

The



DIESEL MACHINERY, INC

# Difference

A PUBLICATION FOR AND ABOUT DMI CUSTOMERS • 2009 No. 2

Featured in this issue:

## LOOKING FOR VALUE?

Komatsu equipment can help you lower your bids and improve efficiency on the job

See article inside . . .



## D275AX-5 SIGMADOZER

Komatsu brings its innovative blade design to its 449-horsepower dozer



# KOMATSU

# A MESSAGE FROM THE CHAIRMAN

**Helping  
to stimulate  
your business**



Dear Equipment User:

The economic stimulus passed in February is an encouraging sign for the construction industry. It means billions of dollars in rebuilding our infrastructure, as well as taking steps to reduce energy consumption and fund new energy sources. All should help put more businesses and individuals back to work.

Another critical component of the massive bill is the extension of the depreciation bonus and additional expensing, which were part of last year's stimulus plan. The depreciation bonus can be used on new equipment purchases, while additional expensing is good on new and used equipment alike. Both can save you in taxes. For additional information, contact your sales rep or one of our branch locations.

We're always looking for ways to better serve you. We appreciate your feedback, and in an effort to better do that, we've added a new page to your DMI *Difference* magazine, titled Voices. It's a forum where you can ask us questions and express opinions to which we'll respond.

Also new for readers is an online video feature. Look for the video icon in an article, then visit [www.videocpi.com](http://www.videocpi.com) to see Komatsu machinery in action.



We hope you take advantage of the other valuable information provided here about our quality equipment lines, featuring Komatsu. In this issue, you'll learn about the latest D275 dozer. If you're a truck user, check out the article on how liners can benefit your business.

At DMI, we stand ready to help you maximize your productivity and profits. If there's anything we can do to help you, call us or stop by one of our locations.

Sincerely,

A handwritten signature in black ink that reads "Pat Healy". The signature is written in a cursive, flowing style.

Pat Healy  
Chairman of the Board

The



DIESEL MACHINERY, INC

# Difference

## IN THIS ISSUE

### DAVE HULSTEIN EXCAVATING, INC.

Education is a family affair for this growing southwest Minnesota company.

### MOVING FORWARD

With the new economic stimulus plan in place, find out how some states have already laid claim to "shovel-ready" building plans.

### GUEST OPINION

AED says the new stimulus package, while not perfect, is a step in the right direction.

### EQUIPMENT SELECTION

If you're looking for value, Komatsu has the equipment that can help lower your bids and improve job efficiency.

### PRODUCT NEWS

Want to move more dirt? Check out the new Komatsu D275AX-5 Sigmadozer.

### KOMATSU & YOU

Rod Schrader, Komatsu's VP/GM of Mining explains how cutting-edge products help customers decrease per-ton costs.

### SERVING YOU BETTER

See how the Komatsu Advanced Technician Competition brings out the best in distributor technicians.

### DOLLARS & SENSE

Learn how the KOMTRAX 2.5 upgrade can save you money by providing valuable information.

### PRODUCTIVITY POINTERS

Find out why adding polymer liners to Komatsu articulated trucks can add to your bottom line.

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# DAVE HULSTEIN EXCAVATING, INC.

## Southwest Minnesota family business continues to grow its list of customers, services



Dave Hulstein,  
Owner/President

Dave Hulstein has watched his children grow up around an excavation business. In fact, when Hulstein began fully operating the business that bears his name, he and his daughter and son, who were both under age 10 at the time, worked together putting in septic systems.

Now grown, the Hulstein children, Travis Hulstein and Traci Hunter, still play significant roles in Dave Hulstein Excavating. Travis oversees small projects such as septic system and water-service installations, while Traci handles accounts receivables. Their mother, Donna, who has always kept books for the Edgerton, Minn., company, continues to do accounts payable and payroll. Traci's husband, Jesse, works wherever needed when he's not farming.

"From the time they were able to hold a grade stick they were out helping Dave," said Donna. "In fact, Dave has always said no one could put

in a septic system faster than he and the kids. It's a real pleasure to work alongside the kids and watch them help the business grow."

Early on, the family focused on small jobs as Dave began building the business beyond those early septic installations. In some ways, the kids were learning the basics along with their dad, who didn't grow up in excavation.

"I got my start because a neighbor, Todd Fey, had a well-respected excavation business, and he asked me if I wanted to go to work for him," noted Dave. "I had no experience, other than running some equipment on the farm growing up, but I took him up on it and began hauling rock. As time went on, he took me under his wing and showed me the ropes. We teamed up in 1992, and four years later he passed away. That's how Dave Hulstein Excavating came about."

What he lacked in experience early on, he made up for in determination. Hulstein wanted to build a comprehensive excavating business that would serve the immediate area around Edgerton. His goal was simple: "I wanted to make Dave Hulstein Excavating as much of a one-stop shop as possible, and we've achieved that," said Dave. "That's our advantage over the competition. When someone hires us, they're generally looking for a full-service project that doesn't involve multiple contractors. We've worked hard to be able to offer that to our customers. Because of that, we've built up a good reputation and rapport with quite a number of repeat customers."

### Continued expansion

The number of customers has grown as Dave Hulstein Excavating has added services. The company offers clearing and grubbing,

Family members involved in Dave Hulstein Excavating include (L-R) Owner/President Dave Hulstein, his wife, Donna, their son Travis Hulstein, daughter Traci Hunter and Traci's husband, Jesse. The Edgerton, Minn.-based company provides a comprehensive list of excavating services and runs a gravel pit.





A Dave Hulstein Excavating operator loads a truck with a Komatsu WA380-6 wheel loader at the company's gravel pit near Edgerton. "We especially like the versatility the WA380-6 gives us," said Owner Dave Hulstein. "Having one machine for multiple applications helps save us time and money."

mass excavating, mass and final grading, utility installation, basement digs, dirt and gravel hauling and just about anything else that involves earthwork, according to Dave. In the winter, Dave Hulstein Excavating also does snow removal.

"Most of our projects involve multiple aspects of the business, and that's what we've always strived for," said Dave. "We'll handle everything from a general contractor's standpoint except the paving. But we're not locked into that. We do work as a sub on such projects as heavy highway. The general contractor may do the bulk work while we put in culverts or water services."

If the highway work is close enough, they may also buy subbase material from Dave Hulstein Excavating's gravel pit on the north side of Edgerton. The company screens gravel, oversized rock, black dirt, clay, classified gravel and other products. Dave Hulstein Excavating can deliver or others can pick it up at the pit. The company serves about a 20-mile radius with its gravel trucks and expands to about 60 miles on its excavation projects.

### **Efficient staff, equipment**

Helping the Hulstein family is a staff of about 15, many of whom have been with the company for more than a decade. Included



Foreman Jason Heard digs moves material with a Komatsu PC200LC-7. Dave Hulstein Excavating uses several pieces of Komatsu equipment, including a wheel loader and dozers.

among them is Foreman Jason Heard. Many also work at Northstar Plastics, which the family also owns, making such items as dog kennels.

"We're a tight-knit group, and I believe that's another reason for the company's success," said Donna. "Everyone's focused on customer service and will do whatever it takes to deliver

*Continued . . .*

# Quality service is company's calling card

... continued

their projects on time and budget. They're an excellent group of individuals who are very efficient at whatever they do."

Dave Hulstein increased the company's efficiency a few years ago by adding a GPS system to his grading work. Mounted on a Komatsu D61PX dozer he purchased from DMI, Hulstein said the combination has helped him grow Dave Hulstein Excavating's customer list. "We do a lot of building pads in the agricultural market, and with the GPS on the dozer we're able to put those to grade faster and with less material waste. A couple of concrete contractors we work with told us they don't have an overage of material because we're more precise."

Dave Hulstein Excavating uses this Komatsu PC27 compact excavator for a variety of jobs. "It's good for getting into tight places, such as inside a building," said Owner Dave Hulstein. "We're very pleased with its power and speed."



Owner/President Dave Hulstein (right) has worked with DMI Sales Representative Dar Ellis to purchase Komatsu and other equipment. "We were one of the first contractors in the area to purchase Komatsu," said Hulstein. "It proved to be a good decision."



Hulstein noted that the GPS system, also purchased from DMI, added to the efficiency he's seen in the Komatsu equipment since he began purchasing it almost 15 years ago. His latest acquisition is a WA380-6 wheel loader, which he added to a fleet that includes D65 and D61 dozers and PC200 and PC27 excavators.

"Our first Komatsu piece was a PC150 excavator, and the first advantage I noticed compared to what we were using before was the fuel efficiency," said Hulstein, who works with DMI Sales Representative Dar Ellis. "We were one of the first contractors in the area to purchase Komatsu. To be honest, I was somewhat reluctant, but I trusted Dar and believed DMI would stand behind it. It proved to be a good decision."

"We've never been disappointed, and we especially like the versatility the WA380-6 gives us," he added. "We use it to load trucks, backfill or move pipe. Having one machine for multiple applications helps save us time and money."

Hulstein also credits DMI's service department with helping save time and money on his Komatsu equipment as well as a Hypac roller and an SDI side-dump trailer he purchased from DMI. "We handle routine items, but for technical issues we turn to DMI. I know if I call Dar or the Sioux Falls branch I'll get service quickly, which is very important to us. No matter where we're working, they'll come right out. That keeps our downtime to a minimum so we can continue to get our customers' jobs done on schedule."

## Continuing the family tradition

Dave Hulstein plans to keep quality service as the company's calling card. He and Donna hope that the legacy will continue well into the future with Travis, Traci and Traci's husband, Jesse, firmly rooted in the family business.

"The kids have grown up seeing how a focus on quality work and customer service can help a business grow and succeed," said Dave. "They've seen the value of hard work and they haven't shied away from it. It's certainly something they can continue into the future, and I hope they do." ■



# HYPAC



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# THE ECONOMIC STIMULUS IMPACT

## States already laying claim to "shovel-ready" building plans

It didn't take long to lay claim to the first project funded under the economic stimulus package. Within 10 minutes of President Barack Obama signing the American Reinvestment and Recovery Act into law on February 17, construction began on replacement of a Missouri bridge.

Like others around the country, the bridge fell under the category of "shovel-ready," a term that denotes, among other criteria, the ability of a project to be started within 90 days. The idea behind the "shovel-ready" moniker is to give ready-to-go projects top priority, delivering a quick jolt to the economy. When the Congressional Committee on Transportation and Infrastructure was drafting its Rebuild America proposal for consideration in the economic stimulus plan, the committee said such projects had been "fully vetted and approved at the state and local level" to reduce the chance of funds being used on unneeded projects.

Obviously, the state of Missouri did the necessary homework for the bridge to be ready for funding once Obama signed the act into law. It met the criteria for being "shovel-ready," which includes: the project meets the normal eligibility requirements under the existing federal highway, transit, or other grant programs; the project has completed all necessary design work and right-of-way acquisition; the project has completed all environmental reviews; the project is on the state plan, and, if applicable, metropolitan plan; the project is ready to be put out to bid, and contracts can be awarded and work underway within 90 to 120 days of enactment.

The first of the funds, \$26.6 billion, was released the first week of March, ahead of schedule, and states were already putting the money to work addressing highway and other infrastructure projects.

Infrastructure needs represent only a portion of the \$787.2 billion economic rescue plan, a mixed bag of spending, tax breaks and aid that was designed to slow unemployment, stimulate the economy and extend aid to ailing state budgets. Although not as large as Obama had campaigned for, the American Reinvestment and Recovery Act does provide for short-term and some long-term investment in construction projects many see as critical to revitalizing crumbling infrastructure, modernizing schools and buttoning up buildings to reduce energy loss, among other needs.

"There's no doubt the stimulus will have a positive impact for construction businesses and their workers across the country," said Stephen Sandherr, Chief Executive Officer of the Associated General Contractors of America (AGC). "When you get beyond the politics and

The American Recovery and Reinvestment Act contains billions in spending for infrastructure projects such as highway resurfacing and new construction.







Under the economic stimulus package, it's hoped that more than 3 million jobs can be saved or created.

the policy, the fact remains these investments will put people to work, save businesses and help rebuild infrastructure."

## Tax breaks

The billions of dollars in infrastructure, modernization and new construction spending is expected to put a large number of workers back on the job, as many as 3 million to 4 million, with a large percentage of those in the construction industry. Jobs will spread beyond the construction site as the need for bookkeepers, controllers, auditors and others overseeing financial aspects of the projects will be needed. Engineers and architects are part of the mix as well.

When workers get back on the job, they'll find less payroll taxes taken from their paychecks, as part of the plan calls for a break of \$400 per individual — \$800 per couple — over the next two years. Estimates show the tax break will put an extra \$13 per week into workers' paychecks this year and \$8 next year.

If their employers use equipment, those business owners will see a break when buying machinery. The stimulus plan extends the depreciation bonus on new equipment purchases and Sec. 179 expensing limits on new and used machinery that was part of last year's tax refund plan.

In addition to estimating the number of jobs to be created by the construction funding, AGC also calculated the benefits to personal earnings and gross domestic product (GDP). AGC Economist Ken Simonson noted that the \$135 billion for construction would increase personal earnings nationwide by \$75 billion and add \$230 billion to GDP.



The American Recovery and Reinvestment Act includes significant monies for construction of renewable energy sources such as wind and solar.

"Whether or not you wear a hard hat for a living, these construction investments will make a difference for the better," said Simonson. "Beyond the immediate benefits, the new infrastructure projects will make businesses more efficient, commuting more reliable and our economy more prosperous for years to come."

While Obama's historic presidential win, which played a key role in passage of the economic stimulus act, was a major newsmaker in 2008, The Construction Writers Association voted the financial crisis and its effects on building as the top construction story of 2008. Many are hoping a turnaround in the construction industry will top the list in 2009. ■

# IMPERFECT, BUT WELCOMED

## Equipment distributors call stimulus package "a step in the right direction"



Christian A. Klein

*This article provided by Christian A. Klein, AED Vice President of Government Affairs.*

AED (Associated Equipment Distributors) welcomed passage of the American Reinvestment and Recovery Act. "For the last several months, our top priority in Washington has been to enact stimulus legislation containing infrastructure funding and business tax incentives," AED President Toby Mack said. "While imperfect, the final stimulus bill achieves most of AED's major objectives. It's a step in the right direction, which, we hope, will help reverse the economic downturn, get our members back on firm financial footing, and lay a solid foundation for America's future economic prosperity."

As a member of the steering committee of the Americans for Transportation Mobility, and

through our membership in the Clean Water Council, the Transportation Construction Coalition, and the Water Infrastructure Network, AED has been a leading advocate for substantial infrastructure investment in the stimulus bill.

AED identified more than \$80 billion in stimulus infrastructure spending, including:

- \$27.5 billion for highways and bridges (half of which must be obligated by the middle of June);
- \$4 billion for sewer construction;
- \$2 billion for drinking water construction;
- \$4.6 billion for Army Corps of Engineers projects;
- \$1.3 billion for airport construction.

### Tax incentives too

AED also led efforts to ensure that tax breaks were included in the stimulus package. Among the tax incentives are:

- An extension of the 50 percent depreciation bonus and \$250,000 Sec. 179 expensing levels through 2009 (For more information, go to [www.depreciationbonus.com](http://www.depreciationbonus.com));
- An expansion of the home purchase tax credit, which increases the first-time home buyer's credit to \$8,000, extends it through the end of 2009, and eliminates the requirement that home buyers taking advantage of the credit pay it back over 15 years;
- A one-year delay in the implementation of the 3 percent government contractor withholding tax, currently set to go into effect in 2011. ■

The economic stimulus measure enacted in February will result in an additional \$27.5 billion worth of highway and bridge funding, with the vast majority of it to be spent in 2009 and 2010.



# LOOKING FOR VALUE?

## Komatsu equipment can help you lower your bids and improve efficiency on the job

The current economic environment, which has resulted in increased competition when bidding projects, presents a classic Catch-22 for contractors. The catch is this: your bid has to be lower than ever in order to win the job, but can't be so low that you don't make money on it.

In order to be successful, both on the bid and on the job, you have to maximize your efficiency. Having productive, reliable equipment that delivers low owning and operating costs can go a long way toward delivering the efficiency you need.

"At Komatsu, our goal is to design, manufacture, sell and support equipment that delivers true value to the customer," said Erik Wilde, Komatsu Vice President, Product Marketing. "Machine productivity and reliability are two key elements of value as it relates to equipment. So are purchase price, longevity, resale, the cost and availability of replacement parts, and the cost and quality of service. Between Komatsu and our distributor network, we believe we deliver the best overall value in the equipment industry."

Komatsu quality starts in design and engineering. Research and development are cornerstones of the company's philosophy, and even during the current downturn, Komatsu continues to invest heavily in R&D.

"Within the industry, Komatsu is recognized as a technological leader," said Wilde. "We're confident that the construction cycle will turn back up — and relatively soon, we hope. When that happens, we want to be ready with cutting-edge products that people want and need."

### Good results today and tomorrow

In bringing those designs to reality, Komatsu manufacturing plants use top-quality materials

and processes to ensure that each machine is built to precise specs that will enable it to work exactly as it was designed and engineered to do.

"The truth is, most brand-new machines will deliver decent results," said Wilde. "The question is, for how long? How long before you start experiencing costly downtime. How long before you start getting hit with hefty repair bills? How long before you want to sell the machine? And what are you going to get for it when you do sell it or trade it in?"

"At Komatsu, we make equipment for the long haul," he added. "That gives the owner choices. He can keep his Komatsu machine for many years and run it to the end; he can rebuild it for a second life; or he can trade it in or sell it and receive top dollar for it. The choice is his based on how he likes to run his business. All can be cost-effective equipment ownership

*Continued . . .*



**Erik Wilde,**  
VP Product  
Marketing

Quality is built into each Komatsu machine at the factory, including the Chattanooga (Tenn.) Manufacturing Operation. Despite the current economic downturn, Komatsu continues to invest heavily in research and development in order to remain a technological leader in the equipment industry.





# The best equipment “bang for the buck”

... continued



Lee Haak,  
ReMarketing Director

styles, and all are viable options with Komatsu because of the quality of the equipment.”

## New or used

The fact that Komatsu equipment is built to last is important, not just to new-equipment buyers, but also to used-equipment buyers.

“Larger and stronger parts, better design, technological superiority — all of those traits make Komatsu a great used-equipment buy,” said Komatsu ReMarketing Director Lee Haak. “Because of the quality that’s built into Komatsu products, we’re able to take the additional step of inspecting and rating all of our used machines. After they meet Komatsu’s criteria, we certify them, which allows distributors to sell them with a warranty, eliminating much of the risk associated with buying a used machine.”

According to Haak, Komatsu Distributor Certified used machines provide value owners can count on.

“Obviously, the main reason people buy used is because of the lower price compared

to buying new. But that lower price, in and of itself, does not make a used machine a good value. As with buying new, value is determined by many factors, including downtime, repair costs and longevity. At Komatsu, especially with our Distributor Certified machines, we’re confident we can deliver the value that used equipment buyers are looking for.”

## Added value with KOMTRAX

In the past few years, Komatsu has added even more value to its equipment by making the KOMTRAX machine-monitoring system standard on virtually all new Komatsu machines. A satellite-based tracking system, KOMTRAX not only delivers basic information like machine location and service-meter readings to an owner or equipment manager, but on some models it also includes production information such as fuel usage, idle time and load factors. Komatsu was the first manufacturer to install such a system standard, and provides free communication for five years.

“KOMTRAX allows us and our distributors to help customers with machine problems, sometimes even before the customer knows he has a problem,” said Wilde. “And because we started it much earlier than any other manufacturer, we have more experience with it and are better able to show customers how they can use it to their benefit.”

## The total package

With its commitment to R&D and technology, its state-of-the-art manufacturing plants and processes, and its strong support structure, Komatsu is widely recognized as one of the leaders in the equipment industry. Its commitment to helping customers be more efficient on the job makes it one of the value leaders as well.

“Generally speaking, the best equipment value is going to be a top-quality machine that you buy at a fair price, and for which good support is readily available,” said Wilde. “At Komatsu, that’s what we try to deliver with each and every machine, and in doing so, provide the best equipment bang for the buck for our customers.”

For more information on the latest Komatsu models, give us a call or stop in at our nearest branch location. ■

Equipment users can expect long-term success from new Komatsu machines like the PC400LC-8 (below) based on the success of older Komatsu units like the PC400LC-5 (right). Despite being out of production for more than 13 years, it’s easy to find Dash-5 models still at work on jobsites from coast-to-coast.







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# D155AX-6

# 100%

**performance**  
(using 25% less fuel\*)

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# THE D275AX-5 "SIGMADOZER"

## Komatsu brings its innovative blade design to its 449-horsepower dozer

The efficiency and productivity of Komatsu's revolutionary Sigmadozer blade, first seen on the D155AX-6, is now available with the 449-horsepower D275AX-5 dozer.

"The design is very similar to the D155," said Komatsu Product Manager Les Scott. "Like the D155, it will automatically allow the D275AX-5 to push 15 percent more dirt compared to the standard semi-U blade. If you're moving dirt, the Sigmadozer should be your machine."

Scott said the new frontal design adopted for digging and rolling up at the center of the blade increases soil-holding capacity while simultaneously reducing sideway spillage. It also reduces digging resistance, producing a smoother flow of earth, enabling the dozing of larger quantities of soil with less power. With a blade capacity of 19.1 cubic yards, users can move significantly more material without increasing fuel consumption. The Sigmadozer uses a new blade-linkage system that holds the blade closer to the tractor for improved visibility, enhanced digging force, and reduced lateral sway of the blade.

"It's all due to the blade design and how it cuts the soil," Scott explained. "As it's going through the soil there's less resistance, so the tractor can actually push a little faster. That allows the dozer to pile more material in front of the blade and hold it there."

### Optimal productivity

The Sigmadozer's extra-low profile provides machine balance and a low center of gravity while the Hydrostatic Steering System (HSS) provides smooth, quick and powerful control in varying ground conditions. The K-Bogie undercarriage system improves traction and

component durability while the new track-link design reduces maintenance costs by making it easier to turn pins, with improved pin reuse.

Further adding to the productivity of the D275 are the very latest features in operator comfort, creating a quiet, comfortable environment where the operator can concentrate on the work at hand. The cab's new hexagonal design and large tinted glass windows provide excellent front, side and rear visibility.

"This is a good opportunity for us to once again step out in front of our competition," he said. "We have a dozer now that is, without question, more productive than anything else out there." ■



Les Scott,  
Product Manager



For more information on the D275AX-5 Sigmadozer — and to see video of the machine in action — go to [www.videocpi.com](http://www.videocpi.com)

### Brief Specs on Komatsu D275 Sigmadozer

Model	Operating Weight	Output	Blade Capacity
D275AX-5	113,600 lbs.	449 hp	19.1 cu. yd.

The D275AX-5 Sigmadozer pushes 15 percent more dirt than Komatsu's conventional model.



# CUSTOMER-DRIVEN QUALITY & INNOVATION

## VP/GM of Mining says those are the main reasons for Komatsu's success



Rod Schrader

*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.*

Rod Schrader became Vice President/General Manager of Komatsu Mining about four years ago after holding numerous positions with Komatsu, including Director of Product Marketing and Planning for the construction division. He joined Komatsu in 1987, three years after graduating from Rose-Hulman Institute of Technology in Terre Haute, Ind.

"I oversee about 750 people in the mining division, more than half of whom are based at our Peoria manufacturing operation," said Schrader. "That number has grown in recent years as we've more than doubled the number of machines produced. We've done that without an increase in our footprint by being more efficient and hiring a great staff of people who are dedicated to quality products. I am very proud of what they've accomplished."

Accomplishments have included new products that are more efficient and productive so that users get better per-ton costs in their mining operations. That's something Rod is very happy about.

"I got into this business because I enjoy equipment, and seeing customers use Komatsu products to build their businesses and succeed makes me very proud," said Schrader. "Komatsu is a very customer-oriented business, and because of that, we've increased our market share."

Rod enjoys spending time with his wife and their three teenage children and attending their various activities.

**QUESTION:** Komatsu has continually gained market share in the mining industry. Why is that?

**ANSWER:** There are several reasons why Komatsu continues its solid reputation in the mining industry, including a dedication to outstanding customer service, not only from the company but from our distributors. Our mining division is now 100-percent ISO 9001 certified, which we believe is important because it shows our customers we're serious about our manufacturing processes, and in turn, their success. We believe we know the market better than our competitors, and we're building solid relationships and trust with our customers.

We have a saying: "Quality beats time-to-market," which means that we won't rush a product just to get into the marketplace. When we build a mining product, we take the time to ensure that it's going to be productive and efficient. Anyone involved in the manufacturing process has the ability to stop production if he or she believes there's an issue that needs to be dealt with before it can move on to the next stage of development. When customers buy Komatsu mining products, they're making a long-term investment that they expect to last 10 to 15 years. It's our duty to make sure they're making a wise investment by buying Komatsu.

Finally, we're committed to innovative products that will make our mining customers more profitable. For instance, in the past three years we've introduced several new products, such as our 960E and 860E electric-drive trucks that offer greater hauling capacity with more efficient operation to improve per-ton costs.

We've gone from DC to AC drives, which are more efficient and reduce maintenance. We've matched the engines to the drive systems to maximize efficiency.

**QUESTION:** What other innovations are in development or have been implemented?

**ANSWER:** We've begun to introduce our autonomous, or driverless, trucks. We now have two fleets running in mines and are working to add additional fleets. Autonomous haulage allows the user to run a 300-ton payload 930E, for example, through the entire load cycle without having a driver. The results have been very good. Again, it's going to lower the per-ton costs versus having a truck and driver. It's a specialized tool and it's not for everyone, but in the right application — where the user has a long haul, for instance — it's fantastic.

Komatsu's new 280-ton 860E-1KT trucks are the first of their kind to use a Komatsu drive-trolley system. They work with overhead electrical trolley lines and a pantograph mounted on the truck. As the truck comes under the lines, up to 1,800 volts of electricity go through the system to drive the wheel motors. It produces faster propulsion uphill, while reducing engine rpms. The result is lower fuel consumption and emissions.

All our new machinery comes standard with Komatsu's Vehicle Health Monitoring System (VHMS), which monitors the health of major components, so owners, users and fleet managers can remotely evaluate a machine's condition and operations. Information from the machine is transmitted via satellite and the Internet to the user, Komatsu and our distributors. VHMS reports vital information such as operating condition, service meters, trends, fault and event codes, engine performance and machine operating history. Each day, users can log onto a secure Web site and check their machinery as easily as they check the latest news, weather and sports online.

**QUESTION:** How much input does the customer have in developing these products?

**ANSWER:** A lot. All our product development comes from a combination of ideas from our engineering and product-development personnel, our distributors and our customers.



Innovative products such as the 960E electric-drive truck (above) and the 860E-1KT (left), which uses a Komatsu drive-trolley system, continue to set Komatsu apart when it comes to mining machines, according to Vice President/General Manager of Mining Rod Schrader.

We collect feedback from our customers about the key priorities they need and want in their machinery. Then we set about building those machines by incorporating their ideas into emissions and other mandated standards. Because of their input, we've developed other products to help them run not only their equipment, but their mining practices more efficiently. One example is our Modular Mining software products, such as the IntelliMine Management System for open-pit mines. It has a dispatch system that tracks auxiliary equipment, water trucks, blending, crew lineup, fuel-service management, inventory reporting, payload analysis and other information.

**QUESTION:** What does the future hold for Komatsu mining and the industry as a whole?

**ANSWER:** We'll continue to work on improvements in our current products and develop new ones.

This generation of Komatsu mining equipment is revolutionary, and we expect to see continued growth in market share as our customers experience the results of our focus on quality. We expect mining to remain strong overall, and Komatsu is committed to being a leader in the industry. ■





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SERVING YOU BETTER

# KOMATSU ADVANCED TECHNICIAN COMPETITION

## Training event brings out the best in distributor service technicians

The 13th Annual Komatsu Advanced Technician Competition (KATC) showcased some of the nation's top heavy equipment technicians as they took part in the contest held at the Komatsu Training and Demonstration Center in Cartersville, Ga.

"Komatsu distributor technicians are among the best in the industry, and KATC allows them to shine as they work to troubleshoot and problem-solve typical and atypical machine issues that they may encounter in the field," said KATC Director Wade Archer. "It's more than just a competition, though. We provide educational seminars as well. The goal is to make our technicians even better, so they can go back to their distributors and work to serve customers by reducing downtime and repair costs."

Technicians competed in seven individual machine categories, with one hour to troubleshoot a machine and diagnose two problems that were preset by Komatsu personnel. They were judged not only on whether they correctly identified the issues, but how they arrived at the problems. They had to demonstrate their ability to properly use all tools, including service manuals and computers. Communication with the customer was also a key component.

### Team contest

In addition to the individual contests, a team competition was held where distributor technician teams competed under similar circumstances to diagnose and fix problems on a BR580JG crusher.

"Technicians in the team contest were not told ahead of time what machine they would be working on, whereas they know what equipment they'll encounter in the individual

competition," said Archer. "We believe simulating real-life situations makes them better at what they do. It helps them realize they have multiple resources to draw from when they do a service or repair."

Contest winners received trophies and prizes, including cash awards for first through third place. Visit [www.kactraining.com/atc](http://www.kactraining.com/atc) for more information on KATC. ■



Wade Archer,  
KATC Director



Contestants were judged on their ability to use resources such as manuals and computers as they diagnosed and fixed a problem with a particular machine. Komatsu personnel acted as "customers" whose machines weren't running properly. They also served as judges.

The team competition focused on a "mystery machine," which turned out to be a BR580JG crusher. A team of distributor technicians had to find the problems associated with it.





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# MACHINE MONITORING SYSTEMS

## KOMTRAX 2.5 upgrade adds valuable information to lower your operating costs

Users of Komatsu's original KOMTRAX wireless machine-monitoring system already get lots of benefits — such as the ability to remotely track service-meter readings, machine location, operating error codes and other information to help schedule maintenance.

Now with a, KOMTRAX 2.5 upgrade, users can get all those benefits, plus additional information, such as fuel consumption and idle time. Like the original version of KOMTRAX, users of KOMTRAX 2.5 get five years of free communications from the date of purchase.

"Adding fuel consumption and idle time gives the user valuable information on how the machine is being used, and if that fuel consumption is during productive times or when the machine is sitting," said Ken Calvert, Komatsu Director of IT Support. "Constantly idling during nonproductive times wastes fuel and lowers profits. KOMTRAX 2.5 gives users the information they need to adjust running times. The idea is that it leads to less fuel consumption, thereby paying for itself rather quickly."

According to Komatsu, idle time typically accounts for about 20 percent of a machine's fuel consumption during its lifetime. When fuel prices are high, cutting that down can be a significant savings. Calvert gave an extreme example of how KOMTRAX 2.5 was used to track idle time and fuel consumption on what Komatsu termed "the most idled excavator in North America."

"The machine was tracked during a full month," explained Calvert. "During that time it consumed nearly 1,100 gallons of fuel. That wouldn't seem like a lot if the machine was productive during that entire time. However, the machine only worked 50 hours and idled for 570. That's an incredible waste, but with KOMTRAX 2.5, the owner or equipment manager could have

seen early on the trend that was taking place and corrected it. It would have saved a lot on fuel costs."

### Available for all types of machines

KOMTRAX 2.5 is available not only for excavators, but dozers, wheel loaders, skid steers and other Komatsu equipment. "No matter what type of machinery you use, KOMTRAX can help you lower your owning and operating costs," insisted Calvert. "KOMTRAX 2.5 is a step up in machine monitoring and management."

For more information about KOMTRAX, contact your local Komatsu distributor, or log on to [www.komatsuamerica.com](http://www.komatsuamerica.com) for a demonstration of how KOMTRAX works. ■



**Ken Calvert,**  
Director of IT  
Support

*To see if your specific machines are eligible for the KOMTRAX upgrade, go to:*  
[www.komatsuamerica.com/KOMTRAXupgrade](http://www.komatsuamerica.com/KOMTRAXupgrade)



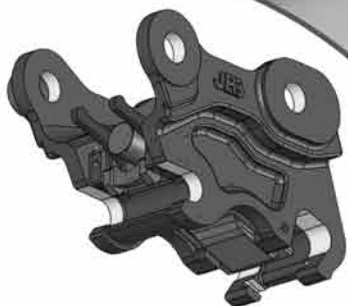
Komatsu's new KOMTRAX 2.5 wireless monitoring system offers all the advantages of previous KOMTRAX systems plus fuel consumption and idle-time information. Available now, KOMTRAX 2.5 can be installed on almost any machine, and retrofitted to machines that have older KOMTRAX systems.







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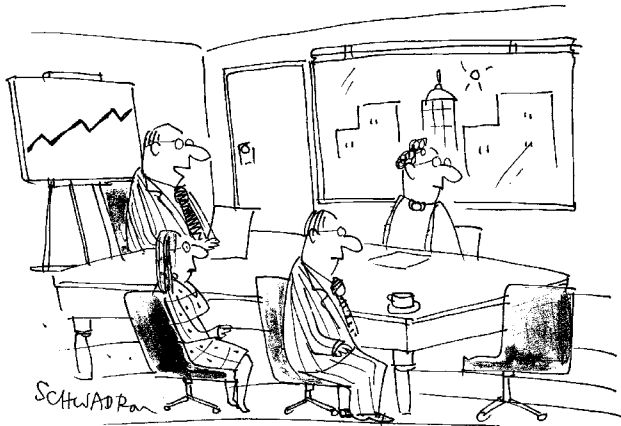
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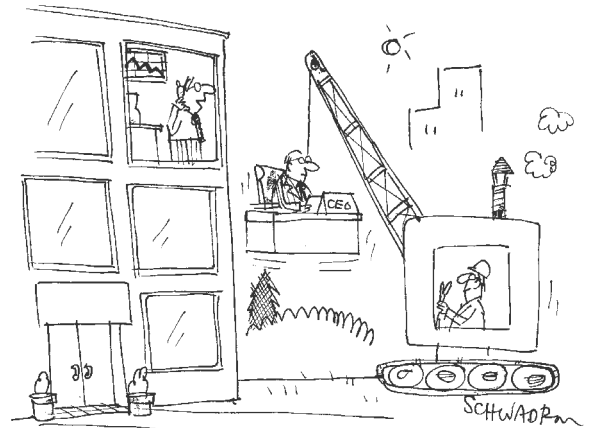
**PALADIN** HEAVY CONSTRUCTION

## SIDE TRACKS

### On the light side



"Our banker was called away unexpectedly . . . for 25 years to life."



"Hey guess who just showed up. It's Extreme Makeover — Office Edition!"



"I'm impressed that your company now owns this turnpike . . . but you still have to pay to use it."

### Did you know...

- The United States produces about 20 percent, or 1.1 billion tons, of the world's coal supply, second only to China.
- Twenty seven percent of the newspapers produced in America are recycled.
- In 1865, the U.S. Secret Service was first established for the specific purpose to combat the counterfeiting of money.
- The United States bought Alaska from Russia for two cents an acre.
- A baseball will go farther in hot temperatures than in cold temperatures.
- Ten percent of the salt mined in the world each year is used to de-ice the roads in America.
- The Baby Ruth candy bar was actually named after Grover Cleveland's baby daughter, Ruth.
- The first municipal water-filtration works opened in 1832 in Paisley, Scotland.
- U.S. Route 66 crosses eight states and three time zones.
- The Pony Express only lasted 18 months, from April 1860 to October 1861.

### Brain Teasers

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

1. NEGENI \_\_\_\_\_
2. DEBAL \_\_\_\_\_
3. MUTEQIPEN \_\_\_\_\_
4. TIUITYL \_\_\_\_\_
5. CUBEKT \_\_\_\_\_
6. CTEAROXAV \_\_\_\_\_



# MORE LOADS

## Adding polymer liners to Komatsu articulated trucks can add to your bottom line



John Bagdonas,  
Product Marketing  
Manager Working  
Gear Group

Articulated truck users trying to make the best of a “sticky situation” or who want their beds to last longer and have higher resale values should consider installing UHMW-PE Polymer body liners for Komatsu HM Series trucks. The liners are available for Komatsu’s popular-size HM300-2, HM350-2 and HM400-2 models.

“The poly liners can be installed before the user takes delivery of a new truck or at any time after,” said John Bagdonas, Product Marketing Manager for Komatsu’s Working Gear Group. “Most truck users associate poly liners with projects where they have to haul wet, mucky or sticky soils because they help ensure the materials are ejected from the bed when they dump. It helps ensure they’re not carrying materials back to the loading area. That’s the most common use, but they’re also appropriate in other circumstances as well,” he added. “For instance, the liner protects

the bed from abrasive materials, so the bed lasts longer, which equates to higher resale value. Additionally, because the liners are formed from a lightweight polymer material, customers can use them in areas where noise may be a problem. They’re great sound suppressors.”

Added advantages of the polymer liners are that they weigh nearly 75 percent less than traditional steel liners, meaning trucks can carry more material per load when weight is a factor. Despite being lightweight, the liners are durable with exceptional wear characteristics. They’re impact resistant, impervious to moisture, operate within a wide temperature range and offer protection from corrosion and chemicals.

Bagdonas noted that liners are available in three grades — one made of recycled materials for basic protection, a mid-grade liner and a premium model. All specifically fit a particular-size truck, or customers can place a custom order.

### Analysis shows quick return on investment

A sample payback analysis that compared an HM400-2 truck using the mid-grade polymer liner and one without showed that having the polymer liner helped users move more material. Data showed that the lined truck hauled an additional 192 tons of material in an eight-hour day.

“In the analysis, the lined truck carried back less material to the loading area,” noted Bagdonas. “The conclusion gained from the analysis was that those extra 192 tons per day would lead to customers recouping their investment for that particular liner in less than three weeks. That’s a phenomenal return on investment.” ■

Polymer liners are available for popular-size Komatsu HM articulated trucks and help protect the bed as well as make dumping sticky materials more efficient.





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# BEYOND THE STIMULUS

## Federal budget provides additional funding for infrastructure work

While the American Reinvestment and Recovery Act, better known as the economic stimulus plan, has been getting all the publicity since being signed into law in February, it's important to note that the \$787 billion worth of spending and tax cuts in it is *in addition to* regular governmental spending.

In March, Congress passed and President Obama signed that "regular" government spending measure, which was an omnibus appropriations bill to fund government

Water and sewer infrastructure will see major funding increases this year and next from both the regular federal budget and the new economic stimulus plan.

programs through the rest of the 2009 fiscal year, which ends Sept. 30. Typically, the bill would have been finalized last September, but with an election on the horizon, Congress decided to put off final decisions until the new administration was in place.

Many items in the omnibus bill will directly impact the construction industry, including:

- \$40.7 billion for highway construction
- \$5.4 billion for Army Corps of Engineers construction programs
- \$3.5 billion for airport construction
- \$829 million for drinking-water construction
- \$689 million for sewer construction

### Up from 2008

Most of the figures are higher than, or the same as, FY '08 funding levels. Funding for highways, for example, was increased by \$484 million compared to last year. Then, if you add in \$27.5 billion worth of economic stimulus money for highways, you get about a 70 percent funding increase compared to the previous year. Of course, not all of that \$27.5 billion will be allocated in 2009. In fact, a larger amount of that total will actually be spent in FY 2010 — but the increase for both years is substantial.

With the 2009 spending plan now in place, Congress is already working on the 2010 budget. Many feel that until the economy regains a more solid footing, next year's budget will continue to require a larger-than-normal amount of spending on public projects. ■



# VOICES

Welcome to VOICES, the new feedback forum for DMI *Difference* readers.

We want to know what's on your mind — and we want to share your thoughts with other industry professionals. VOICES gives you the opportunity to comment on issues of interest regarding the construction industry, Komatsu equipment, articles you've seen in this magazine — or almost anything. It also invites your questions. Unlike a traditional "Letters to the Editor" column, VOICES will answer your questions, respond to your comments and address the issues you care about. We hope you'll take the opportunity to participate in the conversation with us about what's important to you.

Please e-mail your questions and comments to: [DifferenceEditor@constpub.com](mailto:DifferenceEditor@constpub.com)



Here are the types of questions and comments we hope to receive:

## QUESTIONS & ANSWERS

**QUESTION:** *When will economic stimulus money actually be spent on construction projects? How can I find out what jobs are being let in my region?*

**ANSWER:** So-called economic stimulus money is already flowing. Much of the road and bridge money is already assigned to projects. The U.S. Government's [www.recovery.gov](http://www.recovery.gov) Web site is a good source for general information on stimulus spending.

As for local construction projects to be funded with stimulus money, you should check with the state DOT and local municipalities. State or local industry organizations might also have good and updated information on area projects.

**QUESTION:** *Every day we read about companies being in difficult financial straits — even the big auto makers. How is Komatsu faring during this economic downturn?*

**ANSWER:** Like most businesses, and all heavy equipment manufacturers, Komatsu has felt the effects of the worldwide economic slowdown. Sales are down from a year ago. Nonetheless, despite the pain, and in stark contrast to other major companies, like U.S. automakers that are in danger of failing or requiring bailouts during this recession, Komatsu remains profitable. As the world's

second-largest manufacturer of construction and mining equipment, Komatsu looks forward to returning to a more normal business environment, later this year, we hope.

## COMMENTS & REPLIES

**COMMENT:** I'm happy to see the government has passed a so-called "stimulus plan," but I don't think it's big enough. I would have liked to have seen a lot more than \$27 billion for roads and bridges. Our transportation needs are much greater than that and with more money, we would be able to put a lot more people back to work.

**COMMENT:** I saw the article in the magazine where the Komatsu D51 dozer won an award for best new design. I just wanted to say that I bought one last year and totally agree that it's a cut above other dozers. The visibility to the blade is outstanding, which helps make it an excellent final-grade tractor.

**REPLY:** The D51 was the first of the new Dash-22 series of mid-size dozers from Komatsu. Since then, three smaller units, the D31, D37 and D39 have also been upgraded to the Dash-22 version, which features a super-slant nose and cab-forward design that puts the operator closer to the blade. ■



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