

DOWN TO EARTH

A publication for and about General Equipment & Supplies, Inc. customers • 2010 No. 1

Featured in this issue:

HEITKAMP CONSTRUCTION

Wahpeton company builds commercial,
industrial projects from the ground up

See article inside . . .



Neil Heitkamp,
Owner/President

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1 - 2009 KOMATSU PC220LC-8 HYDRAULIC EXCAVATOR (E26497), 19'2" BOOM, 11'6" ARM, 31.5" TRIPLE-GROUSER SHOES, EMMS, CAB WITH AC/HEAT/DEFROST.....\$187,500



1 - 2008 JCB 550-140 FORKLIFT (E25195), CAB WITH AC/HEAT, 96" GP BKT, 66" Q-FIT FRAMERS CARRIAGE, FRONT AND REAR WORK LIGHTS, ELEC 2-4WD SELECT, PALLET FOR KS.....\$132,500



1 - 2006 KOMATSU PC300LC-7 HYDRAULIC EXCAVATOR (E29957), EQUIPPED WITH CAB WITH AC/HEAT, 10'6" ARM, AUX HYDRAULICS, 33.5" TRACK PADS, JRB HYDRAULIC QUICK COUPLER.....\$149,000

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- 1 - 2007 KOMATSU D31PX-21 (E27924), 24" SHOES, ROPS CAB W/ AC/HEAT/DEFROST/PRES.....\$55,000
- 1 - 2001 KOMATSU D39PX-21 (E23815), 25" SHOES, CANOPY, SIDEBOOM ATTACHMENT.....\$99,000
- 1 - 1986 KOMATSU D65E-8 (E28501), PS TRANS, OPEN ROPS, STRAIGHT BLADE, HYD TILT.....\$29,000
- 1 - 2005 KOMATSU D65PX-15 (E29950), 36" SHOES, STEEL CAB W/ AC/HEAT/DEFROST/PRES.....\$125,000
- 1 - 1996 KOMATSU D58E-1B (E28502), 18" SHOES, OPEN ROPS CANOPY, AUX HYDRAULICS.....\$29,000
- 1 - 1989 CAT D3C (E28972), 16" PADS, 6-WAY BLADE, OPEN ROPS.....\$17,500
- 1 - 2003 KOMATSU D155AX-5 (M20201), ROPS CAB W/ AC/HEAT/PRESSURIZER, 26" PADS.....\$239,000

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- 1 - 2005 KOMATSU WA250-5 (E29842), ROPS CAB, W/ AC, RIDE CONTROL, PIN-ON BUCKET.....\$75,000
- 1 - 2005 KOMATSU WA250-5L (E28185), ROPS CAB W/ AC/HEAT/ DEFROST/PRES, GP BKT.....\$85,000
- 1 - KOMATSU WA320-5L (E29955), CAB W/ AC, ECSS RIDE CONTROL, GP BUCKET.....\$97,500
- 1 - 2004 KOMATSU WA380-5L (E28352), ROPS CAB, JRB BUCKET.....\$94,000
- 1 - 2007 KOMATSU WA380-6 (E28768), CAB W/ AC/HEAT/DEFROST/PRES, RIDE CONTROL.....\$139,000
- 1 - 2007 KOMATSU WA430-6 (E29107), ECSS RIDE CNTRL, KOMTRAX, 5.6-YD BKT.....\$125,000
- 1 - 2003 KOMASTU WA450-5L (E22349), ROPS CANOPY CAB W/ AC/HEAT/DFST/PRES, BKT.....\$115,000
- 1 - 1999 KOMATSU WA500-3L (E28743), ROPS CAB, AUTO LUBE, 7.5-CU-YD BKT W/ BOCE.....\$94,000

HYDRAULIC EXCAVATORS

- 1 - 2007 KOMATSU PC18MR-2 (E22799), OPEN CANOPY, 9" RUBBER SHOES, 14" GP BKT.....\$27,000
- 1 - 2010 KOMATSU PC35MR-3 (E28505), 12" ROADLINER TRACKS, CAB W/ AC/HEAT, 24" GP BKT...\$47,900
- 1 - 2009 KOMATSU PC55MR-3 (E26916), 16" RUBBER TRACKS, CAB W/ AC/HEAT, HYDRO DRIVE.....\$65,000
- 1 - 2005 KOMATSU PC78US-6 (E23479), 7'3" ARM, CAB W/ AC/HEAT, 24" GP BKT.....\$69,500
- 1 - 1988 KOMATSU PC100-3 (M14121), 7'6" ARM, 20" TRIPLE-GROUSER SHOES.....\$27,500
- 1 - 1997 KOMATSU PC120LC-6 (E26455), CAB W/ AC/HEAT, 24 SHOES, 34" GP BKT.....\$36,000
- 1 - 2002 KOMATSU PC128US-2 (E23529), CAB W/ AC/HEAT, 8'2" ARM.....\$45,000
- 1 - 1998 KOMATSU PC150LC-6 (E29210), 8'6" ARM, 24" SHOES, CAB W/ AC/HEAT, HYD THUMB.....\$49,000
- 1 - 2008 KOMATSU PC200LC-8 (E24502), 18'8" BOOM, 9'7" ARM, REAR CAMERA, KOMTRAX.....\$155,000
- 1 - 2009 KOMATSU PC220LC-8 (E26497), 19'2" BOOM, 11'6" ARM, CAB W/ AC/HEAT/DFST.....\$187,500
- 1 - 2009 KOMATSU PC220LC-8 (E26496), 19'2" BOOM, 11'6" ARM, CAB W/ AC/HEAT/DFST.....\$210,000
- 1 - 1996 KOMATSU PC300LC-6LC (E28713), 21'3" BOOM, 13'2" LONG ARM, CAB W/HEAT/DFST.....\$59,000
- 1 - 2004 KOMATSU PC400LC-7L (E28353), 23'2" BOOM, 15'9" ARM, CAB W/ AC/HEAT/DFST.....\$129,000

LOADALL

- 2 - JCB 532.....SEE WEBSITE



1 - 2010 JCB 527-55 LOADALL (E28311), 84-HP TURBO-DIESEL ENGINE, 4 WD, 6,000 LBS LIFT CAPACITY, CAB WITH AC/HEAT, LSD AXLES, FORKS AND SHOVEL BUCKET.....\$68,900



1 - 2006 KOMATSU WA200-5 WHEEL LOADER (E30100), EQUIPPED WITH ROPS CAB WITH AC/HEAT, RIDE CONTROL, 20.5-R25 TIRES, JRB HYDRAULIC QUICK COUPLER, JRB BUCKET WITH BOLT-ON CUTTING EDGE.....\$87,500



1 - 2008 KOMATSU D51PX-22 CRAWLER TRACTOR (E29118), POWERED BY A SAA6D107E-1 130-HP DIRECT-INJECTED TURBOCHARGED DIESEL ENGINE, 28" SINGLE-GROUSER SHOES, ROPS CAB WITH AC/HEAT/PRESSURIZER, KOMTRAX.....\$135,000



1 - 2005 KOMATSU WA320-5 WHEEL LOADER (E30097), ROPS CAB WITH AC/HEAT, 20.5-R25 TIRES, RADIO, JRB QUICK COUPLER, 3.25-CU-YD BUCKET WITH BOCE.....\$89,000



1 - 2004 KOMATSU WA380-5L WHEEL LOADER (E28352), ROPS CAB WITH AC/HEAT/DEFROST, LSD AXLES, JRB HYD Q/C, JRB 4.41 GP BUCKET.....\$89,000

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DOWN TO EARTH

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Komatsu's new PC228USLC-8 excavator has the power and lifting capacity you need in a compact and efficient package. See how this machine fits in a variety of applications.

MORE NEW PRODUCTS

Check out Komatsu's new D65-16 dozers and see how new features, such as six-way and Sigma blade options, add to efficiency and lower O&O costs.

PRODUCT SUPPORT

Read all about Komatsu's Central Parts Operation and how it works around the clock to minimize your downtime with on-time parts deliveries.

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HEITKAMP CONSTRUCTION

Wahpeton company builds commercial, industrial projects from the ground up



Neil Heitkamp,
Owner/President

From his office on the south side of Wahpeton, N.D., Neil Heitkamp could recently see part of his staff constructing new conveyors for the local Pioneer plant. Later in the day, when he stopped by Heitkamp Construction's shop on the other side of town, he could look across the road and see the company's handiwork at the Minn Dak facility.

Those are only two of the hundreds of projects Heitkamp Construction has finished in southeastern North Dakota and northeastern South Dakota during the course of 30-plus years. In many cases, Heitkamp Construction served as a general contractor, completing nearly all the site work as well as the construction.

"We do many start-to-finish projects for commercial and industrial clients,"

Heitkamp Construction recently added a PC228 excavator to its fleet. "Steel-erection jobs often take us into tight spots, and even though the PC228 has a zero tail swing, there's no sacrificing the ability to dig and load," said Owner/President Neil Heitkamp.



explained Heitkamp, who founded Heitkamp Construction in 1979 as a steel-erection company. "For instance, we may put up a steel building in a plant that involves site work, concrete footings and foundations, in addition to putting up the building itself. With our background and experience, we can do all aspects of the job, including the carpentry work on the inside. We'll sub out the plumbing and mechanical, but take responsibility for getting it done."

In many cases, Heitkamp's work begins before crews and equipment hit the jobsite. "We work with customers to find out what they need and design a project to suit them," said Heitkamp. "We provide a set of drawings and have those approved by engineers. Next, we handle layout, then start construction. Most of the time, we're the first and last people on a project."

Sand and black dirt for projects often come from Heitkamp Construction's sand pit, at the company's north shop location. The company also has several crushed-rock products that it trucks in, as well as large rocks it has gathered from various places to use as riprap. At its south location, the company has a fabrication shop for making steel pieces used on erection jobs.

Experience plays a vital role

Heitkamp Construction's ability to handle multiple aspects of a project is directly tied to Neil's background. During military service in the late 1960s and early 1970s, he took several courses related to the construction industry.

"I was part of a mobile team that had to be able to do a little bit of everything," said Heitkamp. "First was learning to run equipment, whether it was wheel loaders, dozers or scrapers. That was followed by steel work and carpentry. Most guys specialized in one area, but I was able to get experience in everything."



Recent additions to Heitkamp Construction's Komatsu fleet include D39 and D65 dozers purchased from General Equipment & Supplies with the help of Sales Representative John Gromatka. "I'm comfortable (buying low-hour, used Komatsu machines) because I've seen first-hand Komatsu's durability," said Owner/President Neil Heitkamp. "I know that John and General have thoroughly serviced and inspected those machines, and that they'll stand behind them."

The experience helped him land a job as a steel worker when he left the military in 1973. Six years later, he and a couple partners founded a small, steel-erection company, which later became Heitkamp Steel Contracting. Eventually, Neil bought out the others.

"Our sole focus early on was steel building erection, and slowly the business continued to progress," recalled Heitkamp. "I never thought the business would grow to this point. I'm kind of surprised, to be honest. I started with a car and a box of tools. Now there are 40 people working here, and we have about every type of equipment you can imagine."

Included in the staff are three foremen who have some ownership in Heitkamp Construction — Richard Meyer, Brad Steussy and Ken Klosterman. "Like many of the people who work here, those guys have been with Heitkamp Construction for a very long time," said Heitkamp, whose son Josh also works for the company. "That plays a big role in the company's longevity and success. No matter the project, or the scope of work, I'm confident that our employees are up to the task. We typically have six or seven jobs going at once, and I try to get to every one of them at least once a week. When I'm not there, I know I can trust that they're working hard to get the

project done on time and on budget."

Local jobs, ones in the immediate Wahpeton area, Heitkamp visits daily. At times, he's running equipment. "I've always been a hands-on owner. Running equipment is something I enjoy. I come into my office and handle paperwork first thing in the morning, then head out to the field to do what I can. One day I may be running an excavator and the

Staying with Komatsu, General

The number of pieces of equipment that Heitkamp has to run has grown considerably in three decades. As he added earthwork to the mix in 1989, he began acquiring excavators, wheel loaders and dozers.

"Taking on earthwork gave us additional control of projects and made us a more well-rounded company," said Heitkamp. "At first, we used a competitive brand. But we met (General Equipment & Supplies Sales Representative) John Gromatka, and he sold us on trying a used Komatsu PC200 excavator. That was about 1996, and it had around 1,500 hours at the time. It was productive from the start, and we never had any issues with it. Because of the value we got out of that machine, nearly everything we've added has

Continued . . .

Local work keeps Heitkamp Construction busy

... continued

been low-hour, used Komatsu.

"I'm comfortable with that because I've seen first-hand Komatsu's durability," added Heitkamp. "It lasts, and it doesn't cost us in downtime. Much of the Komatsu equipment we have are pieces that were leased by others prior to us buying them. I know that John and General have thoroughly serviced and inspected those machines, and that they'll stand behind them."

Heitkamp recently traded in the PC200 for a PC228, which complements a fleet that includes a PC300, a PC120 and a PC50.



Heitkamp Construction uses this Komatsu WA320 wheel loader to stockpile, load and move material at its sand pit in Wahpeton.



Operator Butch Stollenwerk breaks rock with a hammer attached to a Komatsu PC120LC excavator at Heitkamp Construction's north shop in Wahpeton. "Komatsu excavators not only have the power, but superior hydraulics for running the various attachments we use," said Stollenwerk. "They're excellent machines across the board."



The company added D65 and D39 dozers last year and runs a WA320 wheel loader at its sand pit to load, stockpile and carry materials. Heitkamp worked with Gromatka in purchasing the additional pieces.

"We believe the hydraulics and power in the Komatsu machines stand out," said Heitkamp. "Case in point is the PC228. Steel-erection jobs often take us into tight spots, and even though the PC228 has a zero tail swing, there's no sacrificing the ability to dig and load. It also has the hydraulic power to run attachments such as our demolition hammer. Like every Komatsu product we've run, it gets the job done efficiently and with minimal downtime."

For parts and occasional service items, Heitkamp calls General Equipment & Supplies' Fargo branch. "We've worked with John Gromatka for about 15 years, and I believe that says a lot about General. The continuity of working with one person throughout the years gives us peace of mind. We know they're going to be there when we need them. John and General are great to work with."

Bigger not always better

Heitkamp believes his customers see the same in Heitkamp Construction. He estimates that about 95 percent of the company's work is done for repeat customers, including Minn Dak where Heitkamp Construction recently completed a two-year project. Heitkamp crews constructed three buildings at the facility.

"That project really points out the growth we've experienced over the years," said Heitkamp. "The biggest building was 220 feet by 860 feet with 32-foot-high side walls, and it was 62 feet at the peak. The nice part was that it was right in our own backyard. We try not to get out any farther than 150 miles from home, so that our guys can be home with their families at night.

"Fortunately, through the years, we've been able to do that by taking care of our customers right here at home," he added. "That's a reason why I don't have any plans to get bigger, because I don't believe that bigger is better. We've grown to a point where we can handle multiple aspects of a job with the assurance of delivering on time and on budget. Getting bigger risks that, and that's a risk I'm not willing to take." ■



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SPECIAL EVENTS

TAKING A “TEST DRIVE”

Demo Days is an opportunity to operate new equipment in a “real-world” environment

All of Komatsu’s newest product offerings were featured at a Demonstration Days event at the Komatsu Training Center in Cartersville, Ga., in early November. A number of General Equipment customers were among those attending. New models that were available for equipment users to “test drive” were the D65EX/PX-16 dozers, the PC450LC-8 hydraulic excavator and the GD655-5 motor grader.

“The goal with Demo Days is to give our distributors and their customers an opportunity to run our newest machines in a simulated ‘real-world’ environment,” said Bob Post, Komatsu Director of Marketing Relations and Sales Training. “Our Cartersville facility has a large proving ground for digging, pushing, loading and hauling, to give equipment users a good feel for what the machines will do for them on their jobsites.”

Other machines at Demo Days included the revolutionary D39-22 and D51-22 dozers; a D155AX-6 with Sigma blade for improved material carrying; a PC800LC-8 excavator; and the world’s first hybrid hydraulic excavator, the Hybrid PC200LC-8. Also on hand were a WA600-6 wheel loader and the HD605 haul truck, among others.

In addition to machine demos, many attendees also visited Komatsu’s Chattanooga Manufacturing Operations, the Tennessee plant that produces many Komatsu excavator models. ■

For more information on Komatsu equipment, contact your General Equipment sales representative or visit or call our nearest branch location.



(L-R) General Equipment President Don Shilling attended Demo Days with Transystems LLC’s Dan Brennan, Kevin Iversen and Scott Lind.



Demo Days gives equipment users an opportunity to visit face-to-face with Komatsu engineers such as Les Scott (left), shown here explaining the benefits of Komatsu’s Sigma blade design.

Attending Demo Days at the Komatsu proving grounds in Georgia is a way to try out all the new Komatsu machines in one place at one time.



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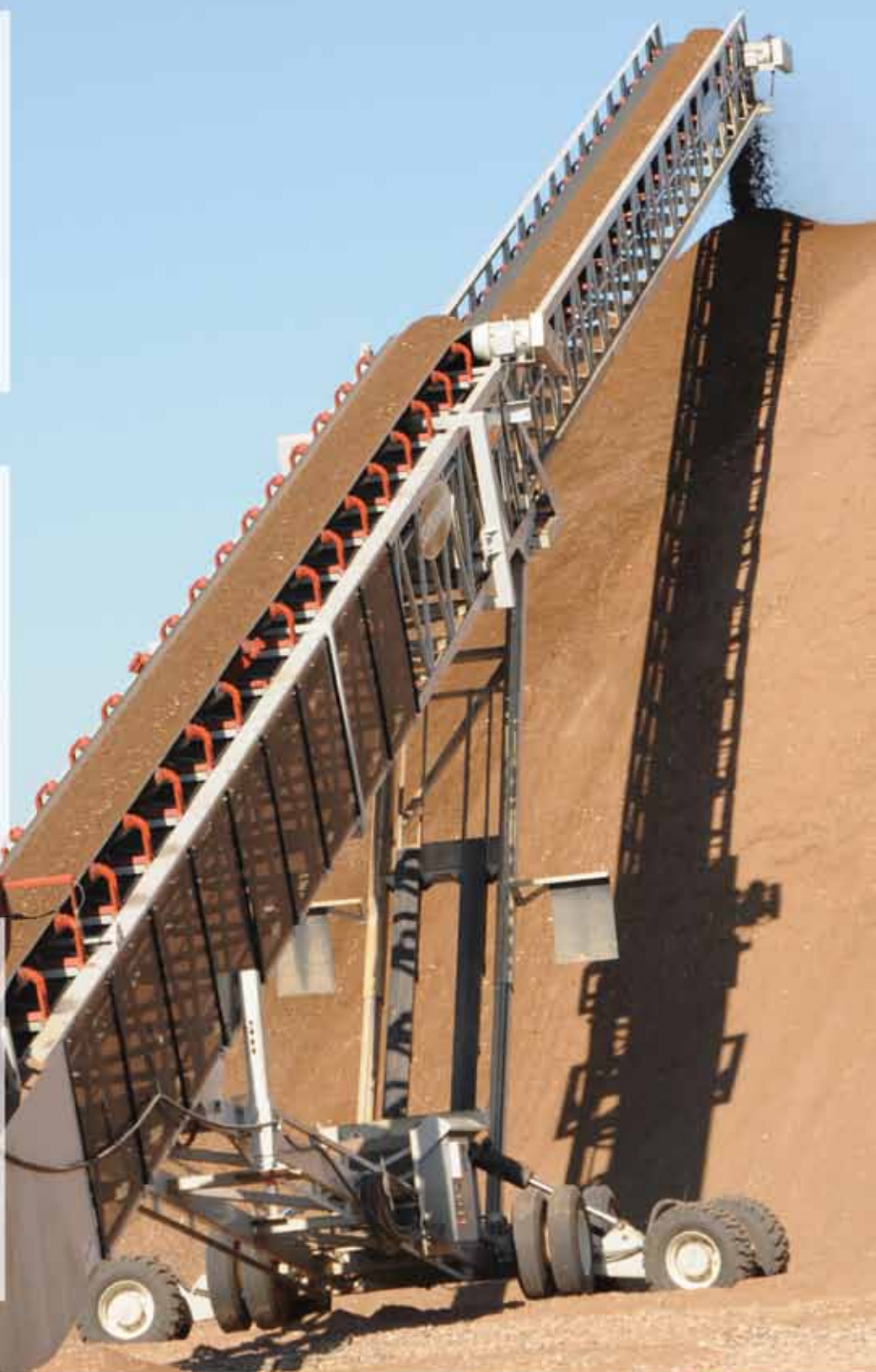
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TAX ADVANTAGES RETURN

Jobs Act reinstates depreciation bonus and additional Sec. 179 expensing

The depreciation bonus and Sec. 179 expensing were reinstated when President Obama signed the Small Business Jobs Act in September. As before, the depreciation bonus is at 50 percent on new equipment purchases made in 2010 and is retroactive to the beginning of the year.

New equipment must be purchased and put into service this year in order to be eligible for the depreciation bonus. The depreciation bonus offers tax advantages to businesses purchasing tangible personal property, including construction, mining, forestry and agricultural equipment with a Modified Accelerated Cost Recovery System (MACRS) recovery period of 20 years or less.

Previously available as part of economic stimulus measures in 2008, the depreciation

bonus was further extended under the Economic Stimulus Package before being eliminated at the end of last year. It proved positive when in effect, according to a study by industry groups.

Sec. 179 expensing was popular as well, and its reinstatement runs through 2011. The Small Business Jobs Act doubled the previous expensing level to \$500,000 and the phase-out threshold to \$2 million. New and used equipment is eligible for the additional expensing.

The depreciation bonus and Sec. 179 expensing can be combined. For further information on how these advantages may help you, contact your sales representative or one of our branch locations. ■

New equipment purchased and put into service this year is eligible for the 50-percent depreciation bonus reinstated under the Small Business Jobs Act signed into law in September. The law also reinstates additional Sec. 179 expensing, with increased levels to \$500,000 and a \$2 million phase-out on new and used equipment. The depreciation bonus and Sec. 179 expensing can be combined.



CONEXPO COMING

Next year's big construction industry event to be even larger than its predecessors

When CONEXPO-CON/AGG was held in 2008, it counted itself the largest construction industry event of its kind with attendance topping 144,000. When it returns to Las Vegas in 2011, that claim may not hold, as CONEXPO-CON/AGG is expected to be even larger.

CONEXPO-CON/AGG will be held at the Las Vegas Convention Center March 22 to 26 with more than 2 million square feet of exhibit space that features a wide variety of equipment, educational opportunities and technology. The event is held in conjunction with the International Fluid Power Expo (IFPE), an exposition and technical conference dedicated to the integration of fluid power with other technologies for power transmission and motion control applications. It's on pace to top more than 126,000 square feet.

"These numbers are especially gratifying given the continued slowdown in the manufacturing

sector," said Megan Tanel, Vice President Exhibitions and Events for the Associated Equipment Manufacturers (AEM). "We value the industry support we're receiving as we strive to offer the industry a gathering place to sell their equipment, products and services as well as network with their peers."

More networking opportunities will be available with the addition of the International Concrete (ICON) Expo, which will be co-located with CONEXPO-CON/AGG and IFPE. Presented by the National Concrete Masonry Association (NCMA), ICON is designed to serve the needs and interests of all producers, suppliers, designers, architects and others involved in the concrete products industry.

Learning opportunities

Attendees can also learn how to make their businesses more efficient and profitable with a wealth of educational opportunities presented by industry experts.

More than 125 educational sessions are available in nine categories: Aggregates, Asphalt, Concrete, Earthmoving and Site Development, Equipment Asset Management, Management Best Practices, Recycling/Sustainability, Safety and Workforce Development. Within each, attendees can find such topics as how to secure the most profitable projects in your area; unlimited alternatives to money — business to business credit; cash management and forecasting through tough times; tips on working with federal and state legislators to help shape projects; and work force 2012 and beyond.

Sessions generally run 90 minutes and include materials attendees can take with them for future reference. Educational credits are available for many sessions.

CONEXPO-CON/AGG will be held March 22 to 26, 2011, at the Las Vegas Convention Center. More than 2 million square feet of exhibit space will feature the latest in machinery and technology for the construction industry.





Komatsu will highlight its Hybrid PC200LC-8 excavator, as well as new equipment with Interim Tier 4 engine technology that goes into effect at the beginning of next year.

Also new in 2011 is an enhanced Safety Zone with an innovations theater and simulators that feature exhibits and demonstrations from industry and government groups, including OSHA, MSHA and others.

In addition, CONEXPO-CON/AGG will hold a Green Roads Summit designed to offer insight into how sustainability efforts affect current and future road construction projects.

Easy navigation

As in the past, event organizers are making it easier to navigate around the site. Similar products and companies will be grouped together. For instance, those interested in earthmoving equipment can find it in the North Hall, part of the Central Hall, the Riviera Pavilion and the Gold, Blue and Riviera lots outside the convention center.

Komatsu will display more than 20 products, including its revolutionary Hybrid PC200LC-8 excavator as well as products that feature new Interim Tier 4 engine technology which goes into effect at the beginning of 2011 for a large number of construction machines. In its 30,000 square feet of display area in the North Hall (Booth 1009) will be excavators, dozers, motor graders, trucks and more. Komatsu personnel will be on hand to provide information and answer questions.



Komatsu's 30,000-square-foot display area will showcase machinery as well as technology, such as its KOMTRAX remote machine-monitoring system that allows users to track hours, location, service intervals and other valuable information from a secure website.

A theater presentation in its exhibit space will highlight product features and the service and programs Komatsu and its distributors offer in support. One program Komatsu will showcase is its KOMTRAX remote machine-monitoring system that's standard on most new machines and free for the first five years.

Continued . . .

Komatsu display features new technology

... continued

Past attendees enjoyed Komatsu's video simulators, so a six-person video game center will be part of the exhibit space at the upcoming expo. It features a Komatsu HM300 articulated truck in a race through a fictional construction site. A company store with items

such as apparel and die-cast models rounds out Komatsu's display.

Other product concentration areas for lifting equipment, asphalt paving and production, concrete paving and production, aggregate processing and heavy-duty trucks and mixers will be set up at the expo. Sub-specialties such as engines, hydraulics, lubricants, tires and components have their designated areas as well.

Information stands will be set up throughout the show, and interactive product locators, searchable by company and product, will be on the show floor. These will also have information regarding seminars and meetings. Other show services include a free shuttle system to transport visitors from hotels to and from the convention center and an intra-show shuttle system.

A positive experience

In addition to AEM, there are several organizations that sponsor CONEXPO-CON/AGG, including many with which attendees are affiliated. Among them are the American Concrete Pavement Association, American Road & Transportation Builders Association, The Associated General Contractors of America and Land Improvement Contractors of America.

Statistics show that the vast majority of those who attend CONEXPO-CON/AGG and its co-located shows see it as a positive experience. About 80 percent of attendees at the 2008 event rated it as excellent or very good.

According to a recent AEM survey of contractors, industry customers cite new products, such as those displayed at CONEXPO-CON/AGG, IFPE and ICON, and access to industry experts as key reasons for attending these types of shows. Organizations believe the shows provide valuable benefits to attendees and exhibitors alike.

"What remains the same is (our) commitment to offer a quality show experience and outstanding customer service," said IFPE Show Director Melissa Magestro. "We are industry-run shows and delivering maximum value to attendees and exhibitors is our top priority."

For more detailed information on the show, visit www.conexpoconagg.com. ■



Product managers and other personnel will be on hand to provide information and answer questions about how Komatsu can help your business.

As in past years, Komatsu will feature a large display area that highlights many of its new products, including wheel loaders and excavators.



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NEW HYBRID EXCAVATOR

Komatsu unveils the future of excavation with its revolutionary Hybrid PC200LC-8



Dave Grzelak,
CEO and Chairman,
Komatsu America



Armando Najera,
Product Manager
Excavators

By now you've probably seen hundreds of cars with a green leaf on them indicating they use hybrid technology. You may have even wondered when that technology would be available in construction equipment. The answer is now, with the launch of Komatsu's new Hybrid PC200LC-8 excavator.

Komatsu is the first manufacturer to commercialize a hybrid excavator, and has been for more than a year. Komatsu's unique Hybrid controller synchronizes the conventional diesel engine and hydraulic pumps with electric assist that uses energy that's wasted in conventional machines. The Hybrid PC200LC-8 works on the principle of regeneration and energy storage using the

Komatsu Ultra Capacitor system that turns the stored energy into power transmission.

"This is similar to hybrid car technology," explained Armando Najera, Product Manager Excavators. "Hybrid cars use batteries that capture energy from the brakes when the car slows down. The difference is the Hybrid PC200LC-8 captures energy during the swing brake and stores it in the Ultra Capacitor. The Ultra Capacitor works in harmony with the engine, providing a seamless experience for the operator. Each time the upper structure slows down, energy is created and stored, then used to assist the engine. The result is greater fuel economy versus a conventional machine."

Najera points out that the more the upper structure rotates, the greater the efficiency. "Any application where the machine has to rotate frequently, such as mass excavation and utility trench digging, are ideal for the Hybrid. Each time the upper structure slows down, more energy is sent to the Ultra Capacitor and is available to assist the engine."

Actual customer trials have shown fuel savings of 25 percent to 41 percent when compared to a conventional PC200LC-8.

"Obviously, the fuel savings depend on the application, but our testing shows significant fuel reduction under a variety of applications," said Dave Grzelak, CEO and Chairman of Komatsu America. "There's also a significant reduction in CO₂ emissions with the hybrid. Compared to a conventional PC200LC-8, our data show that during the course of 2,000 hours — a fairly typical number of hours put on an excavator in

Brief Specs on the Komatsu Hybrid PC200LC-8 Excavator

Model	Operating Weight	Net Horsepower	Bucket Capacity
Hybrid PC200LC-8	43,643-47,260 lbs.	138 hp	0.66-1.57 cu. yd.

Truck loading and trench digging are ideal applications for the Hybrid PC200LC-8, according to Product Manager Armando Najera. "The more the upper structure rotates, the more energy is sent to the Ultra Capacitor and is available to assist the engine, resulting in greater fuel economy versus a conventional machine."



a year — the hybrid emits up to 25 tons less. That's equivalent to taking nearly 600 5,000-gallon tanker trucks off the road. That's something to be very excited about."

A very efficient system

Komatsu's Hybrid PC200LC-8 reduces fuel consumption and emissions thanks to innovative technology that captures previously wasted energy and converts it to electricity that can be used to power the machine. Unlike conventional excavators, which use a hydraulic motor to rotate the upper structure, the Hybrid employs an electric swing motor that captures the energy that is normally wasted during swing braking.

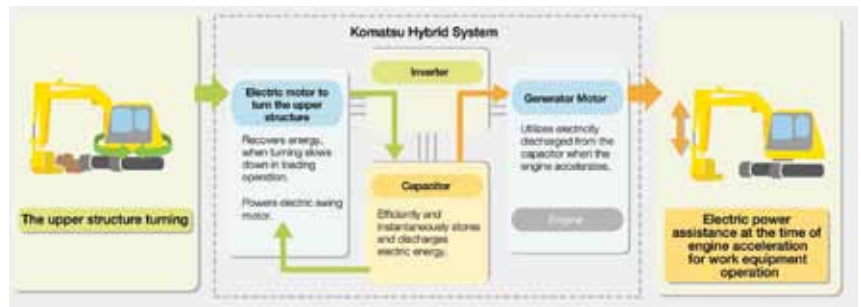
The energy goes through an inverter that changes it from AC to DC and quickly stores it in the Hybrid PC200LC-8's Ultra Capacitor where it remains available until needed to power the swing motor or to assist the engine to create hydraulic power.

In addition to the swing motor, inverter and Ultra Capacitor, the Hybrid PC200LC-8 uses a built-in generator motor between the engine and the hydraulic pumps for effective transmission of energy to the pumps. The generator can charge the Ultra Capacitor during periods when no work or travel operations are used. The generator motor also receives power from the Ultra Capacitor for engine assist.

"It's a very efficient system," affirmed Najera. "Think of the Ultra Capacitor like a balloon that's taking in air as it's being blown up. In this case the air represents the energy being stored in the capacitor. When a balloon pops, the air rushes out. The Ultra Capacitor works the same way in that it releases energy instantaneously when it's needed. Side-by-side, the Hybrid has the same digging force and performance levels as a standard machine, while using less fuel and reducing emissions."



In a side-by-side comparison with a standard PC200LC-8, the Hybrid PC200LC-8 performed the same amount of work with a fuel savings of more than 30 percent. Komatsu's data, gathered over nearly two years, shows the Hybrid can save upward of 40 percent, depending on the application.



Monitor displays status of stored energy

Similar to a standard PC200LC-8, the Hybrid has a seven-inch LCD monitor that displays valuable information regarding machine location, utilization, hours and service intervals. It also comes standard with Komatsu's KOMTRAX remote machine-monitoring system.

In addition, the operator and owner can see energy flow on the "Hybrid Operation Monitor" as the machine operates. Users can change the monitor to display status of the Ultra Capacitor charging and discharging and engine assist by the generator motor as energy flow.

"The Hybrid is another aspect of Komatsu's overall commitment to produce the most efficient and environmentally friendly equipment," said Grzelak, who noted that hybrid technology is not new to Komatsu, which has been producing hybrid forklifts for a few years. "The Hybrid PC200LC-8 is a revolutionary product that's already been proven in the field to reduce fuel consumption without a reduction in productivity." ■

To watch the new Hybrid PC200LC-8 excavator in action, go to www.komatsuamerica.com and click on the "Find out about Komatsu Hybrid Excavator" link.

NEW PRODUCTS

NEW PC228USLC-8

Tight-tail-swing excavator provides increased lifting capacity in a variety of applications



Doug Morris,
Product Manager



To see this machine in action,
find this article in our
online magazine at
www.GeneralDownToEarth.com

There are times and conditions when a large excavator is not feasible, but you still need power and lifting capacity to get the job done. Komatsu's new tight-tail-swing PC228USLC-8 provides both in a compact and efficient package.

The new PC228USLC-8 replaces the previous Dash-3 model with nearly 3,000 pounds of added counterweight mass that helps provide additional lifting capacity over the front and side. More counterweight mass adds operating weight as well and provides better stability in all digging and lifting projects, including road and bridge construction, as well as urban applications.

"The new PC228 is really a versatile machine that practically anyone who moves

earth can appreciate, and that includes utility contractors," said Product Manager Doug Morris. "Customers tell us they love the tight-tail-swing excavators, so we took the best features of our previous model and built upon that with their input. The results are great."

At the same time Komatsu beefed up the PC228USLC-8, it decreased fuel consumption and hydraulic loss through an enhanced Closed Center Load Sensing system that features variable speed matching (VSM) that optimizes performance of the engine and hydraulic systems. VSM gives operators power on demand when needed. In addition, piping size on the bucket circuit is increased, and a newly added quick-return valve reduces hydraulic loss for better efficiency.

The operator can further control efficiency using the machine's five working modes (Power, Economy, Lifting, Breaker and Attachment) that match engine speed, pump flow and system pressure to a specific application. The PC228USLC-8 also has a one-touch Power Max Function that increases digging force by 8 percent for 8.5 seconds in hard-digging applications.

Cab enhancements reduce operator fatigue

By making the PC228USLC-8 cab spacious and comfortable, Komatsu reduces operator fatigue for increased productivity. The pressurized cab minimizes the amount of dust entering the operating platform and its rigid frame is damper mounted for reduced noise and vibration levels.

"The PC228USLC-8 is really the best of both worlds," said Morris. "You get plenty of power and stability in a more efficient package. That means lower operating costs, which is something everyone can appreciate." ■

Brief Specs on Komatsu PC228USLC-8

Model	Operating weight	Horsepower	Bucket capacity
PC228USLC-8	53,195-54,405 lbs.	148 hp	0.66-1.57 cu. yds.

Added counterweight highlights a list of features that give the PC228USLC-8 greater lifting capacity, productivity and efficiency.



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MORE NEW PRODUCTS

NEW D65-16 DOZERS

A long list of new features, including 6-way and sigma blade options, adds to efficiency and lowers O&O costs

More dozing capacity and greater efficiency in a variety of applications are always an advantage. Komatsu's new D65-16 model dozers — EX, WX and PX — provide both, thanks to a long list of new features, including a Power Angle Tilt (PAT) blade and a fuel-efficient, 205-horsepower, Tier 3 engine.

Unavailable in some previous models, a six-way PAT blade can now be used on all new D65s. The hydraulic blade tilt, angling functions and manually adjustable blade pitch expand versatility and productivity in a wide range of applications. It's well balanced for light and medium dozing operations as well as providing precise grade cutting required in site prep, golf course or house pad applications. The blade is 100-percent Komatsu, and is stringently tested for durability.

"Users like the PAT blade because it rolls material forward so well, it takes less horsepower to move it," said Product Manager Bruce Boebel. "Komatsu designed the blade to keep that material rolling in front of it and away from hoses and cylinders. That extends their life and reduces maintenance costs."

Boebel said adding a PAT blade to all new D65s came about as a result of customer feedback, but it's not the only blade option. A revolutionary Komatsu SIGMA blade is available for the D65EX-16 and D65WX-16 models. It's designed for heavy dozing applications and keeps more material to the center, giving it a 15-percent boost in productivity when compared to a typical semi-U. PX and EX models can also be equipped with a straight blade.

"Having blade options allows users to choose what's going to best suit their business and the type of work they do," said Boebel.

"Each blade has its particular purpose, and matching the blade to the application is a vital part of being able to move material efficiently so per-yard costs stay low."

Lock-up torque converter, two modes

Power to push any blade full of material comes from a highly efficient lock-up torque converter that automatically transfers engine power directly to the transmission. The result is increased dozing speeds compared to

Continued . . .



Bruce Boebel,
Product Manager

Brief Specs on the Komatsu D65-16 Dozer		
Model	Operating Weight	Net Horsepower
D65EX-16	43,980 lbs.	205 hp.
D65PX-16	46,960 lbs.	205 hp.
D65WX-16	45,570 lbs.	205 hp.

All new D65-16 models can be equipped with a six-way Power Angle Tilt blade that rolls materials forward, resulting in less horsepower used and better fuel efficiency. A lock-up torque converter and two-mode transmission are also new features in the Tier 3 machines.



To see this machine in action,
find this article in our
online magazine at
www.GeneralDownToEarth.com



Longer undercarriage life, easier maintenance

... continued

previous D65 models. Operators can select from two gearshift modes, automatic and manual, to fit the appropriate application.

At the same time, in Auto mode the lock-up torque converter helps reduce fuel consumption by as much as 10 percent with the new D65s. New Power and Economy modes allow operators to match the needed performance to the job for maximum efficiency. E mode can be used for all general dozing, leveling and spreading applications, providing the right mix of speed and power for maximum fuel savings. P mode is for slot dozing, ripping or other applications requiring maximum production where engine power has priority over fuel efficiency.

“Our excavator users rave about the ability to choose modes based on work load, and it makes sense in dozing as well,” stated Boebel. “If you don’t need full power to get the job done, why use it? The ability to change modes to suit the application gives users added versatility. They have one machine for multiple uses.”

PLUS extends undercarriage life

The new D65-16 models come with Komatsu’s Parallel Link Undercarriage System (PLUS) — the EX and WX models also have an additional foot of track on ground — that provides up to double the wear life of conventional undercarriages. The rotary bushing system virtually eliminates bushing wear, and wear

limits of the link and carrier roller are increased to balance the extended life of the bushing.

Added undercarriage life also comes from an improved, self-adjusting, idler support that applies constant downward pressure to the wear plate of the idler guide, preventing bouncing and vibration and reducing noise. It also acts as a scraper that keeps materials out. A full guarding package, designed with customer feedback, offers added durability and lower maintenance time and cost.

“The biggest cost of owning and operating a dozer is the undercarriage, and by extending its life, Komatsu is keeping that cost down,” noted Boebel. “We want customers to produce with these machines for a long time to come, and the new and enhanced features we added to the undercarriage accomplish that.”

Efficient maintenance

Added efficiency in the D65-16s comes from better visibility in the larger ROPS/FOPS cab that puts the operator higher and more forward for improved sight to the blade. The cab is ultra quiet at a 75-decibel rating, and an air-ride seat and rear hydraulics are standard. A seven-inch, in-cab, color monitor allows owners and operators to track fuel consumption and idle time, as well as other functions, using Komatsu’s KOMTRAX technology that comes standard and is free for the first five years.

KOMTRAX helps provide better maintenance tracking to ensure proper service intervals are met, further keeping owning and operating costs down. Komatsu’s new D65 models also feature easy routine maintenance that includes daily engine checks grouped at the left-hand side of the engine compartment. A wide-core cooling package and manually reversing fan allow for quick cleaning of the radiator without leaving the cab.

“There are so many things you can point to that make these new models an upgrade over previous ones,” said Boebel, who noted that the dozers can come with Topcon plug-and-play or Trimble ready. “We designed these from the ground up with a list of enhancements our customers wanted. The result is more efficient and reliable machines, which is what they asked for.” ■

EX and WX models can be equipped with a SIGMA blade designed for heavy dozing applications. Blade visibility is better in the new D65s as the cab was designed to move the operator up and forward.



ON-TIME DELIVERIES

Komatsu's Central Parts Operation works around the clock to minimize your downtime

Tour Komatsu's Ripley parts facility and you will find what looks like a beehive of activity. Row upon row of parts bins stretch out in every direction. Employees on foot, on carts and on forklifts are in constant motion, darting down aisles and aisles of Komatsu parts. They're restocking shelves and bins, pulling parts for routine and emergency distribution and working to ensure orders are filled and in customers' hands quickly.

Sitting on 56 acres of an industrial park in Ripley, Tenn., the warehouse is Komatsu's Central Parts Operation (CPO), the main hub that handles parts distribution for Komatsu distributors and their construction, utility and mining customers throughout the world. General Manager Terry Varner, who oversees operations, said the importance of what the CPO does cannot be overstated.

"What we do has a dramatic effect on people's livelihood," stated Varner, a nine-year veteran of the CPO. "We supply the parts that people make their living with, and how quickly we get parts to them often determines profit or loss on a job. It's not like the automotive industry, where, if a part isn't available, owners can find an alternate way to get where they're going until it is. There are more time constraints with construction and mining businesses. We're working to ensure they have what they need just as quickly as possible.

"For example, we have overlapping shifts throughout the day, with one time period from about noon to the middle of the afternoon that's dedicated solely to filling emergency orders," Varner added. "Emergency orders are shipped the same day they're placed, no matter where the order comes from. Our goal is to get those parts where they need to be first thing in the morning. That's not always possible on

international shipments, but limiting customer downtime is an obvious priority."

In order to ensure that the hundreds of daily parts orders are delivered in a timely manner, the CPO is open 24 hours a day, seven days a week. Filling that many orders may seem like a daunting task to someone visiting the CPO — something Varner encourages — but he says it's all in a day's work for the dedicated and experienced staff. There are about 150 employees working at the warehouse, which has 584,000 square feet of indoor storage and another 150,000 outdoors.

"Komatsu started using this facility in 1991, and several staff members have been here since day one," said Varner, who noted recent additions to the facility include Spanish-speaking customer service agents. "We have a very self-motivated work force



Terry Varner,
General Manager

Continued . . .

Komatsu's Central Parts Operation in Ripley, Tenn., has more than a half-million square feet of indoor storage space and 150,000 square feet more outdoors.



CPO stocks new parts, reman components

... continued



George Terrell,
Parts Distribution
Manager

that knows exactly what to do when an order comes in, whether it's a routine function, such as putting items in the bins, or filling an emergency order. They understand deadlines and work hard to meet them."

Parts for classic Komatsu machines

More than 60 inbound trucks pull up to one of the facility's 32 dock doors each day with parts for excavators, mining trucks, wheel loaders and every other type of equipment Komatsu manufactures. Much of the inventory is placed in bins where it's ready to be pulled to fulfill an order. Some parts go to one of Komatsu's eight regional parts depots in North

America, Komatsu distributors or directly to customers.

Varner noted that the CPO warehouse contains parts for new and old machinery alike. "Customers appreciate the longevity of their Komatsu equipment; that's why we carry parts for equipment going back two decades or more. So, the customer running equipment that was manufactured several years ago can be confident we'll have what he needs." Varner also oversees a core processing center that's located near the Ripley CPO. "At our core processing center, we take back old cores — engine and transmission blocks and other major components — remanufacture them and stock them here, along with new OEM parts."



Gordon King works to fill a parts order at Komatsu's Central Parts Operation. As Komatsu's main hub for parts distribution, the warehouse employs more than 150 and is open around the clock.



The Central Parts Operation carries thousands of items for Komatsu machines, from routine maintenance items to engines. It also carries remanufactured engine and transmission blocks and other large components.

Komatsu's Central Parts Operation is expanding with a 100,000-square-foot addition that's designed to improve efficiency. The CPO handles parts for Komatsu's construction, mining and utility equipment around the world, including both new and remanufactured components.

Always working to improve

In addition to construction and mining, the CPO recently took on distribution of parts for other Komatsu products such as forklifts and industrial presses. Those additions, as well as a growing number of Komatsu machines in the field, dictated some expansion at CPO. Currently under construction is a new 100,000-square-foot addition.

"For years, many of our inbound parts have first gone through a third-party logistics company about 50 miles away before coming to us," explained Varner. "The new addition will house that company, which will save significant time. It will increase efficiency and improve customer service."

Those are areas the CPO staff is always striving to improve, according to George Terrell, Parts Distribution Manager. Terrell has been with Komatsu 40 years and helped set up the Ripley facility when it opened. He said technology and other initiatives have made filling customer orders faster over the years.

"It's a never-ending task to find the most efficient and productive ways to get parts to our distributors and customers," said Terrell. "We're much more efficient and productive than when we started here, but we're never satisfied. When Komatsu first moved here, order accuracy, along with other start-up issues, was a challenge. The error rate is now below 1 percent. That sounds great, but we want zero." ■





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FOCUSED ON QUALITY

General Manager Don Russell says Komatsu's NMO is dedicated to customer satisfaction

QUESTION: How has the Newberry Manufacturing Operation (NMO) changed?

ANSWER: This facility opened in 2002 as Komatsu's utility plant with the production of backhoe loaders, and it continued as our utility location until last year. About a year ago, we began producing wheel loaders ranging in size from the 170-horsepower WA320-6 to the 350-horsepower WA500-6. We shipped our first loader from here in December 2009 and have steadily increased production.

Primarily, it's an assembly plant, although we do manufacture a wheel loader frame, and we have product support engineering. NMO has the capacity to produce about 900 wheel loaders a year. We're also producing 13 models of Komatsu fork lifts in LP gas, regular gasoline and diesel configurations for both indoor and outdoor use.

QUESTION: What hasn't changed?

ANSWER: As with all our manufacturing operations, the focus on quality remains our utmost priority. We produce some stock machines, but the vast majority of our loaders are custom-built for customers who have unique specifications for their machines that are used in a wide range of applications — agriculture, construction, forestry and mining. Those specs could include a high-lift boom, a certain size bucket or a number of other things. They rely on Komatsu machines for their livelihood, and each of the approximately 160 employees who work here understands that.

Every machine that's shipped out of here goes through a thorough inspection to check all systems, functions and a long list of other items. NMO is certified as both ISO 9001, which means it meets strict standards of operation, and ISO 14000. The latter shows that we're a facility focused on using environmentally sound practices.

Continued . . .



**Don Russell, General Manager
Newberry Manufacturing Operation**

This is one of a series of articles based on interviews with key people at Komatsu discussing the company's commitment to its customers in the construction and mining industries — and their visions for the future.

While he's only been working at the Newberry Manufacturing Operation (NMO) for about the last 12 months, General Manager Don Russell has been with Komatsu more than 24 years. Don started with the company as a welder in its Chattanooga plant, and while he was doing that, he took classes to earn a mechanical engineering degree and later earned a degree in business management from the University of Phoenix.

Don quickly moved into manufacturing engineering at Chattanooga, programming robots as part of his duties, and eventually became Operations Manager. About a year ago, he and his wife, Brenda, moved to Newberry where Don oversees operations of the wheel loader and forklift assembly plant.

"I'm responsible for all aspects of the operation," said Don. "That includes planning, financial, human resources and other duties. I enjoy it because I'm working with an excellent staff of people who are dedicated to building quality products for Komatsu customers."

Don noted that the staff has increased in size within the past few months. "We're seeing some uptick in orders, which is good. We believe as the economy improves, we'll see even more."

When not at work, Don enjoys woodworking, gardening and trout fishing with the family at their cabin in the mountains of North Carolina.

Wheel loaders and forklifts are NMO's focus

... continued

QUESTION: Why are those certifications important?

ANSWER: Equipment users have high standards and they want to do business with a manufacturer that also sets and meets high

The Newberry Manufacturing Operation, which produces wheel loaders and fork lifts, is ISO 9001 and ISO 14000 certified. "The ISO certifications reinforce the commitment to outstanding manufacturing practices that Komatsu has," said General Manager Don Russell.



Subassemblies are part of the NMO's operations, including putting together engines before they're installed on the machines.



Komatsu's Newberry Manufacturing Operation produces six wheel-loader models, ranging from the 170-horsepower WA320-6 to the 350-horsepower WA500-6, as well as fork lifts.



standards. The ISO certifications reinforce the commitment to outstanding manufacturing practices that Komatsu has. If customers want to see that in action, we encourage them to visit the plant and take a tour. We're always excited about the opportunity to show customers how their machines are built.

QUESTION: Do customers give you input on machine features when they visit?

ANSWER: Certainly, and we pass that along to our product marketing personnel who work more closely with customers and distributors to get feedback on development of new machines. Our primary focus is on the manufacturing process and what we can do to improve delivery of a product. One area where we work closely with customers is in quality and warranty claims. If there's an issue, we work to resolve it quickly.

QUESTION: We've discussed the past and present. What's the future hold for NMO?

ANSWER: Interim Tier 4 regulations begin next year on machines in the 175- to 750-horsepower range, so we'll start manufacturing the machines in that category. As far as that affecting our operations, it won't have much of an impact. We'll still continue to produce loaders using the same quality standards we always have.

The plant is 250,000 square feet of building sitting on 80 acres of land, and was built with future expansion in mind. I'm sure at some point that will be a consideration. ■

Larger parts are moved around the NMO using Komatsu fork lifts, which are also produced the plant.



INDUSTRY NEWS

Study: Mass transit needs mass investment to upgrade it to good condition

A study released by the Federal Transit Authority (FTA) shows an estimated cost of \$77.7 billion to bring the nation's mass transit systems into a state of good repair. The systems include bus and rail, with rail accounting for the largest portion of the billions needed. More than 40 percent of the nation's buses are in poor or marginal condition.

According to the study, an annual average investment of \$14.4 billion would be required

to maintain the status quo. The study is based on data provided by 36 rail and bus operators in rural and urban areas.

"Transit remains one of the safest forms of transportation, but this report shows the clear need to reinvest in our bus, subway and light-rail systems," U.S. Transportation Secretary Ray LaHood said. "As a nation, we must lead when it comes to infrastructure development and commit ourselves to rebuilding America." ■



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TRICK OR TREAT AT THE TRACK

The Komatsu-sponsored No. 09 car debuts at Talladega, flirts with high finish

A Komatsu-sponsored car ran its first NASCAR Sprint Cup Series race at Talladega on Halloween. That followed the running of a Komatsu-sponsored car in the NASCAR Nationwide Series at Daytona in July, and



(Above) Komatsu sponsored the No. 09 car in the Nascar Sprint Cup series race at Talladega and the No. 1 car at a Nationwide series race in Daytona. (Below) Komatsu also sponsored a car driven by Tony Pedregon in six races in the NHRA Funny Car class.



sponsorship of a car in a series of six races on the National Hot Rod Association (NHRA) circuit.

“Many of our customers are racing fans, so sponsorship of race cars seemed like a natural fit for us,” said Erik Wilde, Vice President of Product Marketing at Komatsu America Corp. “We’ve enjoyed our first associations with racing owners, teams and drivers and will consider more sponsorships in 2011.”

At the Amp Energy Juice 500 at Talladega, Komatsu was primary sponsor of the No. 09 Phoenix Racing Chevrolet. The car was driven by longtime NASCAR driver Bobby Labonte.

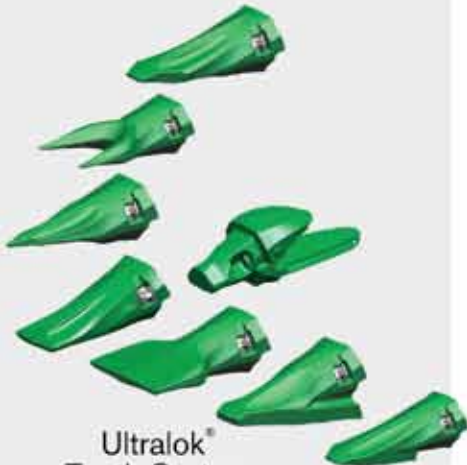
As for the race itself, it was more trick than treat. Labonte had worked his way up as high as 11th place late in the race, but with just 16 laps remaining, the car sustained engine damage and was done for the day. The No. 09 car was credited with a 38th-place finish.

“Today was a long race,” is how Labonte summed up Talladega. “We had a great run going and were hoping to have a solid finish.”

Success in NHRA

The Komatsu-sponsored NHRA car is driven by two-time Funny Car World Champion Tony Pedregon of Pedregon Racing. Komatsu was also an associate sponsor on Tony’s brother Cruz Pedregon’s car, which took first place in the funny car class at Charlotte, N.C. in September and at Reading, Pa., in October.

“Komatsu America is excited to be associated with Tony Pedregon’s car,” said Wilde. “Tony’s reputation as a world champion aligns well with Komatsu’s worldwide reputation for producing outstanding equipment.” ■



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