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NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, December 01, 2011

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## CEO Blog

### Do You Tweet? December 2011

Recently, while attending the Iowa-Nebraska Equipment Dealers Association annual meeting, I had the opportunity to hear Sabrina Sebastian, marketing and media manager for Fastline Publications, discuss social media. She does an excellent job of making a complex topic seem a little more manageable, and I would like to give her credit for most of the ideas contained in this article.

It is impressive to hear the statistics on whom and how many are currently using social media. For instance, more than 400 million people log on to Facebook every day, and the average user spends 55 minutes per day on the site. In fact, if Facebook were a country, it would be the fourth largest! Consider that more than 2 billion (yes billion with a "B") videos are viewed on YouTube every single day. And, there are many more surprising statistics, but suffice it to say that social media is a big deal. Just ask the 106 million Twitter users, of which 37 percent use mobile phones to tweet.

Intrigued yet? Well, consider some of the ways businesses are using social media to make money. Yes, that's right—to make money—such as promoting the business or brand, offering specials to loyal customers and announcing new products or services. The great thing about promoting products through social media is that you can make it personal.

Social media can also be effective in educating customers. For instance, "how-to" videos are inexpensive and can easily be posted on YouTube. Posting "Top 5" or "Top 10" lists of products, brands or services can certainly be a fun way to provide information about your business. And seminars can be offered covering a plethora of topics. There are, of course, infinite ways of sharing information, such as straightforward or entertaining.

Another way social media can be used is to offer recognition to employees or discuss

### Straight from the dealer's mouth.

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—Lee Rogness



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## Legislative & Regulatory News

### Next congressional battle: Payroll taxes

With the super committee's failure, lawmakers are now facing a year-end legislative challenge that could have an outsized impact on the economy. At issue: Whether to extend the payroll tax holiday, or let it expire.

Employees normally pay 6.2% on the first \$106,800 of their wages into Social Security, but this year they've only been paying 4.2%. That tax break, however, is set to expire by Jan. 1. Failing to extend it would amount to raising taxes during a rough economic patch -- something that President Obama would like to avoid. In September, he proposed extending and expanding the tax break in a bid to spur economic growth.

After all, gross domestic product grew at a rate of 2.5% in the third quarter, and a paltry 1.4% in the second quarter. Unemployment is at 9%, and the housing market remains tied in knots.

But Congress has not moved. The super committee was expected to address the extension in its negotiations, but the group announced Monday it had failed, and the issue remains outstanding.

To read more [click here](#)

Source: CNNMoney

### Two depreciation bonus extension bills introduced in Senate

Two bills related to depreciation bonus extension were introduced in the Senate on Tuesday. Senator Richard Lugar's bill (S. 1873) would extend 100 percent bonus depreciation and increased Sec. 179 levels for one year. Senators Chris Coons and Marco Rubio's AGREE Act (bill number not yet available) would extend the capital investment incentives and includes other job creation proposals.

The coalition's collective efforts are clearly having an impact. Both Senator Lugar's press release and the summary of the AGREE Act cite the recent coalition letter as evidence of the broad support for depreciation bonus/Sec. 179.

In other news, Reps. Sam Johnson and Richard Neal recently introduced a bipartisan, technical correction bill (H.R. 3366) to resolve the percentage of completion issue that has limited the efficacy of the depreciation bonus in certain industries. And Rep. Pat Tiberi last month introduced H.R. 3123, a bipartisan proposal to allow companies to use more corporate AMT credits for activities that would otherwise qualify for bonus depreciation.

As a reminder, there's plenty of information to help you understand the capital investment incentive laws available at <http://www.depreciationbonus.org/>

For a copy of the coalition letter [click here](#)

### Gasoline Marketers Join Coalition for E85

The Society of Independent Gasoline Marketers of America (SIGMA) has officially joined the Coalition for E85 in the effort to have 85 percent ethanol designated as an alternative fuel under the tax code.

The recently-launched coalition is made up primarily of fuel retailers who are concerned about the future of E85 once the Volumetric Ethanol Excise Tax Credit (VEETC, or blender's credit) expires without renewal at the end of the year. "E85 as an alternative fuel is defined everywhere in the U.S. code, except for the Internal Revenue code," explains tax code specialist Jeff Trinca, who is working with the coalition. It has not been included within the tax code in the past in order to avoid "double dipping" in tax credits because of the existing blender's credit.

With the expiration of the blenders' tax credit at the end of this year, the coalition "would like E85 to be included in the definition of alternative fuels with propane, natural gas and others so there's a level playing field," Trinca said. He noted that the coalition is only looking for a five year bridge to get the infrastructure in to be competitive with gasoline. Trinca says efforts are underway to get a bill introduced in Congress to address the issue before the end of the year.

To learn more about the Coalition for E85 [click here](#)

### Senate Dems plan to move \$1 trillion omnibus in December

Senate Majority Leader Harry Reid (D-Nev.) plans to move a \$1 trillion spending bill in December, a strategy that will spark a backlash from Tea Party conservatives.

If conservatives torpedo the omnibus measure, Reid and other Democratic leaders would likely be forced to accept another long stopgap spending measure or risk a government shutdown when funding runs out at midnight Dec. 17.

The federal government has been operating on stopgap spending measures since the fall of last year, and many lawmakers are tired of ceding their oversight authority.

To read more [click here](#)

Source: The Hill

### President signs 3% withholding tax repeal, veterans' initiatives

The President has signed the House and Senate approved measure repealing a requirement that federal, state and many local governments withhold 3 percent of their payments to contractors. NAEDA vice president for government relations indicated that this is a big win for businesses. "Dealers are like all businesses that need cash flow and this withholding was just an unnecessary burden on them as well as the government entities that had to account for the withholdings," said Mike Williams.

community events your business may be promoting. Letting people know about awards the company or employees have received helps build recognition and credibility, and can speak volumes on behalf of your business.

Customer participation through social media can also help gather information. For instance, you can conduct a focus group or quick survey about products or services you offer. What a great tool for "connecting" on a more consistent basis. Put up a blog to offer your ideas and opinions while garnering participation and valuable feedback from current and potential customers.

What about the equipment industry specifically? More than 50 percent of large corn and soybean farmers use social media, according to Sabrina's statistics. In a recent survey of farmers, 48 percent indicated they texted five times or more PER DAY. Sixty-three percent of those surveyed also transmitted photos via their smartphones!

Convinced to at least try it? Well, this is the point where I would tell you that social media is not without its challenges and work to make it successful. Just like anything else you do in your business, it starts with a vision and a goal, and then the practical tactics to execute. What is your vision; what do you hope to accomplish through the use of social media?

A good set of policies and procedures always helps; concepts like being professional, providing boundaries for use by employees, and what happens if you receive some unwanted criticism from a disgruntled customer, etc. In other words, cover the bases ahead of time, and think through how you want to engage in social media and what face you want to present.

Starting out, you will probably need to assign a point person in your business to be responsible for the use, content, maintenance and implementation of your social media plan. It could be a person on staff or an intern from the local FFA chapter or 4-H club. Like any other part of your business, it will take focus, commitment and knowledge to have a chance of being successful and sustainable.

I have never been a "bleeding edge" kind of person when it comes to technology. However, after listening to Sabrina on more than one occasion and trying some of this at NAEDA, I have come to the conclusion that being on or near the "leading edge" can be profitable for a business. My only purpose today is to simply whet your appetite for considering trying social media. We have a Twitter account at NAEDA. Do you tweet, as well? And that's the way I see it.

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## Industry & Manufacturing News

### GIE+EXPO reports robust attendance in 2011, new format for 2012

Managers of the 2011 GIE+EXPO (Green Industry & Equipment Expo) and Hardscape North America (HNA), which were co-located in Louisville October 27-29, reported total participation at the event was about 17,900. There were 590 exhibiting companies, including 125 that had not been part of the 2010 show. Companies exhibiting in the 19-acre outdoor demonstration area numbered 113.

In addition to benefiting from education, networking and the indoor displays, visitors could walk outside for hands-on product comparisons and demos.

HNA and GIE+EXPO have renewed their agreement to co-locate next year, and a new format has been announced by the Policy Advisory Board for GIE+EXPO 2012.

They have agreed to provide a day – Wednesday, October 24, 2012 – exclusively for dealers, retailers and distributors at next year's show to meet one-on-one with exhibitors and preview the products featured at GIE+EXPO and HNA.

Meeting rooms at the Kentucky Exposition Center will be available for exhibitors to host dealer meetings Monday through Wednesday, leading up to the show opening on Wednesday afternoon. During a Wednesday evening reception for dealers, retailers and distributors on the tradeshow floor, exhibitors will be encouraged to host special events in their booths. HNA, GIE+EXPO and the Outdoor Demo Area will be open to all industry participants on Thursday and Friday, October 25 and 26. The show will close Friday, October 26, 5:00 p.m.

More info at <http://www.gie-expo.com/>

### CNH appoints new President and CEO

CNH has announced that Richard Tobin will replace the retiring Harold Boyanovsky as president and CEO effective the first of the year. The retirement of Harold on December 31 will conclude 45 years of service with CNH.

In the retirement announcement, Boyanovsky noted that "In 1966, the year I joined International Harvester, we had just introduced three new Diesel V-8 engines. What I didn't realize then is that we weren't just selling equipment with engines – we were an engine for growth – for our people and for our industry. From my early days as a sales rep, to my current role at CNH, it has been a privilege to spend my career in an industry rooted in growth and progress.

I truly believe that the best days at CNH are yet to come and am confident that the company will continue to innovate and grow under the leadership of the new president and CEO, Richard Tobin."

"NAEDA wishes both Mr. Boyanovsky and Mr. Tobin well with their new career paths," said NAEDA President and CEO Paul Kindinger. "Mr. Boyanovsky has had a long and distinguished career at CNH – Congratulations to Harold."

### Caterpillar to relocate production facility from Japan to North America

Caterpillar Inc., the world's largest maker of construction and mining equipment, said it will open a new manufacturing plant in North America and move some production there from Japan to be closer to customers.

The plant will be Caterpillar's "global source" for small track-type tractors and make mini-hydraulic excavators for the Americas. The plant will also export partially assembled mini excavators to Europe, where they'll be completed and sold.

The plant's location hasn't been decided. It will employ more than 1,000 people, Caterpillar said.

Source: [Bloomberg.com](http://www.bloomberg.com)

More info at [USAgNet.com](http://www.usag.net).

## NAEDA, Association & Program Partner News

### It's not too late to make a year-end tax deductible donation for disaster relief

The Equipment Dealer Foundation Disaster Relief Fund was established by NAEDA and its affiliated associations in September 2005, after Hurricane Katrina caused severe destruction along the Gulf Coast. The fund was originally designed to help offset some of the financial demands faced by dealers and employees where dealership employees were either evacuated or forced to leave their homes because of severe storm damage, flooding and power losses.

The fund remains in place today and continues to assist dealers and their employees affected by hurricanes, flooding, tornados, fires and other natural disasters. Grants may be used for food, living expenses, temporary accommodation, home repair, home replacement, permanent home construction,



## Resources

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## About NAEDA Update

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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.

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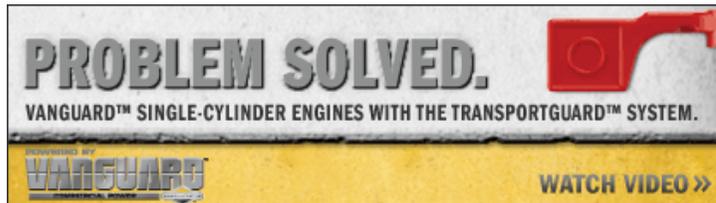


transportation, and other approved needs.

Since Katrina, the EDF Disaster Relief Fund has provided more than \$200,000 grants to dealers and their employees in the U.S. and Canada. All from support of dealers and manufacturers.

Now is the time to take advantage of year-end tax planning by making a donation to the relief fund.

If you are interested in donating to the EDF Disaster Relief Fund, go to [www.naeda.com](http://www.naeda.com) or call (636) 349-5000 for more information. EDF is the publicly supported 501 (c) (3) charitable organization of the North American Equipment Dealers Association and all donations are tax deductible.



## Canadian News

### Canada tables bill to scrap long-gun registry

The federal government has introduced legislation to scrap the controversial long-gun registry. Public Safety Minister Vic Toews tabled a bill dubbed "An Act to amend the Criminal Code and Firearms Act" Tuesday in the House of Commons. The Conservatives tried to pass a similar bill during the previous Parliament but it failed due to the party's minority status.

To read more [click here](#).

Source: Canada.com

### Bank of Canada holds rate at 1%

The Bank of Canada kept its target for the overnight rate steady at 1.0 per cent on Tuesday, citing a worsening global economy for the need to maintain the current level of stimulus. The bank hinted it may have to keep its benchmark interest rate that low for an extended period, surprising those who have been expecting a rate hike sooner rather than later.

To read more [click here](#).

Source: CBC News

### Canadian economy expands more than expected

The Canadian economy expanded in the third quarter at a 3.5 per cent annual pace, an export-driven rebound from an unexpected dip in the spring, Statistics Canada reported Wednesday. Economists had been expecting the economy to improve by a three per cent annual pace.

To read more [click here](#).

Source: CBC News

### Canadian regulations amended for off-road compression-ignition engine emissions

On November 17th, 2011, the *Regulations Amending the Off-Road Compression-Ignition Engine Emission Regulations* made under the authority of Section 160 of the *Canadian Environmental Protection Act, 1999* were approved. The Amendments align Canadian emissions standards with the U.S. EPA's Tier 4 standards as outlined in Title 40, Part 1039 of the Code of Federal Regulations. These standards will come into force on Jan. 16, 2012, and apply to engines of the 2012 and later model years manufactured on and after Jan. 16, 2012.

Until such time that the amendments are in force, companies may seek to import "Tier 4 flexibility" engines into Canada. Accordingly, the amendments include Temporary Standards that came into effect immediately on Nov. 17, 2011. These temporary standards are in effect replacing the *Interim Order Modifying the Operation of the Off-road Compression-Ignition Engine Emission Regulations* and allow the continued importation of "Tier 4 flexibility" engines into Canada, until the full amendments come into force. Following are the Temporary Standards:

#### TEMPORARY STANDARDS

**25.1 (1)** Despite section 14 of the Regulations, an engine that is sold concurrently in Canada and in the United States and that bears the U.S. emission control information label referred to in section 625(j)(1), part

1039, of Title 40 of the *Code of Federal Regulations* of the United States must conform to the emission standards referred to in section 625, part 1039, of Title 40 of that Code instead of the standards set out in sections 9 to 11. (2) For greater certainty, section 17 of the Regulations applies to an engine referred to in subsection (1).

Please take note that once the amendments are in force (Jan. 16, 2012), the temporary standards will cease to have effect. At that time, the import of these engines will fall under the updated Transition Engines provisions. These provisions allow the continued import of these engines and incorporate new reporting requirements.

For more information contact Regulatory Administration: (819) 956-5941 or [VehicleandEngineInfo@ec.gc.ca](mailto:VehicleandEngineInfo@ec.gc.ca)

### **MPs vote to kill wheat board monopoly**

The House of Commons has voted to strip the Canadian Wheat Board of its monopoly on western wheat and barley.

The House, led by the majority Conservatives, voted 153-120 on Monday evening to support a bill that ends the board's control. The bill now moves to the Senate, where it will face three rounds of votes, plus committee examination, before it becomes law.

To read more [click here](#).

Source: CBC News

### **Tip of the Month**



### **'Tis the Season for Holiday Pay**

It's always important to review your company's policy regarding holiday pay.

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