



# NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, March 08, 2012

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## Legislative & Regulatory News

### Florida court backs need for science in Federal water rules

A U.S. District Court in Tallahassee, Fla., has ruled that Environmental Protection Agency-imposed numeric nutrient criteria for Florida streams and unimpaired lakes are unlawful because they are arbitrary and have no scientific basis.

The court upheld EPA's ability to issue federal standards under the particular facts at issue in Florida and upheld some of the particular EPA standards. However, the court agreed with arguments raised by the American Farm Bureau Federation (AFBF) that two key types of restrictions were unlawful.

One of the key concerns of the court, and a central theme asserted by AFBF, was that EPA could not show that the streams criteria were needed to prevent harm to the environment, as required by Florida law.

[Read more](#)

Source: American Farm Bureau Federation

### FAPRI: U.S. farm income headed down in 2012

In their U.S. Baseline Book, the Food and Agricultural Policy Research Institute (FAPRI) predicts that U.S. net farm income is projected at \$95 billion for 2012, down from \$98 billion in 2011.

The extreme price volatility that U.S. farmers and ranchers have witnessed in recent years should continue, but in general, FAPRI expects that 2012 will be a fairly positive year for U.S. agriculture.

[Read the full report](#)

[Read more](#)

Source: AgriPulse

### NAEDA signs on to CDW letter to stop NLRB proposal

In conjunction with the Coalition for a Democratic Workforce (CDW), NAEDA has agreed to sign onto a letter in support of S.J. Res 36 and H.J. Res 103, which will stop a proposal by the National Labor Relations Board (NLRB) to decrease the time between filing a petition to unionize and the election date.

The current median of 38 days would be shortened to as little as 14 days, substantially limiting the time employers have to become properly informed about the issues, talk with their employees and appropriately respond to union statements. To read the letter click [here](#)

### Progress on Transportation Bills Stalled

Passage of a transportation and infrastructure bill hit roadblocks last week in both the House and the Senate.

## CEO Blog

### You Think You Had A Bad Day?

March 2012

The next time you are having what you think is a "bad day," I want you to remember the story I am about to share with you. It is not my story, but one of Air Force Captain Brian Udell, or "Noodle" as his friends call him. It is a story of "Desire," "Determination" and "Discipline"—one of facing and overcoming extreme obstacles. Brian began flying at age 9 and took his first cross-country flight at 10. He was one of only 60 candidates across the United States selected to attend the Euro-NATO Joint Jet Pilot Training program. Brian graduated No. 1 in his class and was awarded the Air Training Command—Commanders Cup Trophy. He was one of the first lieutenants selected to fly the F-15E Strike Eagle.

During his career, Brian has accumulated over 9,000 hours in a variety of both civilian and military aircraft, including missions in Southeast Asia and Iraq. So, one might conclude that Brian Udell is a well-trained, excellent pilot.

On February 21, 1995, Captain Udell was conducting a routine training flight about 65 miles off the North Carolina coast over the Atlantic Ocean. Partway through the flight, while making a banking maneuver, something happened to the computer system that caused the plane to lose altitude rapidly and accelerate at the same time. The plane descended from approximately 30,000 feet to 1,500 feet in a matter of a few seconds. It also accelerated from 400 mph to 800 mph. After trying to regain control of the aircraft, the only option left was to eject, so that is what Brian and his co-pilot did—the co-pilot at approximately 10,000 feet and Brian at around 1,500 feet. Tragically, his partner did not survive.

In the House, Speaker John Boehner's American Energy and Infrastructure Jobs Act (H.R. 7) met opposition from both sides of the aisle. In response, the bill was split into three individual pieces: the major financing component, the energy bill expanding domestic oil drilling and the core transportation bill. The transportation element is probably the most troublesome to many representatives and will not come to the House floor until after members return from their Presidents' Day recess at the end of the month.

Meanwhile the Senate version, the Moving Ahead for Progress in the 21st Century bill, Senate Bill 1813 commonly known as Map-21, has been held up by amendments. This bill was noted at first for its bipartisan support and potential swift passage in the Senate, Map-21 is now losing the support of those who want to see a clean bill that focuses solely on the transportation issue and not one loaded down with amendments.

NAEDA supports passage of both bills and will work with Congress on their passage when they return to Washington.

### **FCC to pull plug on LightSquared GPS**

Federal officials on Tuesday struck a major blow to satellite venture LightSquared, saying the government plans to revoke initial permission it granted for the company to operate as a mainstream high-speed wireless network.

In a major reversal, the Federal Communications Commission said it plans to "suspend indefinitely" LightSquared's conditional waiver to operate as a ground-based broadband network after a new government report said there didn't immediately appear to be a way for the network to avoid interference with global positioning systems.

The FCC's decision is expected to all but end LightSquared's aspirations to provide mobile broadband services via satellite airwaves -- a plan that was touted from its inception by FCC Chairman Julius Genachowski. Under his tenure, the FCC granted the company a key conditional waiver in January 2011 that was meant to help fast-track the network. The decision has drawn massive protest from the military, John Deere, and weather forecasters who rely on GPS systems. Congressional Republicans have also launched investigations into the FCC's controversial decision.

On Tuesday, the FCC said its decision was based on a report that day by the National Telecommunications and Information Administration (NTIA). The NTIA said its analysis of tests on the network showed "there is no practical way to mitigate the potential interference at this time" with global positioning devices.

LightSquared on Tuesday said it disagreed with the NTIA's findings and said the government body used flawed testing data in its analysis.

Read [more](#)

Source: Washington Post

### **Obama Rulemaker: \$25B Outweighed by Benefits**

Regulations approved by President Barack Obama over the first 32 months of his term cost businesses an estimated \$25 billion, more than double the total of each of his two predecessors, according to White House data. Obama signed off on fewer total regulations, however, than Republican President George W. Bush during the same period of his tenure, the data shows.

Read [more](#)

Source: Bloomberg

### **Obama Offers to Cut Corporate Tax Rate to 28%**

President Obama will ask Congress to scrub the corporate tax code of dozens of loopholes and subsidies to reduce the top rate to 28 percent, down from 35 percent, while giving preferences to manufacturers that would set their maximum effective rate at 25 percent, a senior administration official said on Tuesday.

Mr. Obama also would establish a minimum tax on multinational corporations' foreign earnings, the official said, to discourage "accounting games to shift profits abroad" or actual relocation of production overseas.

With the framework for changes that the Treasury secretary, Timothy F. Geithner, will outline on Wednesday, Mr. Obama will enter an election-year debate with Republicans in Congress and in the presidential race who seek even lower taxes for businesses. But an overhaul of the corporate code is unlikely this year, given that political backdrop and the complexity of an undertaking that would generate a lobbying frenzy as businesses vie to defend old tax breaks or win new ones.

Read [more](#)

Source: New York Times

### **IRS will not require reconciliation of Form 1099K**

The Internal Revenue Service (IRS) on February 10th amended its informational webpage on credit card

Have you ever turned your hand into the wind outside a car window going 60 mph and felt the air force your arm into a backwards motion? If so, now imagine doing that at a speed of 800 mph. The helmet and mask were ripped from Brian's head causing lacerations over his face. Blood vessels in his face and eyes exploded. His left arm was dislocated from his shoulder. The ejection seat (previously only tested to 600 mph) was ripped away pulling one leg apart to where it was hanging by the skin, blood vessels and nerves, and the other was broken at the ankle to the point where it was turned 180°. By the way, the heavy metal ejection seat was torn to pieces. And the list of damage goes on.

Brian was able to inflate a small rubber life raft during the descent into the 60° water of the ocean using his one good arm with three operating fingers. He hit the water, submerged 10 feet under and the raft pulled him to the surface. His life vest was also torn to shreds during the ejection. Five-foot seas and 15 mph winds faced him once reaching the surface.

Bobbing in the ocean, he now had to figure out how to hoist his badly-damaged body onto the raft or face possibly being a meal for a shark. Following several attempts, he finally turned to his faith in God and prayer. When he was down to only enough strength for one more attempt, miraculously he made it onto the raft.

Most of the survival equipment either did not survive the ejection and was lost or was nonfunctional. After nearly four grueling hours in the cold Atlantic, he heard the sound of a Coast Guard C-130 plane and a helicopter. He could not operate the flares since it required two hands and he only had the use of one. A small radio was his last hope, but it did not appear to be working at first. Again, with one final attempt and through sheer faith and determination, the message was acknowledged. Brian then had to guide the rescuers in near his position, but not too close with the helicopter or it would toss him from the raft and he would ultimately drown.

Once rescued it was off to a hospital. No drugs or pain killers could be administered for hours after his arrival since they needed to know where he was experiencing pain as the medical team attempted to reset legs, arms and generally reconstruct his body parts.

Several weeks and several operations later, doctors told Brian that he would never be able to walk normally and that he would never be a pilot again. But this is just one more indication of how strong his will was to not only survive but also to return to a normal functioning life. Within two months

reporting requirements to announce that the IRS WILL NOT require reconciliation of gross receipts and merchant card transactions on Forms 1120, "U.S. Corporate Income Tax Return," and other business income tax forms.

The Housing Assistance Tax Act of 2008 requires credit card companies to report merchants' annual gross credit, debit, and third party network payment card transactions to the IRS using Form 1099K. Small businesses had expressed concern about the burdens and costs associated with reconciling discrepancies between their own sales records and the Forms 1099K issued by credit card processors. The February 10th IRS announcement directly addresses these small business concerns.

IRS FAQs on New Payment Card Reporting Requirements are available [here](#).

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after the titanium rods were removed from his legs, Brian was walking again. And, after another four months, he climbed into an F-15E and took off down the runway.

Today, Brian Udell is a pilot for Southwest Airlines. He is a shining example of someone who kept his cool during extreme circumstances. He had the Desire to survive, the Determination to return to a normal life and the Discipline, coupled with his faith, to use his training and skills in a way that allowed him to meet his ultimate goal of survival, by staying focused and breaking the big goal down into manageable pieces and applying his wisdom and knowledge to the task at hand. Part of his unrelenting willpower and courage also had a lot to do with his wife being four months pregnant with their first child!

What can we all learn from Brian and his horrific experience? It is not the situation we find ourselves in that determines the outcome, but how we handle that situation. If faced with what seems to be an insurmountable challenge, we are best served by staying focused on what is most important at that time... and never giving up.

Finally, although I'm sure there are other lessons to garner, the one that was most poignant for me. If I am having a so-called "bad day," I will think of Brian Udell, the only person to survive the highest speed ejection from a U.S. fighter aircraft to put it all in better perspective... 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.

## Industry & Manufacturing News

### CNH to invest in new plant in Brazil

CNH has signed a Memorandum of Understanding with the state of Minas Gerais (Brazil) to lay the groundwork for a R\$600 million investment in a new construction equipment plant in Montes Claros, in the northern region of Minas Gerais.

The plant in Montes Claros currently produces equipment for CNH's construction brands, Case and New Holland Construction. The new plant is scheduled to begin operations in 2014.

[Read more](#)

Source: CNH

### U.S. construction machinery exports gain 43 percent in 2011

U.S. construction equipment exports increased 43 percent in 2011 compared to the previous year for a total \$23.5 billion of machinery shipped to other nations, according to the Association of Equipment Manufacturers (AEM). This follows growth of 28 percent in 2010 after a 2009 decline of 38 percent in the depths of the recession.

"Export sales continue to help U.S. construction equipment manufacturers stay open for business and



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sustain American jobs, especially with the domestic construction sector still recovering," stated Al Cervero, AEM vice president construction sector.

AEM and its I Make America campaign have pushed for export-friendly policies that create and sustain American jobs. These include free trade agreements such as the U.S.-Korea FTA being implemented, which will eliminate export duties on about 80 percent of U.S. industrial products and about 67 percent of U.S. farm-related products.

In recent AEM action, the association is calling for congressional reauthorization of the Export-Import Bank, with an increased exposure cap so more companies can benefit from its services. Ex-Im Bank is self-sustaining. It focuses on small to medium-size businesses, since private lenders many times are unable or unwilling to extend them financing and insurance support.

#### Exports by World Regions and Top 10 Countries

Exports to Australia/Oceania led the way in 2011 with a 73-percent gain as the region took delivery of \$2.8 billion of U.S.-made construction equipment. Construction machinery exports to South America increased 39 percent in 2011 with purchases worth \$4.3 billion, and exports of construction equipment to Central America gained 23 percent and totaled \$2.0 billion.

Export sales to Asia grew 44 percent to total \$3.1 billion for 2011, and Africa's purchases of U.S. construction machinery increased 41 percent to total \$1.3 billion last year. Exports of construction equipment to Europe gained 49 percent for a total \$2.8 billion in 2011, and export business to Canada grew 40.5 percent and totaled \$7.2 billion.

The 10 countries buying the most U.S.-made construction machinery in 2011: (1) Canada - \$7.2 billion, up 40.5 percent; (2) Australia - \$2.7 billion, up 79 percent; (3) Mexico - \$1.6 billion, up 28 percent; (4) Chile - \$1.3 billion, up 45 percent; (5) Brazil - \$951 million, up 25 percent; (6) China - \$903 million, up 81 percent; (7) Colombia - \$811 million, up 38 percent; (8) South Africa - \$683 million, up 72 percent; (9) Russia - \$652 million, up 96 percent; (10) Peru - \$572 million, up 31 percent. ###

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#### Economists see growth slowing, recession risk falling

The U.S. economy's growth will slow this year after a blast of stronger growth in late 2011, leaving the 8.5% unemployment rate about where it is now on Election Day, according to USA TODAY's quarterly survey of economists.

The economy will grow at an 2.2% annual rate the first half of 2012 after an estimated 3.1% gain in fourth-quarter gross domestic product, according to the median forecast of the 48 economists surveyed. The government reports on fourth-quarter GDP Friday.

The biggest reason for slower growth is that a late-2011 bounce back from the effects of the Japanese earthquake last March won't last, according to Diane Swonk, chief economist at Mesirow Financial. Slower growth will help keep unemployment at 8.4% or higher through year's end, economists predict.

Read [more](#)

Source: USA Today

#### AGCO Dealer Meeting

Members of the NAEDA IRTF were invited to participate in the AGCO Dealer Meeting in San Antonio, Texas recently. The meeting covered brand strategies for the coming year as well as new product developments for the company. Some excellent presentations were provided, especially in the area of producer relationships. Overall it was a very upbeat and worthwhile meeting according to most dealers in attendance.

#### Dealer Manufacturer Relations Survey

NAEDA has conducted the 2012 Dealer-Manufacturer Relations (satisfaction) survey. Over 1900 responses were collected from dealers throughout North America evaluating several categories of dealer/manufacture relationships. Responses have been compiled and the results will be shared with corresponding manufacturers. The report contains valuable feedback and information about the relationship between dealers and their suppliers. This year's survey incorporated several improvements over previous surveys. The report will be issued at the upcoming NAEDA board of directors meeting in early March.

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#### About NAEDA Update

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## NAEDA, Association & Program Partner News

### Credit Card Processors - Are you taking advantage of the Durbin Amendment?

The Durbin Amendment is a provision in the Dodd-Frank Wall Street reform and Consumer Protection Act signed into law in July 2010. Dodd-Frank is a federal statute that implements financial regulatory reform, and was passed as a response to the financial crisis and recession of the past few years.

[Read More](#)

The following information is provided by Elavon, NAEDA's credit card processing partner. For more information on how NAEDA's program can assist with your processing needs contact Liz Harpst at Elavon at **800-725-1243 x 8798** or email [liz.harpst@elavon.com](mailto:liz.harpst@elavon.com)

## Tip of the Month



### [March Compliance Tip of the Month: Make Sure Your Employees and Independent Contractors Are Correctly Classified.](#)

Determination of worker classification can be complicated but is essential to ensure proper wage and tax payments. Improper classification can result in governmental fines and wage and hour lawsuits. The IRS and the Department of Labor have both stated their intent to reinvigorated enforcement efforts to end misclassification of employees as independent contractors. Find out more at <http://blog.kpaonline.com/category/tipofthemonth/>

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