



WAUKESHA-PEARCE INDUSTRIES, INC.

UPDATE

A PUBLICATION FOR AND ABOUT WAUKESHA-PEARCE INDUSTRIES, INC. CUSTOMERS • 2013 No. 1, APRIL



Also inside . . .

**We wish WPI VP Mike Green
the best on his retirement**

SOUTHERN CORE RECYCLING

**Women reinvent their engine-core business
to become leading full-line,
scrap-recycling operation**

See article inside . . .



Chairman of the Board
Carol Walker (left) and
President Rebecca Proler

KOMATSU®

A MESSAGE FROM THE VICE PRESIDENT



G. Michael Green

**Outlook is
positive for
2013**



Dear Valued Customer:

We've had a growing sense of optimism when it comes to the construction industry in the past couple of years. That positive outlook has continued into 2013 with what looks to be a strong foundation for a significant rebound in housing. In addition, we're into the first few months of MAP-21, the new "highway bill." Recent reports suggest that Congress may already be looking ahead to the next one.

These are good signs that our industry is ready for significant growth, which we hope means more work for you. If you haven't already done so, now is a good time to assess your machinery needs from a service standpoint. Performing needed maintenance minimizes the chance of a catastrophic failure during the peak construction season when you rely on your machinery the most. At WPI we're here to help, whether you need service, parts or both.

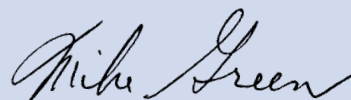
If you believe new equipment is in order, talk to us about productive and efficient options, such as Komatsu Tier 4 Interim machines. You'll find articles in this edition of your WPI *Update* magazine that highlight new D37 and D39 dozers and a PC138 tight-tail-swing excavator. Check them out to see the advantages they could offer your business, including complimentary scheduled maintenance completed by our technicians using genuine OEM parts and fluids.

To further increase efficiency, consider operator training. Komatsu offers options that can help your operators approach their machinery and projects in ways that make them more productive and reduce operating costs. An article inside goes into further detail.

Finally, if you're in the market for new equipment and want to trade in an older piece, talk to us about that too. We're interested in looking at what you have.

As always, if there's anything we can do for you, please call or stop by one of our branch locations.

Sincerely,
WAUKESHA-PEARCE INDUSTRIES, INC.



G. Michael Green
Vice President of CMD Operations

THE POWER PEOPLE®

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WAUKESHA-PEARCE INDUSTRIES, INC.

UPDATE

A PUBLICATION FOR AND ABOUT OUR CUSTOMERS

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See how two women reinvented their engine-core business to become a leading full-line, scrap-recycling operation.

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Looking for a compact excavator with excellent power and efficiency? Check out the new Komatsu PC138USLC-10 tight-tail-swing model.

GPS TECHNOLOGY

See how one contractor got dramatic results on his first project using a Komatsu/Topcon dozer combination.

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SOUTHERN CORE RECYCLING

Women reinvent their engine-core business to become leading full-line, scrap-recycling operation



Scan this QR code using an app on your smart phone to watch video of Southern Core Recycling's machines at work.

With a master's degree in counseling psychology, Rebecca Proler could hardly have picked a career further from her academic training. But as president of Southern Core Recycling, a leading metal recycler based in Houston, Texas, Proler followed her heart and the family tradition when she went into the scrap business.

"My family has been in the scrap business for more than 100 years, and I'm the third generation," Proler explained. "When I was six years old, my dad would take me to work with my brothers. They would go inside the office and I would play outside. Actually, they would put me to work in the scrap yard, so I grew up in the business and loved it. I have several cousins in the business, and we help each other out."

Although there aren't many women in the scrap business, Southern Core Recycling has two — Proler's business partner and company

co-founder is Carol Walker, who serves as Chairman of the Board for the company. As a CPA, Walker handled all the accounting, insurance and paperwork for her husband's wrecking yard and several other small businesses. When they decided to help Proler with her new company in 1989, Carol naturally took over the accounting duties and helped set up the operation. She continues to handle the books, insurance and legal aspects of the business.

In her role as president, Proler is in charge of marketing, sales and overall operations. Southern Core Recycling is a full-line recycler of ferrous and nonferrous metal, with a specialty niche in supplying foundries with foundry-grade material, such as cast iron and aluminum.

In the beginning, the company focused on supplying recycled engines to remanufacturers, such as Ford and Chrysler. Southern Core Recycling took in old engines, dismantled and cleaned them, generating scrap metal as part of the process. "Eventually, the engine core business started to dwindle, while the scrap business was going up," Proler recalled. "It wasn't a mystery to me how to make money in the scrap business, so we started focusing on that about five years ago. We upgraded our equipment, innovated different techniques and better ways of doing it so we could be competitive and developed new product lines. We basically reinvented ourselves and we were off and running."

Since moving into the scrap-supply business, Southern Core Recycling has grown to become one of the largest suppliers of crushed cast in the South. Among the foundries it supplies are Cummins and Fiat.

Carol Walker (left) and Rebecca Proler are Chairman of the Board and President, respectively, of Southern Core Recycling. The Houston-based company is a full-line recycler of ferrous and nonferrous metal and has become one of the leading suppliers of crushed cast in the South.



Innovative processes

Proler says innovation has been the key to the company's ongoing success. "Making more of the same thing isn't necessarily productive. Innovating and coming up with different ways to handle things is. That's what makes us different. We're not bigger than anybody else. We're not faster than anybody else. We just try to come up with a better way of doing it."

"For example, we were able to streamline and make our cast-breaking operation much more efficient by mechanizing and coming up with different systems, some of which are proprietary. We developed better, cleaner, more environmentally friendly methods that, at the same time, increased production."

Southern Core Recycling takes in whole engines and transmissions and other materials from dealers, peddlers and industrial accounts, some of which have roll-off containers. The company uses a closed-loop system to recover oil from the motors, then breaks and washes them, separating out the metals, which include mainly cast iron or ductile cast iron, along with aluminum, tin and copper. Using large shredders, the company processes the metal, sizes, sorts, segregates and washes it. Proler says Southern Core Recycling sends about half of its product to foundries, via rail or truck, and the other half goes to larger shredding companies.

People, equipment make the difference

In addition to its innovative processes, Southern Core Recycling depends on a talented and dedicated staff to maintain its high-quality production. "This is a company that survives on good people," insisted Proler. "I have learned that if you surround yourself with people who care and want to work for a winning team, then you're going to win. There are lots of good ideas out there, but you have to be able to execute, and if you don't have the right people, you can't execute. I credit much of our success to our employees."

Southern Core Recycling has a total of about 35 employees and contract workers. Among key individuals at the company are Nonferrous Manager William Esparza,



Southern Core Recycling has purchased several Komatsu excavators from WPI, including this PC270LC-8 equipped with a LaBounty UP45 shear. "We have a good relationship with WPI; they understand the scrap-metal business," said President Rebecca Proler.



▶ VIDEO
A Southern Core Recycling operator uses a Komatsu WA320-6 wheel loader to move material. The company also owns a Komatsu WA75-3 loader.

Production Manager Abraham Sanchez, Operations Manager Moises Hernandez and General Manager Gilbert Smolik.

"We try to make it a place where people want to come to work every day," noted Proler. "Finding capable people who will operate equipment safely and maintain it is a challenge. There's a lot of competition for operators especially, so we spend money on equipment and upgrading our equipment because we think it attracts and keeps good people."

A commitment to good equipment is one reason Southern Core Recycling turns to WPI and Customer Support Rep Dan Galor for Komatsu equipment. The operation has two PC200LC-8 excavators, one equipped with a grapple; a PC220LC-8 and a PC270LC-8, each equipped with a LaBounty UP45 processing head, and two wheel loaders — a WA320-6 and a WA75-3.



Moises Hernandez,
Operations Manager

Continued . . .

Komatsu machines perform in heavy-duty applications

... continued

"In some ways, we're in the equipment business, because without the equipment, we couldn't do any of this," Proler observed. "It's a huge capital outlay — millions of dollars. Maintaining the equipment is a challenge. We handle routine maintenance, like oil and filter changes, in-house, but call on WPI for everything else. We have a good relationship with WPI; they listen to us and help match the equipment to our needs, and that's been really good. They have some specialized people who understand the scrap-metal business. Our Sales Rep Steve Robinson has been around for a long time and he

knows scrap dealers very well and he knows the kinds of things that work and don't work."

Proler points out that the scrap business is hard on equipment; it's a heavy-duty application where maintenance is important to keeping the machines productive. "We continuously use all the machines we have. We don't have spares, so everything is being used 10 hours a day, five days a week. When we buy new equipment, our goal is to keep it as long as it's not costing us, so we build up the hours. Our managers actually get in our machines so they know exactly how they are running. They use KOMTRAX to track hours, idling time and maintenance schedules."

In addition, Southern Core Recycling participated in Komatsu's "No Idle Initiative" to reduce fuel costs and cut back on nonproductive machine hours. It also changed the layout of the facility to reduce travel distances of the loaders. The result was a fuel savings of about \$5,000 per month.

Secure future in a world economy

Not content with the status quo, Proler expects Southern Core Recycling to continue to grow in directions that make sense for the company and fit its philosophy. "I don't think the need for scrap will ever stop. We ship material all over the world: Korea, Taiwan, China, India and elsewhere. The scrap industry provides material for infrastructure as well as for construction and every engine that's on the road. It's a business that's going to survive and we'll be there. It's competitive, but we like competition," Proler concluded. ■

The management team at Southern Core Recycling includes (L-R) Production Manager Abraham Sanchez, General Manager Gilbert Smolik, Operations Manager Moises Hernandez and President Rebecca Proler.



No Idle Initiative cuts costs dramatically

Southern Core Recycling was one of about 1,200 companies that recently participated in Komatsu's "No Idle Initiative." The results were dramatic, as Southern Core realized fuel savings of about \$5,000 per month, while reducing idle time by about 15 percent or more.

In one case, idle time dropped from 48 percent to 14 percent. "We got involved with the No Idle Initiative because we thought it was good for the environment, but it was really good for the bottom line," said President Rebecca Proler. "We met with the managers and operators and explained why we wanted to do it, and they understood. Our operators were very enthusiastic and bought into the program. They saw how they could be more efficient and the difference it made to the company."

Komatsu designed the No Idle Initiative as part of its campaign to bring awareness to the fuel wasted by excessive idling and the unproductive time added to the hour meter that affects everything from service intervals to resale value. Komatsu and its distributors, such as WPI, tracked participants' idle time through KOMTRAX.

"The No Idle Initiative certainly changed habits in terms of turning machines off during unproductive time, but through KOMTRAX we saw another benefit," Proler pointed out. "Reports showed that our operators were using Power (P) mode almost exclusively, even when it wasn't necessary. Now, they're using Economy (E) mode about 90 percent of the time, only using P mode as needed. That's also contributing to lower fuel consumption and is less taxing on the engine."



Rebecca Proler,
President

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THE PEOPLE INSIDE

MIKE GREEN RETIRED

Longtime VP Operations ended his tenure on March 31

Mike Green's career in the equipment industry literally started with sweeping floors. During high school, Green took a part-time job at the local International Harvester dealer in his hometown of San Angelo.

"Many people who deal with equipment, either as a business owner or a distributor, have some background in it when they start out," said Green, whose father was a police officer and his mother stayed home. "Maybe they grew up on a farm or their family had a construction business. I didn't, but working part-time sweeping floors exposed me to the business and I really took to it."

More than 50 years later, Green is set to retire, stepping down as Waukesha-Pearce Industries Vice President of Operations, Construction Machinery Division. More than half that time has been with WPI, 16 years of which have been in his current position. He started with the company in 1986 as Director of Sales.

Mike worked his way up the ladder. After high school, he continued at the local dealership in San Angelo, eventually leaving to join International Harvester Company at its company-owned store in Roswell, N.M. He held several positions with International Harvester, including Marketing Manager for its farm equipment division in Dallas and Regional Manager for the construction machinery division in Chicago.

During his time with International Harvester, its construction machinery division was acquired by Dresser, which eventually became part of Komatsu. Mike said acquisitions have been a part of the natural evolution of the equipment industry.

"Change is part of any business, and the equipment industry has seen its fair share," said Green. "I've seen many positives come out of that evolution, including machinery that's more efficient, cleaner and technologically advanced. When I started in the business, there were no hybrid machines or machine-tracking systems, such as KOMTRAX, or GPS grading. Those provide direct and tangible benefits, including lower operating costs to the user and a cleaner environment through fewer emissions. I'm sure that equipment will continue to evolve."

A constant commitment

While machinery evolves, one thing that Green said has and will stay constant is commitment to the customer. As Vice President of WPI's Construction Machinery Division, Green has been directly responsible

Continued . . .



Mike Green, Vice President of Operations, Construction Machinery Division, retired at the end of March after 26 years with WPI and more than 50 years in the equipment industry.

A relationship business

... continued

for ensuring customers' needs are met in several ways.

"My responsibilities entailed overseeing the sales of equipment, as well as product support through parts and service," explained Green. "Those things go hand-in-hand. The

old adage about anyone can sell one machine, service sells the rest, is true. I've always emphasized that WPI carries top-quality manufacturing lines, and we have to stand behind it with world-class support that includes comprehensive parts inventories, reman options and highly skilled service technicians."

To ensure that, Green said it's important to invest in people, including providing training opportunities for the more than 225 employees throughout the nine Texas locations for which he's responsible.

"I had great people invest in me along the way, including Frank Starling, who was my first boss after I moved into full-time work at the IH dealership in Roswell," said Mike. "Another was Jack Wegener, who I worked with at IH. And, of course, my boss here at WPI, Louis Pearce III, who's President of WPI. He's been a terrific mentor, and I've tried to be the same for the people who worked with me.

"This is a relationship business, and I've developed some good ones," added Green. "That includes within the WPI family and with our customers. Many of those relationships developed into more than just acquaintances. They're friends."

A luncheon with friends to honor Mike's years of service and retirement was held at WPI's Houston headquarters on April 3.

Traveling plans

Green plans to still see construction-industry friends after his retirement. He'll continue to work with WPI as a consultant after some traveling. He and his wife Jan are approaching 20 years of marriage, and they're going to take a long trip to Australia and New Zealand. They'll also spend more time with their family, including their sons Kelly, Matthew and Greg, daughter-in-law Christy, and four wonderful grandchildren, Jarod, Justin, Jacob and Jenna.

"I've been getting up early and coming to work nearly all my life, so I have to learn to be retired," Mike said. "Making the transition is going to be difficult, but I believe I can handle it." ■



Mike Green (left) talks with Hasley Construction's Hugh Hasley at a recent open house for the new Buffalo branch. "This is a relationship business, and I've developed some good ones," said Green. "Many of those relationships developed into more than just acquaintances. They're friends."

During Mike Green's tenure with WPI, the company has expanded to include nine branch locations in Texas, including the latest to open in Buffalo.



THE PEOPLE INSIDE

NEW VICE PRESIDENT OF OPERATIONS

WPI promotes Bruce Truesdale to head its Construction Machinery Division

Bruce Truesdale says WPI customers should not expect big changes when he takes over as Vice President of Operations April 1. In fact, the transition will be seamless from a customer perspective when he steps into the role following Mike Green's retirement.

"WPI has a rich history of carrying industry-leading products backed by great customer-support capabilities," said Truesdale, currently WPI's Director of Sales. "It's a business model that puts the customer first and is built on integrity, something the Pearce family has focused on for generations and why I was attracted to WPI in the first place. Mike played an integral role in that, and I expect to continue that legacy."

Truesdale brings years of equipment-industry experience to his new position. He's been with WPI two years, but his background stretches back even further and includes 12 years as president of one of the largest manufacturers of compaction equipment. He's been in the construction and mining industry in some capacity since 1978.

"I've dealt with many dealers through the years, and WPI is among the best in the industry because it believes in building relationships with customers, getting to know their business and how best to meet their expectations," said Truesdale. "That's always been one of my core strengths. I do that by talking directly with customers in the field about their sales, rental, parts and service needs."

"From an equipment standpoint, I believe WPI carries one of the broadest ranges of products in the business," he added. "We're always looking to add more if it makes sense

to us and our customers. The caveat to that is expansion in the product lines can't reduce our capabilities to provide quality service that maximizes customers' uptime. And, from a support standpoint, WPI has always put an emphasis on training, and I want to expand on that to further make us the most knowledgeable dealer when it comes to providing solutions to customers' needs."

The Chicago native and his wife, Tammy, have been married 22 years and have four children. Their two oldest graduated from the University of Florida, Tammy's alma mater. Another plays college football and the youngest is in high school and being recruited to play basketball.

"I enjoy golfing, hunting and fishing," said Truesdale. "But my main interests involve spending time with my family." ■



Bruce Truesdale,
Vice President of
Operations, Construction
Machinery Division

INDUSTRY OUTLOOK

POSITIVE OUTLOOK

Housing rebound has forecasters predicting a rise in overall construction

Forecasters are predicting growth in the construction sector during 2013, led by what looks to be a resurgent housing market. Economists from organizations such as FMI Corp. are forecasting as much as 8-percent growth in the industry. Associated General Contractor's Chief Economist Ken Simonson sees 6-percent to 10-percent growth overall.

Other aren't quite as bullish, but see increases as well, including McGraw-Hill Construction at 6 percent. Portland Cement Association (PCA) predicts a smaller boost of 1.3 percent, but a gain nonetheless. Those gains follow year-over-year increases in 2012 compared to 2011 in overall starts and put-in-place construction.

Housing looks to be a strong driver of the construction market. An increase in construction, sales and prices started early in 2012 and continued to gain traction toward the end of the year, with total housing starts up more than 25 percent. Single-family housing starts will post the biggest gains, according to the National Association of Homebuilders. NAHB Senior Economist Robert Dent predicts a 25-percent

increase this year and a further increase of 30 percent in 2014.

"We are seeing steady increases unassisted by tax credits, so we are pretty comfortable that these increases are sustainable and will continue," said Dent. "We believe the market fundamentals can support 1.4 million housing starts a year, but we probably won't hit that mark until 2016."

Rick Palacios, Senior Analyst with John Burns Real Estate Consulting, said in a CNNMoney article, "We think the recovery is for real this time around. If you look across the U.S. economy right now, there are only a handful of industries looking at 20-percent to 30-percent growth over the next four to five years, and housing is one of them."

FMI Corp., a management consulting firm for engineering and construction, forecasts a 23-percent increase in single-family homes and a 31-percent increase in multifamily. NAHB forecasts a more modest rise in multifamily units of 5 percent. Spending on multifamily housing, such as apartment buildings, rose 49 percent in 2012 compared to 2011.

Simonson also sees a further rise in multifamily units. He noted that the increase could likely be attributed to an aversion to home ownership, despite low interest rates. "More households have started forming, but this isn't translating into owner-occupied space because of credit, student debt and more people choosing to live in cities rather than suburbs," said Simonson.

Difference of opinion on nonresidential building

While all say housing will increase, there are different perspectives on nonresidential construction. McGraw-Hill and FMI Corp. both see gains of 5 percent. The Portland Concrete Association projects a dip of a little less than 1 percent.

McGraw-Hill predicts double-digit gains in several segments for 2013, including a 12-percent rise in stores and shopping centers. Offices, hotels and motels and other commercial buildings are all predicted to be 10 percent or above.





An increase in construction, sales and prices in housing started early in 2012 and continued to gain traction toward the end of the year. Single-family housing starts will post the biggest gains this year, according to National Association of Homebuilders Senior Economist Robert Dent, who predicts a 25-percent increase this year.

McGraw-Hill predicts double-digit gains in several segments, including a 12-percent rise in stores and shopping centers. Offices, hotels and motels and other commercial buildings will all be 10 percent or higher. Manufacturing and healthcare facilities will be up, but educational buildings will be down.

“Commercial markets lost some momentum this year (2012), but we think commercial-building starts will jump back by 12 percent next year,” McGraw-Hill Chief Economist Robert Murray was quoted as saying in a November 26, 2012, Engineering News-Record article. “The institutional-building market continues to be weak, but we think it will bottom out in 2013.”

FMI sees growth in the single digits for all nonresidential construction, with healthcare posting the biggest gain at 8 percent, followed by lodging and commercial at 7 percent. The only areas where PCA sees gains are hotels and motels (9.6 percent) and commercial (2.6 percent).

A little more highway funding

There’s cautious optimism when it comes to public-works projects, especially in highway and bridge construction. Passage of MAP-21, the new 27-month highway bill signed into law last summer, brought some near-term certainty. It’s

currently in its first full fiscal year of funding, with about \$40 billion invested from October of 2012 through October 1 of this year. Fiscal Year 2014 will start at that time, bringing part of another \$40 billion-plus to the table in the final three months of 2013.

The American Road & Transportation Builders Association pointed out that 2012 was a record year for bridge work with more than \$28 billion being spent. It foresees that being the case again in 2013. Highway work will increase by a little more than 2 percent, according to ARTBA.

That could put a small dent in the overall need for infrastructure spending, but falls far short of what’s needed to bring it up to good standards. A Standard & Poor’s report said the country has a \$2.2 trillion backlog of infrastructure projects.

“The enactment of MAP-21 is not an opportunity to put these programs on auto pilot,” penned ARTBA President & CEO Pete Ruane in an article for Home Builder. “The Highway Trust Fund will again be facing a solvency crisis at the end of FY 2014 — if not before. As such, it is imperative that the entire transportation community redouble its efforts to convince Congress to enact a long-term solution to ensure the sustainability of the federal highway and public transportation programs and complement MAP-21’s many policy reforms.” ■

DEPRECIATION BONUS EXTENDED

“Fiscal cliff” deal puts off massive tax increases, provides greater certainty for family businesses

This article is from the Associated Equipment Distributors, a trade association representing companies in the distribution, rental and support of equipment. Its members account for more than \$15 billion of annual sales of construction equipment and related supplies and services in the U.S. and Canada.

On Jan. 1, the House agreed to the Senate’s “fiscal cliff” solution, the American Taxpayer Relief Act. The legislation prevents massive tax hikes for most Americans and delays across-the-board cuts to federal programs.

The agreement also provides a victory for equipment users by extending the 50-percent depreciation bonus through 2013, with the option to accelerate AMT (Alternative Minimum Tax) in lieu of the depreciation bonus and allowing companies using PCM (percentage-of-completion method of accounting) to benefit from the capital-investment incentive. It also includes a provision setting Sec. 179 expensing levels at \$500,000 with a \$2 million phase-out through the end of the year.

The law includes several items designed to prevent a severe shock to the nation’s

economy. Estimated to cost nearly \$4 billion during the next 10 years, the agreement permanently extends current income tax levels for those making less than \$400,000 (\$450,000 for taxpayers filing jointly). Similarly, capital gains and dividend rates will also be extended for individuals earning less than \$400,000. The measure provides a permanent fix to the AMT, sparing millions who would have otherwise been subject to the tax.

The law provides many family businesses with greater certainty, including a permanent resolution to the estate tax, which has fluctuated widely from year to year. The fix sets the tax at 40 percent with a \$5 million exemption (\$10 million for married couples), indexed to inflation.

Does not address root causes

The American Taxpayer Relief Act addresses a host of other issues, including extending unemployment insurance, preventing a cut in Medicare reimbursement rates for doctors and continuing the Farm Bill through the end of September. It delayed massive 8.1-percent automatic cuts to federal agencies.

While the law avoids the fiscal cliff, it does not address the root causes of the nation’s unsustainable fiscal posture — it merely postpones the tough decisions on spending reductions and entitlement reform until a later date. With many lawmakers unhappy with the absence of substantial deficit reduction or spending cuts in the new law, the 113th Congress is shaping up to feature contentious battles on federal spending. ■

The depreciation bonus was extended through the end of 2013 as part of the “fiscal cliff” deal passed on Jan. 1. It also sets Sec. 179 expensing at \$500,000 with a \$2 million phase-out.



NEW PRODUCTS

NEW D37-23, D39-23 DOZERS

Customer input helps drive significant improvements in new Tier 4 Interim models

When a machine manufacturer introduces new models, you expect the equipment to meet current emissions requirements. But it would be nice to know that the manufacturer is also listening to your suggestions on improving production, efficiency and other attributes that better your bottom line. Komatsu did just that as it designed and built its new Tier 4 Interim D37-23 and D39-23 dozers.

“Customer input was a major driver in enhancements made to the new dozers,” said Product Manager Bruce Boebel. “They told us they wanted improved efficiency, operator comfort and customization of the machine controls, and lower maintenance costs. Komatsu built all of those attributes into the Dash-23 models, with the most significant improvement coming in the more efficient engines and next-generation hydrostatic transmissions that reduce owning and operating costs.”

Komatsu maintained the horsepower in the Dash-23 models compared to its Tier 3 counterparts, but new engine technology improves efficiency and lowers fuel consumption. An advanced, electronic-control system manages airflow rate, fuel injection, combustion parameters and aftertreatment functions to optimize performance while reducing emissions and providing advanced diagnostic capability.

“We reduced operating costs further with a more simplified Tier 4 engine that uses 100-percent passive regeneration to remove soot without interfering with daily operation,” said Boebel. “Instead of a diesel particulate filter, the D37-23 and D39-23 dozers have

a new Komatsu Diesel Oxidation Catalyst that’s integrated into the engine. It requires no scheduled maintenance and is designed for long life.”

The new, Komatsu-exclusive, hydrostatic-transmission, pump-control technology is incorporated with the new engines to improve operational efficiency. It increases productivity up to 4 percent and reduces fuel consumption, compared to a conventional hydrostatic-control system. Even under load, the new transmission provides powerful turns.



Bruce Boebel,
Product Manager

Continued . . .

Brief Specs on Komatsu D37-23 and D39-23 Dozers

| Model | Net Horsepower* | Operating Weight | Blade Capacity |
|----------|-----------------|------------------|----------------------|
| D37EX-23 | 89 hp | 18,386 lbs. | 2.50 cu. yds. |
| D37PX-23 | 89 hp | 19,048 lbs. | 2.55 - 2.78 cu. yds. |
| D39EX-23 | 105 hp | 20,437 lbs. | 2.89 cu. yds. |
| D39PX-23 | 105 hp | 21,363 lbs. | 2.72 - 3.00 cu. yds. |

*At 2,200 rpm



New engine technology in the Komatsu D37-23 and D39-23 dozers improves efficiency and lowers fuel consumption, compared to Tier 3 models, while maintaining horsepower.

New features add to operator comfort, productivity

... continued

Operators can choose between two working modes, Economy and Power, that match performance to the application. E mode is designed for general dozing, leveling and spreading applications. Maximum power for slot dozing, ripping, uphill dozing and other demanding applications is available with P mode.

"In most cases, Economy mode is the best choice and has up to 20-percent better fuel economy compared to prior models, and P mode improves economy by up to 10 percent, even in demanding applications," said Boebel. "Operators can also choose from two gearshift modes: Variable, which has 20 incremental speed settings, and the new Customizable Quick shift with three speed settings that can be adjusted through the monitor, which is also new and easy-to-use."

Better blade visibility

Additional productivity features include a steeply slanted engine hood and a forward-mounted cab that moves the operator closer to the blade to improve visibility. Dash-23 models have a new power-angle-tilt blade with curvature that more efficiently rolls material. A new, hydraulic, blade-angle toggle switch improves ease of blade operation.

A new, Komatsu-exclusive, HST transmission in Komatsu D37-23 and D39-23 dozers increases productivity up to 4 percent and reduces fuel consumption, compared to prior models. Even under load, the new transmissions provide powerful turns.

Joystick controls are ergonomically designed, offering operators a relaxed posture and superb fine control to minimize fatigue. The cab is quieter with reduced decibel levels, and the standard air-ride seat is more comfortable and can be heated with the flip of a switch.

"Operator comfort is an integral part of any machine, so Komatsu added to the features in our previous models by incorporating attributes that customers told us would increase their productivity," said Boebel. "In addition, the ROPS-integrated cab is pressurized and mounted on viscous dampers to reduce vibration. Users told us they wanted a radio auxiliary jack and a 12-volt power converter, so those are standard too."

Reduced maintenance, more production

Also standard is Komatsu CARE, which provides complimentary scheduled maintenance for the first three years or 2,000 hours. Factory-certified technicians perform the work using only genuine Komatsu parts and fluids.

"Komatsu CARE offers peace of mind that services will be done properly and on time, which directly affects durability, longevity, productivity and, ultimately, resale value," said Boebel. "Komatsu and our distributors actively track machines with KOMTRAX, so we can proactively schedule those maintenance intervals at a time convenient to the customer."

Komatsu designed routine maintenance to be easy. Daily engine checks are grouped at the left-hand side of the engine compartment. The rear-mounted, swing-up hydraulic fan allows for easy, periodic access to the radiator, oil cooler and charge-air cooler. The operator can quickly clean the side-by-side coolers from the cab, using the manually reversing fan.

"We encourage everyone who uses dozers for land clearing, grading, forestry and site work to see what these new machines designed from customer input can do for their businesses," said Boebel. "We believe they'll see a marked difference in their per-ton, per-yard costs to move dirt and other materials." ■



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MORE NEW PRODUCTS

NEW COMPACT EXCAVATOR

Tight-tail-swing PC138USLC-10 offers excellent power and efficiency in a compact size



Craig McGinnis,
Product Specialist-
Excavators

Contractors continue to see the value in compact excavators that offer powerful performance coupled with a tight tail swing. Komatsu’s new PC138USLC-10 takes that value to a new level with a more efficient Tier 4 Interim engine that offers additional horsepower and lower fuel consumption than its predecessor.

“The PC138 has always been a popular machine because it allows users to get into confined spaces, such as between buildings or in a traffic lane, and get work done without sacrificing power,” said Craig McGinnis, Product Specialist-Excavators. “Owners and operators like that because they still have the benefits of the lifting power and production of a conventional machine. The unique contoured cab in the new PC138 swings within the same radius as the counterweight, so if one clears, the other will also clear when swinging.

“The new PC138USLC-10 also has added technology, including a new hydraulic-pump

control that improves operational efficiency and reduces fuel consumption by up to 7 percent, depending on work load,” McGinnis added.

The operator can select a working mode that matches engine speed, pump delivery and system pressure, thereby maximizing efficiency. A variable-flow turbocharger provides optimum airflow under all speed and load conditions.

“In most cases, Economy (E) mode is the best option because it reduces fuel consumption, while giving the power and production needed for most applications,” noted McGinnis. “For tough digging conditions, an easy switch to Power (P) mode is appropriate. The excavator also has Lifting, Breaker, Attachment Power and Attachment Economy modes.

“We’ve found that customers appreciate the flexibility of being able to select the most efficient mode,” he pointed out. “They also like that new Komatsu machines, including the PC138USLC-10, have Eco Guidance, which appears on the cab monitor, showing the operator how to maximize fuel economy.”

Backed by Komatsu CARE

Like other Komatsu Tier 4 Interim machines, the PC138USLC-10 is backed by Komatsu CARE, which provides complimentary scheduled maintenance for three years or 2,000 hours. Factory-certified technicians do all the work using genuine Komatsu parts and fluids.

“Komatsu distributors track machines using KOMTRAX and work with the customer to schedule a convenient time to perform the services,” noted McGinnis. “We’re confident that anyone using compact excavators will see that the PC138USLC-10 is the most productive and efficient machine in its size class.” ■

Brief Specs on the Komatsu PC138USLC-10

| Model | Operating Weight | Net Hp | Bucket Capacity |
|--------------|----------------------|--------|--------------------|
| PC138USLC-10 | 31,791 - 32,628 lbs. | 94 hp | 0.34 - 1.0 cu. yd. |

Komatsu’s new PC138USLC-10 has the productive benefits of a conventional excavator with the compact size of a tight-tail-swing machine.



DASH 10 EXCAVATORS

From Komatsu - The Excavator Experts



Komatsu Dash 10 excavators provide increased horsepower, improved operator comfort and reduced fuel consumption. The excavator experts at Komatsu can help you complete jobs more quickly, while lowering your fuel and maintenance costs.

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- Enhanced operator environment improves comfort and machine control.
- Komatsu CARE provides complimentary Tier 4 maintenance, including KDPF exchange filters. Contact your Komatsu distributor for details.

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FASTER TO FINAL GRADE

Contractor sees dramatic results on first project using a Komatsu/Topcon dozer combination

Many contractors are now getting to grade faster with less cost, making them more competitive in bidding and more profitable. The key is GPS technology and productive equipment, such as the Topcon 3D-MC² system and Komatsu D51 dozer combination that earthwork contractor Schoenfelder Construction uses.

"We initially looked at a GPS system for several reasons, including not being able to get staking done on a timely basis," said President Norm Schoenfelder. "It's almost inevitable that we're going to knock over stakes during grading, which means we have to call someone out to restake. That takes time away from production because we don't want to continue working and guess where we are in relation to the elevation we're trying to obtain. With the Topcon system, that's not a problem. Using a set of electronic



Brad Schoenfelder sets up a Topcon 3D-MC² base unit used to set grade via GPS with a Komatsu D51 dozer. Schoenfelder Construction shaved months off a site-work project with the Topcon/Komatsu combination.

plans and a Topcon system, we can do a project with few or no stakes at all."

Less staking isn't the only cost-saving advantage GPS systems provide. Studies show they save time in reaching final grade with less chance for overcutting and excess material waste that's often associated with fills. Both came into play the first time Schoenfelder Construction used the Topcon/Komatsu D51 combination. The job called for subgrade prep for a parking lot and building pad as part of a 25-acre site-work project.

"We used it to cut about 30,000 yards of dirt and place about a foot of gravel under the pavement," said Brad Schoenfelder. "A job of that size would normally take about three months using the traditional method of staking and constantly checking grade by a laborer or by the operator getting out of the machine to check grade. We had it done in two weeks. In fact, at the end of our work, the surveyors challenged us by saying there was no way it could be correctly done that fast. It didn't take long for them to figure out it was spot-on. That really sold us."

Topcon systems interface directly with the machine's hydraulics for more exact blade positioning during cut-and-fill and fine-grading operations. New Komatsu Tier 4 Interim dozers such as the D65-17 and D61-23 models come plug-and-play ready to accept a Topcon system. Older models can be retrofitted.

"The ability to get to grade faster gives the user a leg up on the competition," said Mike Salyers, Product Marketing Manager with Komatsu's Intelligent Machine Control team. "It not only speeds production, but saves labor, fuel and material costs, all of which have a direct impact on profits. The return on investment is often recouped rather quickly." ■



Customer Care

From Komatsu - The Product Support Experts



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A CLOSER LOOK

DEMO DAYS

Komatsu displays new equipment, technology at most recent customer event

Customers who attend Komatsu Demo Days appreciate the chance to get a close look at and operate equipment. Komatsu enhanced the experience at its most recent event by offering educational opportunities and highlighting technology designed to make equipment users more efficient.

"First, and foremost, customers want a chance to test drive Komatsu equipment, so to speak," said Bob Post, Director of Marketing. "But we also want them to see how we're working to maximize their productivity and save them time and money by using technology, such as GPS systems."

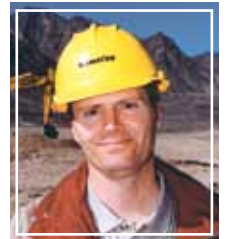
Educational opportunities included seminars on maximizing efficiency using technology such as Komatsu's Eco Guidance and KOMTRAX, a remote machine-monitoring system that gives users valuable information, including idle time and fuel usage. While demonstrating machines, attendees could try out Topcon's 3D-MC² GPS systems, which were mounted to new Tier 4 Interim D61-23 dozers and a PC360LC-10 excavator.

"Those GPS systems have proven benefits that allow operators to get to finished grade with less wasted movement and fewer materials," said Post. "Several of our new Tier 4 Interim machines come plug-and-play ready to accept GPS systems."

Other featured Tier 4 Interim dozers included D65-17 and D155AX-7 models. The HB215LC-1 Hybrid excavator, new PC210LC-10, PC290LC-10 and PC490LC-10 excavators, along with WA380-7, WA470-7 and WA500-7 wheel loaders, were available for operation, as well as an HM400-3 articulated truck. They were part of more than 20 machines on hand during Demo

Days at Komatsu's Training & Demonstration Center in Cartersville, Ga.

Attendees also had the option of touring Komatsu's Chattanooga Manufacturing Operations, where Komatsu manufactures excavators and forestry products. ■



Bob Post,
Director of Marketing



This PC360LC-10 equipped with a Topcon GPS system was one of several excavators available for customers to operate during Demo Days.



Komatsu's Rizwan Mirza (right) showed customers how information from KOMTRAX can be used to maximize productivity and efficiency.

Demo Days attendees operated equipment, including the new Tier 4 Interim D61PX-23 dozer equipped with a Topcon 3D-MC² GPS grading system (foreground) and D65-17 dozers.



AN EASY WAY TO SAVE MONEY

For a better bottom line, Komatsu says shut your machine off rather than idle it

Have you ever heard an operator say, “It costs more to shut my machine down and restart it than it does to just keep it running.”? It’s a common misconception that actually costs machine owners in terms of fuel and excessive machine wear.

“Idling is often a habit that’s been part of the equipment user’s culture for years,” said Ken Calvert, Komatsu Director of Product Support Systems. “Komatsu wants to change that culture, so for nearly two years we’ve worked to raise awareness of the costs and consequences associated with excessive idling. In nearly every case, it would be better to shut the machine down when it’s not in production.”

Here’s an example. Studies show the industry average idle time is almost 40 percent. That means if a machine is traded in at 10,000 hours, the owner really only got 6,000 hours of actual production from that unit. If the machine hadn’t idled those other 4,000 hours away, the owner could have continued to use it for another two

years or so, or could have gotten a much better trade-in price at 6,000 hours rather than 10,000.

To counteract that waste, Komatsu launched a wide-ranging “No Idle Initiative” in 2012, working with about 1,200 Komatsu users to show them tangible ways to lower idle time.

“Much of the program was geared toward operators, because they are on the front lines when it comes to how much a machine idles,” said Bob Post, Director of Marketing. “We wanted to raise their awareness so they understand excessive idling can be detrimental in several ways. It puts unnecessary hours on a machine, which means faster service intervals, increased wear and tear, and warranty hours that expire faster. Excess idling can ultimately lower resale value because a machine may have hundreds of extra hours on it.”

Aiming for 20-percent reduction

The main goal of the No Idle Initiative was a 20-percent reduction compared to participants’ previously measured idle times. Each participant received promotional materials, such as hats and key-chain tags, to raise awareness of the campaign.

Using KOMTRAX remote machine-monitoring technology on Tier 3 and Tier 4 Interim machines, Komatsu tracked overall hours and idle time. Monthly reports showed participants’ progress during the four-month campaign.

“KOMTRAX provides a host of valuable information, such as fuel consumption, machine location and functions,” said Calvert. “Those are all very good tools to help customers track their equipment, but one indicator that’s often underutilized is productive versus nonproductive hours. KOMTRAX shows equipment owners their machine hours and the percentage of those hours at idle. Owners can use that information to train operators in practices that will lower unproductive hours.”

To help equipment users save money and get more from their equipment, Komatsu launched a “No Idle Initiative” that encouraged equipment users to shut their machines off when they’re not producing.



Komatsu recognized 284 of the 1,200 participants as “Most Improved” for showing a 20-percent or more reduction from their baseline idling rate for at least two months. Of those, Komatsu named a “Top 20” for showing the highest percentage reduction in idling. In another category, 69 participants achieved “Best of the Best” by reducing their overall idle time to 15 percent or less. Winners in the Top 20 and Best of the Best were invited to a special Demo Days event at Komatsu’s Training & Demonstration Center in Cartersville, Ga. They were honored during a special ceremony and invited to be part of a panel discussion about their experiences and success in reducing idle time.

“We consider this ‘socially responsible marketing,’ ” said Post. “What that means is showing customers ways they can save money and put more dollars in their pockets. At the same time, it raises a level of awareness when it comes to the environment. Less idle time means less fuel used, resulting in lower emissions.”

Calvert added, “The reaction to and result of the No Idle Initiative exceeded our expectations. We experienced success from an awareness standpoint, but more important, most participants saw tangible results. It was really a story of empowerment and economic benefit for equipment users. They took control of reducing idle time, and greatly helped their bottom lines.”

A goal of less than 10 percent

Like the participants in the No Idle Initiative, others Komatsu users with Tier 3 and Tier 4 Interim machines can receive a complimentary, detailed, monthly report with easy-to-read charts and graphs. Included are key items, such as how a machine’s idle time compares with the average of all machines Komatsu tracks.

“A simple graph shows owners if their machines are above, below or average, compared to the national average,” said Calvert. “Zero idle time is probably unrealistic, because there are situations, such as cold-weather work and machine start-up, that require it. But, even those times can be drastically cut. Ultimately, we want users to have less than 10-percent idle time. A proactive approach and vigilance in tracking machines using technology such as KOMTRAX can easily achieve that goal.” ■

D.H. Griffin of Texas earns Top 20 Award

Like most demolition contractors, the goal at D.H. Griffin of Texas is to deconstruct or demolish a structure as quickly, efficiently and safely as possible. In the process, its heavy equipment runs almost constantly, including a fair amount of time spent idling.

To help reduce that idling time and the costs associated with it, WPI Customer Support Manager Dan Galor contacted D.H. Griffin of Texas about participating in Komatsu’s No Idle Initiative. D.H. Griffin of Texas President John Angelina readily agreed, and the company earned a “Top 20” award as one of the 20 companies showing the highest percentage reduction in its idling time. D.H. Griffin of Texas also earned a “Most Improved” award for reducing overall idling time by 20 percent or more.

Galor tracked D.H. Griffin of Texas’ Komatsu equipment using KOMTRAX, Komatsu’s exclusive machine-monitoring system. “Dan showed us the KOMTRAX reports documenting our idle time, and, of course, it was much higher than we would like,” said Angelina. “He explained to us that excessive idle time has many detrimental effects, such as higher hours and increased fuel usage. Participating proved beneficial for us, as our idle time dropped significantly, and with it, our fuel costs.”

D.H. Griffin of Texas has 13 Komatsu machines, including several excavators it uses to run hammers, shears and other attachments. “We believe Komatsu makes the best machines because in a demanding application like demolition, they last,” said Angelina. “We routinely keep them 8,000 hours and more, and they never cause us a problem. By reducing idle time and shutting down a machine, we’re reducing unnecessary wear and, in turn, extending the life of the machine. That’s a great benefit.

“Another benefit achieved by KOMTRAX monitoring in the No Idle Initiative is that KOMTRAX reports what mode our operators are using, and whether it matches the application or attachment,” he added. “If not in the correct mode, we can address that with the operators to ensure they’re working most efficiently to reduce wear and fuel usage. We’re thrilled with the results and glad Dan brought the No Idle Initiative to our attention. It’s opened our eyes, and we’ll surely continue to put its benefits into practice.”



Komatsu recently recognized WPI customer D.H. Griffin of Texas, Inc. for its achievement in the No Idle Initiative with a “Top 20” award. “Reducing idling time has shown us a good fuel savings,” said D.H. Griffin of Texas President John Angelina.

No Idle Initiative Award Winners

- 973 Materials *
- Barrier Equipment *
- D.H. Griffin * +
- J.R. Schneider *
- RGM Construction *
- Rogers Construction *

* Most Improved

+ Top 20



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TRAINING TALK

MAXIMIZING PRODUCTIVITY

Komatsu offers training to help operators be more efficient

In today's competitive marketplace, productive operating practices can help you be more competitive and more profitable, too. Komatsu offers a way to help you accomplish that with its specialized operator training for both construction and mining customers.

"Some customers who have used a particular machine — a WA380-6, for example — and have veteran operators, might have recently purchased a new Tier 4 Interim WA380-7 and may only need someone to show them the new features," said Jim Sandercock, Senior Manager-Training and Demonstration. "Another customer might have several new operators who need a very in-depth course in the machine's features and how to operate it. In the first example, we'll likely come to a customer's location or jobsite and spend a day or two. For the other situation, those operators would come for a week-long class at our Training & Demonstration Center in Cartersville, Georgia, or our mining proving ground near Tucson."

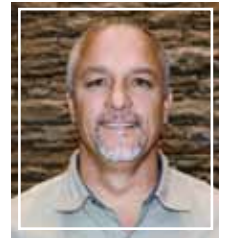
Week-long, basic, operator-training classes for construction customers are the most frequently requested courses, according to Sandercock. "We limit the class to eight people and spend the first day in classroom training, covering basic functions, controls, switches, specification, maintenance and other items. The rest of the week, the trainer or trainers work one-on-one with operators, putting theory into practice."

MSHA certification available

On the mining side, Komatsu offers everything from basic operation to MSHA certification courses, including train-the-trainer qualification courses. Advanced classes require prerequisites.

"We can customize classes to go well beyond the basics," said Sandercock. "For example, we have had customers request help in being more efficient, in setting up a jobsite or mine to maximize production, and a host of other topics. Operators have a significant impact on the bottom line, including the machine's reliability, so we want them to use the features correctly to maximize production and uptime. We can do that because all our trainers have solid backgrounds in best practices.

"Customers who want operator training should contact their distributor, which will arrange it with Komatsu," Sandercock added. "We're here to help in any way we can." ■



Jim Sandercock,
Senior Manager-
Training and
Demonstration



Komatsu offers both classroom and hands-on machine training for operators. "We want them to use the features correctly to maximize production and uptime," said Komatsu's Jim Sandercock, Senior Manager-Training and Demonstration.

A PROACTIVE APPROACH

VP of Parts says planning, technology help Komatsu have parts inventory readily available



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.

Frank Pagura,
Vice President of Parts

Frank Pagura is in his eighth year as Vice President of Parts at Komatsu, having previously served as Parts Planning and Coordination Manager for a year. He joined the company in 2004 after working in parts purchasing and parts planning for an offshore-drilling equipment manufacturer.

Since Pagura joined Komatsu, the company has expanded its regional parts distribution centers to include eight across North America. It also has a 584,000-square-foot Central Parts Operation in Ripley, Tenn., which supplies construction and mining parts throughout the world.

"The goal is always to have the parts available when the customer needs them, and our fill rate is close to 99 percent in terms of either on-the-shelf or next-day delivery through our distributors and regional parts centers," said Pagura. "We're constantly working to improve and make ordering parts easier with programs such as epartscentral, which allows customers to log onto a secure Web site, find the part or parts, check availability and place an order any time of the day."

Pagura is a native of New York and continues to root for the Mets and Jets. He graduated from the U.S. Naval Academy and was an active-duty officer for six years.

Frank and his wife, Trina, have three daughters, Aimee, Abigail and Avery. He enjoys spending time with the family and attending the kids' activities, including soccer and horse riding.

QUESTION: In the past few years, Komatsu introduced several new Tier 4 Interim machines. How do you prepare for new machines from a parts standpoint?

ANSWER: It starts with a proactive approach. We talk with our engineers throughout the design process. As they reach the final phase of design, we're working together to build a parts inventory list. Eventually, new machines will need parts such as filters for regular service intervals, as well as common wear items. By taking a proactive approach and working collaboratively with our distributors, we can ensure those items are on the distributor's shelf and ready before a customer needs them.

Another way we're taking a proactive approach is using KOMTRAX to monitor machine usage. Under our Komatsu CARE program, scheduled maintenance is complimentary for the first three years or 2,000 hours. KOMTRAX shows us how many hours are on a machine, so our distributors know how close a customer's machine is to a service interval and we can ensure the parts are on hand. They can then schedule a convenient time to have one of their factory-certified technicians perform the work with genuine Komatsu OEM parts and fluids.

QUESTION: Why is it important to use factory-certified technicians and Komatsu OEM parts and fluids?

ANSWER: Maintenance is a critical component in a machine's health and longevity. You want someone working on your Komatsu equipment who knows how to get the job done right and in the most efficient manner to minimize downtime.

OEM parts and fluids are specifically designed for Komatsu machines to provide continued productivity throughout their lifetime. Customers can be confident that their Komatsu machinery is going to perform the way they expect it to.



Komatsu's Central Parts Operation in Ripley, Tenn., is open 24 hours a day, seven days a week and is the main hub that handles parts distribution for Komatsu distributors and their construction and mining customers throughout the world. Komatsu also has eight regional parts distribution centers across North America.



Frank Pagura, Komatsu's Vice President of Parts, says the company takes a proactive approach to building parts inventory lists before new products, such as Tier 4 Interim machines, are available. "By taking a proactive approach, and working collaboratively with our distributors, we can ensure those items are on the distributor's shelf and ready before a customer needs them," said Pagura.



Komatsu's fill rate is nearly 99 percent in terms of immediate or next-day availability through its distributors and regional parts centers.

We believe that using OEM parts and fluids is ultimately more cost-effective than using will-fit components or fluids that may not provide maximum performance, or worse, lead to a catastrophic failure.

QUESTION: What about remanufactured parts. Are those cost-effective?

ANSWER: Absolutely. Komatsu offers remanufactured options on most of its major OEM components, and we often encourage customers to choose that option. Like new parts, in most cases, they're readily available. And, like

new parts, we stand behind them with a one-year, unlimited-hours warranty.

QUESTION: What do you see for the future?

ANSWER: Nothing is more important to us than keeping our customers' downtime to a minimum, and to do that, we must have parts available when they're needed. Dramatic change is not something we look for from a parts standpoint. Our goal is consistency, meaning we maintain solid parts inventories at all times. That's been the case in the past, it's the case now and will continue into the future. ■



SIDE TRACKS

On the light side



"Don't forget to empty the suggestion box."



"Here comes another load of soil for the dump truck."



"Schedule A, line 16 G:
Do you wish to
make a charitable
donation to help
pay off the
national debt?"

Did you know...

- The Guinness Book of Records was originally published by Guinness Breweries as a reference for settling bar arguments.
- Blue eyes are a genetic mutation. Before the mutation occurred, all humans had brown eyes.
- There is enough energy in one bolt of lightning to power a home for two weeks.
- The most productive day of the workweek is Tuesday.
- The average company saves more than \$7,000 for each employee suggestion it enacts.
- Bulletproof vests, fire escapes, windshield wipers, and laser printers were all invented by women.
- Donkeys kill more people annually than plane crashes.
- A million dollars weighs about a metric ton. Hence the expression "a ton of money."
- A typical lead pencil can draw a line 35 miles long.
- American car horns beep in the tone of F.

Brain Teasers

Unscramble the letters to reveal some common construction-related words. Answers can be found in the online edition of the magazine at www.WPIUpdate.com

1. N G I P V A _ P _ _ _ _ _
2. O R T I F P _ _ _ _ _ T
3. E I D B R G _ _ _ I _ _ _
4. D O N F U T I A O N _ _ _ _ N _ _ _ _ _ N
5. C G L N E I A R _ _ L _ _ _ _ _

INDUSTRY NEWS

Unconventional oil and gas production have huge economic impact

A new study shows horizontal drilling and hydraulic fracturing will become the most productive methods of extracting oil and natural gas by 2015. Conventional land and deep-water drilling methods will see continual decreases, according to the study from research firm IHS Global Insight.

Between now and 2035, horizontal drilling and fracturing will account for

more than \$5 trillion in capital expenditures and have an employment impact of 3.5 million jobs. That would create a total economic contribution of \$475 billion in 2035 and generate tax revenues of nearly \$125 billion that same year. The study shows nearly 50 percent of revenues generated from production is spent on construction, materials and heavy equipment. ■

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