

NAEDA Advocacy Update

A monthly summary of ASSOCIATION PRIORITY ISSUES

The NAEDA Advocacy Update is a new reference guide designed to keep dealers informed about association priority issues. An electronic version will be regularly updated in the Dealer Advocacy Center at www.naeda.com.



This "Action Alert" icon will be displayed whenever action steps exist to help your voice be heard on topical issues. Dealers can expect to see alerts in all forms of NAEDA communications.



Democrat-led Congress

November's election brought a major shift in power to both the U.S. House and Senate, as Democrats took majority control over each. When the 110th Congress convenes in January, it will appear to be a mirror image of the 109th Congress except the Democrats will own the majority. Unfortunately, the 109th Congress has not received high marks for getting things done due to partisan gridlock. For the 110th Congress to get important legislation passed, it will take compromise, particularly in the Senate where it's essentially split 50-50 and 60 votes are needed to move legislation. On top of it all, the president, a Republican dealing with a Democrat majority Congress, sits with his veto power, which would be very hard to overcome in such a party-balanced Congress.

All proposed legislation is affected by this leadership change as legislative committees are juggled to reflect Democrat control. (See the Health Care Plans issue on preceding page.) In addition to new committee chairpersons, committee make-up will be reconstituted to build Democrat majorities in each committee. NAEDA is currently watching this process and will adjust strategy and tactics on specific pieces of legislation once the 110th Congress convenes. It remains to be seen how Democrats and Republicans will work together prior to a looming presidential election marking the end of one administration and the beginning of new leadership. It's safe to say both parties will be quick to point out failures of their counterparts in approving or scuttling pending legislation over the next two years.



Trade

The U.S.-Peru free trade agreement is being held out of current lame duck session consideration as legislators prepare for the formation of the 110th Congress. Because of Republican election losses, House leadership's ability to pass Peru legislation in a lame duck session is considered futile because of Democratic opposition. Changes can be expected in any Peru agreement proposed in 2007. A lame duck vote on the Vietnam permanent normal trade relations bill is not expected to be opposed.




Water Resources Development Act

The Water Resources Development Act (WRDA) is awaiting conference committee action, which will consolidate the House and Senate versions into a single piece of legislation that can be put before President Bush for signing into law. WRDA includes \$3 billion for two key provisions – construction of seven 1,200-foot lock chambers at key sites, as well as system-wide ecosystem restoration measures.

Manufacturer Relations

ISSUE	SUMMARY	NAEDA'S POSITION	STATUS
 Titling & Registration Task Force Meeting	The Titling and Registration Task Force, formed by NAEDA, met in Chicago in November. Dennis Booth, NAEDA first vice chairman, chaired the inaugural meeting and posed the question: Is it time to develop a formal system of tracking farm, outdoor power and industrial equipment ownership and lien status? A broad, cross section of industry stakeholders considered the question in context of current concerns and agreed to further investigate issues involved before meeting again in the spring of 2007 for further discussions and expanded stakeholder input.	NAEDA supports efforts of the Titling and Registration Task Force.	Ongoing.
 Kubota IRTF Meeting	Members of NAEDA's Industry Relations Task Force (IRTF) members traveled to Kubota Tractor Corporation (KTC) in November for a meeting with KTC executives about a variety of issues. KTC representatives included Tetsuji "Mike" Tomita, president of KTC; Masato Yoshikawa, president of Kubota Credit USA; Toshi Kawasaki, executive coordinator; Greg Embury, vice president of sales and marketing; and Larry Nenneman, senior director of marketing. NAEDA affiliates are providing meeting notes to their Kubota dealer members.	The IRTF is a standing NAEDA committee supported by the NAEDA board and affiliated associations.	Ongoing.

Government Relations

ISSUE	SUMMARY	NAEDA'S POSITION	STATUS
 Agricultural Equipment Economic Impact Study	The true North American economic impact of the agricultural equipment industry is currently unknown. NAEDA, the Association of Equipment Manufacturers (AEM) and the Farm Equipment Manufacturers Association (FEMA) are funding an economic impact study with a target completion date of March 1, 2007. Information gathered in this study will be used in a variety of ways, including leveraging NAEDA's government policy positions with government agencies and legislators in Ottawa and Washington, D.C.	NAEDA believes identifying the broad economic impact of agricultural equipment sales and service in the U.S. and Canada is critical to being heard in Washington D.C. and Ottawa.	Study to be completed in March 2007.
 LIFO	The loss of LIFO could mean hundreds of thousands of dollars of expenses to dealers and other businesses that use this accounting practice. Changes in Senate and House majorities in the November election have prompted a NAEDA-supported LIFO Coalition to seek no further action on the issue during the 109th Congress lame duck session. Efforts will resume with the 110th Congress once committees are named and a legislative strategy and tactics can be determined to match the legislator make-up.	Supporting LIFO Coalition efforts to maintain the LIFO option.	Holding for formation of the 110th Congress.
 Health Care Plans	NAEDA and its affiliated associations are working for passage of legislation extending to small companies the same price advantages that large corporations receive negotiating health care plans and providing benefits. Democratic control has major implications here, particularly since Democrats have stated publicly their desire to promote affordable health care. NAEDA's favored Enzi/Nelson bill has had its passage chances weakened by the Senate's majority change, while the Lincoln-Durbin bill credited to Democrats has gained support. As it stands Enzi/Nelson vs. Lincoln/Durbin faces a 50-50 split in the Senate. Since 60 votes are needed to approve any legislation, neither side has the votes to move a health reform bill of its choice. Once the 110th Congress convenes, formal jockeying on this issue could begin. (See "Democrat-led Congress" on page 23.)	NAEDA supports small company access to affordable health care plans, as is already the case with large corporations.	Ongoing.