

Progress made on Farmtrac situation



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.

Manufacturer Relations		
ISSUE	ACTION SUMMARY	NAEDA'S POSITION
Farmtrac Receivership	<p>NAEDA President and CEO Paul Kindinger traveled to London, England, to participate in a high-level meeting with officials involved in the Farmtrac situation. Meeting participants included officials from Escorts Group (Farmtrac's previous owner), Textron Financial, the court-appointed receiver, LS Cable and a member of the Farmtrac dealer council. Attendees left the meeting with a positive view about the discussion and a conceptual agreement for the future. However the old saying "the devil is in the details" will be the next adage tested in this complex negotiation.</p>	<p>"NAEDA remains optimistic a better result will be attainable for Farmtrac dealers after participating in the meeting," noted Paul Kindinger following the meeting.</p>
Deere One Source	<p>An agreement with Deere and its One Source golf and turf distributors is signed, sealed and delivered. NAEDA and Deere met on several occasions to hammer out this precedent-setting agreement. NAEDA represented all distributors who had claims resulting from their participation in the One Source program. All parties came to an understanding and voted to approve and adopt the agreement.</p>	<p>As noted in previous association communications, this is the first time in anyone's recollection where NAEDA has been involved in this capacity with a manufacturer.</p>

Government Relations		
ISSUE	ACTION SUMMARY	NAEDA'S POSITION
Equipment Depreciation	<p>Mike Williams, vice president, government relations and public policy for NAEDA, had a week full of Washington, D.C., during July as he and other industry representatives continued to lobby for a reduction in the depreciation schedule for ag equipment. Williams, along with representatives of Deere, AGCO, CNH, the Association of Equipment Manufacturers and the American Farm Bureau Federation, spent a week on Capitol Hill trying to drum up support to include depreciation language in a "tax extender" package going through the House and Senate.</p>	<p>NAEDA, its U.S. affiliated associations, manufacturers and trade organizations have spent more than two years pushing for a reduction in the depreciation of ag equipment to five years from its current level of seven years.</p>
Canadian Legislative Office	<p>NAEDA now has a legislative office in Canada. This follows a recent announcement that John Schmeiser will work with NAEDA and its affiliated dealer associations in Ontario and Quebec on government-related issues. Schmeiser will continue his role as executive vice president of the Canada West Equipment Dealers Association (CWEDA).</p>	<p>Establishment of a Canadian government affairs program has been a priority of NAEDA's board of directors. Under an agreement with NAEDA, Schmeiser will operate the program from the CWEDA headquarters in Calgary, Alberta.</p>
Theft Prevention	<p>NAEDA is working on a summary of guidelines to help dealers develop plans to protect nonpublic information in their possession from identity theft. The summary will include a draft plan to help dealers comply with federal laws related to identity theft prevention.</p>	<p>The deadline to have a prevention plan in place is Nov. 1, 2008. The summary may be downloaded from NAEDA's Web site at www.naeda.com.</p>

A companion reference is regularly updated in the Dealer Advocacy Center at www.naeda.com.

Health care Watch

With Congress in recess and the 2008 election approaching, health care is an issue dealers should discuss with members of their state congressional delegations during the summer break. Following are outlines of two health care bills that have been introduced and may guide health care reform discussions through the end of the year and into the next Congress. Now is the time for dealers to talk about health care with their congressional representatives.

Small Business Health Options Program (SHOP) Act (S. 2795)

Sens. Richard Durbin (D-IL), Olympia Snowe (R-ME), Blanche Lincoln (D-AR), and Norm Coleman (R-MN) are sponsors of this legislation. The bill is compromise legislation aimed at bridging the gap between the small business health plan legislation and the Lincoln-Durbin bill from the 109th Congress. The purpose of the legislation is to provide coverage for small businesses (those with up to 100 employees) and the self-employed through expanded state health insurance pools and tax credits.

Under the bill, small employers and the self-employed would be encouraged to join state insurance pools and receive tax credits if the state in which they reside enacts certain health care reforms. Businesses in states that pay at least 60 percent of an employee's health care premium would receive a tax credit of up to \$1,000 for each covered employee (\$2,000 for family coverage). The credit would depend on the size of the business. Employers with 10 or fewer employees would receive the full \$1,000 with the credit phased down should staff size increase.

Small Business CHOICE Act of 2008 (H.R. 6582)

Reps. Nydia Velazquez (D-NY), Chaka Fattah (D-PA), Albio Sires (D-NJ), and Joseph Pitts (R-PA) are cosponsors of this bill. The purpose of this legislation is to eliminate premium volatility and lower the cost of health insurance premiums for small businesses by permitting the formation of small business cooperatives. These cooperatives would insure against the risk of high costs or catastrophic claims and encourage participation through a 65 percent tax credit subsidy on no more than 100 employees.

Under the bill, the term cooperative is a bona fide association or financial cooperative organization with a common affiliation (including unions) that creates a captive insurance company for the purpose of assuming and spreading risk. Cooperatives with "no fewer than 100 member businesses and 5,000 lives" could be chartered under any state's insurance laws. Cooperatives work by providing excess claims coverage insurance to small business members. Because of lower maximum claim costs, premiums – under this bill – should be reduced to small businesses and allow businesses to spend more money on their operations or employee benefits.