

SouthWestern Flash

December 23, 2003, Vol 1, No. 15



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Dates to Remember

SouthWestern Association Annual

Conference - Jan. 22-24, 2004,
Adams Mark Hotel, San Antonio,
Texas

2004 Western Farm Show

Feb. 21-23, Am. Royal Complex,
Kansas City, Missouri

Plan to Attend the SouthWestern Association Conference

Don't Miss The Early Bird Discount - Make Your Reservations Today!

A special rate of \$109 single or double occupancy has been arranged for convention participants at the Adam's Mark San Antonio Riverwalk. Contact the hotel at 1-800-444-2326 by no later than January 2, 2004 to secure the special convention rate. Identify yourself as part of the SouthWestern Association group. The hotel is located at 111 Pecan St., San Antonio, Texas.

Welcome to the second annual SouthWestern Association Equipment Dealers' Conference. This year's program is special in many ways. The merger of Southwest Hardware and Implement Association (SWHIA) and Western Retail Implement and Hardware Association (WRIHA) was a little more than a year ago, and the new SouthWestern Association is five states strong. It's an exciting time for all of us.

Together we can help strengthen the industry. Our convention and annual meeting in San Antonio, January 23-24, 2004, will be an opportunity to see old friends and make new ones in the invigorating atmosphere of one of this country's most exciting cities. We will be meeting at the beautiful Adam's Mark San Antonio Riverwalk. Plan to be there to start your year learning new concepts and having fun with industry colleagues.

Schedule at a Glance

Friday, January 23, 2004

8:30 – 11:30 a.m.	DIS Training
11:00 a.m.	Registration/Exhibits open
1:00 – 5:00 p.m.	Convention Workshop
6:00 – 8:00 p.m.	Manufacturer's Reception

Saturday, January 24, 2004

6:30 – 8:30 am	Early-Riser Breakfast and Exhibits
8:30 am – Noon	Morning Workshops
Noon – 1:30 pm	Lunch – Association business and annual meeting
2:00 p.m.	Optional Tours
6:00 – 10 p.m.	Dinner – Casino Night /Kids' Event

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SouthWestern Association

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Is your dealership receiving e-mail from SouthWestern Association?

If not, send us your e-mail address. We will forward important Association correspondence to your attention via e-mail. Please register your e-mail address at:

www.southwesternassn.com/register-email.htm

2004 Conference

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Education Sessions at the Conference

Friday, Jan. 23, 2004

8:30 - 11:30 a.m.

DIS Training - A Special Workshop

1:00 - 5:00 p.m.

The Great Game of Business

If you're ready to learn about open-book management and you want to find out how to use this to increase the profits of your business: you're ready to play The Game. The session will center on methods of sharing financial information with employees that have proven to increase the bottom line.

1:00 - 2:15 p.m.

Bienvenidos! - An optional Spouse Program, A Welcome and Orientation to San Antonio.

6:00 - 8:00 p.m.

Manufacturers Reception

Saturday, Jan. 24, 2004

8:30 a.m. - Noon

Talk to the Experts: Two Dealer Panels

Panel A: Creating a Selling Culture - How can we create a selling culture in our dealership where everyone sells?

Panel B: Increasing Your Margins - What are dealers doing to increase departmental and overall margins?

In the **Talk to the Experts** sessions, you'll hear best practices from successful dealers about how they are providing excellent customer service and making good margins.

Noon - 1:30 p.m.

Lunch and Association Annual Meeting

Annual meeting of members will bring you up-to-date on association business and give you insight and input into the association's future.

Optional Tours:

2:00 - 5:00 p.m.

San Antonio Sampler - A tour of the finest sights of San Antonio!

Homes of the Past - A tour of the unique residences of some of San Antonio's most prominent and influential people who lived here many year ago.

6:00 - 10 p.m.

Dinner and Casino Night

We'll wrap up the 2004 convention with the ever-popular dinner and casino night event. You'll enjoy a satisfying dinner, then let the games begin! We'll have blackjack, craps, roulette, Caribbean stud poker and other popular Las Vegas games - best of all, we give you the "money" to play and you'll be eligible to win prizes. There's a special party for kids arranged for those who bring their families to the convention.

Group Airline Discount

Southwest Airlines offers up to 10 percent off most fares for air travel to and from the event, with the convenience of Ticketless Travel! To qualify, call Southwest Airlines Group and Meetings Reservations at **800-433-5368** and reference the assigned **I.D. Code: L0305**. Reservations Sales Agents are available 7:00 a.m. - 8:00 p.m. Monday-Friday, or 8:30 a.m. - 5:30 p.m. Saturday and Sunday, Central Standard Time.

Registration Fees

For complete information and a registration form, contact SouthWestern Association at 816-561-5323 or 800-762-5616. Complete information is also available on our web site at www.southwesternassn.com.

January NAEDA Knowledge Net Courses

E-Courses

Profitable Design of a Service Department -

Jan. 6, 13 & 20 - 10:00 - Noon (Central Time)

Running Rental Successfully -

Jan. 6, 13 & 20 - 2:00 - 4:00 p.m. (Central Time)

Total Session Time: 6 hrs (3 sessions - 2 hrs each)

E-Seminars

United WE Stand ... Divided YOU Fall

Jan. 15 - 10:00 - 11:00 a.m. (Central Time)

Total Session Time: 1 hrs.

Getting Results from Talented Yet Challenging People

Jan. 29 - 10:00 a.m. - Noon (Central Time)

Total Session Time: 2 hrs.

Spill Prevention Control & Countermeasures Rule

Jan. 30 - 10:00 - 11:00 a.m. (Central Time)

Total Session Time: 1 hr.

Dealers should contact Kim White at NAEDA for additional information - 636-349-6202.

Federal Legislative News

Done for the Year – Having passed major reforms to the Medicare program, including a prescription drug benefit, lawmakers adjourned the first session of the 108th Congress. They will open the second session on Jan. 20. With no more action to come this year, here's a brief wrap-up on NRHA's Legislative Leadership Council's top five priority issues.

Internet sales tax – The issue is whether states should be allowed to collect sales and use taxes on sales from out-of-state retailers such as online retailers, telephone marketers and direct mail catalog houses. State governments want the revenue; retailers want the competitive playing field leveled. Remote sellers argue that sales tax rates and rules in the 45 states (and 7,600 localities) with sales taxes are too complex.

Bills were introduced in both the House and the Senate late in the session. They would give states who simplify their sales tax systems the authority to require retailers to collect sales and use taxes on remote transactions. They would require states to provide "reasonable and uniform compensation" to retailers for collecting the taxes and exempt remote sellers with less than \$5 million in gross annual remote sales from collecting taxes.

Both bills are in committee, the House Judiciary Subcommittee on Commercial & Administrative Law and the Senate Finance Committee, but advocates are optimistic there will be action in 2004.

Federal estate tax – The problem here is more than the amount of the tax. Family-owned businesses face difficult decisions in transferring ownership from one generation to the next. Owners find themselves involved in expensive estate planning to assure that the business will move intact to their heirs. The Economic Growth & Tax Relief Reconciliation Act of 2001 repealed the federal estate tax in 2010, but only for one year. The law has a sunset date of Dec. 31, 2010; the repeal expires in 2011.

The House has passed a bill to permanently repeal the estate tax and the Senate has similar legislation on its calendar for floor consideration. At this point chance of passage could be considered a draw, with advocates pushing for protection for family-owned businesses and opponents arguing that it would benefit only the wealthiest Americans.

Health care/insurance – Problems with providing affordable and accessible health care insurance are well known. Lawmakers have proposed numerous fixes for the problem, one of which is of particular interest to small businesses – association health plans (AHPs). Under proposed legislation, trade and professional associations would be allowed to pool their members' resources to purchase group health insurance. AHPs would be regulated by the U.S. Dept. of Labor and would not be subject to state insurance regulations.

The House has passed a bill to establish association health plans, but similar legislation is stalled in the Senate Health, **Continued on next page**

Boost Sales!

Put the industry's leading provider of credit card processing in your dealership.

With the Association-sponsored bankcard program*, you will increase your business and reduce receivables. Plus, NAEDA now offers a new, lower rate** for qualified transactions and that's more money in your pocket. Check NOVA's industry-leading payment processing solutions:

- Electronic Draft Capture
- Debit & Check Verification
- PC & Terminal Based Solutions
- Wireless Processing
- No Annual Fee
- \$2 monthly statement fee
- Dedicated phone line not required
- Equipment Purchase Options

For more information, call NOVA today at
1-800-546-1831

Mention the following code to receive a waiver of application fees: NAEDA 0203 AB.

NOVA NETWORK
The most reliable payment processing network in the industry

* The Association-sponsored Bankcard Program is a program of the South American Equipment Dealers Association, its U.S. affiliated associations and NOVA Information Systems. The program is not available in Canada.
** Rates for American Express and Discover negotiated separately.

The Bankcard Program is co-sponsored by the SouthWestern Association and the North American Equipment Dealers Association.

Federal Legislative News

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Education, Labor & Pensions Committee where Sen. Edward Kennedy (D-MA) is a vocal and powerful opponent.

Other ideas moving through Congress include allowing individuals with flexible savings accounts to roll unused funds into the next year, providing refundable tax credits for individuals to help pay health insurance premiums and creating health savings certificates for low to medium income families. Health savings accounts, which were created for small businesses and self-employed individuals in 1996, were expanded to all individuals in the new Medicare Prescription Drug Improvement & Modernization Act.

Consumer bankruptcy reform – A growing number of personal bankruptcies, in which all debts are discharged, leaves retail businesses holding uncollectible debts. Consumer bankruptcy reform bills have been passed in the last three Congresses, only to fail at the last minute. In each instance, centerpiece of the reform bill was a means test to channel high-income debtors with repayment ability into repayment plans.

This year the House once again passed a bill focusing on means testing and sent it to the Senate. It could come up for a floor vote there, but there's a good chance amendments will be added which will be unacceptable to the House.

Product liability/tort reform – Tort or civil liability suits usually focus on a product's manufacturer, but others in the distribution chain, including retailers, can be involved. There is no national product liability law, no nationwide standards or guidelines. Product liability litigation usually goes to state courts, where judges and juries make decisions which can be expensive for businesses.

For more than 20 years the business community, manufacturers in particular, has worked for product liability and tort reform legislation. Having failed to get comprehensive reform, Republicans in Congress are taking a step-by-step approach. One piece of legislation of

particular interest to the hardlines industry could be the Small Business Liability Reform Act.

Similar versions of this legislation have been introduced in the House and Senate. The bills are designed to protect retailers with fewer than 25 employees. They would cap punitive damages in product liability lawsuits at \$250,000 and abolish joint liability. An "innocent seller" provision would keep retailers from being sued over defective products manufactured by someone else unless their own conduct was responsible for the harm caused. The bills are currently in the House Commerce & Energy Subcommittee on Commerce, Trade & Consumer Protection and the Senate Judiciary Committee.

Action on Other Issues - Several other bills were enacted before adjournment. They include:

The Fair & Accurate Credit Transactions Act – This legislation reauthorizes the Fair Credit Reporting Act, makes permanent its pre-emption of state laws regarding consumer privacy and adds provisions to protect against identity theft. Although designed primarily for banks and other financial institutions, some of the provisions have implications for retailers.

The Can-Spam Act – This law sets out criteria companies must follow if they want to send unsolicited commercial e-mails, creates criminal penalties for violators and authorizes the Federal Trade Commission to develop a do-not-spam registry similar to its telemarketing do-not-call list.

The Check 21 Act – This law allows banks to exchange digital images of checks, which will reduce the time it takes for a check to clear to one day rather than the two to five days to process paper checks.

The American Dream Downpayment Act – This law will set up a four-year federal program to provide \$200 million in grants to low-income families to use to make downpayments on homes.

What Didn't Happen - Congress still has not completed work on

appropriations for fiscal year 2004. Six of the 13 bills have been passed; the other seven were rolled into one \$820 billion omnibus spending bill. The House passed it but the Senate did not. Not to worry, though ... the government is functioning on a continuing resolution which extends spending at 2003 levels until Jan. 31, 2004.

Another major bill met the same fate. The Energy Policy Act was passed by the House but stalled in the Senate. Primary obstacle: A provision that protects manufacturers of MBTE fuel additive, which has been found to contaminate water supplies, from lawsuits.

A Reminder – If you are required to keep federal OSHA workplace illness and injury records and post Form 300, a revised form is available. It must be used beginning in January 2004 for records to be posted in February 2005.

Not all retailers in the hardware/home improvement industry are required by federal rules to maintain Form 300. Those defined as hardware stores are exempt; those defined as building supply stores must keep records. State OSHA rules may differ.

Source: National Retail Hardware Association

Robert Hechler

Robert Hechler, owner of Hechler Hardware in Troy, Mo died Wednesday, Nov. 26 at St. Luke's Hospital in Chesterfield, Mo. Robert and his wife, Judy, bought the hardware business from Robert's father in 1966. Robert and Judy's sons, Daniel and Philip and their families, continue to operate the hardware company. The company has made several expansions over the years, including the most recent - Hechler's Hearth and Home.

The Hechler family has a long history in the hardware business dating back to 1896 when Robert's grandfather, Julius Hechler, founded the company.
