Thursday, February 28, 2013

Helping Dealers Succeed!



# **Legislative & Regulatory News**

# Key House conservatives say they can support measure to fund government

Key House conservatives on Wednesday signaled support for a House leadership plan to pass a six-month continuing resolution next week. Enacting the bill would avoid a government shutdown after March 27, when the current stopgap funding bill runs out.

Read more...

Source: The Hill

# Health care reform - Employer duty to provide coverage

The Affordable Care Act (ACA or health care reform) says "applicable large employers" have to offer health insurance to their full-time employees or they may incur a penalty. But what is an "applicable large employer", how many hours do full-time employees work, and what happens if health insurance isn't offered?

In late December 2012, the Departments of Labor, Health and Human Services, and Treasury released proposed rules employers can use in 2013 to determine if they have to offer full-time employees coverage in 2014. At the same time, the IRS released a set of <u>FAQs</u> that summarize the rules and are a helpful guide.

#### Sequestration deadline looms

With just over a week to go before budget sequestration is set to go into effect, it is becoming increasingly likely the March 1 deadline will come and go without an agreement by Congress and the President on a fiscal agreement to avoid the automatic cuts.

Agriculture Secretary Tom Vilsack told the American Meat Institute that sequestration, which would impose across the board cuts to most federal spending, would force USDA to furlough FSIS meat inspectors.

As the specter of the March 1 deadline looms, a number of plans to delay or avoid sequestration have emerged. One plan, introduced last week by Senate Democrats and set to be voted on this week, would delay the automatic cuts until January 2014 by cutting defense spending and Direct Payments, while also raising additional revenue. The plan would eliminate direct payments and use \$3.5 billion of those savings to extend 24 of the 37 expiring portions of the 2008 Farm Bill that weren't extended by the Fiscal Cliff bill, such as disaster assistance and some energy programs. The remaining \$27.5 billion would go to avoiding







#### From the NAEDA Office

# What Fiscal Cliff? By Mike Williams

Did we miss something as we watched Congress in its last few days of the 112th Congress pass legislation to solve the so-called fiscal cliff? I don't think so. What we saw was the administration via the vice president and Congress just kick the can—or should I say cans—down the road some more.

We have heard what The American Taxpayer Relief Act isn't and what it is. It is a bill that raises \$620 billion more in revenue over the next decade and trims only \$15 billion in spending. Along with that, 125 million workers will have a new tax increase of 2% in their withholding for Social Security, with the expiration of the payroll tax holiday after two years. The effects of that 2% have yet to be felt in the economy, but will be felt in everyone's

the sequester cuts across federal agencies.

# U.S. biofuel groups will fight EU tariff

The European Commission (EC) is officially imposing a \$83.03 per metric ton tariff on U.S. ethanol entering the European Union (EU), drawing a vow from U.S. biofuel groups to fight the levy. In a joint statement, Growth Energy and the Renewable Fuels Association (RFA) said the tariff "is outrageous and based on absolutely no facts or evidence of harm. An extensive investigation was conducted and there was no proof to substantiate the European Union's protectionist claims of dumping.

"Imposing a country wide anti-dumping tariff is unprecedented and unfounded. This is blatant protectionism at its worst. This is absolutely not the final chapter. We will challenge this policy in every manner possible." The punitive tariff had been sought by ePure, the European trade group representing ethanol producers there.

In the decision earlier this week, the commission said European biofuel manufacturers suffered "material injury" as a result of dumped imports from the United States in 2010-2011. The U.S. share of the European ethanol market grew from just less than 2 percent in 2008 to 15.7 percent in September 2011.

The U.S. industry has long denied charges of dumping below-price ethanol into the European market, noting that government subsidies for the biofuel ended at the close of 2011. Reuters quoted a U.S. trade official as saying the Obama administration "is disappointed with this move by the EU." The official said the U.S. "continues to have serious concerns about a number of procedural and methodological irregularities that took place during the final stages of the investigation."

The tariff, which comes at a time when a number of U.S. plants have gone offline because of high corn prices or availability restricted by the drought, applies only to U.S. ethanol used for fuel and will be imposed after the notice is published in the EU's Official Journal by Feb. 25.

Source: 25'x25 Weekly Newsletter

#### White House plans for immigration reformed revealed

Washington is abuzz these days with the leak of the President's plans for immigration reform. Only those sections pertaining to legalization and enforcement were released, fueling speculation over whether the disclosure was intentional or not. White House officials adamantly deny the claim of an intentional leak. Congressional members working to solidify a bipartisan majority for immigration reform fear the timing of the leak may have disrupted sensitive behind-the-scenes negotiations currently taking place to garner bipartisan support for reform. The White House plan would allow an estimated 11 million undocumented workers in the U.S. to immediately apply for a permit to remain in the country, but it would delay any possibility of citizenship for more than 10 years.

For more information, here are links to the White House text on <u>E-Verify and Employment Verification</u>, <u>Border Security</u>, and <u>Legalization</u>.

Source: NASDA News

# Bill would ban 15% ethanol blends

E15 would be banned under a bill introduced in the Senate on Thursday, Feb. 14.

"The bill would overturn Environmental Protection Agency (EPA) waivers that allowed gasoline containing 15% ethanol (E15) to be used for many passenger cars and light trucks," Sen. Roger Wicker, R-Miss., one of the bill's sponsors, stated in a news release on Thursday.

In 2010, EPA issued a waiver for E15 used in cars and light trucks for model year 2007 and later. In 2011, EPA also allowed E15 to be used in vehicles model year 2001 to 2006.

The bill, S.344, seeks to "prohibit the Administrator of the Environmental Protection Agency from approving the introduction into commerce of gasoline that contains great than 10-volume-percent ethanol, and for other purposes."

Read more...

household income immediately.

I have heard the deal called a "debacle" for the Republican Party, but in all reality it is a debacle for both parties moving forward. Senate Republican Leader Mitch McConnell in an op-ed piece for Yahoo News wrote, "Was it a great deal? No. As I said, taxes shouldn't be going up at all. Just as importantly, the transcendent issue of our time, the spiraling debt, remains completely unaddressed. Yet now that the president has gotten his long-sought tax hike on the 'rich,' we can finally turn squarely toward the real problem, which is spending."

The media spin would have you believe there is a fight going on inside the House Republican leadership, with their own members and with the Senate Republicans. That may be true, particularly over spending cuts or lack thereof! But the passage of the Bush-era tax cuts, reforms to the tax rates on estates and investment income, a fix to the alternative minimum tax and extension of the bonus depreciation provisions for another year are all good legislative steps for businesses, particularly dealers. These new provisions, passed and signed into law, have been major legislative issues of NAEDA. We have been supporting these provisions the last few years and they are now codified in law.

Can more be done? Sure. Should more be done? Yes. We believe more is needed, but has only the low-hanging fruit been picked? Tougher issues and decisions are going to have to be made in the 113th Congress.

Entitlement programs, such as Social Security and Medicare and federal spending for defense, farm programs, energy, education, etc., are all going to be discussed in the next round of budget discussions. Just remember that the sequester cuts (about \$110 billion in automatic spending cuts) were delayed for two months with the passage of this bill. Half of the delay will be offset by discretionary cuts, split between defense and non-defense. The other half will be offset by revenue raised by the voluntary transfer of traditional IRAs to Roth IRAs, taxing retirement savings when they are moved over.

I believe Sen. McConnell in his op-ed piece summarized pretty well the next discussions that are likely to take place in Congress. He said, "While most Washington Democrats may want to deny it, the truth is the only thing we can do to solve the nation's fiscal Source: DTN Progressive Farmer

## **Groups appeal E15 ruling**

# API, other groups ask Supreme Court to review ruling on E15 partial waivers

The American Petroleum Institute and other groups have filed an appeal with the U.S. Supreme Court for a review of a recent district court decision rejecting a challenge to the Obama administration's grant of partial waivers for use of E15.

"We've filed this petition because the D.C. Circuit incorrectly concluded that none of the 17 petitioners had standing to challenge the E15 partial waivers," Bob Greco, API's director of downstream operations, stated in a news release Thursday.

A three-judge panel of the U.S. District Court of Appeals for the District of Columbia dismissed the case on Aug. 17, 2012, for lack of jurisdiction, and a full panel of the same court reaffirmed the decision on Jan. 15, a decision the API now says the Supreme Court should review.

Read more...

Source: DTN Progressive Farmer

# Front-runner to lead EPA vows more action on climate change

The front-runner to fill the vacancy atop the Environmental Protection Agency (EPA) pledged to push ahead with actions to confront climate change during a wide-ranging speech Thursday.

"As President Obama said, climate change is a priority — and we are going to take action," Gina McCarthy, the EPA Assistant Administrator for the Office of Air and Radiation, told attendees at the Georgetown Climate Center Workshop in Washington, D.C.

Obama is reportedly leaning toward tapping McCarthy as the next EPA administrator. She would replace Lisa Jackson, who left the post last week after four years with the White House.

Read more...

Source: The Hill

#### Moniz said to be Obama's pick at DOE, McCarthy at EPA

President Obama is reportedly set to nominate MIT Professor Ernest Moniz his next Secretary of Energy, replacing Steve Chu, who announced he is leaving earlier this month. In another appointment critical to federal influence on renewable energy development, the White House reportedly will name Gina McCarthy as EPA administrator, subject to Senate approval.

McCarthy, who is currently the assistant administrator for the EPA Office of Air and Radiation, would replace Lisa Jackson, who left the administration earlier this month.

Moniz is a former undersecretary of energy during the Clinton administration and currently serves as director of MIT's Energy Initiative, a research effort aimed at reducing greenhouse gases. He would be the second scientist named by Obama to head DOE. Chu, a Nobel prize winner, came to Washington from the post of the Lawrence Berkeley National Laboratory, where he headed up sustainable energy research.

Moniz is better known for his research on coal, natural gas and nuclear energy. He was named to Obama's Science and Technology Advisory Council in 2009. He has been characterized as a major proponent of natural gas as "a bridge to a low-carbon future," arguing that natural gas will, in the long term, be phased out in and replaced by zero-carbon options. "For the next several decades, however, natural gas will play a crucial role in enabling very substantial reductions in carbon emissions," Moniz said in 2010.

McCarthy and her office were instrumental in the EPA's approval of E15, a 15-percent ethanol blend in gasoline for cars and light trucks built in 2001 and newer. As EPA administrator, she would be expected to take the administration lead on climate change policy. She has a lengthy history of state regulatory experience, having served as an environmental policy advisor to then Massachusetts Gov. Mitt Romney and later headed Connecticut's Department of Environmental Protection.

If nominated, both could expect hard questions, McCarthy by conservatives who cite EPA regulatory overreach, and Moniz by environmentalists over his support of natural gas.

problem is to tackle government spending head on—and particularly, spending on health care programs, which appears to take off like a fighter jet on every chart available that details current trends in federal spending.

"The president may not want to have a fight about government spending over the next few months, but it's the fight he is going to have, because it's a debate the country needs. For the sake of our future, the president must show up to this debate early and convince his party to do something that neither he nor they have been willing to do until now. Over the next two months, they need to deliver the same kind of bipartisan resolution to the spending problem we have now achieved on revenue—before the 11th hour.

"When it comes to spending, the time has come to rise above the special interest groups that dominate the liberal wing of the Democratic Party in Washington and to act, without drama or delay. The president likes to say that most Americans support tax hikes on the rich. What he conveniently leaves out is that even more Americans support tax cuts. That's the debate the American people really want. It's a debate Republicans are ready to have. And it's the debate that starts today, whether the president wants it or not."

# Resources

**About NAEDA** 

<u>Advertise</u>

**Affiliate Associations** 

Become a Member

NAEDA Web Site

**Submit News** 

**Subscribe** 

Support EDF

# **About NAEDA Update**

# North American Equipment Dealers Association

1195 Smizer Mill Road Fenton, MO 63026-3480 Phone: 636/349-5000 Fax: 636/349-5443 Source: 25x'25 Weekly Resource



# **Industry & Manufacturing News**

# John Deere invests in research, sales force to achieve growth

John Deere continues to grow and owes its success to R&D investment and its reliable dealers, according to this article. The company has been able to report record revenue increases in 10 consecutive quarters and aims to have revenues of \$50 billion by 2018. Deere allocates 4% of its annual revenue to research and development, and its equipment dealers work closely with their customers.

Read more...

Source: CNN Money

#### Toro to Buy Chinese Company; Profits Rise 58%

The Toro Company on Thursday reported first-quarter earnings growth and said it will strengthen its presence in China through the acquisition of a "micro-irrigation" company.

Bloomington-based Toro—which provides turf, landscape, rental, and construction equipment, as well as irrigation and outdoor lighting products—said its performance was driven by strong demand for large turf equipment and growth in micro-irrigation sales. Micro-irrigation refers to systems that slowly drip water to the roots of plants.

Toro's earnings for the quarter that ended February 1 totaled \$31.4 million, or 53 cents per share, up about 58 percent from the same period a year ago. Revenue, meanwhile, climbed about 5 percent to \$444.7 million.

#### Read more

# Dealer and technician seminars announced for GIE+EXPO 2013 Successful Dealer Day will be Repeated

Recent surveys by industry publications have turned up a long list of challenges that dealers are facing: low profit margins, cash flow, weather, competition from online and retail outlets, finding qualified help, increased operating costs, where to spend advertising dollars, pressure from manufacturer/supplier partners, service pricing and more.

In response, outdoor power equipment dealership consultant Bob Clements has crafted a seminar program for the 2013 GIE+EXPO (the Green Industry & Equipment Expo) in Louisville that addresses many of these pressing issues.

#### www.naeda.com

E-mail: <u>naeda@naeda.com</u>

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

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

To subscribe to *NAEDA Update* by e-mail, send your request to <u>naeda@naeda.com</u> or subscribe online at <u>www.naeda.com</u>.

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

# Twitter/Facebook





# **Events**

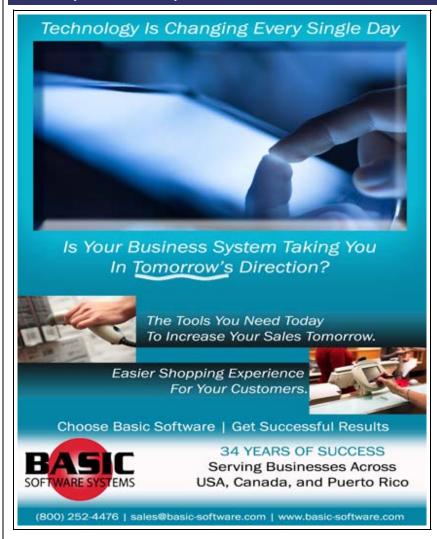
In addition to benefitting from management sessions, dealers can also bring their technicians to GIE+EXPO for skills training that will enhance the value of their service department and provide their team with exposure to the latest trends, techniques, tools and equipment.

Online registration for GIE+EXPO will be open by March 1. For more information about GIE+EXPO 2013, visit <a href="https://www.gie-expo.com">www.gie-expo.com</a>.

Read more...

Source: GIE+EXPO

# **NAEDA Update Official Sponsor**



# NAEDA, Association & Program Partner News

# NAEDA's 2013 Washginton DC legislative fly-in has been re-scheduled New date is May 22-23, 2013

Every spring NAEDA holds its Legislative Fly-In in Washington, D.C. The Fly-in is an intensive two-day program that provides participants with an inside look at the political process. Dealers are encouraged to attend to let their voices be heard. Beginning with briefings on the latest agricultural issues pending in Congress, participants also visit with their representatives and senators on Capitol Hill to educate and lobby them on issues important to their dealerships. The 2013 dates are May 22 and 23.

The 2013 Legislative Fly-In will be extremely important for NAEDA's legislative and regulatory agenda for 2013. Given the election results from this fall's election and a start of a new Congress, they will be listening which will serve as a great opportunity to get commitments from representatives and senators to move on

matters that are important to equipment dealers. Please mark your calendars and hold the date to attend this event.

## New website enhancements for NAEDA's discount freight program

PartnerShip, NAEDA's endorsed discount freight provider has recently implemented significant enhancements to improve the online experience and shipping tools for its members.

First off, the PartnerShip website, PartnerShip.com, was redesigned and enhanced with new content, navigation, and functionality. Now all of PartnerShip information and shipping tools are literally one click away. New features, Live Chat, a complete Employee Directory, and the ability to purchase discounted Shipping Supplies have also been added to the website. Dealers can check out PartnerShip's new website at <a href="http://PartnerShip.com">http://PartnerShip.com</a>.

Secondarily, the NAEDA Shipping Program website has been updated and improved. The new site has a more contemporary design that is complimentary to the PartnerShip.com website. This will make the experience seamless for dealer members who enroll for the program and then use our online freight management tools. PartnerShip also streamlined the enrollment process to ensure dealer members get quick and easy access to all of the LTL freight and tradeshow shipping services. The new site also showcases all of the services and benefits of the program more thoroughly than the old site. For more information on the association's discount freight program and how your dealership can begin saving on freight cost visit the program website at <a href="http://partnership.com/24naeda">http://partnership.com/24naeda</a>.

Read more...

#### **Canadian News**

## Canadian businesses to pull back on spending this year

Canadian investment spending will increase this year at the slowest pace since the 2009 recession, as mining companies curb expenditures and the oil and gas industry cools, a government survey projects. Spending on construction, machinery and equipment will increase 1.7% to \$398.2 billion in 2013, following a 7.2% rise in 2012, Statistics Canada said in Ottawa, based on a survey of businesses and governments. Excluding housing, investment may grow 2.2% after a 6.5% gain in 2012, the agency said.

Read more...

Source: Financial Post

# Canada moving to better economic mix: Carney

Bank of Canada governor Mark Carney says Canada's economy is in the midst of what he believes will be a successful transition from over-dependence on borrowing to production that will include a softer housing market but stronger exports. Canada's once-hot housing market has already begun to cool as Canadians temper their appetite for debt, Carney said in a television interview broadcast Sunday, adding the market likely has a couple of more years of adjustment.

Read more...

Source: The Star

# **Tip of the Month**



# February Tip of the Month: Make sure your FMLA Posting is Current

The Department of Labor has issued a revised Family and Medical Leave Act (FMLA) posting that includes important changes regarding the expansion of coverage of job-protected FMLA leave for families of eligible veterans and airline personnel and flight crews. Employers with more than 50 employees should make sure that they have the latest posting displayed in a conspicuous place where employees and applicants for employment can see it. Find out more at <a href="http://blog.kpaonline.com/category/tipofthemonth/">http://blog.kpaonline.com/category/tipofthemonth/</a>

# Free KPA Webinars

Fusion Marketing - It's What's Next! - March 6, 2013
What Every Dealership Must Know About Employment Eligibility Verification - March 7, 2013

How to do a Vendor Evaluation - March 13, 2013

Are you Ready to E-Verify? - March 28, 2013

© 2012 The North American Equipment Dealers Association. NAEDA Update is provided as a service to members of the North American Equipment Dealers Association. This information may not be reprinted without permission from NAEDA.

To subscribe to NAEDA Update by e-mail, send your request to naeda@naeda.com or subscribe online at <u>naeda.com</u>. To unsubscribe, <u>click here</u> or send your request to webmaster@naeda.com and type "REMOVE" in the subject line.