipping dollar that would otherwise be lost," says Korhely, who adds dealers have saved more than \$8 million on shipping since the program was launched.

Because of your membership with a NAEDA-affiliated association, PartnerShip offers you its specialized service of helping you understand the complexity of shipping rates, accessorial charges, dimensional weighting and other shipping intricacies. PartnerShip will consult with you to help you get the most for your shipping dollar.

Call PartnerShip today at 1-800/599-2902 to speak with a shipping logistics professional for expert advice, or visit <a href="https://www.partnership.com/24NAEDA">www.partnership.com/24NAEDA</a> for more information on the NAEDA Discount Freight Program.

PartnerShip, Oberlin, Ohio, is an endorsed provider of the North American Equipment Dealers Association.

#### Spader posts ag financial trends for September 2010; profits are down slightly

Each month, NAEDA preferred partner, Spader Business Management, compiles information from across the agricultural industry to help dealers make knowledgeable business decisions. These industry composites are available faster than most other industry statistics. The latest data has now been posted on the new Spader Online Services site for you to access.

To view the Spader Financial Trends, visit <a href="www.spader.com">www.spader.com</a> and then click the Login link (in the upper right hand corner) to log in to Online Services, where the newest Trends Watch data has been posted under My Reports / My Industry Reports / Industry. Please establish a login user name and password if you have not yet signed up for this free service. Once you register, you will receive monthly Spader Trends Watch notifications going forward. Visit <a href="http://portal.spader.com/portal">http://portal.spader.com/portal</a> to register and for more information.

Spader also publishes more detailed industry financial trends data for participating clients. Contact Spader for more information on the growing variety of industry aggregates available to dealers.

## Check out AG CONNECT Expo 2011 Web site for interactive show-planning tools

Dealers – Use the NAEDA promotion code AG11NA on <a href="https://www.naeda.com">www.naeda.com</a> to register you and a top customer for the show and you'll receive free admission to preview day – a \$50 value! AG CONNECT Expo has several show-planning tools online that can help you make the most of your trip to Atlanta.

 ${\sf Click}\ \underline{{\sf here}}\ {\sf to}\ {\sf learn}\ {\sf more}\ {\sf about}\ {\sf AG}\ {\sf CONNECT}\ {\sf Expo}\ {\sf 2011}\ {\sf and}\ {\sf how}\ {\sf you}\ {\sf can}\ {\sf benefit}\ {\sf from}\ {\sf show-planning}\ {\sf tools}.$ 

#### Farm American car continues to attract media attention

The Farm American (#78) NASCAR car, driven by Regan Smith, continues to draw extensive press coverage. The brightly painted Farm American car promotes American agriculture to millions of NASCAR fans.

Recent articles about the car were featured on the Advocates for Ag blog, the Common Sense Ag blog, Know a California Farmer Web site, California Business Weekly.com, LelyLife, the Ravlin Dairy blog, HPI.com, The Beef Magazine.com, and Mike Row Works.com, among other publications.



## Canadian News

### Canada's trade deficit soars in September - ag exports down

www.feedstuffs.com/ME2/dirmod.asp?sid=F4D1A9DFCD974EAD8CD5205E15C1CB42&nm=Breaking +News&type=news&mod=News&mid=A3D60400B4204079A76C4B1B129CB433&tier=3&nid=3A03D67205EB4DEA9649607EDD6419AE

## Canadian federal stimulus money left unspent

www.ottawacitizen.com/business/Much+stimulus+funding+untouched+last+year/3827542/story.html

## Manitoba and Yukon only provinces/territories to escape economic decline

www.vancouversun.com/business/Only+Manitoba+Yukon+escape+economic+decline/3780967/story.html

BHP Billiton withdraws bid for Potash Corp.

and businesses having confidence.

When there is uncertainty, there is no confidence. It's that simple: Remove the uncertainty and the economy will improve. It doesn't take a Ph.D. to figure that out – and that's the way I see it.

Paul Kindinger is president/CEO of the North American **Equipment Dealers** Association. The association, in coordination with affiliated state, provincial and regional associations, provides educational, legal, legislative, and financial services to approximately 5,500 retail agricultural, construction, large property/rural lifestyle. and outdoor power equipment dealers in the United States and Canada.

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The North American Equipment Dealers Association provides educational, legal, legislative, and financial services to approximately 5,500 retail agricultural, construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.



It's one thing to know your dealership is facing challenges. It's another to know how to navigate through them to come out on top. As a Spader 20 Group member, you'll receive in-depth financial comparison reports along with industry trends, insights and best practices, all from dealership owners just like you.

CLICK HERE to take time to learn from the dealerships that are doing it right.

**Tip of the Month** 



Beyond Employees' "Right to Know" regarding material safety information

## Free KPA webinars

- Dec. 2 Improving the Bottom Line Through Better HR Management
- Dec. 9 What You Need to Know in 2011 for Safety and Environmental Management
- Dec. 16 How to Stay Union Free

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