



NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, October 20, 2011

Helping Dealers Succeed!

No Buyers Fees!



AuctionTime.com
Powered by TractorHouse.com, MachineryTrader.com & TruckPaper.com
(800) 334-7443

**End of the Year Auction
December 14th**

Check out AuctionTime.com for the latest listings. Call your TractorHouse rep today to list equipment for one low flat fee!



how do you keep
track?

take control of your dealership

IRON HQ

It's not just about knowing where you're going. It's about knowing how to get there.

It's one thing to know your dealership's challenges. It's another to know how to navigate through them to success. As a Spader 20 Group member, you'll receive in-depth financial comparison reports, industry trends and insights from dealerships just like yours.



[CLICK HERE](#) to learn from dealerships that are doing it right.

Legislative & Regulatory News

Congressional letter sent on bonus depreciation

NAEDA joined 77 other organizations in signing an ad hoc coalition letter urging Congress to extend 100 percent depreciation and the increased Internal Revenue Code Sec. 179 expensing levels at least through Jan. 1, 2013. Without action from Congress, the depreciation bonus will fall to 50 percent and the Sec. 179 expensing level will fall from \$500,000 to \$125,000 with a \$500,000 phase out. Extending these opportunities could encourage companies to make larger purchases, contributing to continued economic growth.

"Bonus Depreciation and Section 179 are important and will have a positive effect on our equipment dealers and their farmer and rancher customers. It is important that we continue these policies, and by adding NAEDA's voice to others sends a strong message to Congress about the need for their action on these items," says Paul Kindinger, President and CEO.

Copy of the congressional letter [click here](#).

More bonus depreciation information [click here](#).

NAEDA applauds Congress action on trade deals

NAEDA's President and CEO Paul Kiindinger applauds Congress on the passage of the three trade bills with Columbia, Panama and South Korea. "We are pleased that Congress has finally taken action on these agreements. They are important pieces of a larger global trade policy that will eventually help all the nations involved."

Both the Senate and House sent the free-trade agreements to the White House with large bipartisan majorities — marking a rare moment of congressional agreement amid months of partisan bickering over jobs and the economy. Advocates say the deals will result in the export of billions of dollars of U.S. goods and boost hundreds of thousands of American jobs.

[Read more](#)

Senate and House Ag Committees offer cuts to Super Committee

The leaders of the Senate and House Agriculture Committees sent a letter on Monday to the Joint Select Committee on Deficit Reduction recommending a \$23 billion cut to mandatory spending within the committees' jurisdiction.

Senators Debbie Stabenow (D-MI) and Pat Roberts (R-KS), Chair and Ranking Member of the Senate Agriculture Committee, and Representatives Frank Lucas (R-OK) and Collin Peterson (D-MN), Chair and Ranking Member of the House Agriculture Committee, will continue working together on the details of the spending cuts in the same bipartisan fashion that has defined the process to date.

The four lawmakers issued the following joint statement:

"Agriculture has a long legacy of bipartisanship and today the House and Senate Agriculture Committees

CEO Blog

Market share – still a big issue

October 2011

I have written about market share several times over the years. It was a big issue then and it is still a big issue today. During the ensuing years, I have hopefully developed a little better understanding about the subject and how everyone's perspective is influenced by whether you are viewing it as a manufacturer or as a dealer.

From a manufacturer perspective, it is the single measurement that comes closest to gauging the performance of a dealership in the area of new equipment sales. The idea being that it is indirectly a measure of parts and service opportunity as well. Market share is also linked to the financial results of the dealer. Looking at it from a dealer perspective, market share provides a partial measure of performance, but certainly not complete by any means. Dealers are also concerned about such measures as used equipment sales and margins, absorption rates, customer loyalty, etc.

Having said that, two issues cause market share to still be a major concern today. One is whether a dealer can keep their contract and the other is, to put it bluntly, money – money in the form of volume bonus payments paid to dealers who reach certain sales goals, which is probably the primary reason it is still such a big issue and concern.

This was brought to light again during our recent NAEDA fall board meeting when a resolution was presented concerning direct sales or national accounts. It is not that dealers are necessarily opposed, and manufacturers do generally pay for setup, delivery and warranty to make it more palatable for a dealer. The bigger question on the table, however, is what about market share – does the dealer get credit for market share?

Everyone who is objective discussing market share will acknowledge that the responsibility for inputting accurate information rests with the dealer. At the

are preserving that tradition. In the coming weeks, we will continue working with our House and Senate colleagues to provide the Joint Select Committee a detailed set of policy recommendations for achieving these important savings."

They also state in the letter that the \$23 billion figure is greater than any cut that would be brought about by sequestration, should the Super Committee fail to reach an agreement. They go on to say that they are "currently finalizing the policies that would achieve \$23 billion in deficit reduction" and that the legislative package will be submitted to the Super Committee by November 1st.

To read the letter [click here](#).

Labor board delays rule requiring union posters in the workplace

The National Labor Relations Board (NLRB) postponed a regulation Wednesday that would require employers to post notices that would inform workers of their right to form a union.

The notice rule has attracted wide notice on Capitol Hill among Republican lawmakers. Business groups, like the U.S. Chamber of Commerce and the National Association of Manufacturers, have sued the NLRB over the rule.

[Read more](#)

Source: The Hill

EPA holds steady on farm dust regulation

On Monday, October 17th, the Environmental Protection Agency (EPA) sent a letter to Congress saying they were not going to change the current standards for particulate matter (PM10), pertaining to dust particles created by farms, once it is sent to the Office of Management and Budget (OMB) for interagency review.

The EPA made this decision based on scientific record, input from their own scientists and advice from the Clean Air Science Advisory Committee.

To read more [click here](#)

Source: Huffington Post

Coalition for E85 forms

A coalition of retailers, producers, equipment manufacturers, and others this week announced the formation of the Coalition for E85, which organizers say is a campaign "to protect the investments of 2,500 small businesses, and stop a multi-million dollar tax hike on consumers."

Coalition members say if the current ethanol tax credit – the Volumetric Ethanol Excise Tax Credit (VEETC) of 45 cents per gallon fuel expires as expected at year's end, millions of Flex Fuel vehicle drivers will pay as much as 38 cents more per gallon. They also argue that the increase will force many small businesses that have invested more than \$100 million in E85 infrastructure to close their pumps.

The coalition is seeking a federal designation of E85 as an "alternative" fuel under the U.S. tax code, in the same category with compressed natural gas, propane and hydrogen, which all receive a \$0.50 per gallon tax credit as part of the Alternative Fuel Credit.

"E85 is not only an alternative fuel, it is our nation's most widely adopted alternative fuel," said Matt Horton, CEO of Propel Fuels, one of the lead members of the Coalition for E85. "If we are to make a meaningful dent in our dependency on foreign oil, we must expand E85 infrastructure and ensure this fuel has fair tax treatment."

Coalition members say that as the leading alternative fuel choice at the pump, E85 Flex Fuel has the potential to provide 9 million American drivers a fueling, while helping reduce U.S. dependency on foreign petroleum. "The Internal Revenue Service needs to recognize that E85, or fuel made of 85 percent ethanol, isn't an additive, but a true alternative fuel like natural gas or propane," the coalition said in a statement.

The coalition also says E85 provides a platform for advanced biofuels and can be made from non-food sources such as farming byproducts, algae biomass and household waste. The federal government has invested deeply in development and commercialization of these next-generation biofuels, but without E85, such innovations may never be fully developed.

"The impacts on the price and availability of E85 will be dramatic," said Todd Garner, CEO of Protec Fuels, a member of the Coalition for E85. "We must not abandon E85 this close to self-sustainability. We hope retailers, producers, auto makers, and others concerned about the future of E85 will stand up and fight with us. Join the Coalition and let our government's leaders know why E85 is critical."

The Coalition for E85 currently includes Propel Fuels, Protec, Clean Fuels Development Coalition, multiple ethanol industry associations, pump and tank companies, and individual E85 retailers. There are currently 2,458 E85 and 310 flex-fuel installations across the country. A web site - <http://www.coalitionfore85.org/> - is under construction.

same time, if we continue that discussion and objectivity, one must also acknowledge that volume payments based on market share is designed to get people to sell more and influence the purchasing decisions of the dealer. So much so, that in the final analysis, dealers find it necessary to be very watchful of their sales volume and how it is recorded so they won't lose out on a major payment at the end of the year. So, it is easy to see why dealers would want to insist that any sales that could potentially be taken from them and negotiated by the manufacturer through direct sales/national accounts would be included in their market share. It could mean a lot of money either way it goes!

On top of that, everyone also seems to understand that product availability for certain products has also been an issue the past few years. This exacerbates the situation from a dealer perspective. While there is truth in the statement that "everyone is in the same boat" for a given brand, the fact remains if dealers had more equipment they could sell more in many instances. To be fair, some manufacturers do their best to account for this situation in calculating payments. The argument can still be made, however, that if dealers could sell more it would improve their market share performance and volume bonus potential.

Oh, and by the way, there is also concern regarding a dealer selling into another dealer territory. Some manufacturers will insist the dealer selling into another territory makes restitution, but won't count that sale towards either dealer's market share. Again, making the challenge of meeting market share that much greater!

This year, I have traveled extensively across North America visiting with hundreds of dealers. Everywhere I go, without exception, the topic of market share has been part of the discussion. Dealers are very nervous and concerned about all the factors that can and often do influence their numbers/performance based on this metric. I can't pretend to know all the nuances of market share and the volume bonus plans for each manufacturer, however, I do know that dealers feel a lot of pressure to achieve market share for their territory.

It is certainly no understatement when I say that market share is still a big issue. It is also no small matter to suggest that this is an issue that is getting bigger and will not go away any time soon. We need to have serious discussions – both dealers and manufacturers – about how to resolve some of the issues surrounding market share mentioned in this article. My concern is that merely leaving these matters to resolve themselves is not a viable option. So, let's revisit our discussions from a few years ago along with our NAEDA Market Share Taskforce recommendations and fix them one by one before the lid comes off the

For more information, e-mail info@CoalitionforE85.com.

Source: 25'x25 Coalition

WSJournal says government is still overspending

Maybe it's a sign of the tumultuous times, but the federal government recently wrapped up its biggest spending year, and its second biggest annual budget deficit, and almost nobody noticed. Is it rude to mention this?

Read more [click here](#)

Source: Wall Street Journal

NAEDA Update Official Sponsor

*"So here's another Dealer Business System ad that claims to be the best in the market...
BIG DEAL!*

*Seen it all ~
heard the
same line.
Tell me
something
different!"*



**CALL US
AND WE WILL.**

(800) 252.4476
sales@basic-software.com
www.basic-software.com



Resources

- [About NAEDA](#)
- [Advertise](#)
- [Affiliate Associations](#)
- [Become a Member](#)
- [NAEDA Web Site](#)
- [Submit News](#)
- [Subscribe](#)



About NAEDA Update

North American Equipment Dealers Association

1195 Smizer Mill Road
Fenton, MO 63026-3480
Phone: 636/349-5000
Fax: 636/349-5443
www.naeda.com
E-mail: naeda@naeda.com

NAEDA Update is provided as a service to members of the North American Equipment Dealers Association. This information may not be reprinted without permission from NAEDA.

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.

To subscribe to NAEDA Update by e-mail,

Industry & Manufacturing News

NAEDA IRTF meets with manufacturers and AEM

The NAEDA Industry Relations Taskforce met this week with several manufacturers and AEM to discuss legislative initiatives and issues of common concern.

Some of the topics included "Light Squared" (GPS), LIFO, the extension of section 179 depreciation, transportation funding, 2012 Farm Bill, off-highway utility vehicle titling, licensing and dealer licensing in various states, among other issues.

The meeting allowed a free flowing discussion of the issues and strategy options for group cooperation and collaboration.

U.S. manufacturing to benefit from pricier Chinese labor

Fast-rising labor costs in China's competitive manufacturing regions are expected to keep more U.S. investment at home and create up to 3.2 million new jobs there by 2020, according to a report from the Boston Consulting Group.

However, foreign direct investment from the U.S. might not shrink in the coming years, said a partner of the consulting company on Sunday. "U.S. manufacturers are expected to continually inject as much money as in previous years into China's manufacturing sector. Their investments might shift to supply products for

pressure cooker. And that's the way I see it.

PAUL KINDINGER is president/CEO of the North American Equipment Dealers Association. The 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.

Chinese domestic consumption instead of exports," David Lee, a partner in Shanghai, said.

Mainly because of China's rising wages, which are growing about 20 percent annually, the country's cost advantage for many products was predicted to decline by a range of 10 to 15 percent. As a result, the world's second-largest economy might no longer be the default low-cost manufacturing location for the U.S. in the long term, said the report.

[Read more](#)

Source: China Daily

AuctionTime.com conducting 9 online auctions through end of 2011

AuctionTime.com, a source of farm equipment, construction equipment, truck, and trailer online auctions, is hosting 9 online auctions on Wednesdays throughout the rest of 2011.

Auctions end every Wednesday on AuctionTime.com and new auctions are added to the website daily.

Auctions ending October 26th through December 14th, 2011, as well as all auction results, can be viewed at any time on AuctionTime.com.

An end of the year sale will be featured on [December 14th, 2011](#). This auction will include a wide variety of farm equipment, construction equipment, trucks, trailers, and attachments from equipment dealers and auction companies located throughout the U.S. and Canada. There are no buyer's fees, no registration fees and no hidden reserves. Registration to bid on these auctions and any other upcoming auction dates is free.

[Click here](#) for a selection of the 316 absolute auctions ending October 26th, 2011. Opening bids are set at \$1,000 or less, with no hidden reserves. Proxy bidding for these items opens October 20th, 2011; live bidding opens October 25th, 2011 at 9:00 AM (CDT). Register to bid at [AuctionTime.com](#).

AuctionTime.com features auctions for motor graders, excavators, skid steers, tractors, combines, tillage equipment, heavy duty trucks, tractor trailers, and more. AuctionTime.com is powered by [MachineryTrader.com](#), [TractorHouse.com](#) and [TruckPaper.com](#).

Source: AuctionTime.com

Worldwatch's Nourishing the Planet team supports Food Day events

Hamburgers, pizzas, french fries, and sugary drinks - in today's fast-paced world, these foods have become staples for many Americans. But this unhealthy diet has led to an increase in chronic health problems such as obesity, diabetes, heart attacks, strokes, and high blood pressure.

According to the U.S. Centers for Disease Control and Prevention, nearly 34 percent of adults and 17 percent of children and adolescents are now obese, staggering numbers that the organizers of Food Day, a nationwide event taking place on October 24, hope to decrease dramatically.

[Read more](#)

Source: Worldwatch Institute

NAEDA, Association & Program Partner News

Credit card 1099's for 2011

The Housing Assistance Tax Act of 2008 requires dealer processors to report electronic transaction deposit details to the IRS beginning with fiscal year 2011.

All dealers processing credit cards will be required to submit a 1099 from their credit card processor with their tax returns. In 2010, Elavon, NAEDA's endorsed credit card processor, began a lengthy project of syncing our merchant database up with the IRS. If merchant DBA's, SSN's, and/or Tax Identification Numbers (TIN) do not match exactly with what the IRS has on file Elavon (and all credit card processors) are required to withhold 28% of each dealer-merchant deposit and send it to the IRS until the dealer clears the "mismatched information with both organizations." Elavon has notified all mismatched dealers in 2010 and 2011 by mail (up to 3 times) that an updated W-9 is required to match them with the IRS. Elavon also has a dedicated group of 20 individuals in Knoxville calling mismatched dealers trying to obtain W-9's by year end.

As part of the new 1099 reporting requirements, Elavon has created a Settlement Reconciliation Service (SRS) site that all NAEDA processing dealers will use to obtain their deposit information and download their 1099.

MerchantConnect, Elavon's online statement and reporting solution, has been enhanced to include a link to a new "Settlement Reconciliation Service" (SRS) tool. MerchantConnect SRS will provide you with an easy to understand breakdown of your credit, debit and gift card transaction activity. In addition to the comprehensive batch, transaction and funding reports available through MerchantConnect, and the helpful

send your request to naeda@naeda.com or subscribe online at www.naeda.com.

You must be a paid member of a NAEDA-affiliated association for your subscription to be accepted.



information on MerchantConnect's New Merchant Assist website, NAEDA bankcard processors will now be able to access information related to Settlement Reconciliation, including:

- Tax ID Number (TIN) Validation: Check to ensure Elavon has your correct TIN and legal business name on file to avoid IRS-mandated backup withholding. If your information does not match, you will be directed to securely submit a Form W9 online.
- Processing Volume: Easy access to processing amounts are updated monthly to provide reports on your transactions, chargebacks and other expenses related to your electronic payment processing.
- Simple and Clear Reporting: Reports are easy to understand and roll-up monthly, quarterly and annually for up to 4 years.
- Electronic 1099K: Sign up to receive your Form 1099K electronically to avoid postal delays.

The enhanced reporting site can be reached by visiting www.merchantconnectsrs.com.

In December, you'll be able to view YTD transactional data for 2011 and provide electronic consent to access your records online. Upon receiving your Form 1099K in January, you will be able to log in and obtain information to assist you during the reconciliation process. You may also access the site from your MerchantConnect log in page.

For additional information, NAEDA bankcard participants can call Elavon customer service at 800-725-1243.

Canadian News

End of wheat-board monopoly bolsters Tory stand against regulation

Stephen Harper is using his majority power to scrap the wartime-era monopoly Ottawa granted the Canadian Wheat Board over western wheat and barley sales, a move laden with political symbolism for the Conservative Leader.

[Read more](#)

Source: The Globe and Mail

Harper vows to balance House seats

Prime Minister Stephen Harper said his government will move ahead with its election promise to introduce legislation that changes the distribution of seats in the House of Commons.

[Read more](#)

Source: The Vancouver Sun

Tip of the Month



Blood Test

Take this [short quiz](#) to find out if your dealership needs a bloodborne pathogens program.

Free KPA webinars

- Oct. 20, 2011 - [HR 101 for Managers](#)
- Oct. 27, 2011 - [Top 10 Most Cited Violations by Dealers](#)

© 2011 The North American Equipment Dealers Association. NAEDA Update is provided as a service to members of the North American Equipment Dealers Association. This information may not be reprinted without permission from NAEDA.

To subscribe to NAEDA Update by e-mail, send your request to naeda@naeda.com or subscribe online at naeda.com. To unsubscribe, [click here](#) or send your request to webmaster@naeda.com and type "REMOVE" in the subject line.