

Difference A PUBLICATION FOR AND ABOUT DMI CUSTOMERS • 2012 No. 3

EXCAVATOR EXCELLENCE

Greater fuel efficiency, lower emissions make Komatsu's new PC210LC-10 even better than its popular predecessor

See article inside . . .

KOMA



KOMATSU

A MESSAGE FROM THE CHAIRMAN



To read the magazine online and watch videos of machines in action, look for this symbol and go to www.DMIDifference.com

See what users are saying about new Tier 4 Interim machines



Dear Valued Customer:

With summer here, the construction season is in full swing. We hope it's a productive and profitable one for you and your business.

If you find a need for new equipment during this busy time, please let us know. Komatsu continues to roll out its new Tier 4 Interim equipment, which we believe you'll find among the most efficient and productive on the market. In this issue of *The DMI Difference*, you can see what users are saying about the machines and their technology and service support. You can also read about the new PC210LC-10 excavator, which builds on the popular PC200LC models.

Like Komatsu, we're dedicated to keeping your owning and operating costs down. We help you do that in several ways, including the Tier 4 Interim machines, which come with complimentary scheduled maintenance through the exclusive Komatsu CARE program. Our trained technicians handle all the work, using genuine Komatsu parts and fluids.

We do some of that technician training right here at DMI. Our technicians also train at Komatsu's Training and Demonstration Center in Cartersville, Ga. There, Komatsu provides education on best practices to make parts and service personnel more efficient, maximizing your uptime.

Finally, during this busy construction season and throughout the year, we know you'll frequently encounter areas of road construction. Sometimes it seems inconvenient, but keep in mind those orange signs and cones are good for all of us as they represent progress toward better roads, bridges and other infrastructure. Like you, we're pleased that Congress passed legislation for even more highway and infrastructure construction.

Sincerely,

Pat Healy Chairman of the Board



Difference

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INDUSTRY REPORT

This summer, Congress finally passed a new highway bill. Find out what it means for the construction industry.

GUEST OPINION

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GET TO GRADE FASTER

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INDUSTRY NEWS

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NEW PRODUCTS

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CUSTOMER COMMENTS

Hear from Komatsu equipment users how the new Tier 4 Interim machines are performing on the job.

MINING MEMO

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KOMATSU & YOU

Noboru Sato, President/COO of Komatsu America Corp., explains how the manufacturer is listening to customers to improve its equipment and ownership experience.

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

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HIGHWAY BILL FINALLY PASSES

Two-year bill brings some certainty to surface transportation, transit construction

Congress passed and the President signed a bill in midsummer that funds highway and other transit projects, providing money for roads, bridges and other infrastructure for 27 months. Dubbed MAP-21 (Moving Ahead for Progress in the 21st Century), the measure comes nearly three years after the previous highway bill, SAFETEA-LU, expired in September of 2009.

Since then, nine, short-term funding extensions kept some money flowing to transportation projects. But industry organizations all complained that the lack of a long-term bill was adversely affecting contractors by creating uncertainty at the state and local level.

The bill totals \$120 billion, covering the remainder of this fiscal year, which ends September 30, and the next two fiscal years. Attached to it was a student loan deal to keep interest rates at the current 3.4-percent rate for one year at a cost of about \$6 billion.

The measure provides \$40.4 billion in highway investment for fiscal year 2013 and \$41 billion for 2014. It includes \$12 million each year to support new pavement technologies to speed the adoption of cost-effective, sustainable pavement, as well as improve pavement design, maintenance and construction, according to the National Asphalt Pavement Association.

Construction and equipment industry groups had lobbied Congress hard for passage of a measure before the November election. It's hoped that the new bill will be a job creator for an industry that's seen unemployment well above the national average.

Faster environmental reviews

Both sides compromised to complete the deal.

Republicans dropped the Keystone Pipeline from their original proposal. They also agreed to abandon language that would have blocked the Environmental Protection Agency from regulation of ash generated by coal-fired power plants.

Democrats agreed to halve the time allowed for environmental reviews. This will mean speedier approval of projects and will shorten the length of time it takes to complete highway and bridge projects, which is estimated at an average of 13 years, according to the U.S. Chamber of Commerce. They also conceded on a funding issue regarding new bike paths and pedestrian safety projects.

The law gives states additional flexibility in spending federal money, imposes new safety regulations and expands a federal loan guarantee program to encourage private investment in transportation projects, according to a Yahoo

MAP-21, the new highway bill, provides funding for bridges and roads while allowing faster approval for such projects.





The new \$120 billion highway bill, passed by Congress in late June, is good news to the construction industry. The funding will provide some much-needed stability to the highway market, bringing jobs and certainty to contractors, equipment dealers and other industry suppliers.

News article. Private investment may well be needed, as estimates show the current gas tax does not cover the cost of transportation programs. Forecasts say revenue will continue to decrease with people driving less and greater fuel efficiency of cars and trucks.

Industry reaction

Industry groups praised Congress for passing the 27-month Highway Bill. But almost all concur that Map-21 doesn't go far enough. They want certainty past 2014.

"The leadership of the House and Senate should be congratulated for getting the conference report done," said National Asphalt Pavement Association President Mike Acott. "The additional year of funding will bring short-term certainty for the highway market and, at the very least, will help sustain jobs in the asphalt-pavement industry."

"This is a long-awaited, positive development for the construction equipment industry," said Associated Equipment Distributors Chairman Larry Glynn. "Contractors around the country have been on life support over the last few years. This bill will provide much-needed certainty for contractors, dealers and suppliers."

"The members of Congress that worked so hard to craft this message understand the benefits to our economy," said Stephen E. Sandherr, Chief Executive Officer of the Associated General Contractors of America. "Today's legislative accomplishments must be seen, however, as the start of a broader effort to address the long-term funding challenges that still threaten the federal transportation program. That is why we look forward to resuming our work on an even longer-term transportation measure that includes key revenue reforms, as soon as Congress returns."

Long-term needs

The new transportation bill comes on the heels of recent information that predicted the American Society of Civil Engineers (ASCE) would likely give the nation's infrastructure a D grade when it releases its next report in 2013. The last report card in 2009 put our infrastructure shortfall at \$2.2 trillion. It's assumed that figure will be considerably higher in 2013.

"The report card isn't saying we don't spend money on infrastructure; it's saying we should be spending a greater amount," said ASCE President-Elect Greg DiLoreto in a recent Bloomberg article. "As civil engineers, we feel we are stewards of the infrastructure. It's what we know best. It's just like a doctor telling you that you have a heart condition. We're taking it to the concrete and saying, 'America, you have a mortar and bricks problem with your infrastructure.'"

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REACTION TO HIGHWAY BILL

Measure contains "good news and bad news" says Transportation Association leader

The new highway bill that Congress passed in late June was welcome news throughout the construction industry. However, it was not the long-term, significant funding measure that many believe is needed. The following aritcle is from Pete Ruane, President and CEO of the American Road & Transportation Builders Association (ARTBA).

In the short term, the bill will provide stability in federal funding for state and local transportation projects. The elimination of earmarks should also accelerate the speed at which federal funds impact the market for transportation improvements. That's the good news.

The bad news is there is no new money. And even with their federal funds, we are now in a situation where 28 states have invested less in highway and bridge projects over the past 12 months than they did in prerecession 2008, even when adjusted for inflation.

We view this bill – as we believe congressional leaders do – as just "Step One," which is making the significant program and policy reforms needed to restore public confidence in how the federal government is investing their money in transportation and mobility.

"Step Two" is coming to grips with how to fund the nation's investments in transportation infrastructure and mobility over the longer term. That tough job remains. And it will require the same bipartisan, bicameral leadership and cooperation that was ultimately demonstrated on this bill.

Our mission is crystal clear: to do everything possible to ensure that the proper level of transportation investment is viewed as a core priority as the looming, larger discussion and legislative activity begins in earnest on Capitol Hill to define the proper role of the federal government in the 21st century and how it utilizes the public's money.

We commend Senate Majority Leader Harry Reid (D-Nev.), House Speaker John Boehner (R-Ohio), Senate Environment & Public Works Committee Chair Barbara Boxer (D-Calif.), EPW Ranking Member Jim Inhofe (R-Okla.), Senate Finance Committee Chairman Max Baucus (D-Mont.), House Transportation & Infrastructure Committee Chairman John Mica (R-Fla.), and T&I Committee Ranking Member Nick J. Rahall (D-W.Va.) for their steadfast and dogged determination to get the job done. ■



Pete Ruane, President and CEO, American Road & Transportation Builders Association (ARTBA)

Although Congress finally passed a new, bipartisan, highway bill, many believe it doesn't provide the long-term stability needed to support transportation infrastructure.



GET TO GRADE FASTER

DMI offers technologically advanced Topcon systems proven to save time, money

Earthmoving contractors are always looking for a way to get to grade faster and at a lower cost. One way to achieve both is using global positioning system (GPS) technology offered by leading companies, such as Topcon Positioning Systems, which is available through DMI.

Topcon makes a wide variety of systems to fit nearly any application and budget, from general construction and slope lasers to survey and staking systems, to 2-D and 3-D machine-control systems for excavation and paving equipment. For years, Topcon has been an optional add-on to construction equipment such as dozers, motor graders and even excavators.

"Topcon systems for dozers and motor graders assist operators in getting to final grade by allowing them to upload a project design into the control box, which receives machine positioning from the radio antenna, GPS receiver and the blade-mounted antenna," said DMI GPS Machine Control Specialist Loren Fuhrmann. "For excavators, Topcon has systems that show the bucket's position to final grade or the bottom of a trench. It takes the guesswork out of where to stop digging."

In grading operations, Topcon GPS systems interface directly with the machine's hydraulics, providing precise metering of oil flow to the hydraulics for more exact blade positioning during cut-and-fill and fine-grading operations. That offers two distinct benefits to conventional methods, Fuhrmann notes.

"First, surveying and staking costs are virtually eliminated because the GPS system knows the machine's position at all times in relation to existing and final elevations," he said. "Second, it enables the user to get to final grade faster. The result is fewer passes needed to get to grade and less material waste associated with overfilling."

Many "plug-and-play" machines

Topcon can be added to nearly any piece of equipment that accepts GPS systems, including Komatsu, which now makes several models of machines "plug-and-play" ready to accept Topcon systems without the need for additional wiring.

"The advantage is that all the user has to do is hook up the system and it's basically ready to go," noted Fuhrmann. "The biggest decision for users is selecting the Topcon system that best fits their business' needs. At DMI, we can help them determine that so they get the maximum benefit."

Fuhrmann said contractors sometimes balk at the initial cost of adding a system such as Topcon, but seeing a system in action, they quickly realize the benefits.

"We encourage users to demo Topcon products, usually for a couple of days," Fuhrmann pointed out. "Once they see how much they save in time and money, they know their investment will be returned fairly

Topcon global positioning systems (GPS) installed on this grader and dozer help the operators get to grade faster, reducing labor and machinery costs.





Many Komatsu models, including this D65PX, come "plug-and-play" ready for Topcon GPS systems. The Topcon 3D-MC² system monitor clearly shows grades and position, helping the operator get to grade faster than a manual dozer.

quickly. Reduced surveying and staking costs; reduced labor associated with that and having a separate grade checker; reduced time and costs associated with wear and tear on machines, and even possibly using fewer machines; plus, lower material costs all add up quickly."

Because Topcon systems work directly with the hydraulics, Fuhrmann said some people are under the impression that they are complicated to use. He noted that common misconception can easily be overcome.

"In just a few hours — less than a day — the user can be up and running confidently," he emphasized. "We offer training and followup to ensure customers are fully utilizing the system and getting the most out of it. The idea behind using Topcon systems is to maximize profitability. We want to do everything we can to help."

Greater precision

According to Fuhrmann, customers often ask why they should choose Topcon over other systems. He said Topcon is known as an industry leader in GPS for construction equipment, including being the first manufacturer to combine GPS and the GLONASS system about seven years ago. The combination offered 14 more satellites than the competition for stronger, more accurate positioning, better performance in obstructed areas and less system downtime.

"Topcon systems have improved even more since then," said Fuhrmann. "For instance, 3-D systems typically allow users to double their speeds compared to a manual dozer. Topcon's 3D-MC² doubles that again, according to Komatsu and Topcon. Of course, there are many factors involved in what users actually save, but Topcon's GPS systems have shown proven cost savings."

Topcon has since added the Galileo Radio Navigation Satellite System, which brings improved geometry from new satellites and is expected to provide more precise ranging signals and expanded service capabilities, according to Topcon.

"With GPS, GLONASS and Galileo, the G3 as it's known, Topcon continues to improve and provide superior service," said Fuhrmann. "We believe it's the most powerful combination on the market. We encourage anyone thinking about getting a GPS system or upgrading their current system — whether it's Topcon or a competitive brand — to contact me, the local DMI territory manager or our nearest branch. We would be happy to show the wide range of options to fit any need and budget." ■



MAJOR CONSEQUENCES

ASCE report shows significant negative impact of underfunding water infrastructure

A failure to adequately fund water and wastewater infrastructure could cut the nation's gross domestic product by as much as \$416 billion over the next decade, according to an analysis commissioned by the American Society of Civil Engineers (ASCE).

The analysis was based on existing capital spending trends, examining the economic consequences of aging systems on businesses and households, according to an article in the Engineering News-Record.

Titled "Failure to Act: The Economic Impact of Current Investment Trends in Water and Wastewater Treatment Infrastructure," it is the second of four ASCE-commissioned assessments of infrastructure spending. The report shows that without more investment in these systems, the U.S. Environmental Protection Agency's 2010 estimate of a \$55 billion shortfall in maintenance and upgrade needs could increase to \$84 billion by 2020, and reach \$144 billion by 2040. Businesses would feel the impact through added costs of dealing with water shortages, increased rates and higher costs associated with either relocation or investment in self-reliant water systems. Water-borne illnesses due to unreliable delivery and treatment services could lead to higher medical costs, leaving households with less money for discretionary spending.

Any gains would be offset

According to the article and report, productivity will also suffer, with a potential loss of nearly 700,000 jobs across all sectors of the economy by 2020. Twice as many jobs may be at risk by 2040.

The report notes that while current sustainable practices, including conservation, more efficient water use and new treatment technologies, could ease water demand, any gains will likely be offset by factors such as population growth in areas of the country where resources are less abundant.



An American Society of Civil Engineers report shows that inadequate funding of water and wastewater systems could lower gross domestic product, increase future costs to businesses and households and potentially cause a loss of more than 1 million jobs.

A CLOSER LOOK

DEMO DAYS

Tier 4 Interim machines among highlights of Komatsu's latest customer event



Bob Post, Director of Marketing

Customers and Komatsu distributor personnel recently got an up-close look and a chance to operate equipment at the Komatsu Training & Demonstration Center in Cartersville, Ga. More than 15 machines were on site during the three-day event.

Featured were several of Komatsu's new Tier 4 Interim machines, including D65EX-17, D65PX-17

Among the many models on display and ready for operation was the WA500-7 wheel loader. A Tier 4 Interim machine, the WA500-7 features SmartLoader Logic that automatically provides the optimal amount of torque based on need.



Komatsu introduced several new Tier 4 Interim excavators during the past year, including the 257-horsepower PC390LC-10 that has better drawbar pull, increased lift capacity and lower fuel consumption compared to its predecessor model.



and D155AX-7 dozers, as well as PC240LC-10 and PC490LC-10 excavators. Excavator models also included Komatsu's second-generation hybrid excavator, the HB215LC-1.

Other Tier 4 Interim machines included WA500-7 and WA380-7 wheel loaders and an HM400-3 articulated haul truck. In addition, a PC650LC-7 excavator, WA250PZ-6 and WA600-6 wheel loaders, GD655-5 motor grader, HD605-7 rigid-frame haul truck, and D39PX and D51PX dozers were available for demonstration.

Customers also had the opportunity to tour Komatsu's Chattanooga Manufacturing Operations, where six excavators and seven models of forestry equipment are manufactured. Educational seminars led by Komatsu personnel at the Training & Demonstration Center provided valuable information about effective and efficient excavation practices.

"Demo Days has always been a popular event because it gives customers the opportunity to operate equipment and see how it stacks up," said Bob Post, Director of Marketing for Komatsu. "They walk away with a good sense of how a piece of Komatsu machinery can fit into their operations. It also provides us with valuable feedback, so it's a true win-win."

In addition to demonstrating equipment, attendees could tour Komatsu's Chattanooga Manufacturing Operations where several models of excavators and forestry machines are built.



EXCAVATOR EXCELLENCE

Greater fuel efficiency, lower emissions make Komatsu's new PC210LC-10 even better than its popular predecessor

When Tier 4 Interim standards were announced, the challenge was to take already proven and productive machinery and reduce emissions without losing performance. Komatsu's new PC210LC-10 excavator does just that, with greater fuel efficiency as a bonus.

"The previous PC200 models, which the PC210LC-10 replaces, were popular because they were proven to be among the most productive excavators in their size class," said Komatsu Product Marketing Manager Brian Yureskes of the 47,000-pound-class PC200 excavators. "They're good machines in a wide range of applications. That holds true with the new PC210LC-10, with several added benefits, including up to 10 percent better fuel efficiency, depending on the application."

Yureskes notes that Komatsu achieved better fuel economy through advancements in engine and hydraulic-pump control technology, utilizing a combination of both newly designed pumps and advanced matching techniques. Komatsu did it without sacrificing power, as the PC210LC-10 maintains the same digging forces and lifting capacity of the previous model.

"The machine has larger displacement pumps, which are capable of providing higher flow at lower engine speeds," explained Yureskes. "Because the pumps are able to generate more volume per revolution, the engine speed does not need to be as high in order to achieve the same amount of hydraulic flow. That reduces fuel consumption by allowing the machine to operate at a lower engine speed without compromising pump flow.

"With variable-speed matching, the machine makes slight adjustments to engine speed

based on the amount of hydraulic flow the application requires. Whenever high flow is required, such as during heavy digging or trenching, the engine speed will adjust to accommodate the flow demand. In lower-flow applications, such as leveling or fine grading, engine speed will slightly reduce in response to the lower hydraulic work load. Previous models would operate at consistent engine speeds regardless of hydraulic demand, so fuel consumption was consistent even during low-flow applications. This slight reduction in engine speed improves fuel efficiency."

Like other new Tier 4 Interim excavators, the PC210LC-10 has increased operating weight and net horsepower compared to its predecessor. Both are about 10-percent higher compared to the PC200LC-8. An optional, lighter counterweight is available



Brian Yureskes, Product Marketing Manager, Excavators

Continued . . .



Komatsu's Tier 4 Interim PC210LC-10 provides up to 10 percent better fuel efficiency, depending on application, while maintaining the productivity of the PC200LC-8.

Improvements abound in new PC210LC-10

.. continued

to accommodate regional transportation regulations. The PC210LC-10 also has 13 percent more drawbar pull, which improves steering and maneuverability.

Eco Guidance, Komatsu CARE

Additional new features of the PC210LC-10 include an enhanced LCD color monitor with improved resolution. Through the monitor, operators can set the proper working mode and program the attachment control, with the ability to store up to 10 attachments. It also has an Eco Guidance feature that gives the operator information on ways to improve fuel economy.

"We want operators to maximize productivity in the most economical way so their per-yard, per-ton costs are the lowest possible," noted Yureskes. "There are times when maximum output is necessary, but often it's unnecessary, and the operator can run the machine in a different mode that uses less fuel. Eco Guidance alerts them to those situations. It will also alert them to excessive idling, showing that it might be better to shut a machine down to save fuel and operating hours."

The PC210LC-10 has increased operating weight, net horsepower and drawbar pull, compared to its predecessor.

Once the PC210LC-10 reaches its routine service intervals, the work is covered by Komatsu CARE. This exclusive program



provides complimentary, factory-scheduled maintenance for the first three years or 2,000 hours, performed by distributor technicians using genuine Komatsu parts and fluids. Serviceability is improved with the addition of handrails around the upper structure, a rear-opening hood, battery-disconnect switch, swing-out cooler and improved diagnostics through the monitor.

"Komatsu CARE ensures that those service intervals are done properly, with the goal of longevity, reliability and lower owning and operating costs throughout the lifetime of the machine," said Yureskes. "In addition, we provide two, complimentary Komatsu Diesel Particulate Filter (KDPF) exchanges at 4,500-hour intervals. Komatsu and its distributors track the service intervals through KOMTRAX 4.0, then set up the scheduled maintenance."

The KDPF is one of several components that reduce emissions on the Tier 4 Interim PC210LC-10. Through passive and active regeneration, the KDPF uses heat to burn soot. Other components include the Komatsu Variable Geometry Turbocharger (KVGT) and the exhaust gas recirculation system. Komatsu designed the components to work in harmony for maximum efficiency.

Cab improvements

Komatsu further boosted productivity by improving the operating platform in the PC210LC-10 with an integrated ROPS cab designed to minimize noise. A high-back, heated, air-suspension seat provides more comfort for the operator.

"We saw the new emissions standards as an opportunity to build a machine that not only meets regulations, but improves upon what users have already come to know as the leader in its size class," summarized Yureskes. "We believe that anyone who uses the new PC210LC-10, whether for digging trenches, mass excavation, clearing, demolition, landscaping or a host of other applications, will find it to be a class leader. We encourage anyone who's interested to try one out. We're confident that the results will speak for themselves." ■

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.

- Efficient Komatsu Tier 4 Interim engines and advanced hydraulic systems maximize productivity while providing up to 10% lower fuel consumption.
- 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.





www.komatsuamerica.com

D65-17 From Komatsu – The Dozer Experts



Komatsu has once again made a great machine even better. The new D65-17 increases productivity and operator comfort while lowering operating costs. All designed to improve your bottom line.

- Efficient Komatsu Tier 4 Interim engine and automatic shift transmission with lockup torque converter maximize productivity while saving fuel.
- PLUS (long life) undercarriage is standard, further reducing our already low operating costs.
- Komatsu CARE provides complimentary Tier 4 maintenance, including KDPF exchange filters. Contact your Komatsu distributor for details.





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TIER 4 TESTIMONIALS

Here's what users are saying about Komatsu's new interim machines and their technology

The past couple of years saw the introduction of Tier 4 Interim emissions standards for many machines used in the construction industry. Regulations required reducing Nox by 45 percent and soot by 90 percent. With new technology, Komatsu achieved the standards while improving production and fuel efficiency as well. Komatsu also introduced KOMTRAX 4.0 and Komatsu CARE, a program that offers complimentary scheduled service on Tier 4 Interim machines. Here is what a few of the users of these innovative new wheel loaders, dozers, articulated trucks and excavators have to say about the machines.

"We're very impressed with the new Tier 4 machines, because they're as productive as previous pieces in that size, with greater fuel efficiency. The PC360 is very powerful and also smooth to operate. We use the D65s quite often for discing-in drilling mud on the farms, and they have good power to get through that heavy material. One of our operators, who's very loyal to another brand, called in to tell us how much he liked the D65 and claimed it was his machine now. That said a lot to us." — Brian Foster, Equipment Manager, J.W. Hughes Excavation, Inc., a multifaceted contractor that works in the Texas oil market.

"It was practically a foregone conclusion that we'd purchase Komatsu; it was just a matter of which machine was the right fit. We decided that the Tier 4 Interim machines fit the best, not only in terms of productivity, but meeting the tough California emissions standards. I have to admit, I was never a Komatsu guy, but working with ERSI and using these machines has made me a believer. They have good reach, power and stability. Our operators love them." — Sonny Centeno, Senior Project Manager for Environmental Remediation Services' West Coast operations, which was set up about a year ago. An East Coast-based company, ERSI has used Komatsu equipment in its demolition operations for several years.

"I am very impressed with the improvements made on the new D65-17. The Sigma blade allows more ground to be moved during a longer push. Because the ground we move can be hard, we use the ripper quite often, and the D65 has the power to get through it." — Carl Morgan, President of Morgan Tools, which builds locations for gas and oil companies in the Southwest. Morgan Tools is a longtime Komatsu user and now has three Tier 4 Interim D65-17 dozers.

Continued . . .

New Tier 4 Interim machines, such as the PC490LC-10 excavator, have proven to be as or more productive than their predecessors, with greater fuel efficiency.



Users seeing fuel savings with Tier 4 Interim equipment

... continued

"The first dozer proved reliable, and that really made us look at Komatsu as we added machines. Each one we've owned or rented has cemented that reliability. I admit, there was some apprehension with the new Tier 4 machines because of the new technology. But they've proven to be just as good as any piece of Komatsu equipment we've ever had." — Mark Sellin, President, Sellin Brothers, Inc. A Minnesota-based excavation contractor, Sellin Brothers is a longtime Komatsu equipment user, including excavators, dozers and wheel loaders, in both its highway and underground utility divisions.

"When we first started looking for a machine to replace one of our PC220s, we wanted another one. Our sales representative talked to us about the PC240, which replaced the PC220. We were hesitant at first because the PC220 has always been a reliable performer. The PC240 has a lot of new technology, and that made us a little apprehensive, but our sales rep, distributor and Komatsu said they would stand behind it. In less than a year, we've put more than 1,100 hours on it without any issues. It's proven to be just as effective as the machine it replaced, with less fuel usage. We're sold." — Edwin Coggins, Co-owner of Coggins Farms & Produce, which grows and harvests several crops in the southeastern United States and uses the PC240LC-10 to clear trees and stumps.

KOMTRAX 4.0

"I can log onto the computer and get a lot of information about a machine, such as what time it started in the morning, what rpm it's running at, how much fuel it is using per hour, etc. It also gives us a level of security. Some of our jobs take us into tough areas, and with KOMTRAX, I can use a geofence to prevent a machine from starting between certain hours if it's not supposed to be running at that time. KOMTRAX is a great tool." — Sonny Centeno, Senior Project Manager, Environmental Remediation Services

"KOMTRAX is a very valuable tool that provides us with useful information. I can see actual working hours versus idle time and fuel consumption. That allows me to address any productivity issues I see with the operator, showing them ways to maximize fuel economy and production." — Mark Sellin, President, Sellin Brothers

"A light on the monitor indicates the Komatsu Diesel Particulate Filter is regenerating. Other than that, I can't even tell it's happening. I can keep working with no loss of performance, which I've found is all-around better than other excavators I've run." — Davey Stabler, Operator, Coggins Farms & Produce. ■



Komatsu's Tier 4 Interim machines come with KOMTRAX 4.0 and Komatsu CARE, a program that provides complimentary scheduled services.

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AUTONOMOUS AGREEMENT

Large Australian mining operation to use huge Komatsu driverless trucks

Komatsu and Rio Tinto, one of the largest mining companies in the world, signed a Memorandum of Understanding to take the next step in large-scale implementation of the Komatsu Autonomous Haulage System (AHS), with the two companies committed to deploying a minimum of 150 Komatsu AHS trucks. Built at Komatsu's Peoria Mining Operations, delivery of equipment will begin this year.

Rio Tinto has been testing the Komatsu AHS, the world's first commercial, autonomous, mining-haulage system, since December of 2008 at its West Angelas mine in the Pilbara region of Australia. During the trials, the AHS technology demonstrated clear value to the business, especially in the areas of health, safety and productivity.

"We're extremely excited to expand the Rio Tinto fleet to at least 150 AHS trucks in its Western Pilbara operations by the end of 2015," said Komatsu Ltd. President and CEO Kunio Noji. "Komatsu and Rio Tinto are global partners and have developed a strong alliance throughout the years. We are confident that our leading-edge technology will accelerate Rio Tinto's Mine of the Future[™] objectives through improving safety and mine operations."

Revolutionizing mining

The 930E-AT autonomous trucks enable users to haul 320-ton payloads without a driver. The dump trucks, which feature a 2,700-hp (rated brake power) engine, are equipped with vehicle controllers, a high-precision GPS system, an obstacle-detection system and a wireless network system. The trucks are operated and controlled via a supervisory system. "This announcement further reinforces our longstanding alliance with Komatsu," said Tom Albanese, Chief Executive of Rio Tinto. "Autonomous haulage is an important component of our Mine of the Future[™] program. These new, 150, autonomous trucks will work with our pioneering Operation Centre that integrates and manages the logistics of 14 mines, three ports and two railways.

"These technologies are revolutionizing large-scale mining, creating attractive, high-tech jobs and helping us improve safety and environmental performance, while reducing carbon emissions," he added. ■

Komatsu's 930E-AT electric, autonomous, haul truck can carry a 320-ton payload without a driver.





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LISTENING TO CUSTOMERS

Equipment users provide valuable insights, says new Komatsu America President/COO

QUESTION: You've been with Komatsu many years. How have your experiences prepared you to be President/COO?

ANSWER: I have extensive sales & marketing experiences from my long history with Komatsu. I always think and take actions from a customer perspective, such as what are our customers' goals and expectations from Komatsu and its distributors, and how can Komatsu meet their expectations. I keep those things in mind and bring them to the President/COO role. That "boots on the ground" philosophy provides us with invaluable feedback.

QUESTION: What do you believe Komatsu does especially well?

ANSWER: We're an equipment manufacturer, so "Job One" for us is making great equipment. We believe our products are the most unique and unrivaled machines available. We're always striving to make them even more productive and efficient.

Having such great products requires a significant investment in our technology initiatives, which we also believe are unique and unrivaled in the industry. Komatsu is a strong engineering company with a commitment to technological innovation. Proven examples of our dedication include machines that are plug-and-play ready for GPS grading systems; KOMTRAX, the first machine-monitoring system installed as standard equipment; our Tier 4 Interim engines that customers tell us are truly superior; our autonomous haul trucks and our second-generation Hybrid Excavator.

In addition, we believe we're the best when it comes to proactive product support. Our distributors do an outstanding job of focusing



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.

Noboru Sato, President/COO of Komatsu America Corp.

New Komatsu America Corp. (KAC) President and COO Noboru (Nob) Sato has been with the company for more than 30 years, but his experience with the company goes back much further. As a child growing up, he often visited the family farm.

"My uncle used a Komatsu bulldozer to cut out a mountainside and level the land to farm ground. When we visited, I would ride along with him while he worked the crops," said Sato. "When I grew up, I wanted to work for a leading company and travel the world. Komatsu has given me the opportunity to do both."

As President and COO, Sato is responsible for managing Komatsu operations related to construction and mining. He took over the position April 1, after serving as Executive Officer and President of the Overseas Marketing Division at Komatsu Ltd for four years. Before that, Sato was Executive VP, Marketing at KAC for five years.

"My previous positions allowed me a great deal of time to talk with customers, which is something I enjoy," he noted. "That one-on-one interaction provides valuable information. Because they're the ones directly using our machines, customers often have great insight. Many of our marketing and service strategies have come as a result of that input. I enjoy talking with customers to learn their visions for their businesses, then asking what we can do to help meet them."

In his leisure time, Sato enjoys playing golf and recently took up cooking.

New COO says Komatsu a leader in product-support solutions

.. continued

on customer satisfaction and deserve a great deal of credit for Komatsu being a leader in support programs, including Komatsu CARE, which was introduced with our Tier 4 Interim machines.



Komatsu America President Noboru (Nob) Sato said he believes Komatsu is the best in the industry when it comes to product support, citing programs such as Komatsu CARE, which provides complimentary scheduled maintenance on new Tier 4 Interim machines.

Innovative products such as hybrid excavators, including the second-generation HB215LC-1, set Komatsu apart, according to company President Noburo (Nob) Sato.



QUESTION: What benefits does the Komatsu CARE program offer?

ANSWER: It provides complimentary scheduled service that assures the customer those services are done correctly with no out-of-pocket costs. Also included are two diesel particulate filter exchanges. The distributor tracks the machine and schedules the service at a beneficial time.

The program also benefits us. Tier 4 Interim technology is new, including componentry. Komatsu CARE allows us to track this technology and see first-hand how it's working. What we're learning from that, along with what our customers are telling us, is that it's performing very well.

QUESTION: What do the construction and mining markets look like now?

ANSWER: Some segments of the construction market are strong, including the energy sector with the oil boom. Other construction segments, such as roads and housing, are seeing an increase, but are still behind where they were several years ago. Some states, and even municipalities, are increasing their infrastructure work, but we need more on a national level. As for housing, I believe that will make a strong comeback next year.

There is some concern as coal mining has softened somewhat here in the U.S., due largely to low natural gas prices. However, in the long term, I see mining remaining strong for several years. ■



Komatsu America President Noboru (Nob) Sato says it's vital to listen to customers as they provide valuable feedback on ways to improve Komatsu products.



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Highway contractors offer suggestion to reduce work-zone accidents

An Associated General Contractor's study showed 68 percent of highway contractors had work-zone crashes at construction projects during the past year. Twenty-eight percent of those crashes resulted in injury and 18 percent had at least one worker killed as a result. The study also revealed that half of work-zone crashes cause injury to the driver or passenger(s) with 15 percent of those injuries resulting in death.

"Whenever a jobsite is just a few feet away from fast-moving traffic, things can get a little too exciting," said Tom Brown, Chair of AGC's national highway and transportation division, which conducted the survey with nearly 400 contractors nationwide. "Construction workers are more likely to be killed in a work-zone crash than motorists are." Brown noted that the study shows a negative impact on construction schedules and costs, with 35 percent of those reporting accidents saying they were forced to shut down. Nearly half the shutdowns were for two or more days.

According to the study, 75 percent of contractors believe tougher laws, fines and penalties would reduce injuries and fatalities. Brown suggested that the best way to improve safety was for motorists to be more careful while driving through construction zones.

"The easiest way to improve work-zone safety is to get motorists to slow down and pay attention. When motorists see construction signs and orange barrels, they need to take the foot off the gas, put the phone down and keep their eyes on the road."

Dates changed for 2014 CONEXPO

If you marked your calendar for the next CONEXPO-CON/AGG in three years, you'll need to change it. Originally scheduled for March 18-22, dates were changed to March 4-8, 2014. The venue remains the Las Vegas Convention Center. ■

Landscape society study shows benefits of green infrastructure

A report from the American Society of Landscape Architects (ASLA) and other organizations shows major benefits of green infrastructure, including reduced costs of treating large amounts of polluted runoff, as well as improving public health by reducing bacteria and pollution in rivers and streams.

Dubbed "Banking on Green: How Green Infrastructure Saves Municipalities Money and Provides Economic Benefits Community-wide," the report is aimed at the need to quantify the economic benefits of such infrastructure. It further showed a reduction in energy expenses, along with reduced flooding and flood damage. "For many decades, landscape architects have been helping communities large and small manage their stormwater with innovative green infrastructure solutions, such as green roofs, rain gardens, bioswales and previous pavements," said ASLA Executive Vice President Nancy Somerville. "The case studies and the cost analysis in this white paper clearly demonstrate that green infrastructure techniques are proven to be cost-effective at managing stormwater, preventing flooding, improving water quality and promoting public health. Landscape architects will continue to implement these projects in more and more neighborhoods across the country." ■

Order establishes task force for oversight of shale gas "fracking"

President Obama recently signed an executive order establishing a high-level task force to oversee domestic natural-gas development. Its responsibilities include ensuring safety and responsibility with rapidly growing, advanced, drilling techniques, such as "fracking," used to tap natural gas supplies in shale formations.

"It is vital that we take full advantage of our natural gas resources, while giving American families and communities confidence that natural and cultural resources, air and water quality, and public health and safety will not be compromised," the order says.

A federal Energy Information Administration estimate shows that shale gas production will grow to 49 percent in 2035, up from 23 percent in 2010. The EIA reported that total U.S. gas production was about 22 trillion cubic feet in 2010 and will increase to about 28 trillion in 2035. ■







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WHAT'S YOUR IDLE TIME?

KOMTRAX team points out benefits of shutting a machine down during nonproduction



Rizwan Mirza, Manager, KOMTRAX, ICT Business Division

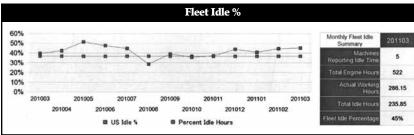


Goran Zeravica, Manager, Distributor Operations, ICT Business Division

Having an accurate picture of how long your equipment is idling can have significant advantages. But how do you know if it's idling too much? KOMTRAX can help by providing detailed information that will show your machinery's productive operation versus idle time.

"In 2007, we started a push to get owners and operators to think about idle time and how it affects the bottom line," said Goran Zeravica, Manager, Distributor Operations. "It's paying off, as our information shows that idling time has gone down somewhat. But it's nowhere close to where we would like it to be."

Komatsu's KOMTRAX team would like it to be near zero. Estimates show that the average machine spends nearly 40 percent of its working time at idle. Zeravica and Rizwan Mirza, Manager, KOMTRAX, said that excessive idling has several negative implications.



"To start with, idling is an incredible waste of fuel that eats into profits," pointed out Mirza. "Then consider that those nonproductive hours are putting the machine closer to the next service interval at a faster pace. The per-yard and per-ton cost of the project goes up. It affects resale value as well. Limiting idle time means fewer hours, which equals a higher resale value."

How do you stack up?

Komatsu offers a complimentary, detailed, monthly report with easy-to-read charts and graphs highlighting key items, including how a machine's idle time compares with the average of all machines it tracks.

"A simple graph shows owners if their machines' idle times are above, below or average, when compared to the national average," explained Zeravica. "Of course, we want them to be below average, and eventually we want to get the overall idle-time average below 10 percent. Customers tell us these reports are helpful because they give them a better understanding of how efficiently their fleet is operating and the costs associated with idling."

For more information about KOMTRAX or to receive reports, contact Zeravica or Mirza at gzeravica@komatsuna.com and rmirza@komatsuna.com. ■

A monthly fleet report from Komatsu offers detailed information about machine use, including idle-time percentage compared to the average of all machines KOMTRAX monitors.



COMPLIMENTARY TIER 4 SERVICES



Komatsu CARE for Komatsu Tier 4 Interim models is a new, complimentary maintenance program designed to lower your cost of ownership and improve your bottom line. It provides factory-scheduled maintenance on the machines for the first three years or 2,000 hours, whichever comes first. This includes up to two exchange Komatsu Diesel Particulate Filters. Be sure to contact your Komatsu distributor for all the details.

Once again, Komatsu leads the industry. No other construction equipment manufacturer offers a complimentary maintenance program like this.

It's what you've come to expect from the service experts at Komatsu.

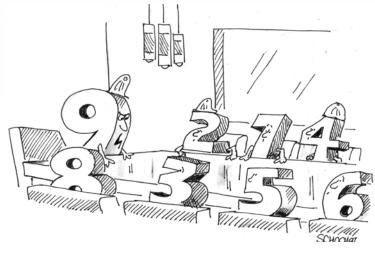




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SIDE TRACKS

On the light side



"I think it's time we stood up to be counted!"



"Your resumé is pure baloney. How'd you like to write political speeches?"

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.DMIDifference.com

- 1. E U L F _____ <u>E</u> ___
- 2. LDLIR ____I ____
- 3. PRTUPSO <u>P</u>____
- 4. ROTMISEAT <u>E</u>_____



"Er . . . can we get in there, pop?"

Did you know...

- Benjamin Franklin had only two years of schooling one year in grammar school and one with a private teacher.
- Jumbo, PT Barnum's famous 6-ton elephant consumed 200 pounds of hay per day.
- The famed Greek philosopher Socrates was trained to be a stonecutter.
- A cough releases an explosive charge of air that moves at speeds up to 60 mph (a sneeze can exceed 100 mph).
- An average human scalp has 100,000 hairs (a human being loses an average of 40-100 strands of hair each day).
- Honey is the only food that does not spoil. Honey found in the tombs of Egyptian pharaohs has been tasted by archaeologists and found edible.
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