



# NAEDA Update

NORTH AMERICAN EQUIPMENT DEALERS ASSOCIATION e-newsletter

Thursday, August 08, 2013

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## Legislative & Regulatory News

### **EPA sets 2013 biofuel blend requirement**

The Obama administration is calling for 16.55 billion of gallons of renewable fuel to be blended in with conventional gasoline this year as part of a federal program designed to wean the country off foreign oil and explore new energy sources.

The Environmental Protection Agency (EPA) on Tuesday announced its yearly requirement under the Renewable Fuel Standard (RFS), nearly eight months past the legal due date of last November.

Ethanol and biofuel groups applauded the new standard, but the oil-and-gas industry complained that the new requirement was stricter than necessary.

Read [more](#).

Source: The Hill

### **House votes to give Congress power over costly regulations**

Taking direct aim at executive branch power, the House on Friday approved legislation requiring Congress to sign off on the most costly federal regulations.

The Regulations From the Executive in Need of Scrutiny (REINS) Act passed 232-183 in a vote that went largely along party lines, hours before the House was to adjourn for its August recess.

Under the bill, both chambers of Congress would have to sign off on any federal rules that carry an annual price tag of \$100 million.

[Read more...](#)

Source: The Hill

### **Boehner: Sequester will stay until Obama offers smarter cuts**

Speaker John A. Boehner came before the mics on Thursday, and he made one thing clear: The sequester is here to stay until the White House gets serious about spending cuts.

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## From the NAEDA Office

### **NAEDA joins new tax coalition**

By Mike Williams  
Dealer group seeks to educate lawmakers in regard to tax reform that would lower tax rates and broaden the tax base.

On June 27, the Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) proposed a "blank slate," or to some a "clean slate," approach as a legislative starting point for tax reform and called on their Senate

“Sequestration is going to remain in effect until the president agrees to cuts and reforms that will allow us to remove it,” the Ohio Republican said to reporters in his weekly news conference. “The president insisted on the sequester none of us wanted, none of us like it, there are smarter ways to cut spending. The House has moved twice over the last year and a half to replace the sequester, and we saw no action in the United States Senate.

Boehner’s remarks came a day after GOP leadership made the startling decision to pull from the floor, mid-consideration, an appropriations bill funding transportation and housing programs. Boehner on Thursday morning reiterated the official party line, that the choice was because of scheduling concerns, not concerns that there weren’t enough Republican votes to bring the measure over the finish line.

[Read more...](#)

Source: Roll Call

### **LIFO letter sent to the Senate**

The Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) recently sent a letter to their Senate colleagues regarding their plans for consideration of comprehensive tax reform. In their letter, Senators Baucus and Hatch said they would approach tax reform as a “blank slate,” assuming that all preferences and deductions were removed from the tax code. They invited their colleagues to submit letters to them urging the retention in the tax code of deductions or preferences that each individual senator believed should remain. The deadline imposed by the senators for their colleagues to submit their recommendations is Friday, July 26th.

As you can imagine, everyone in the business community interested in tax reform – or in protecting something in the tax code – has been busy for the last two weeks contacting Senate offices to attempt to identify Senators willing to submit a letter to the Chairman and Ranking Member to advocate for a particular tax interest.

Members of the LIFO Coalition have personally contacted dozens of Senate offices in this “blank slate” initiative. We found – as did many others engaged in the process – that not very many senators planned to send specific letters, and in many cases those that did plan to send a letter had not made a final decision about its content. In many cases, senators were opting instead of a letter to verbally contacting the Chairman and Ranking Member to convey their preferences. In a smaller number of cases senators were declining to provide feedback to the Committee leaders at all until they had more knowledge of the basic outlines of a Baucus/Hatch bill (i.e., will the legislation be revenue neutral or will it raise new tax revenue, and what income tax rates are the committee leaders considering).

We are confident that several senators will advocate for retention of LIFO in the tax code, either verbally or in letters. More importantly, this effort has allowed us to reach senate offices we had not previously contacted to urge their support for LIFO.

In addition to Hill visits, the Coalition has sent its own letter to all Senators (except Baucus and Hatch) urging their support for LIFO and introducing/explaining LIFO to those who may not be aware of its importance.

You can read the Coalition letter [here](#):

## **Canadian News**

### **Canada-EU trade negotiators draw up “Break-Out package” on outstanding issues**

Trade negotiators for Canada and the European Union have drawn up a proposal they hope will bridge the differences that are blocking a free trade deal after more than four years of talks, according to people familiar with the matter.

[Read more...](#)

Source: The Wall Street Journal

### **Canada beef pleased import levy introduced**

Canada Beef and Agriculture Minister Gerry Ritz announced an amendment to the Beef Cattle Research, Market Development and Promotion Levies Order to include an import levy on beef cattle, beef and beef products. The import levy will treat importers in the same way as Canadian cattle and beef purchasers, all

colleagues to provide proposals for tax expenditures to add back in a reformed tax code.

In an effort to develop the foundation for tax reform legislation, senators Baucus and Hatch called on all senators to submit legislative language or detailed proposals for what tax expenditures and other provisions should be added back to a reformed code. The senators stressed tax expenditures and other provisions should be added back only if they help grow the economy, make the tax code fairer or effectively promote other important policy objectives. Senators had until July 26 to submit their proposals.

To help inform submissions, the senators have had the nonpartisan Joint Committee on Taxation (JCT) and their staffs analyze the relationship between tax expenditures and the current tax rates if the current level of progressivity is roughly maintained. The amount of rate reduction would depend on how much revenue was reserved for deficit reduction, if any, and from which income groups.

However, JCT and Finance Committee staff determined that every \$2 trillion of individual tax expenditures that are added back would, on average, raise each of the seven individual income tax brackets by between 1.3 and 2.2 percentage points from what they would be under the blank slate.

Likewise, every \$200 billion of corporate tax expenditures that are added back would, on average, raise the top corporate income tax rate by 1.5 percentage points from what it would be under the blank slate. Senators Baucus and Hatch have said the JCT report demonstrates that the more tax expenditures allowed in the tax code, the less revenue available to reduce tax rates or reduce the deficit.

Their strategy is sure to encounter opposition from both sides of the aisles who would rather cut tax breaks they don’t like rather than defend tax provisions they support. If you can remember the report that was issued by Erskine Bowles and Alan Simpson, co-chairs of President Obama’s Deficit Commission, some of this same rationale was used in that report known as the Zero Plan. Here are just a few of the highlights of the Zero Plan that I am sure will come up if the senators can move forward on this concept:

► Eliminate the alternative minimum tax (AMT).

paying the equivalent of \$1 per head of cattle.

[Read more...](#)

Source: PR Newswire

### Canadian farmers prove size doesn't matter

Despite a perception that large-scale "corporate farming" is taking over Canadian agriculture, the country's farming sector remains dominated by relatively small-scale, family-owned and operated enterprises. And this is unlikely to change significantly any time soon.

[Read more...](#)

Source: The Globe & Mail

### Canadian economy grows 0.2% in May, below forecasts: StatsCan

Canada's real gross domestic product increased 0.2% in May – the fifth consecutive month of growth for the Canadian economy but slightly below analyst expectations. Service industries – particularly retail and wholesale trade – were behind much of the growth while the resource sector didn't do as well as economists expected, contracting in May for the second month in a row.

[Read more...](#)

Source: Ottawa Citizen

### TransCanada going ahead with Energy East pipeline

TransCanada Corp (TSX:TRP) has decided to go ahead with its Energy East pipeline project to transport crude oil to Canadian refineries and export terminals as far east as New Brunswick. The proposed pipeline system will take crude from western provinces as far east as Saint John, N.B., passing through other Canadian cities, including Montreal and Quebec City.

[Read more...](#)

Source: The Montreal Gazette

### COOL lawsuit filed in U.S. court

A preliminary injunction to stop the implementation of the latest version of a country-of-origin labelling law was filed in a U.S. District Court yesterday by a coalition of North American meat processors and livestock organizations. The injunction should be considered within weeks, although there is no specific timeline, said a news release from the Canadian Cattlemen's Association.

[Read more...](#)

Source: The Western Producer

### One year later, open wheat market moves along

After 75-plus years of only marketing wheat through the single desk of the Canadian Wheat Board, western Canadian farmers have now had a year to get used selling the crop on an open market. Legislation passed by the Conservative government ended the single desk as of August 1, 2012. The rebranded CWB remains in operation as a government-controlled grain merchant with a five-year plan for privatization, but the CWB pools are now only one option among many for farmers with wheat to sell.

[Read more...](#)

Source: Manitoba Co-Operator

## Industry & Manufacturing News

### Nitrogen Prices Plunge

Retail fertilizer prices are seeing considerable declines, according to data tracked by DTN for the fifth week of July 2013. More than half of the eight major fertilizers registered significant price drops.

Nitrogen fertilizers lost the most compared to last month. Anhydrous slid 12% compared to fourth week of June and had an average price of \$716 per ton.

[Read more...](#)

Source: DTN

► Eliminate the phaseout of personal exemptions and the limitation of itemized deductions.

► Replace the current six-bracket individual tax rate schedule with a three-bracket schedule with rates of 9, 15 and 24%.

► Tax capital gains and dividends as ordinary income.

► Index tax parameters using the chained Consumer Price Index.

► Increase the Social Security wage base by 2% per year more than the growth in the average wage (making the FICA cap \$140,100 in 2015).

► Phase in an increase in the federal excise tax on gasoline of 15 cents per gallon (13.5 cents per gallon on average in 2015).

► Eliminate corporate tax expenditures and reduce the corporate tax rate to 26%.

In response to this "clean slate" proposal, NAEDA and other organizations have joined together to form a new coalition called the Coalition for Fair Effective Tax Rates. This once-in-a-generation opportunity has inspired this group to encourage and help these courageous lawmakers.

The reason: Real reform, which would lower tax rates and broaden the tax base, would spur economic growth, create jobs, improve America's international competitiveness and create a fairer tax system.

The mission of the coalition is straightforward, and that is to educate Congress and key stakeholders that tax reform should be viewed through the lens of effective tax rates—the amount of taxes businesses actually pay.

To accomplish this, the coalition will:

► Establish effective tax rate fairness as the best metric to make meaningful comparisons among policy choices and how they would impact different business types and industries.

► Use this metric to bolster the supporters of comprehensive tax reform that broadens the tax base while lowering tax rates for corporations, pass-through businesses and individuals alike.

► Impress upon lawmakers and key stakeholders the negative impact that high effective tax rates have on job creation,

## ULSD - not your same old diesel fuel anymore

What "You" need to know about static electricity risk during refueling. This Best Practices Guidance Bulletin 6/13 update now includes eight endorsing organizations in support of the message conveyed in the bulletin. Dealers need to be aware of the bulletin's contents.

[Two "Spanish" versions \(two-column and tri-fold versions\) of AEM ULSD Best Practices Guidance Bulletin \(Rev. 3 July 2013\)](#) have now been posted online on the AEM web site.

## GIE+EXPO: Early-bird registration ends Sept 11

The Green Industry & Equipment Expo in Louisville KY will be Wednesday, Oct. 23 to Friday, Oct. 25 with "Dealer Only Day" on Wednesday, 3:00pm-7:00pm. Then GIE+EXPO opens to all industry participants for Thursday and Friday. An early-bird registration fee of \$10 is being offered until Sept. 11. From Sept. 12 - Oct. 22, pre-registration will be \$25. Onsite registration fee will be \$50. [Click here to register.](#)

## NAEDA joins in letter calling on EPA to recognize carbon benefits of biomass energy

NAEDA has joined some 80 biomass, forestry, agriculture, conservation and bioenergy groups in a letter to EPA stating that any provisions associated with biomass the agency may develop as it completes its Tailoring Rule for biogenic carbon emissions must fully capture the long-term carbon benefits of biomass energy.

The tailoring rule sets the requirements for certain stationary sources to obtain a Clean Air Act permit for their carbon emissions. The rule would for the first time regulate carbon emissions from bioenergy production the same as fossil fuel emissions. The rule "tailored" its program by limiting those facilities required to obtain a permit to power plants, refineries and other large industrial plants, while exempting smaller sources like farms, restaurants, schools and other facilities. EPA delayed its implementation of the rule for biogenic carbon emissions for three years, until 2014, for further study.

A recent ruling by the U.S. Court of Appeals for the District of Columbia Circuit vacated EPA's 2011 delay, putting pressure on the agency to act now. The ruling has created significant uncertainty for biomass and forest products facilities that have begun operations, construction or major modifications since the agency first delayed implementing the rule two years ago. Companies have made - and are planning to make - significant investments to comply with other environmental regulations, improve energy efficiency, and meet the growing global demand for pulp, paper-based packaging, wood products and energy. A failure by EPA to recognize the full benefits of biomass power production could put those investments in jeopardy.

Read the [letter](#).

## CNH second Quarter 2013 net sales increase 9% to \$5.5 Billion, EPS up 31% to \$1.93 per share

CNH Global N.V. today announced financial results for the quarter ended June 30, 2013. Net sales for the quarter increased 9% (10% on a constant currency basis) to \$5.5 billion. Equipment Operations posted an operating profit of \$659 million or 12% of net sales for the quarter, as increased volumes and positive net pricing in the agricultural equipment segment more than compensated for the reduction in volume in the construction equipment segment, higher selling, general and administrative expenditures and higher research and development expense. The 33% effective tax rate for the quarter is within the Group's full year 2013 forecast range of 31% to 34%.

Equipment net sales in the quarter comprised 83% agricultural equipment and 17% construction equipment. The geographic distribution of net sales in the quarter was 43% North America, 32% EAME & CIS, 17% Latin America, and 8% APAC markets.

[Read more...](#)

Source: Rural lifestyle dealer

## AGCO reports 13% rise in net income to \$3 billion in 2Q13

AGCO, a worldwide manufacturer and distributor of agricultural equipment, reported net sales of approximately \$3.0 billion during the second quarter of 2013, an increase of approximately 13.3% compared to net sales of \$2.7 billion for the second quarter of 2012. Net income for the second quarter of 2013 was \$2.15 per share. These results compare to net income of \$2.08 per share for the second quarter of 2012. Excluding the unfavorable currency translation impact of approximately 0.5%, net sales in the second quarter

economic growth and the competitiveness of American businesses.

The chairmen of the congressional tax-writing committees have made it clear that they are determined to pass tax reform. Their task is enormous, but if they succeed, businesses that pay more than their fair share of the business tax burden will finally get some relief.

We, you, the coalition all must encourage and help these courageous lawmakers. It is not the coalition's intention to enter the debate at the micro level. Instead, the coalition will concentrate on alerting policymakers at every possible turn how their decisions—whatever they may be—impact the effective tax rates paid by the many businesses we represent. We hope this will keep their efforts focused on lowering the high effective tax rates our members currently pay.

NAEDA, as a member of the coalition's steering committee, will meet periodically to exchange views with key congressional and administration representatives, and help coordinate and strengthen the coalition's grassroots efforts.

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To view online click [here](#).

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## About NAEDA Update

### North American Equipment Dealers Association

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of 2013 increased approximately 13.8% compared to the second quarter of 2012.

Net sales for the first six months of 2013 were approximately \$5.5 billion, an increase of approximately 9.8% compared to the same period in 2012. Excluding the unfavorable impact of currency translation of approximately 1.5%, net sales for the first six months of 2013 increased approximately 11.3% compared to the same period in 2012. For the first six months of 2013, net income was \$3.34 per share. This result compares to net income of \$3.29 per share for the first six months of 2012.

[Read more...](#)

Source: Rural lifestyle dealer

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## NAEDA, Association & Program Partner News

### New OSHA fact sheet helps employers

OSHA's new Injury Illness and Prevention fact sheet is designed to describe the most common elements of Injury and Illness prevention, and how to implement them. This sheet offers proactive steps to identify and prevent workplace hazards. These processes have shown to reduce the number and severity injury and risk in the workplace, in addition to lowering the financial burden of workplace incidents. Review the sheet to understand the major elements of the Injury and Illness Prevention program fact sheet, including hazard identification, assessment, prevention, and control.

[Read more...](#)

Source: KPA

### NAEDA introduces digital edition of the Equipment Dealer Buyer's Guide

For years the North American Equipment Dealers Association has published the Equipment Dealer Buyer's

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The North American Equipment Dealers Association provides educational, legal, legislative, and financial services to approximately 5,000 retail agricultural, construction, large property/rural lifestyle, and outdoor power equipment dealers in the United States and Canada.

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Guide for dealer members and associates. This annual directory of equipment industry manufacturers, suppliers and distributors is a sought after publication that dealers reference year round.

Dealers are no strangers to incorporating new technology in the operation of their business and to meet the ever increasing technological needs of their customers. In today's digital world, we have received requests that the Buyer's Guide be provided in a digital format so that it can be viewed on-line on their computers and mobile devices. We are therefore pleased to introduce and debut our on-line digital version of the NAEDA's 2013 Equipment Dealers Buyer's Guide.

All of the editorial information, company and product listings appear in the new digital version just as in the printed edition. However, the digital versions is more interactive with live links to company contacts and websites with the potential for embedded video displays, slide shows, and blow-in cards from companies and advertisers.

We suggest you bookmark this link, [digital.naeda.com](http://digital.naeda.com) so you can access the digital edition of the 2013 Equipment Dealer Buyer's Guide throughout the year, and share it with your customers, clients, and colleagues.

Whether you prefer print or pixels, our goal is to provide you with the industry's best reference manual for companies, products and services catering the equipment dealer.

### **Equipment Dealers Foundation - Disaster Relief assistance**

Tornado season is upon us and the unfortunate and catastrophic events of the past few days in Oklahoma, Texas and other areas serve as a reminder that disaster can strike at anytime, anywhere. History has also shown that these storms and natural disasters impact thousands of households and businesses including those of NAEDA members and their employees.

NAEDA's Equipment Dealers Foundation Disaster Relief Fund helps the employees of NAEDA dealer members who have been affected by natural disasters with emergency funds to help bridge the gap financially for the employees and families until insurance or other payments come in. When faced with a disaster, the EDF has been able to step in and help. Thanks to the generous support of dealers, manufacturers, suppliers and affiliated associations, EDF has assisted more than 130 families with more than \$200,000 in direct disaster grants to employees of NAEDA members.

We have already received applications and provided financial assistance to dealership employees as a result of the recent tornados in Texas and likely will see more requests from the recent Oklahoma disasters. Please consider a generous donation to the NAEDA Equipment Dealers Foundation. Donations can be made on-line on the EDF website at: <https://www.naeda.com/SupportEDF/EDFFoundationOnlinePayment.aspx>

### **Tip of the Month**



### [July Tip of the Month: AC 609 Compliance](#)

It's summer time and chances for a fine being levied pertaining to AC 609 compliance are heating up! Protect your operations from these AC 609 vulnerabilities by ensuring:

1. Every employee who uses the AC machine has a valid AC certification.
2. All certifications are filed and readily available.
3. All AC machines being used are registered with the state.

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[Dealership Safety: Motivating the Employee Buy In - August 15, 2013](#)

[Management by Strengths: Improving Employee Motivation and Engagement - august 29, 2013](#)

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