



February 2, 2021

President Joseph R. Biden Jr.
c/o Biden-Harris Transition Team
1401 Constitution Avenue, NW
Washington, D.C. 20230

Dear President Biden:

Founded in 1900, the Equipment Dealers Association (EDA) – formerly known as the North American Equipment Dealers Association (NAEDA) – is a non-profit trade organization that represents retail dealerships that are directly focused on the sale and service of agricultural, construction, industrial, forestry, outdoor power, lawn and garden, and/or turf equipment. Together with our regional partners, we work to provide essential value to our members by enhancing the dealer-manufacturer relationship and advocating for a positive legislative and regulatory environment.

On behalf of our Members, we ask for your consideration of the following policy objectives which are of profound importance to our industry:

1. Rebuilding infrastructure in rural America.

Past Administrations and their respective infrastructure initiatives have focused on urban and suburban infrastructure while failing to address the unique needs of rural communities. We ask that your Administration prioritize rural communities and these unique needs as part of a comprehensive infrastructure renewal effort. American agriculture takes immense pride in feeding the world and our industry creates millions of jobs for U.S. workers. Plainly, our neglected and deteriorating infrastructure threatens our position in the world market. We appreciate that your plan specifically includes roads and bridges, locks and dams, railroads, electrical, water systems and broadband. EDA is a Member of the Rebuild Rural Coalition and more information can be found through the Coalition Website, www.rebuildrural.com.

2. Regulatory Reform

Maintain the existing Navigable Waters Protection Rule

While you have already ordered review of the Navigable Waters Protection Rule, we encourage you to maintain the rule finalized under the prior Administration. The existing Regulation respects the limited powers that the executive branch has been given. Our Members serve farmers and ranchers across the United States. The current regulation has restored the proper balance between federal and state regulation of our nation's waters and protect our rivers, streams and lakes without stifling farming, ranching and the construction of important infrastructure improvements which are necessary to get agricultural products to market.

FN1: Source: <https://www.lifopro.com/blog/reasons-congress-keep-lifo-inventory-method/#:~:text=LIFO%20Repeat%20Consequences,%25%20combined%20marginal%20tax%20rate>).



Address the Threat of GPS Interference due to FCC Overreach

The Federal Communications Commission's ("Commission") recent failure to stay the *Ligado Order*, and to thereby respect that congressional purpose as articulated in the *William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021* ("NDAA"), is problematic given Congress' clear view that the *Ligado Order* insufficiently and/or erroneously assessed the real-world risks of the harmful interference that would be caused by *Ligado's* proposed terrestrial network. A broad cross-section of commercial and federal users across industries and professions, including farmers and ranchers who rely on satellite services to meet their precision agriculture needs, are fundamental to our economy, national security, and safety. We respectfully urge the Administration to work with your counterparts in the Senate and ensure that that the Commission reverses its decision denying the Petition for Reconsideration and to Stay the Order in favor of an immediate stay and reconsideration of that decision.

Balance Economic Concerns with Climate Initiatives

The United States' agricultural community has worked diligently for several decades to create to new technologies which ensure stewardship of natural resources and the preservation of our environment. This has come at a tremendous cost to farmers and ranchers across the country as they invest in this new, environmentally friendly equipment which complies with the specifications contained within the Clean Air Act.

We encourage your Administration to consider both the feasibility and cost of placing further climate change mitigation measures on the already stressed agricultural economy. For American agriculture to continue to lead the rest of the world on climate issues, the economy, including but not limited to the agricultural economy, must also be successful. We need to ensure any new policies adopted by your Administration not only make progress towards our climate goals, but also allow our agricultural economy to thrive.

3. Tax Reform

Under your proposed tax plan, you have endorsed a number of provisions which would be harmful to family owned businesses, including a large number of our Members. Specifically, we ask that you reconsider the following profound tax increases as these proposed changes would compound the financial and compliance burden on next generation family business owners including many of our Members:

Death Tax Plan: Under your proposed tax plan, you have proposed a return to 2009 law for the death tax (\$3.5 million exemption and 45% rate vs. \$11.7 exemption for individuals/\$23.4 million for couples in 2021 and 40% rate). This would more than triple the number of taxpayers currently subject to the death tax including many of our Members.

"Step up in basis" repeal: Stepping up the basis of property protects next generation business owners from the potential of paying "double taxes" by virtue of a 40% death tax and then another large capital gains tax upon the sale or future passing on of the business. Such an action demands an immense amount of liquidity simply to pay the taxes on a business for which there has been to corresponding influx of cash as there would be in the event of a sale.

FN1: Source: <https://www.lifopro.com/blog/reasons-congress-keep-lifo-inventory-method/#:~:text=LIFO%20Repeal%20Consequences,%25%20combined%20marginal%20tax%20rate>).



Capital Gains Due at Death: Death is not a predictable event and when a business owner passes away, inheritors under your plan owe capital gains taxes as if a profitable sale of the family business had occurred. This presumes a high degree of liquidity that the average small business owner does not have and would jeopardize many family businesses.

Taxing Capital Gains as Ordinary Income: A part owner of a large family business would potentially have to pay the ordinary income tax rate on a small business they inherited at death versus the capital gains tax rate. Again, this proposed policy presumes liquidity that the average small business owner does not have and would, as a result, jeopardize many family businesses.

Repeal of LIFO (Last In/First Out): Any repeal of the Last In/First Out accounting method should not be adopted. There are approximately 10,000 businesses that use the LIFO method based on IRS statistics and most of the businesses that use the LIFO method are small businesses rather than large, publicly traded companies. FN1.

4. Reconsider Harmful Executive Order - Keystone Pipeline

EDA and its Members regard the Keystone Pipeline a cornerstone, energy and infrastructure project benefitting rural areas of both Canada and the United States. Your decision to terminate the Keystone XL pipeline project has eliminated thousands of jobs in the middle of a global pandemic and this decision will have a profoundly negative impact in the affected rural areas. EDA respectfully requests reconsideration and reversal of this executive action.

As you take office and begin addressing the nation's needs, we hope you will provide leadership to ensure that rural America's needs are addressed. We stand ready to work with you and your administration to begin this important undertaking.

Respectfully,

A handwritten signature in black ink that reads 'L. Kim Rominger'.

L. Kim Rominger

President and CEO

Equipment Dealers Association

FN1: Source: <https://www.lifopro.com/blog/reasons-congress-keep-lifo-inventory-method/#:~:text=LIFO%20Repeal%20Consequences,%25%20combined%20marginal%20tax%20rate>).



FN1: Source: <https://www.lifopro.com/blog/reasons-congress-keep-lifo-inventory-method/#:~:text=LIFO%20Repeal%20Consequences,%25%20combined%20marginal%20tax%20rate>).