

Difference

A PUBLICATION FOR AND ABOUT DMI CUSTOMERS • 2010 No. 2



A MESSAGE FROM THE CHAIRMAN



Dear Equipment User:

In recent months we've seen signs of economic improvement. The housing market seems to be stabilizing, and the second year of the stimulus is bringing an increase in actual spending on governmental projects. We're cautiously optimistic that these small steps will lead to a larger expansion of work in the near future.

Eventually, the broader economy will rebound and we'll see construction rise again. We're prepared for it, and we hope you are too.

As in the past, we at DMI can help you find the right machinery to meet your needs today and in the future, whether it's a new or used equipment purchase or a rental. If you're looking for new equipment, check out the articles in this issue of your *DMI Difference* magazine on Komatsu's newest excavators (PC160LC-8, PC350HD-8 and PC450LC-8) and new GD655-5 motor grader.

Of course, Komatsu is not stopping there. As always, it's looking ahead for ways to lower your owning and operating costs. Many times, the changes made in new equipment are a direct result of customer input as you'll see in the Komatsu & You interview with the company's North American Vice President of Research and Development.

Komatsu has the products, and we at DMI have the know-how and expertise to keep your downtime to a minimum with our highly trained staff of expert service technicians and parts personnel. Whatever your needs may be, please don't hesitate to give us a call or stop by one of our branch locations, and let us show you how we can help.

Sincerely,

Pat Healy
Chairman of the Board

Positive signs of a recovery





Difference

IN THIS ISSUE

HEAVY CONSTRUCTORS, INC.

Read how this 90-year-old company grew to become one of western South Dakota's most trusted and diverse contractors.

WHAT TO EXPECT

Here's what to look for during the second year of the economic recovery plan.

GUEST OPINION

Legal expert Christopher Hill provides some helpful tips to ensure your construction contract leads to a profitable project.

NEW PRODUCTS

If you've got a heavy-duty digging job, Komatsu has the machines you need. Check out the heavy-duty booms on Komatsu's new PC350LC-8, PC350HD-8 and PC450LC-8 excavators.

MORE NEW PRODUCTS

See how improved visibility from a newly designed cab increases operator productivity in Komatsu's new GD655-5 motor grader.

PRODUCT UPDATE

Find out how a redesigned work platform on Komatsu's PC160LC-8 excavator helps operators boost productivity.

MILESTONES

Komatsu recently celebrated the production of the 930th unit of its "ultra class" 930E electric-drive truck. Learn why it has become such a popular mining truck.

KOMATSU & YOU

Ike Mochida, Komatsu VP of Research & Development, explains the product research and development process and the role customers play.

Published by Construction Publications, Inc. for



DIESEL MACHINERY, INC www.dieselmachinery.com

SIOUX FALLS

4301 North Cliff Ave. P.O. Box 85825 Sioux Falls, SD 57118-5825

(605) 336-0411

(800) 456-4005

RAPID CITY

I-90 & Deadwood P.O. Box 2473 Rapid City, SD 57709

(605) 348-7438

(800) 658-3047

DMI-TEREX PARTS/SERVICE

4000 North Cliff Ave. Sioux Falls, SD (605) 336-2595 (800) 843-0022

ABERDEEN

39288 133rd Street (East Hwy. #12) Aberdeen, SD 57401 (605) 725-4364

(888) 762-6312

THE PRODUCTS PLUS THE PEOPLE TO SERVE YOU!

SIOUX FALLS

Pat Healy, Chairman of the Board

Dan Healy, President

Don Mosey, V.-P./General Manager

Stan Burgers, Controller

(605) 366-3482

Herb Lohnes, Sales Manager

(605) 361-7979

Roger Horstmeyer, Sales

(605) 366-6000

Mark Schievelbein, Sales

(605) 528-6464

Darwin Ellis, Sales

(605) 330-0448

Jon Winklepleck, Sales

(605) 361-7224

Tim Kelly, Parts Manager

(605) 363-3023

Russ Kielman, Terex Parts Manager

(605) 582-6782

Steve Ward, Service Manager

(605) 498-0203

Dennis Green, Terex Service Manager

(605) 361-1860

RAPID CITY

Mark Barry, Branch Manager (605) 342-1767

Maurice Adams, Sales (605) 642-9655

Peggy Wolf, Sales (605) 430-4580

Ted Davies, Service Manager

(605) 399-9601

Scott Houk, Parts Manager (605) 574-9043

ABERDEEN

Chad Casanova, Sales (605) 380-0180

Darrel Serfling, Sales (605) 290-0503

Justin Herreid, Parts

(605) 290-3878 **Jerald Bankston,** Service Manager (605) 228-4821



Printed in U.S.A © 2010 Construction Publications, Inc.

HEAVY CONSTRUCTORS, INC.

Experience, diversification help Rapid City contractor offer turnkey projects



David Gustafson, President

In the past few years, Heavy Constructors has taken on an increasingly larger role in construction management services as it continues a legacy of more than 90 years of growth in the South Dakota construction industry. This latest area of expansion allows the Rapid City company to provide oversight of customer projects, including plan development, value engineering, the bidding and budgeting process and other work needed to turn a concept into a finished product.

Construction management is just the latest in a long list of services that have built Heavy Constructors into one of western South Dakota's most trusted and diverse businesses. Its history dates back nearly a century when Dave Gustafson and his brothers started moving earth with a tractor and blade in South Dakota in 1919.

Heavy Constructors uses a wide variety of Komatsu excavators, including this compact PC78 used on a street project in Rapid City.



Today, a second and third generation of Gustafsons continue to build on the foundation Dave provided. His grandson David Gustafson is President of Heavy Constructors, which serves as a general contractor on heavy highway work, such as road and bridge construction, as well as installation of heavy underground utility lines. It also does concrete paving, using its own portable plant.

Heavy Constructors is the parent company of two other businesses, Gustafson Builders and Excavation Specialists. Gustafson Builders' primary focus is turnkey commercial building construction on hard-bid and design/build jobs. Excavation Specialists installs light utility lines, such as phone, cable and gas for utility companies throughout western South Dakota.

"Being diversified allows us to self-perform nearly every aspect of a project," noted David Gustafson, whose father, Wayne, helped build the business and remains active, though semi-retired. "Our divisions can work together to provide the site preparation as well as construction of a building. That allows us to take a project from concept to finished product. That's a major advantage, and our customers really appreciate that everything is handled by one main point of contact. We set the schedule, do our work, line up and coordinate the subcontractors and ensure safety and quality throughout. It's earned us a solid reputation and a fairly long list of repeat customers."

Impressive list of projects, employees

The list of projects Heavy Constructors and its subsidiaries have completed is also long and impressive. Gustafson estimates the companies do upward of 40 projects a year within about a 200-mile radius of Rapid City. Each year when Sturgis holds its bike rally, thousands of riders travel across hundreds of miles of Interstate and South Dakota highways that Heavy Constructors played a part in building. Many also stop by the Harley-Davidson store in Rapid City that the companies built.

Additional building projects include the Garden Center addition to Menards, which Heavy Constructors did in the middle of winter a couple of years ago. "It was a challenge because we had to keep the rest of the store open during construction," said Gustafson. "We were able to get it done on time and on budget, so it was ready for the spring planting season."

Other recent projects include the 32,000-square-foot Safeway store built on caissons in the Baken Park District of Rapid City. As well as the 119-room First Gold Hotel and parking ramp in Deadwood. "We had to do the hotel project on a fast track to have it ready in time for a rally, so we completed it in six months," noted Gustafson. "That's a quick turnaround, but what makes it more impressive is that the hotel was built into the bank of a rock hill. There were definitely some challenges."

Gustafson credits a hardworking staff of more than 200 employees at Heavy Constructors, Gustafson Builders and Excavation Specialists for being able to do any type of project on time and on budget. Many of them are extended family members, including Vice President Terry Larson, Office Manager and Controller Greg Brown, Justin and Brett Larson and Steven Sandman. Several have worked under the Heavy Construction umbrella for a decade or more.

"We've always taken the approach that this is a family business, and even the employees who are not related are part of our family," said Gustafson. "If you look back through our history, you'll find one common denominator and that's a solid corps of employees who value hard work, honesty, fairness and a willingness to do any task to get a job done.



Heavy Constructors' latest Komatsu excavator addition is this PC220LC-8. "Our operators really like the Komatsus and are especially happy with the PC220," said President David Guetafson

They are key to our success, and we certainly wouldn't be where we are today without them."

Komatsu excavators are main production machines

Looking back through the Gustafson family history also shows that they place a high value on having the right equipment to help get jobs done on time and budget. In the 1930s, Dave Gustafson purchased what's believed to be the first scraper sold in South Dakota.

"Much of the work my grandfather and father did was mass excavation, but since we've diversified, we now sub out much of that work," noted Gustafson. "Our main machines now are excavators that we use for heavy utility installation, foundation digs and



Equipment fleet helps meet diverse job needs

 \dots continued

other work. They offer us versatility because we can dig, load, set pipe and structures and backfill with one machine. For the past several years, Komatsus have been our excavators of choice because they have the power to do everything we need and, at the same time, are efficient and reliable."

Heavy Constructors' lineup includes Komatsu excavators ranging in size from the compact PC78 to a 132,000-pound-plus PC600LC-7. Its latest addition was a 54,000-pound PC220LC-8. The company rents additional Komatsu pieces as needed.



DMI Rapid City Branch Manager Mark Barry (left) calls on Heavy Constructors President David Gustafson. "Anytime we've needed something, whether it's sales or service, they've really stepped up. DMI is a great asset to us," said Gustafson.

Heavy Constructors uses this PC600 for deep digs and setting large concrete structures.



"The compact excavator allows us to get up close to structures without worrying about the counterweight hitting, and the PC600 is able to dig deep and set large concrete structures," Gustafson pointed out. "Our operators really like the Komatsus and are especially happy with the PC220. They rave about how much power it has, yet it's still smooth to operate. One thing I particularly like to hear them talk about is the PC220's fuel economy. It's using quite a bit less than our previous machine in that size class."

In addition to Komatsu excavators, Heavy Constructors uses a D65 dozer for grading and Hypac and Dynapac rollers for compaction. Its most recent purchase was a Hypac C822C padfoot compaction roller. Gustafson works with DMI Rapid City Branch Manager Mark Barry on purchase and rentals.

"Our history of working together dates back several years, and we've developed a very good relationship with Mark and Dan Healy, among others, at DMI," said Gustafson. "Anytime we've needed something, whether it's sales or service, they've really stepped up. That's a factor in our equipment decisions. DMI is a great asset to us."

Versatility is a major asset

Like many in construction, Heavy Constructors and its divisions have seen some slowdown in work lately, but David Gustafson is optimistic that business will pick up soon. He believes having the versatility to handle many different types of work is a major asset.

"My grandfather weathered the Great Depression and even grew the business during those times because he was willing to diversify," said Gustafson. "My father and I, along with many of our family and employees, have seen the cycles that construction work brings. While we don't like to see the downs, our experience has taught us how to get through them, and one way is ensuring we have the versatility to work in all types of segments.

"If one slows down, we can turn to another and increase our presence elsewhere," he added. "We're starting to see things turn a little. I believe it will continue to improve in the near future, and we'll start growing again."



Command performance

Introducing the HYPAC C766D: Better Control, Higher Performance

With its new sliding/swivel seat and controls, the HYPAC C766D gives you better command over big paving jobs. The new operator's station features outstanding visibility from either side without having to switch seats and joystick controls that automatically reverse for natural left/right, forward/back operation.

In addition to improved operator comfort and control, the new C766D offers:

- . 66" wide drums for big paving jobs.
- 4000 vpm frequency for better, smoother, faster compaction.
- Cummins Tier 3 engine with ECO-mode for 20% improved fuel economy during pause.
- Large single hood and hinged spring-loaded scraper bars for easy maintenance.

For detailed specs and full list of features and benefits on the C766D and the 78" C778D, visit www.hypac.com

HIGH TECH. HIGH COMPACTION.





SIOUX FALLS

4301 North Cliff Ave. P.O. Box 85825 Sioux Falls, SD 57118-5825 (605) 336-0411 (800) 456-4005

DMI-TEREX

PARTS/SERVICE 4000 North Cliff Ave. Sioux Falls, SD (605) 336-2595 (800) 843-0022

RAPID CITY

I-90 & Deadwood P.O. Box 2473 Rapid City, SD 57709 (605) 348-7438 (800) 658-3047

ABERDEEN

39288 133rd Street (East Hwy. #12)-Aberdeen, SD 57401 (605) 725-4364 (888) 762-6312

TAKING STOCK OF THE STIMULUS

Increased construction spending expected during second year of the economic recovery plan

A significant increase in construction spending under The American Recovery and Reinvestment Act (ARRA) is expected as the economic stimulus package heads into its second and final year. Estimates show about \$20 billion was spent for infrastructure projects during the first 12 months of the plan, only a little more than 10 percent of the total allotted.

When the \$787 billion stimulus package was passed last year, nearly \$135 billion was appropriated for various transportation and other infrastructure funding. The early focus was on "shovel-ready" projects, those that could be started within 120 days of the plan's enactment. Spending for longer-term jobs would come later, much of it this year.

underway, and will be creating jobs throughout 2010 and beyond," said Vice President Joe Biden, appointed to oversee the stimulus package. "Work on many Recovery Act projects will accelerate in the spring and summer months as weather conditions permit work on roads, bridges, water projects and Superfund cleanups."

"Many projects are just now getting

Construction spending under the economic stimulus ramps up during 2010 with more money slated to be spent than during the first year of the act.



Though only \$20 billion has been spent, more than \$104 billion has been obligated, meaning projects are approved and waiting for construction to begin. The increased spending is expected to contribute 1.4 percentage points to gross domestic product growth in 2010. The pace of actual spending is slated to more than double, from about \$3 billion per month to more than \$7 billion.

"I think we'll see a lot more stimulus money going into actual contracts and actual hiring in 2010 than we did in 2009," said Ken Simonson, Chief Economist of the Associated General Contractors of America in a recent Wall Street Iournal article.

TIGER projects announced

One area of the economic stimulus package to see an increase in spending is Transportation Investment Generating Economic Recovery (TIGER), a discretionary grant program that's different from traditional hard-bid projects. The Department of Transportation recently announced \$1.5 billion in TIGER grants for more than 50 projects throughout the country.

According to the DOT, TIGER grants target major national and regional transportation projects that are in many cases difficult to pursue through other government funding programs. Selected projects must foster job creation, show strong economic benefits, and promote communities that are safer, cleaner and more livable.

The TIGER grants have been popular, with states pitching for the funds. More than 1,400 applications were submitted for review, totaling nearly \$60 billion.



Key sectors for investment under the TIGER program include freight rail, road and bridge repair and community livability. Eleven national freight projects, 13 highway infrastructure projects and 22 community livability projects, which are designed to give Americans more choices about how they travel and improve access to economic and housing opportunities in their communities, were announced.

"The TIGER program takes a new, common-sense approach to investing scarce federal resources on transportation projects of national significance," said a U.S. Department of Transportation outline announcing the grants. "Unlike other federal transportation programs, TIGER funds are open to all types of projects, from roads and bridges to transit and rail. In order to receive funding, each project must show how it will help the United States meet its national goals, most importantly growing and rebuilding the economy."

Jobs per \$1 billion spent beat prestimulus estimates

Spending more funds under The American Recovery and Reinvestment Act is good news to an industry that's been one of the hardest hit by unemployment. Critics have pointed to the stimulus plan as a failure for not creating or saving more jobs. They've also panned government bureaucracy for provisions of the act that they say have delayed stimulus spending.

Proponents of the bill acknowledge that there have been hiccups, but overall it's made a significant contribution and will continue to provide even more positives this year. Simonson points to a federal employment report that showed heavy civil employment remained stable earlier this year, an area where the bulk of stimulus-funded construction activity was spent.

"One of the few areas of construction to see increased spending in 2009 was in highway and roads according to the latest Census Bureau figures," he noted. "Considering the massive overall declines in construction activity last year, this is a strong sign the stimulus is having a positive impact."

Citing a recent federal report, Simonson said highway projects during the past year saved or created about 280,000 construction jobs. That equates to about 15,000 jobs per billion dollars spent, better than prestimulus estimates of about 9,700. Simonson indicated the ramp-up in spending this year will also lead to increased hiring of new workers or the return of some laid-off employees.

"The good news is that 2009's delays mean significantly more stimulus-funded opportunities for contractors in 2010," Simonson said. "We expect to see many more stimulus-funded projects come on line, especially for building contractors. This work will provide a much-needed lifeline for contractors, allowing them to retain many of their workers.

"The stimulus is one of the few bright spots the construction industry experienced last year," he added. "The stimulus is saving construction jobs, driving demand for new equipment and delivering better and more efficient infrastructure for our economy."

COVER YOURSELF

Some helpful hints to ensure your construction contract leads to a profitable project



Christopher G. Hill

The news is everywhere that construction spending is down. Contractors face the liability issues inherent in having to cut prices while construction material costs either increase or stay the same. However, opportunities exist for a construction contractor to turn a profit, even in these seemingly dire times.

In order to do, so a contractor must plan ahead, run a project smoothly and professionally, assure that its contracts contain terms that protect it from liability as best is possible in an uncertain world, and assure prompt action to collect, should those terms be

Christopher G. Hill is a lawyer at the Richmond, Va., firm DurretteBradshaw PLC, a LEED AP and a member of Virginia's Legal Elite in Construction Law. He specializes in mechanic's liens, contract review and consulting, occupational safety issues (VOSH and OSHA), and risk management for construction professionals. Mr Hill authors the Construction Law Musings blog at http://constructionlawva.com.

Running a job smoothly and hammering out contract details are a couple ways that can help you turn a profit on any job, according to lawyer Christopher G. Hill.



breached (whether with a lawsuit, mechanic's lien, or possibly a Miller Act claim).

One key to avoid having to pursue this last course of action is to make sure that you, as a general contractor, subcontractor or supplier, run your portion of the construction job smoothly. Good relationships with those both upstream and downstream can go a long way toward heading off problems before they blossom into legal action. The construction guidelines published by a coalition that includes the Associated General Contractors are a good starting point for advice on this topic.

Another way to avoid problems and protect yourself as a construction professional is through the use of escalation clauses in your construction documents. These clauses allow a subcontractor to pass on an increase in materials cost to a general contractor (or a GC to an owner) under certain circumstances. Absent such a clause in your contract, you (as the downstream construction company) will likely have to eat any increased costs under a fixed-price, lump-sum contract. Of course, an escalation clause is just one protection that you can build into your contracts. A knowledgeable construction attorney can help you incorporate others.

Finally, make sure that all the details are hammered out up-front in the contract documents. Many problems will be avoided by clear contract drafting that assures all parties know the deal before the project starts. Surprises cause litigation much more often than clear contracts, even in claims situations.

Taking these relatively simple steps should help you concentrate on completing the work and making money doing it. ■



KOMATSU®

Being the best is never good enough. Just as you're always looking for ways to grow your business, Komatsu is constantly working to improve the tools of your trade. We have a long history of innovation across all our lines of heavy equipment and a long list of dedicated customers who count on these innovations as a competitive edge.

- · Pushes larger loads
- · Reduced operating costs
- Easier serviceability
- · Improved operator comfort

Put the best the industry has to offer to work on your next job and discover your competitive edge.

100% Komatsu.

866.513.5778

www.komatsuamerica.com



- Tier-3 engines deliver reduced emissions without sacrificing power or productivity.
- Electronics, engine and hydraulics are optimized for maximum efficiency and minimum fuel consumption (10% reduction compared to -7 models).
- Multi-function LCD monitor provides critical operating information at a glance (and it can do this in 10 languages).

From enhanced safety features to extended maintenance intervals, the PC200LC-8, PC220LC-8 and PC270LC-8 show what happens when the best engineers put the latest technology to work. The results are always...

100% Komatsu.

866.513.5778 www.komatsuamerica.com

NEW EXCAVATOR MODELS

Heavy-duty booms offer increased durability in PC350LC-8, PC350HD-8 and PC450LC-8 models

Stress on an excavator's boom can significantly shorten its life and increase long-term owning and operating costs. That's why Komatsu took a big step in extending that life expectancy by introducing heavy-duty booms on its new PC350LC-8, PC350HD-8 and PC450LC-8 models.

Komatsu designed the heavy-duty booms to provide increased strength and durability compared to the PC300LC, PC300HD and PC400LC, which these new machines replace. Large cross-sectional structures, thick, high-tensile-strength steel, and partition walls help the boom and arm resist bending and torsional stress, making them more durable.

"The new machines basically maintain the same performance capabilities of their predecessors in terms of horsepower and bucket capacity," noted Doug Morris, Product Manager, Excavators. "However, heavy-duty booms are now standard to increase the durability of the work equipment. As with previous models, contractors will choose the model that best suits them based on factors such as the applications in which they use them, site conditions and breakout force."

Added reliability features of the new models include a sturdy frame structure. Its revolving frame, center frame and undercarriage were designed using advanced CAD analysis technology for better durability and longer life. Components, such as engine, hydraulic pumps and motors, control valves and electronic devices, are exclusively Komatsumanufactured for seamless integration into the machines. Metal guard rings protect hydraulic cylinders, and hydraulic hoses equipped with O-ring seals provide extended, leak-free life.

Komatsu lengthened undercarriage life with grease-sealed tracks and track links with struts, which offer superior durability. Longer track life is part of an overall effort by Komatsu to lower owning and operating costs.

"Contractors will find these new machines a little more robust in all applications, whether digging utility trenches, loading trucks, mass excavation or demolition," said Morris, who noted a PC350HD-8 model is available that combines the upper structure of a PC350 with the lower part of a PC450. "Komatsu built in additional value by using more durable



Doug Morris, Product Manager, Excavators

Continued . . .

Brief Specs on the Komatsu PC350LC-8, PC350HD-8 and PC450LC-8 Excavators					
Model	Operating Weight	Net Horsepower	Bucket Capacity		
PC350LC-8	77,362-79,037 lbs.	246 hp	0.89-2.56 cu. yd.		
PC350HD-8	85,305-88,771 lbs.	246 hp	0.89-2.56 cu. yd.		
PC450LC-8	97,372-104,058 lbs.	345 hp	1.47-3.75 cu. yd.		

Heavy-duty booms on Komatsu's new excavators provide increased strength and durability compared to their predecessor models.

To see video about these new excavators, go to www.videocpi.com



New excavators feature five working modes

... continued

components that offer improved reliability, better maintenance and service intervals, and cab improvements that make the operator more productive."

Built-in productivity

Five working modes — Power, Economy, Lifting, Breaker and Attachment — help users get the most efficient production out of the PC350LC-8, PC350HD-8 and PC450LC-8. Using different modes, the operator can match engine speed, pump flow and system pressure to the application. For example, when high digging force isn't needed, operators can switch to Economy mode for better fuel economy and savings. Power mode provides maximum production for faster cycle times, when needed.

Operators choose modes using the self-diagnostic, multifunction, color monitor that's among the industry's most advanced diagnostic systems. In addition to mode selection, the Komatsu-exclusive system identifies maintenance items, reduces diagnostic times, indicates oil and filter replacement hours and displays error codes. When the operator turns on the machine, check-before-starting items appear, and if abnormalities are found, a warning lamp blinks and a buzzer sounds to alert the operator. During operation, continuous machine condition checks help prevent serious problems from developing, allowing the operator to concentrate on the work.

Komatsu crafted the excavator cabs with operator comfort and productivity

Komatsu added value to its new excavators with features such as heavy-duty booms, five working modes, reinforced cabs with larger glass area and longer service intervals.



in mind. The new design features a wider cab, high-back seat and reduced noise and vibration levels. The pressurized cab also helps minimize outside dust from entering.

In addition, the new, highly rigid cab has a pipe-structured framework with reinforced strength for high durability and impact resistance. A larger glass area provides excellent visibility of the work area, while a skylight offers better overhead visibility. Large side-view mirrors give the operator clear views to both sides of the machine and a standard rearview camera lets him see behind the machine.

Longer service intervals

The PC350LC-8, PC350HD-8 and the PC450LC-8 can work longer before requiring downtime for routine maintenance. High-performance filters extend replacement intervals to every 500 hours for the engine oil and filter, 1,000 hours for the hydraulic filter and 5,000 hours for the hydraulic oil. All grease points, except the bucket, are at 500-hour intervals. Large-capacity air cleaners and high-pressure, in-line filters at the pump discharge ports are standard.

Each excavator has easy service-access points, including side-by-side radiator and oil cooler modules for quick removal, cleaning and installation. Engine oil-level check, oil fill port and fuel filter have improved accessibility as does the engine oil filter and fuel drain valve. An eco-drain valve is standard and enables easier and cleaner engine oil changes. A fuel prefilter that separates water and removes contaminants minimizes potential fuel problems.

"While there are noticeable changes, we kept key elements of the previous models that are proven productive and efficient, such as the efficient, high-pressure, common-rail Tier 3 engines that provide high productivity with low fuel consumption and emissions," said Morris. "KOMTRAX remains standard and allows owners and operators to track machine function and service intervals, among other items, which help keep downtime to a minimum. From that standpoint, users won't notice change, but in terms of other direct links to owning and operating costs, they'll see some significant improvements."

ADDED VALUE

Komatsu's new GD655-5 motor grader cab design is among features that improve productivity

One of the keys to productivity in motor grader work is the operator's ability to see the material and the blade as clearly as possible. Komatsu enhanced that ability in the new GD655-5 with a patented hexagonal cab that provides improved all-around visibility.

"The better visibility, the better production," said Product Manager Steve Moore. "We set out to make the most comfortable, productive and efficient motor graders possible. Komatsu did that by adding features, starting with a low-noise operator platform design that's similar to the unsurpassed, award-winning cabs in our small-dozer line. Then we built on that to provide even more value."

Better visibility is only part of the value-added equation, as Komatsu increased both horsepower and operating weight by nearly 10 percent, while decreasing fuel consumption by 20 percent compared to the GD655-5's predecessor. Its new, patented, dual-mode transmission system is mounted in the front for better weight distribution and provides on-the-go, full power shifting as well as inching capability and automatic shifting in the higher gear ranges.

"The operator has total control and can run the grader in direct drive (manual mode) for tough grading, or with the lock-up torque converter (auto mode) for fine work that may require inching," said Moore. "The higher horsepower allows for better productivity at higher speeds in applications such as road building and maintenance and snow removal. The combination of manual and auto is very effective for low-speed smooth operation by virtually eliminating engine stall. Komatsu is the only manufacturer to offer that."

Additional control valves

Komatsu also offers two additional control valves for a total of ten, making attachment additions easier. Other new standard features include a Turbo II precleaner, right and left independent blade-lift float, front-bar-mounted lights and a toolbox with lock. KOMTRAX 2.5 is also standard, providing better maintenance tracking. Users can perform nearly all services from the ground, including fueling for faster fill-ups.

"That reduces downtime and boosts production time," noted Moore. "Another key element is a new hydraulic, variable-speed, reversible fan that minimizes dust entering the radiator, which also minimizes downtime. With the GD655-5, as well as other Dash-5 motor graders we're introducing, we set out to engineer a machine that would significantly improve productivity and profitability. More horsepower and operating weight, as well as additional standard features, add value for anyone who uses a motor grader." ■



Steve Moore, Product Manager

Brief Specs on Komatsu GD655-5 **Motor Grader**

Model Net hp GD655-5 218 hp

Operating Weight

38,415 lbs. Blade Width

14 ft.

A new hexagonal cab provides exceptional all-around visibility and is among several new features designed to improve productivity and reduce owning and operating costs.





Komatsu compact excavators are right at home working in tight spaces. With advanced Proportional Pressure Control (PPC) joysticks, these machines give you precise handling without sacrificing speed, reach or capacity. Plus, they have all the features that make Komatsu excavators the choice of owners and operators across the country.

- Low-effort Proportional Pressure Control (PPC) joysticks
- · Spacious, ergonomically designed operator platform
- · Industry-leading 360-degree visibility
- · Tilt-forward operator cab structure for ease of service access
- Switchable excavator control pattern without tools (ISO/SAE)

When there's no room for error, the choice is 100% clear. Put our compact excavators to work today and enjoy the confidence that comes from machines that are...

100% Komatsu.

866.513.5778 www.komatsuamerica.com

MORE COMFORTABLE CAB

Redesigned work platform of the PC160LC-8 helps operators maintain productivity

A common adage in equipment says "a comfortable operator is a more productive operator." Starting with that nugget of wisdom, Komatsu designed its new PC160LC-8 to foster an environment where operators can thrive.

The PC160LC-8 has a newly designed, larger cab (compared to the Dash-7 model) with excellent sound absorption. Noise-source reduction and a quieter Tier 3 engine, hydraulic equipment and air conditioner make the excavator's noise level similar to a new automobile. Viscous damper mounting coupled with a highly rigid deck reduces vibration as well.

"There's more to the equation than just noise and vibration reduction," noted Product Manager Doug Morris. "The cab is pressurized with automatic air conditioning, an air filter and a higher internal air pressure to minimize the amount of dust that enters the cab. Operators who have used the PC160LC-8 notice right away how much more comfortable it is."

Operators can set the temperature in the cab using the upgraded LCD monitor panel, which also allows them to set the proper working mode to match conditions. Five modes are available, including an Economy mode for lighter digging and loading, which reduces fuel consumption by 10 percent compared to the Power mode.

Durable, easy to maintain

No matter the conditions, operators can be confident that the PC160LC-8 will get the job done. Komatsu engineered it with a boom and arms of thick-plate, high-tensile-strength steel. Designed with large cross-sectional areas and generous use of castings, working attachments exhibit long-term durability and high resistance to bending and torsional stress.

"The PC160LC-8 is the largest in what's considered our light excavator line, but don't let the word 'light' fool you. It has the strength and durability to handle substantial work loads," said Morris. "At the same time, it's light enough at less than 40,000 pounds to be easily transported, as well as mobile enough for maneuverability on the jobsite. It's great in commercial and residential applications."

Morris said with KOMTRAX as standard equipment, it's also easy to track and maintain proper service intervals. The radiator, aftercooler and oil cooler are arranged side-by-side for quick cleaning, removal and installation. Maintenance costs are reduced with high-performance filtering materials and long-life oil that extend intervals to 500 hours for engine oil and filter, 1,000 hours for hydraulic filter and 5,000 hours for hydraulic oil. ■

Brief Specs on Komatsu PC160LC-8 Excavator				
Model	Net Hp	Operating Weight	Bucket Capacity	
PC160LC-8	115 hp	36,770-37,740 lbs.	0.48-1.24 cu. yd.	

The PC160LC-8 has a larger, more comfortable cab, helping keep operators productive longer. It also features an efficient engine, low fuel consumption and is easily transported.





1000 PROVEN

(KOMATSU ELECTRIC DRIVE HAUL TRUCKS)

KOMATSU*

When it comes to building electric drive trucks that are rugged enough to stand up to the day-to-day demands of mining operations, one company has the proven track record to deliver the reliability you need to compete-Komatsu. If you look at the number of Komatsu electric drive trucks in service today and count the years of reliable service they've delivered, you'll see we have the engineering, manufacturing and application experience to help you stay profitable for years to come.

If you want to move more material, more cost-effectively, day after day, choose a proven solution.

100% Komatsu.

866.513.5778 www.komatsuamerica.com

MAGIC NUMBER — 930

Komatsu's legendary "ultra class" truck reaches a historic milestone

In 1996, Komatsu became the first equipment manufacturer to introduce an AC drive system into a large mining truck. In the 14 years since its introduction, Komatsu's 930E electric-drive truck has become the best selling "ultra class" truck in the world.

On March 1, Komatsu celebrated production of the 930th unit of its 930E series, which is designed and built at Komatsu's Peoria Manufacturing Operation in Peoria, Ill.

"The 930E represents Komatsu's genuine passion to see our customers succeed," said Don Lindell, Product Manager for mining trucks. "Based on data from real-world performance, we continue refining the features of the truck to lower the operating cost per ton."

That "real-world" data is gathered from 930Es that are operating around the world — from North and South America to Africa, Asia and Australia. The largest concentration of 930Es is in Chile, which is the world's largest copper-producing country. In fact, the massive Collahuasi copper mine in the mountains of northern Chile has more than 40 930Es, including historic unit number 930.

A key to Autonomous Haulage System

Because of its technology and reliability, the 930E is often used in remote locations and difficult applications. It is also a key part of Komatsu's Autonomous Haulage System which allows trucks to operate without drivers, thereby improving fuel efficiency, lowering production costs and lengthening truck life.

With a payload capacity of 320 tons (276 cu. yds.), the 930E is Komatsu's second-largest

mining truck, next to the 960E. Depending on the model, it is available with 2,700 or 3,500 gross horsepower (brake power). ■



Employees at Komatsu's Peoria Manufacturing Operations pose with the 930th Komatsu 930E haul truck. All of the 930 trucks were designed and built at the plant.

The Komatsu 930E was the first mining truck with an AC drive system and is the best-selling "ultra class" mining truck in the world.



50° DUMP ANGLE MEANS FASTER CLEANER UNLOADING





sidedumpindustries.com

Side Dump Industries' side dump trailers have a dump angle that is 10+ degrees greater than other manufacturers. Loads come out quicker with less sticking, so your tub will be cleaner.

THE PEOPLE WHO MADE IT WORK, MAKE IT BETTER

Give us a call. Get the facts. And get back to business.



www.dieselmachinery.com

SIOUX FALLS

4301 North Cliff Ave. P.O. Box 85825 Sioux Falls, SD 57118-5825 (605) 336-0411 (800) 456-4005

DMI-TEREX PARTS/SERVICE

4000 North Cliff Ave. Sioux Falls, SD (605) 336-2595 (800) 843-0022

RAPID CITY

I-90 & Deadwood P.O. Box 2473 Rapid City, SD 57709 (605) 348-7438 (800) 658-3047

ABERDEEN

39288 133rd Street (East Hwy. #12)-Aberdeen, SD 57401 (605) 725-4364 (888) 762-6312

ALWAYS LOOKING FORWARD

Komatsu Vice President of R&D says making quality products is a never-ending process

QUESTION: How does Komatsu start the research and development of a new product?

ANSWER: Research and development is a never-ending process. When a new machine is introduced, we're already thinking about how to improve upon it. Of course, when the machine is introduced, we're not automatically working on building the next version of it. We study its attributes and how it's performing in the applications for which it was designed. Then we look for ways to improve upon it, keeping in mind that our goals include improving our customers' costs of moving materials.

QUESTION: How much input do customers have in the process?

ANSWER: A very significant amount. Our customers are a vital part of the research and development process. After all, they're the ones using the machines, so we value their assessments of our products. In some cases, we start by surveying customers to find out what they want to see in a new machine. We marry that with what our research and development tells us, then set out to build a machine that will offer the productivity and performance our customers want to see. As we do that, we're constantly testing, retesting, and making sure that the machine meets all governmental standards and requirements.

One example is our D51 dozers with the cab-forward and Super Slant nose design. Customers told us that they wanted to be able to move more dirt at a lower cost. They indicated that improved visibility would be a significant step in the process. We took that information and incorporated it into dozers that offer excellent views all around the machine, especially to the blade and material, so the



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.

Ike Mochida, Vice President of North American Research & Development

This year marks Ike Mochida's 35th anniversary with Komatsu. He joined the company in 1975 after graduating from Tokyo University with a degree in Mechanical Engineering.

His first duties were designing special applications for small and medium dozers, including safety devices. Eventually, he became responsible for the entire development process of building new dozers and was transferred to the U.S. Technical Center in Chattanooga. Two years ago, he was named Vice President of the North American Research & Development division, overseeing R&D for both technical centers (Chattanooga and Peoria) in North America.

"In the 35 years I've been with Komatsu, the company's aim has never changed," said Mochida. "It's to constantly work to design and build machines that make our customers more productive and efficient. We've done that with their input and our technological advances, which in many cases has improved their per-yard and per-ton costs. I find the process enjoyable."

Mochida also enjoys traveling the U.S., especially areas of wide-open landscape and mountains. He also likes reading and playing golf with his wife Sonoko. The couple has two grown daughters.

Many resources used in product development

.. continued

operator is more productive. Consequently, cost per yard was improved. Komatsu added to that with fuel-efficient Tier 3 engines and lower maintenance costs. The result was an award-winning, technologically advanced dozer that customers rave about. As a result,

Komatsu uses CAD and other technology in the research and development of its new products. "Technology has become an ever-increasing part of our R&D," said Ike Mochida, Vice President of North American R&D. "It streamlines things, but it doesn't replace the most important aspect of our process: customer input and ideas."





Komatsu research and development is incorporated into new products, many of which are built in three North American manufacturing plants. OEM components, such as engines, are an integral part of the process.

The D51 dozer with its cab-forward and Super Slant nose design is a result of input from customers who wanted increased productivity and improved visibility.



we've incorporated the Super Slant design into other dozer sizes.

QUESTION: What other types of machines in North America is Komatsu focusing its R&D on?

ANSWER: The emphasis in North America is multidimensional. We have three manufacturing plants that produce several machines, not only for the North American market, but globally. The Chattanooga, Tennessee, facility where I am located, produces excavators and articulated trucks. In Newberry, South Carolina, it's wheel loaders and utility machines. The Peoria, Illinois, plant focuses on mining products. Peoria is a "mother" plant, meaning all research, development, manufacturing and production of mining trucks takes place there, as opposed to a piece of the process done here and another done somewhere else. Another part of that is that all components are genuine Komatsu OEM and integrated into the design, which makes for superior quality and reliability. It creates better communication and streamlines our production when everyone involved with producing a particular machine is in the same place.

QUESTION: How many people are involved in the process?

ANSWER: It depends on the machine, but there are always several individuals working on research and development of a product. We have about 130 people in R&D, but of course they aren't the only ones involved. We work with engineering and manufacturing to assure that when a machine is in development, everyone is on the same page. Having multiple people at work on one project means we can take different views and incorporate them into the design of a better product.

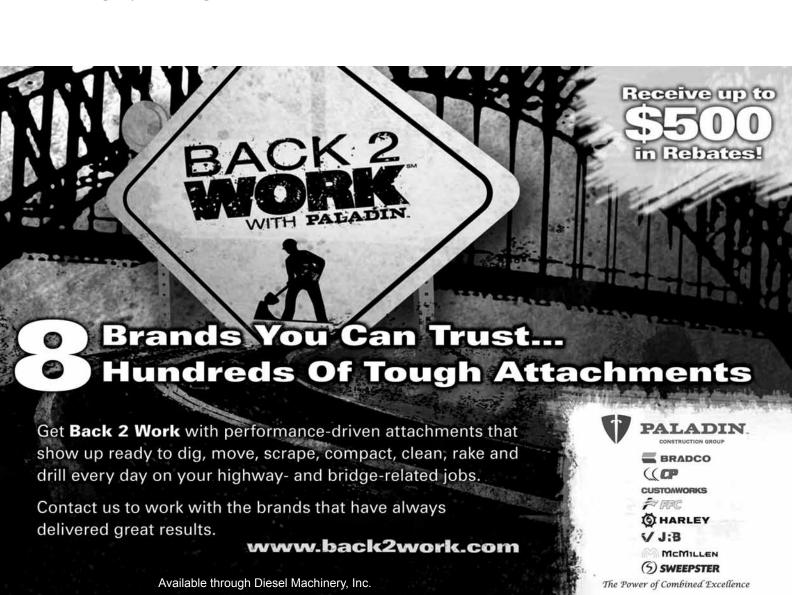
QUESTION: What's Komatsu working on now?

ANSWER: As I mentioned, it's a never-ending process. Starting next year, Tier 4 engine technology is slated to ramp up, so we're working to ready our machines for that. At the same time, we're working on designs that will ensure our products continue to have more productivity, efficiency and reliability for which those machines have always been known. ■

New contract agreement helps in compliance with federal projects

The industry-wide coalition ConsensusDOCs published a new contract agreement written specifically for contracting on federal government construction projects. It addresses the terms and conditions needed for subcontractors and contractors to comply with Federal Requisition Regulations, including new legal and ethical requirements pertaining to the legal status of employees, complying with ethics rules and federal Prompt Payment Act requirements.

"The new federal subcontract will keep needed construction projects from getting tangled up in red tape," said Tom Kelleher, Chair of the national coalition of associations that wrote and endorsed the new standard contract. He also noted that it was written, reviewed and approved by professionals representing every part of the construction process, including contractors, subcontractors, owners and sureties.



5B Manufacturing Inc.



og performance and Performance



DIESEL MACHINERY, INC.

for more information call:

Sioux Falls, SD (605) 336-0411 DMI-Terex/Sioux Falls, SD (605) 336-2595 Rapid City, SD (605) 348-7438 Aberdeen, SD (605) 725-4364





TRAINING PAYS DIVIDENDS

Top service personnel square off at annual Komatsu Advanced Technician Competition

Top service personnel from North American distributors competed in the annual Komatsu Advanced Technician Competition (KATC), held March 2 to 4 at the Komatsu Training and Demonstration Center in Cartersville, Ga.

"We changed the format from the previous few years," explained Wade Archer, Technical Training Instructor and Director of the KATC program. "In January of this year, we held a qualifying event in which any distributor technician could compete. The four competition categories were: Excavator, Wheel Loader, Dozer and Truck. The top technicians from each of four geographic regions were then eligible to come back for the national competition in March. Other factors that determined their eligibility included completing certain training and educational opportunities throughout the year."

Those 10 technicians who qualified, started the first day of the national competition by competing in the category they placed in during the qualifying event. Winners were named at the end of the day, and each moved on to the next round where they competed against each other for the title of National Champion. During this round they had to diagnose and fix problems in the other three categories. Individual winners received a trophy and cash prizes, while the National Champion received a trophy, cash and a tool box filled with tools valued at about \$17,000.

In addition to competing individually, top finishers from the first day of competition were paired together with another technician from their region to compete as a twoman team on a "mystery machine," which turned out to be a CD110R-2 crawler carrier.

Teams did not know ahead of time what the machine would be.

"Beyond honoring technicians for their excellence, the purpose of the KATC is to motivate technicians to take advanced training, which results in better, faster diagnostics and service to customers," noted Archer. ■



Wade Archer, KATC Director

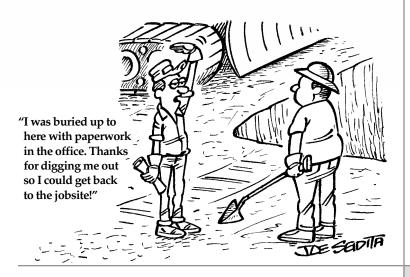


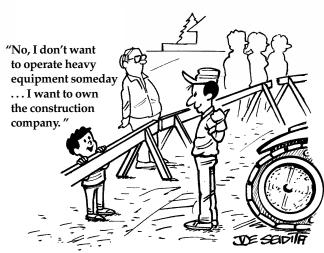
Four individual categories were part of the competition, and winners of each competed against each other for title of National Champion.

The team competition featured competitors working together to diagnose and fix problems on a "mystery machine," which turned out to be a CD110R-2 crawler carrier.



On the light side







Brain Teasers

5. MIWODETN

Unscramble the letters to reveal some common construction-related words. Answers are on the right side of this page.

1. TIKJYSOC	
2. NSOMISESI	
3. CENTIHCINA	
4. SOREGUR	

6. REQOTU _____

Did you know...

Komatsu was named after the city Komatsu, located in the Ishikawa Prefecture of the Hokuriku region in Japan. The actual name "Komatsu" translates into English as "little pine tree" and, according to legend, dates back to the middle of the Heian period (794-1192 AD). At that time, the monk-emperor Kazan planted a pine sapling during a tour of the Hokuriku region, and the area where it grew came to be called "sono no komatsubara" ("small-pine field with gardens"). This name is said to have been shortened to "Komatsu."

When Komatsu Iron Works separated from Takeuchi Mining Co. in 1921 to become Komatsu Ltd., the first logo that was chosen to represent the newborn company also symbolized this small pine tree. The logo underwent many modifications throughout the years, but remained faithful to its original "small pine tree" look until the late 1990s, when a major change was made and the current lettering was adopted.

Today, the Komatsu logo is a basic design that represents the Komatsu brand. It reflects the Komatsu image of reliability, stability, and strength. The well-balanced sophistication of the logo, the unique design of the letter "T" and the deep, vivid-blue color symbolize a bold corporate character and a leader in technological innovation.

DMI adds Terex to its equipment lineup

On February 1, DMI became the new Terex construction equipment dealer for the state of South Dakota. DMI took on all the equipment, parts, specialized tooling and even some staff from the former dealer, J.D. Evans. DMI Terex is operating from the former J.D. Evans location at 4000 N. Cliff Avenue, which is close by DMI's current Sioux Falls facility at 4301 N. Cliff Ave.

"We added the location to operate as a service facility for our Terex customers," explained DMI President Dan Healy. "We will also continue to offer the same excellent parts and service support that Terex owners have grown accustomed to in their dealings with J.D. Evans."

In addition to Terex, DMI, which serves all of South Dakota, sells and supports Komatsu equipment and a number of other construction, aggregate and road-building lines. Among them are Cedarapids (a Terex company), JCB, Hypac, Dynapac, EIW, Ranco, Esco, SDI and Werk-Brau and others. DMI also provides all-makes service for other equipment brands.



Gathered to celebrate DMI's acquisition of J.D. Evans, the former Terex dealer in Sioux Falls, are (L-R) J.D. Evans VP-Finance Marv Herr, Parts Manager Russ Kielmann and President Jack Babb, DMI President Dan Healy and J.D. Evans Shop Foreman Dennis Green. (Not pictured, Vern Waldow, J.D. Evans VP-Parts/Service.)

"This acquisition is a great opportunity for DMI to expand its capabilities to serve even more customers," explained Healy. "Many of our customers already own or are familiar with Terex equipment and we are pleased to be able to now meet their sales and product support needs. We want the opportunity to earn the business of new customers while thanking all our current customers for their support," he concluded. ■

State court ruling could have broader implications for general contractors

A ruling in a Mississippi Supreme Court case, Architex Association, Inc. v. Scottsdale Insurance Co., could have an affect on general contractors and their insurers across the country. Architex brought suit against Scottsdale, claiming the insurance company should have paid claims after a hotel chain sought damages against Architex for work a subcontractor did that was later deemed defective.

Scottsdale Insurance denied coverage, despite Architex paying additional premiums for additional coverage that was specifically for covering subcontractors work. The court ruled that general contractors are covered under commercial general liability policies for subcontractor work found to be defective. The

Mississippi court overturned a 2003 decision by the U.S. Court of Appeals Fifth Circuit court ruling in favor of Scottsdale.

"It has implications for the rest of the country because the policies being written and enforced throughout the U.S. are identical to the policies the Mississippi Court has addressed," said Mike Kennedy, General Counsel of the Associated General Contractors in an Engineering News-Record article. The court made it clear that the insurance carriers should be held to the terms of the policies that they choose to write, recognizing that the carriers are free to write their policies differently if they wish to exclude certain coverages."

Change Service Requested

Presorted Standard US Postage Paid C.P.I.



DIESEL MACHINERY, INC

SIOUX FALLS 4301 North Cliff Ave. P.O. Box 85825 Sioux Falls, SD (605) 336-0411

(800) 456-4005

DMI-TEREX PARTS/SERVICE 4000 North Cliff Ave. Sioux Falls, SD (605) 336-2595 (800) 843-0022

www.dieselmachinery.com

RAPID CITY I-90 & Deadwood P.O. Box 2473 Rapid City, SD (605) 348-7438 (800) 658-3047

ABERDEEN 39288 133rd Street (East Hwy. #12) Aberdeen, SD (605) 725-4364 (888) 762-6312



Sales · Rentals · Financing · Parts · Service



Aggregate Processing Equipment Hot Mix Plants Pick-up Machines Asphalt Pavers



Aggregate Processing Equipment

Compaction Equipment



Flail Rotary Sickle Bar **MOWING AND BRUSH CUTTING EQUIPMENT**

Snowblowers Roadpatchers

PSM · AMULET SOLESBEE'S

Excavator Thumbs

DYNAPAC

Compaction Equipment



ALWAYS FINDING A BETTER WAY.

Backhoes • Loadalls Skid Steer Loaders • Forklifts



Water Tanks Asphalt Distributors

RANCO

Bottom Dumps End Dumps



Sweepers

Side Dump Trailers

TEREX.

Scrapers

Breakers/Compactors



Cutting Edges/Teeth



Buckets/Quick Couplers



Compost Equipment



FELLING Trailers Tag/Lowboy



ERK-BRAU CO., INC. Excavator Buckets & Attachments



Crawler Dozers

JRB Couplers **FALLS** Snow Equipment



CONSTRUCTION EQUIPMENT







