



NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, January 12, 2012

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—Lee Rogness



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CEO Blog

"It's the government, stupid!!!"

January 2012

During the first Bill Clinton campaign, his political advisor and confidant, James Carville, summed up the essence of the campaign with the immortal words, "It's the economy, stupid." The press used that line throughout that campaign, and even today, people like me continue to play off those words to describe situations that seem so obvious—even to the casual observer.

That's why the title of my article this month is, "It's the government, stupid!"

In the December issue of *Money* magazine, it was reported that a CNN Money.com poll asked the question, "How do you think the economy will do in 2012?" An astounding 43% said it would slip back into recession. Another 29% said it would be stagnant. Only 22% said they saw growth enough to spur jobs, and a mere 6% indicated they thought the economy would bounce back strongly. In my world, those are pretty telling statistics! They suggest to me that people still don't have much belief that we will prosper, at least for the next 12 months or more.

So, the obvious question becomes, "Why are people feeling this way? What is going on to make folks so pessimistic about the future?" Several pollsters continue to point toward uncertainty (a subject of one of my previous columns). People lack confidence that things will change or get better anytime soon, so they are holding back, playing it safe, being conservative. And who can blame them? They have seen friends, neighbors and even family members lose their jobs or homes, and wonder if they could be next.

Those who know me well know that I am definitely a "glass half full" kind of person. I have always had a strong belief that even when things were bad, hope is just around the corner and everything will cycle around and be just fine. But this time it's different. I,

Legislative & Regulatory News

Brown Sees \$500 Million Cap-and-Trade Fees for California Budget

California Governor Jerry Brown plans to use half of the revenue from the nation's first state-run cap-and-trade air-pollution program to help ease a \$9.2 billion deficit in the most populous U.S. state.

Brown estimates the state will take in about \$1 billion in the year beginning July 1 under the landmark legislation, which allows industry to buy and sell carbon credits to reduce greenhouse gases. The 73-year-old Democrat wants to use about \$500 million on environmental programs now financed through the general fund, said H.D. Palmer, a Finance Department spokesman.

Read [more](#)

Source: Bloomberg

EPA Finalizes 2012 Renewable Fuel Standards

The U.S. Environmental Protection Agency (EPA) has finalized the 2012 percentage standards for four fuel categories that are part of the agency's Renewable Fuel Standard program (RFS2). EPA continues to support greater use of renewable fuels within the transportation sector every year through the RFS2 program, which encourages innovation, strengthens American energy security, and decreases greenhouse gas pollution.

Overall, EPA's RFS2 program encourages greater use of renewable fuels, including advanced biofuels. For 2012, the program is implementing EISA's requirement to blend more than 1.25 billion gallons of renewable fuels over the amount mandated for 2011.

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Payroll tax cut instructions from the IRS

The Temporary Payroll Tax Cut Continuation Act of 2011 temporarily extends the two percentage point payroll tax cut for employees, continuing the reduction of their Social Security tax withholding rate from 6.2% to 4.2% of wages paid through Feb. 29, 2012. Employers should implement the new payroll tax rate as soon as possible in 2012 but not later than Jan. 31, 2012.

For any Social Security tax over-withheld during January, employers should make an offsetting adjustment in workers' pay as soon as possible but not later than March 31, 2012. Under the terms negotiated by Congress, the law also includes a new "recapture" provision, which applies only to those employees who receive more than \$18,350 in wages during the two-month period (the Social Security wage base for 2012 is \$110,100, and \$18,350 represents two months of the full-year amount). This provision imposes an additional income tax on these higher-income employees in an amount equal to 2 percent of the amount of wages they receive during the two-month period in excess of \$18,350 (and not greater than \$110,100).

This additional recapture tax is an add-on to income tax liability that the employee would otherwise pay for 2012 and is not subject to reduction by credits or deductions. The recapture tax would be payable in 2013 when the employee files his or her income tax return for the 2012 tax year. With the possibility of a full-year extension of the payroll tax cut being discussed for 2012, the IRS will closely monitor the situation in case future legislation changes the recapture provision.

The IRS will issue additional guidance as needed to implement the provisions of this new two-month extension, including revised employment tax forms and instructions and information for employees who may be subject to the new "recapture" provision. For most employers, the quarterly employment tax return for the quarter ending March 31, 2012 is due April 30, 2012.

Source: IRS Newswire.

New safety rule limits hours of service for truck drivers

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) has revised the hours-of-service (HOS) safety requirements for commercial truck drivers. Commercial truck drivers and companies must comply with the HOS final rule by July 1, 2013.

FMCSA's new HOS final rule reduces by 12 hours the maximum number of hours a truck driver can work within a week. Under the old rule, truck drivers could work on average up to 82 hours within a seven-day period. The new HOS final rule limits a driver's work week to 70 hours.

In addition, truck drivers cannot drive after working eight hours without first taking a break of at least 30 minutes. Drivers can take the 30-minute break whenever they need rest during the eight-hour window.

The final rule retains the current 11-hour daily driving limit. FMCSA will continue to conduct data analysis and research to further examine any risks associated with the 11 hours of driving time.

"Trucking is a difficult job, and a big rig can be deadly when a driver is tired and overworked," said Transportation Secretary Ray LaHood. "This final rule will help prevent fatigue-related truck crashes and save lives. Truck drivers deserve a work environment that allows them to perform their jobs safely."

As part of the HOS rulemaking process, FMCSA held six public listening sessions across the country and encouraged safety advocates, drivers, truck company owners, law enforcement and the public to share their input on HOS requirements. The listening sessions were live webcast on the FMCSA website, allowing a broad cross-section of individuals to participate in the development of the rule.

"This final rule is the culmination of the most extensive and transparent public outreach effort in our agency's history," said Anne Ferro, FMCSA's administrator. "With robust input from all areas of the trucking community, coupled with the latest scientific research, we carefully crafted a rule acknowledging that when truckers are rested, alert and focused on safety, it makes our roadways safer."

The rule requires truck drivers who maximize their weekly work hours to take at least two nights' rest when their 24-hour body clock demands sleep the most — from 1 a.m. to 5 a.m. This rest requirement is part of the rule's "34-hour restart" provision that allows drivers to restart the clock on their work week by taking at least 34 consecutive hours off-duty. The final rule allows drivers to use the restart provision only once during a seven-day period.

Companies and drivers that commit egregious violations of the rule could face the maximum penalties for each offense. Trucking companies that allow drivers to exceed the 11-hour driving limit by 3 or more hours could be fined \$11,000 per offense, and the drivers themselves could face civil penalties of up to \$2,750 for each offense.

The rule is available online at fmcsa.dot.gov/HOSFinalRule.

Source: Rental Pulse

Fight Against EPA Orders Heads to Supreme Court

In a case watched closely by energy companies and manufacturers, the Supreme Court is set to consider whether to blunt one of the government's chief tools for enforcing the Clean Water Act.

Based on "any information"—even a newspaper article or an anonymous tip—the Environmental Protection Agency can issue an administrative compliance order directing a property owner to stop discharging pollutants or restore a damaged wetland. The government says such directives, similar to stop-work orders by local zoning inspectors, allow it to respond rapidly to prevent environmental damage.

But business groups contend that the EPA acts as a judge and jury, forcing property owners either to comply, often at great expense, or risk penalties of up to \$37,500 a day if the agency later obtains a court ruling to enforce its directive.

Read [more](#)

too, see the impact that poor policy decisions, greed, favoritism and lack of true leadership have had on people's lives and our economy. Although I still maintain a high degree of optimism about our future, if I am being totally honest, I have never had so many doubts creep into my thinking as I have during the past two or three years.

Every day we are bombarded with unemployment statistics and the rising debt in our country and in many other countries around the globe. We are fighting wars in several areas of the world with other areas ready to erupt with just one wrong move. The foreclosure rates are staggering, and we are told that a housing recovery is two or three years down the road, and, even then, it will be slow or weak at best. All these factors weigh into the mood of consumers and make it difficult for them to move forward.

Having said all of that, I still believe that most people could deal with many of those issues and be more optimistic if those were the only factors impacting people's thinking. However, the one huge variable that feeds lack of confidence perhaps more than any other is government.

People, rightly or wrongly, look to our elected politicians to provide them with leadership—leadership that provides reassurance that everything will be safe and sound, that we have the right policies, that we are making the right decisions and will persevere and come out stronger than we were before. Today, in my opinion, that simply does not exist.

Sure, there are always a few exceptions, but, overall, look at the poor ratings we give to politicians and government in general. While I don't place high expectations that the reported number is an exact statistic, it still provides us with a sense of the "mood" or a "gauge" of how people are feeling about their elected leaders. Today, the ratings for both the President and Congress are deplorable at best. If I were to summarize it in my own terms—I'd say the approval numbers suck!

Therein is the biggest challenge we have when trying to be optimistic about the fate of our future. In our industry, we are indeed fortunate that agriculture is doing well, as you will see reported in other parts of the January issue of *NAEDA Equipment Dealer*. However, when we step back and take a more global view, we lack confidence that our elected leaders will do what is right for the country or the economy or the people. Instead, we sense a growing belief, with evidence to back it up, that our leaders are mostly interested in their own well-being.

Until we have leaders who are willing to put

Source: Wall Street Journal

NAEDA supports Keystone XL pipeline construction

NAEDA joined with 106 organizations sending a letter to President Obama supporting the Keystone XL pipeline construction.

[Download the letter here.](#)

USDA Announces Streamlining Efforts

In a keynote speech given to the American Farm Bureau Federation on January 9th, USDA Secretary Tom Vilsack outlined a series of efforts, called the "Blueprint for Stronger Service," that the Department is taking to streamline its operations and cut costs.

USDA will close 259 offices, facilities and laboratories across the country. To highlight a few, 131 Farm Service Agency (FSA) offices in 32 states will close, as will 15 Animal and Plant Health Inspection Service (APHIS) offices in 11 states, 43 Rural Development (RD) sub and area offices in 17 states and 24 Natural Resources Conservation Service (NRCS) soil survey offices in 21 states.

"The time has come to get our country's fiscal house in order," Vilsack said, noting that this involves "tough calls, tough choices." USDA's budget has been cut by over \$3 billion, roughly 12%, since 2010. In addition, the Obama Administration has called on all Cabinet Secretaries to engage in such measures by initiating the Campaign to Cut Waste.

To read a copy of the Secretary's remarks click [here](#).

More information on [Blueprint for Stronger Service](#)

NLRB postpones poster rule

The National Labor Relations Board (NLRB) on Dec. 23 agreed to postpone the date by which employers must put up posters to notify their employees of their rights under the National Labor Relations Act (NLRA). The rule was originally scheduled to go into effect on Nov. 14, 2011, which was then changed to Jan. 31, 2012, and is now April 30, 2012.

The U.S. Chamber of Commerce and several other business groups sued the NLRB over the employee rights notification rule, maintaining that the rule violates federal labor and regulatory laws as well as First Amendment rights.

In announcing the postponement, the NLRB stated that it determined that postponing the effective date of the rule would help with resolution of the legal challenges that have been filed with respect to the rule. A Washington, D.C., federal court requested that the NLRB move back the date in order to decide the case.

For a complete explanation and Q & A regarding the Final Rule, as well as a downloadable poster, [click here](#).

Nearly \$1.6 billion in funding for roads and bridges repairs announced

Transportation Secretary Ray LaHood announced nearly \$1.6 billion in funding to states and territories across the U.S. to help cover costs of repairing roads and bridges damaged by natural disasters.

The Federal Highway Administration will provide a total of \$1.58 billion to 30 states, American Samoa, U.S. Virgin Islands, Puerto Rico and federal land management agencies to reimburse them for repairs to roads and bridges caused by storms, flooding, hurricanes and other natural and catastrophic disasters.

Vermont, hard hit by Hurricane Irene, will receive \$125.6 million; North Dakota will receive \$89.1 million for the Devils Lake Basin for damage caused by Spring 2011 runoff; and Iowa will receive \$37.5 million to repair damage caused by the May 2011 Missouri River flooding.

[Read more](#)

Source: United States Department of Transportation

Renewable Energy Production Growing Despite of Obstacles

The renewable energy sector experienced a volatile year in 2011, confronting critics and competitors who question the validity of new, sustainable sources of power and fuels. Nevertheless renewable energy advocates surmounted many of the hurdles that were erected and continued to press forward on the long march to a clean energy future.

A review of the past year shows those advocates had much to point to in asserting the viability and validity of renewables in meeting our nation's growing energy needs. A recent analysis by the DOE's Energy

us—the people—first, we will continue to have a difficult time regaining the confidence we need to forge a strong future—a confidence that symbolizes our past and helped us build North America into the envy of the world. It is a sad day, in my opinion, when a communist-run country like China is kicking our butts economically. It is also a sad day when we continue to write checks that place our entire government and our way of life in grave danger. It is an even sadder day when we can't trust our elected officials to control their own behavior and make sound decisions that will benefit versus harm our future.

I am hoping, beyond all hope, that every eligible voter will exercise his or her right to question our leaders and select the best ones available to represent us at all levels of government. Because, in my opinion, the one thing that is holding us back more than any other—is government. As I said in the beginning, "It's the government, stupid!"

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.



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Information Administration estimates that once the total supply of renewables is calculated for 2011, it will have grown by a remarkable 11 percent over the previous year's total.

In fact, renewable energy sources – biomass and biofuels, geothermal energy, solar power, wind energy and hydropower – provided 4.687 quadrillion Btus of energy, a record 12.25 percent, of U.S. energy production, during the first six months of 2011. Power generated by renewables exceeded that produced from nuclear power during the first quarter of the year. And the EIA says wind energy is projected to grow by 22 percent from 2010 to 2011. Final U.S. hydropower generation numbers in 2011 are estimated to reach their highest level since 1999.

Read [more](#)

Source: 25x25 REsource



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

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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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Industry & Manufacturing News

HBS Systems Names Lynn Reed Chief Technology Officer

For Immediate Release

DALLAS, Texas – January 9, 2012

– HBS Systems today announced that Lynn Reed has been named as its Chief Technology Officer. In his expanded role, Mr. Reed will be responsible for all technology functions of the company including Software,

Hardware, Conversions, Training and Support. Mr. Reed joined HBS Systems in 1986 as one of the original four startup members of the company. Over the past twenty six years, he has held a number of positions within the company most recently serving as Executive Vice President overseeing our Research & Development efforts.

"We are pleased to expand Lynn's leadership responsibilities to encompass all technology-focused areas of the company", said Bob Stone, President and CEO of HBS Systems. "His continued vision, coupled with both industry and technical expertise, will ensure that HBS Systems remains at the forefront in providing innovative products and services to our clients".

Mr. Reed is a magna cum laude graduate holding a B.S. in Electronics from McNeese State University in Lake Charles, Louisiana.

Joint Statement from Department of Defense and Department of Transportation Issued on GPS

On Wednesday, December 14, a government technical group reviewed the findings from last month's testing of LightSquared's proposal to provide new broadband service. The final test report will be sent to the National Telecommunications and Information Agency (NTIA), which advises the President on telecommunications policy, and represents federal agencies to the Federal Communications Commission (FCC).

Preliminary analysis of the test findings found no significant interference with cellular phones. However, the testing did show that LightSquared signals caused harmful interference to the majority of other tested general purpose GPS receivers. Separate analysis by the Federal Aviation Administration also found interference with a flight safety system designed to warn pilots of approaching terrain.

The findings were presented to the technical steering group which represents the seven federal agencies that make up the Space-Based Positioning Navigation and Timing Executive Committee. Over the next several weeks, the final analysis of the findings will be completed and a final report will be transmitted from NTIA to the FCC.

Read [more](#)

AGCO spends \$31 million on Brazilian firm

AGCO Corp. has agreed to purchase 60 percent of Santal Equipamentos, which is headquartered in the city of Ribeirão Preto.

The acquisition is to add sugar-cane harvesting equipment to AGCO's line of tractors and combines, giving the company a foothold in its outreach to Brazil's many sugar-cane farmers.

The deal is subject to regulatory approval.

[Read more](#)

Source: GlobalAtlanta.com

Ag companies' research investment has doubled, according to USDA

According to a new report from the USDA's Economic Research Service, companies that develop and manufacture agricultural inputs such as animal-health products, seed and machinery have invested heavily in research and development over the past two decades.

Between 1994 and 2007, annual private-sector R&D for agricultural inputs grew to \$11 billion from \$5.6 billion in nominal dollars, or to \$10.3 billion from \$7.2 billion adjusted for inflation using constant 2006 dollars.

The full report, titled *Research Investments and Market Structure in the Food Processing, Agricultural Input, and Biofuel Industries Worldwide*, can be [read here](#).

[Read more](#)

Source: AgriMarketing.com

Jobs data leaves Briggs & Stratton CEO "cautiously optimistic"

The nation's employers added an estimated 212,000 private-sector jobs in December, while the unemployment rate dropped to 8.5%, its lowest level in nearly three years. But economists and industrialists warned against reading too much into a single month's figures.

"I am cautiously optimistic with what these numbers show," said CEO Todd Teske of Briggs & Stratton. The company is adding 50 jobs at its Wauwatosa, Wisconsin facility, but those are temporary positions until Briggs is more certain any recovery is self-sustaining.

Teske said one of the biggest uncertainties lies in Europe, which is struggling with a debt crisis that could spill over into the global economy.

[Read more](#)

Source: Milwaukee Journal Sentinel

Agco CEO forecasts sales of \$10 billion in 2012, doesn't rule out merger

Agco Corp. forecasts that sales will increase to \$10 billion in 2012, up from \$9 billion last year, due to the growing global population spurring demand for its products.

Agco CEO Martin Richenhagen doesn't rule out a takeover or a merger with another company, such as Caterpillar, according to an interview with the German newspaper *Frankfurter Allgemeine Zeitung*.

[Read more](#)

Source: Bloomberg



NAEDA, Association & Program Partner News

NAEDA Legislative Fly-In set for March 21-22, 2012



The 9th Annual NAEDA Legislative Fly-In will be held March 21-22, 2012, at The Washington Court Hotel, Washington, D.C.

This year's Fly-In is extremely important for NAEDA's legislative agenda for 2012.

Given the election results from 2010, the change in leadership in the House and the mood of the country, Congress will be listening as it heads into the fall elections. If we are to get commitments from representatives and senators to move on matters that are important to equipment dealers, the Fly-In will be the time to get that accomplished.

[Click here](#) for the draft agenda, registration form and more.

NAEDA Equipment Dealer Foundation announces scholarship program

The North American Equipment Dealers Association's Equipment Dealer Foundation (EDF) has announced the availability of scholarships to assist in the training, re-training and/or advancement of employees or potential employees of equipment dealers in the U.S. and Canada.

The North American program is designed to create a larger pool of qualified, committed, long-term employees for equipment dealerships. Scholarship grants will be administered and matched by NAEDA affiliate associations. Equipment dealerships will also be required to match the scholarship granted by EDF and NAEDA affiliated associations.

Tom Nobbe, Chairman of EDF, stated the Foundation is "Pleased to announce that this program will help dealers have a greater impact when it comes to attracting good, qualified talent to their dealerships." Paul Kindinger, president/CEO, added, "The need for qualified people at dealerships across North America is only going to increase with time. We hope this small step towards helping NAEDA affiliates and our dealer members clearly demonstrates our interest and support for efforts already underway at the local level."

Applicants should check with NAEDA's affiliates for applications.

For more information, contact EquipmentDealersFoundation@naeda.com.

Read [Press Release](#)

FedEx and UPS to Raise Small Package Rates for 2012

The North American Equipment Dealers Association Shipping Program, managed by PartnerShip, today announced that FedEx Corp. and UPS will increase envelope and small package shipping rates for 2012.

Air Shipping Costs to Increase

Effective January 2, 2012, the cost to ship an overnight envelope with Memphis-based FedEx Express will increase by a net average of 3.9%. The full average rate increase of 5.9% will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 2%. Air packages shipped with Atlanta-based UPS will increase by a net average 4.9% beginning January 2, 2012. The rate increase for UPS air and international shipments is based on a 6.9% increase in the base rate, less a 2% reduction to the index-based air and international fuel surcharge.

Ground Shipping Rates Going Up As Well

Effective January 2, 2012, the cost to ship with FedEx Ground will increase by a net average 4.9%. The full average rate increase of 5.9% will be partially offset by adjusting the fuel price threshold at which the fuel surcharge begins, reducing the fuel surcharge by 1%. UPS ground shipping will also increase by a net average 4.9% for U.S. domestic services, achieved through a 5.9% increase in the base rate, less a 1% reduction to the index-based ground fuel surcharge.

Additionally, UPS Next Day Air Freight and UPS 2nd Day Air Freight rates for shipments within and between the U.S., Canada and Puerto Rico will increase 5.9%. UPS 3 Day Freight rates will remain unchanged.

Tip of the Month



[January Compliance Tip of the Month: Audit Your HR Compliance](#)

With the focus on enforcement by the Department of Labor in 2012 every HR manager should take the time to do a compliance audit by the end of this month. It is always better to self-audit and correct issues rather than take the "wait and see if they catch me" approach.

Free KPA webinars

- Thursday, January 12, 2012 - [Solve HR's Toughest Immigration Challenges](#)

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