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# **Solutions**

March 2011 • Issue 1



A publication for and about Brandeis Machinery & Supply Company customers

## **GOHMANN ASPHALT**

Much more than asphalt,  
this Louisville-area firm  
is a true full-service  
construction company

See article inside . . .



Richard Cripe,  
President and CFO

# **KOMATSU**

# A MESSAGE FROM THE PRESIDENT



Gene Snowden, Jr.

**Forecasts are  
optimistic for  
2011  
construction  
industry**



Dear Valued Customer:

As we move into the new year, we hope that 2011 brings you greater prosperity. We're optimistic that this year offers a better outlook for the construction industry and the broader economy. Indeed, several industry groups have forecast an increase in construction work this year. You can read their views in our Construction Spending Forecast article.

As the construction industry rebounds, machinery demand will increase. Komatsu is introducing new products this year, and among them will be new units with interim Tier 4-compliant engines in the 175- to 750-horsepower range. Komatsu met the new standards without sacrificing power or productivity. If you're in the market for new machines, these are an ideal choice.

If you're looking for used equipment, we have a great selection. Even with high hours on them, Komatsu used machines are a great option. In this issue of your *Focusing on Solutions* magazine, several customers share why they value their older Komatsu equipment.

Remember too, that the tax act passed late last year offers great advantages for new and used equipment purchases, including a 100-percent depreciation bonus for new equipment placed in service after September 8, 2010, and through December 31 of this year. In 2012, that bonus drops to 50 percent. The new tax act doubled 2011 Sect. 179 expensing levels to \$500,000, with a phase-out threshold of \$2 million. The additional expensing is available on both new and used equipment and offers a nice tax advantage.

Older or newer, maintenance is a factor in your owning and operating costs. At Brandeis, we want to work with you to maximize your uptime and production. We have maintenance plans and other options available to do that at a reasonable cost.

Whatever your needs, we're here to help. If there's anything we can do for you, please don't hesitate to call or stop by one of our branch locations.

Sincerely,  
BRANDEIS MACHINERY & SUPPLY COMPANY

A handwritten signature in black ink, reading 'Gene Snowden, Jr.' in a cursive script.

Gene Snowden, Jr.  
President and Chief Operating Officer





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# GOHMANN ASPHALT

**Much more than asphalt, this Louisville-area firm is a true full-service construction company**



Richard Cripe,  
President and CFO

The name Gohmann Asphalt only hints at the wide range of construction activities that the company actually performs. Asphalt plants? Of course, Gohmann and its subsidiaries own six of them, in fact. Beyond that, Gohmann Asphalt also has four concrete plants; its own lab to ensure quality of plant products; its own asphalt and concrete paving crews; a bridge-building division; and a road division, which includes grading and drainage. In addition, Gohmann has two subsidiary stone quarries and a subsidiary 123-unit trucking company.

"We believe one of our greatest strengths is our ability to do almost all aspects of any job in-house, exclusively with Gohmann personnel," said President and CFO Richard Cripe. "Being a full-service firm allows us to better control job quality and consistently meet and beat schedules. Our customers know they can count on us to do what we say we're going to do, and because of that, we have excellent relationships with project owners throughout our territory."

Gohmann Asphalt has six asphalt plants including this one in Sellersburg, Indiana. The company uses a large number of Komatsu WA500 wheel loaders at its plants and limestone quarries.

"Being highly diversified is a real benefit on many jobs," added Mickey Stroud, Vice President, Road Division. "For example, on a large Interstate project with grading, paving and bridge work, we're like a one-stop shop. We can do all of it or any part of it."

Headquartered in Clarksville, Indiana, just across the Ohio River from Louisville, Gohmann Asphalt got its start back in the early 1950s when Herbert Gohmann started a little company and then a few years later, added an asphalt plant. Gohmann family members remain active in the business today. Herb's son Mike Gohmann is Chairman of the Board, son John Gohmann is Vice Chairman and CEO, and daughter Annette Dezelan is Vice Chairman.

Through the years, the second generation has continued adding to the list of services Gohmann Asphalt is able to perform, and has overseen a tremendous amount of growth. Today, that little company that Herb Gohmann started almost 60 years ago, employs about 600 people during the busy season.

## Employees are key

In addition to the Gohmanns and Cripe, the management team at Gohmann Asphalt consists of Executive VP of Operations Spencer Coe; Executive VP Safety / Human Resources Diane Green; Executive VP and Treasurer Keith Kramer; Executive VP and Chief Engineer David Hardin; and General Counsel and Chief Compliance Officer Michael Kopp.

Other key personnel include division heads. Stroud is Road Division VP; Kenny Spellman heads up bridge building; Bobby Bullock leads the asphalt paving crews and Joel Field is in charge of concrete paving. Jason Yeager manages road division activities in the western region while Gary Mouser manages the eastern region under Stroud.





"Like any successful company, we are where we are because of our employees," said Cripe. "From top management to field management to operators and laborers, we believe our people are the best in the industry in our territory. We have tremendous experience and expertise throughout the organization and we have a lot of young talent in place as well."

"The company pays top wages and gets top personnel," added Stroud. "There is virtually no turnover in supervisory positions and very little turnover among laborers. Having the same people year after year is a real plus for Gohmann Asphalt."

### Value engineering

Gohmann Asphalt works roughly 100 miles in any direction from Louisville. It is often involved in large and/or fast-track projects in western Kentucky or southern Indiana.

"We hang our hat on the quality of our work and our ability to meet demanding schedules," said Cripe. "We do a job right the first time and we get it done fast. That's what allows us to bid jobs aggressively and still be profitable, even during the slow economy that we've experienced over the past years."

"One of our strengths is finding a way to do a job more efficiently," noted Stroud. "The state of Kentucky calls it 'value engineering.' Indiana refers to it as a 'cost reduction incentive.' To us, they're the same thing. It means getting a job done with the same or better results for less money — and that's a specialty of ours. We can often engineer a job a little differently than it was originally designed, and by doing so, find a better way to do it. We then split the cost savings with the state. We try to do that on all our big jobs."

### Big jobs

And make no mistake, Gohmann Asphalt does plenty of big jobs. For example, the company did almost all the site work and paving for the UPS World Hub in Louisville, as well as numerous improvements at the Louisville Airport. It has also been very active recently in two large Interstate highway projects.

"I-64 is the major east-west Interstate through Louisville," said Stroud. "I-69 is



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This Gohmann operator uses a Komatsu PC270LC-8 to hammer rock as part of a project to add a lane to I-64 east of Louisville.



a brand-new Interstate being built from Evansville to Indianapolis. Both have had major work throughout the past few years and we've been fortunate to win a number of projects on both of them."

On I-64, Gohmann will soon complete approximately an eight-mile section of highway reconstruction from the Jefferson County line to Simpsonville, Kentucky. The work included adding a lane in both directions and improving more than a dozen bridges. Also, Gohmann recently completed reconstruction of I-64 from the Sherman Minton Bridge to I-65. The project was a fast-paced job where work only occurred during a 30-day shutdown and on three weekends. So far on I-69, Gohmann Asphalt has completed one section, is nearing completion on another, and has recently won bids for two more sections including an eight-mile stretch in Pike County for about \$70 million.

"Two of the I-69 sections were design-build, which is ideal for us because of our versatility

Jobs like the I-64 renovation are ideal for Gohmann Asphalt, which has a bridge-building division in addition to its road-building, grading and paving crews.

*Continued . . .*

# Gohmann Asphalt to grow with the economy

... continued

and strength in engineering," said Stroud. "Another reason we've been successful on the Interstate projects is our size. We're large enough to do large-scale, fast-track jobs, and we're willing to commit whatever resources are necessary to complete the work on schedule. On I-64, we had as many as 450 people working 24/7 over the course of three weekends to get it done on time. Our philosophy is to do whatever it takes — period."

## Top-of-the-line equipment

To take on big jobs like that, Gohmann Asphalt has a large fleet of equipment including many Komatsu machines from Brandeis Machinery & Supply.

"We think Komatsu excavators are top-of-the-line," said Stroud. "They work better

than other brands and they're the best buy. Most of our excavators are PC400s. One of our subsidiary quarries has a number of Komatsu dozers (D37 to D65) and recently bought five WA500 wheel loaders. I'd say half to two-thirds of our fleet is Komatsu. In addition to the units we own, we also rent extensively from Brandeis. They always have good rental machines and excellent availability.

"The most important thing for us regarding equipment is uptime," he added. "With the wages in construction and the fast-track jobs that we bid, machine availability is crucial. We've found Komatsu machines, both owned equipment and rentals, to be extremely reliable."

Gohmann Asphalt has its own team of mechanics, but also counts on Brandeis to provide the support it needs to be successful.

"Our Brandeis Salesman Doug Flynn does a great job for us," said Stroud. "Their service and parts departments are also responsive and helpful. We couldn't bid the way we do without strong dealer support. We definitely view Brandeis as a partner. They routinely deliver the support we're looking for."

## Optimistic about the future

Unlike many companies, Gohmann Asphalt did not experience a sharp drop in volume during the past few years while the economy was in recession. "Bidding was tougher," Cripe acknowledged. "There were more bidders and the winning bids were often lower than we would typically like to see. We had to find ways to keep our costs low while continuing to deliver high-quality projects. Fortunately, our people allowed us to do just that, which in turn, allowed us to maintain a solid work load."

Down the road, Cripe says he's optimistic. He points to a number of major highway projects that are on the drawing boards. He also thinks the economy is going to improve, maybe sooner rather than later.

"At Gohmann, our goal is to grow right along with a growing economy. We're passionate about what we do and we take pride in the final product we deliver to our customer. As long as we're able to maintain that 'culture of excellence,' we're hopeful about what lies ahead." ■

(L-R) VP Bridge Division Kenny Spellman, Regional Manager Road Division Gary Mouser, VP Road Division Mickey Stroud, President and CFO Richard Cripe, Executive VP and Chief Engineer David Hardin work with Brandeis Sales Rep Doug Flynn.

"Doug and everybody at Brandeis do a great job for us," said Stroud. "They routinely deliver the support we're looking for."



In addition to the many Komatsu machines Gohmann Asphalt owns, the company also rents extensively from the Brandeis Certified Rental fleet.

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# THE ROAD AHEAD

## The President's proposal is a start, but only a drop in the bucket of what's needed to fix infrastructure

President Barack Obama's announcement of a proposed \$50 billion program to improve America's roads, bridges and transportation system has once again brought infrastructure to the forefront of public discussion. Although we'd like to think the U.S. has better infrastructure than the rest of the world, that's actually not the case. The fact is, compared to most of the developed world, our infrastructure is much older and in desperate need of repair.

We only have to look at the age and condition of water mains for evidence of this. A recent New York Times story revealed the somewhat startling statistic (based on EPA data) that, on average, a major water line bursts somewhere in the country every two minutes. Add to this the fact that our roads, thousands of our bridges and dams and parts of our rail system date back well into the last century, and it becomes clear that our infrastructure is inadequate.

The proposal put forth by the President included a six-year program to rebuild 150,000 miles of roads, maintain 4,000 miles of rail track and build 150 miles of runways, with a total cost of \$50 billion. This may seem like a grand program, but last year the American Society of Civil Engineers estimated the minimum investment needed to bring the country's infrastructure, including roads, bridges, rail and airports, up to standard is \$2.2 trillion and counting.

The President recently backed up his call with a new report from the Treasury Department and the Council of Economic Advisers cataloging a 50-percent fall in infrastructure spending in the country since 1960. The U.S. spends just 2 percent of GDP on infrastructure, compared to 9 percent in China and 5 percent in Europe. There's a clear danger the U.S. will continue to fall behind

in global competitiveness if we continue to shortchange our infrastructure.

Of course, the President's proposal is also about jobs. More than 1.5 million construction workers have been sidelined during the recession, and a major building program such as that proposed by the President would go a long way to putting people back to work, as well as creating jobs throughout the next decade. In fact, analysts suggest that without the Obama plan in place, highway spending in the U.S. may fall as much as 5 percent this year. Bottom line: more jobs will likely be lost in the construction sector, which would have a negative impact on real estate.

The proposal to establish a formalized approach to the country's transportation infrastructure challenges, including the possible establishment of a National Infrastructure Bank, would be a good first step to start addressing the United States' significant infrastructure challenges, but more is needed. With our water delivery, wastewater treatment and utility infrastructure all needing attention, this is just a drop in the bucket. ■



**Howard Roth**

*Howard Roth is the Global Real Estate Leader and a Partner with Ernst & Young LLP's Real Estate practice. This article originally appeared in GlobeSt.com*

**President Barack Obama has proposed a \$50 billion investment in infrastructure. Howard Roth says it's a start, but much more is needed to update aging roads, bridges and other transportation sectors.**



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# CONSTRUCTION SPENDING FORECAST

## Economists see a boost of up to 8 percent as part of overall growth in the economy

As the economy tries to heal, forecasts for the construction industry call for growth in 2011 in most sectors, with a total value of as much as \$445 billion, according to a McGraw-Hill Construction report released late last year. That total would be an 8 percent rise from 2010, part of an overall growth of 2.5 percent in the U.S. economy predicted by McGraw-Hill.

Single-family housing should see the strongest growth at 27 percent, with more than \$126 billion in construction starts. That will depend on several factors, including the foreclosure mess getting sorted out. Following closely behind is multifamily housing, with an expected rise of \$23.6 billion, a 24-percent gain from last year.

"While the economy is still facing headwinds, the stage is being set for construction to see modest improvement in 2011 from (2010's) very weak activity," said Robert A. Murray, Vice President of Economic Affairs at McGraw-Hill Construction during a recent presentation. "We're turning the corner, slowly. As 2010 becomes the final year of a very lengthy and unusual construction cycle, 2011 will be the first year of renewed growth for overall construction activity."

Increases extend to commercial buildings, where a 16-percent gain is expected by McGraw-Hill. That follows a three-year decline in building new stores, offices, warehouses and hotels. Manufacturing buildings are expected to increase 9 percent in dollars and 11 percent in square feet.

Other industry experts forecast similar improvements in green building, residential building, building product manufacturing, building materials, technology and the economy as a whole.

"The U.S. economy is in the second year of economic expansion," said Camilli Economics President Kathleen Camilli. "While the growth rate is currently modest, momentum is likely to grow as the economy responds to an ongoing monetary and fiscal stimulus in the pipeline. Notwithstanding the financial crisis's impact on residential and nonresidential construction, growth in this sector of the economy will continue to be driven by innovation in building technologies."

### Modest growth this year, bigger next

Reed Construction Data expects a rise in nonresidential construction sectors of 2.7 percent in 2011, with an increase of 12.9 percent the following year. Reed expects increases in all sectors in 2011, including a 7.1-percent jump in health-care construction, 4.4 percent in commercial, 2.5 percent in education and more than 1 percent in manufacturing, amusement/

*Continued . . .*

Economists predict housing to see growth of more than 20 percent, including single-family and multifamily, as part of an overall boost in construction spending.



# Growth anticipated in several sectors

... continued

recreation and lodging. Significantly higher growth is expected in all those areas, as well as office, religious and public safety in 2012.

"Commercial building construction spending will see the largest positive impact from the monetary stimulus," said Reed Construction Data Chief Economist Jim Haughey, citing the Federal Reserve's quantitative easing plan announced in late 2010. "Developers will get cheaper credit

rates, higher space demand, more valuable building assets to pledge as collateral for new project loans and lenders with more cash. The restraint on housing starts cannot be solved by cheap credit as we have learned in the past few years. However, apartment construction will benefit similarly to other commercial buildings. Institutional buildings and the largely public, heavy construction sector will fare about the same as single-family and condo construction. The supply of construction funds for these markets is largely isolated from short-term changes in financial markets."

## Material prices to rise too

Haughey said cheaper credit, a cheaper U.S. dollar and higher equity prices are positive for the near-term spending outlook. Inflation will remain low, but rise enough to end concerns of deflation. "There will be a noticeable rise in inflation for commodities used in construction materials," said Haughey. "Commodity price inflation has been near zero in recent months but will rise back to the 5-percent to 6-percent range."

Others see commodity and materials prices rising as well. Associated General Contractors' Chief Economist Ken Simonson said material prices were up considerably in the fourth quarter of 2010, are likely to be "volatile" in 2011, and noted that an Energy Information Outlook report forecasts diesel fuel to rise 22 cents on average from last year.

"It seems likely that materials that are traded globally, such as oil, copper and steel (especially the scrap that forms the raw material for most construction steel), have a greater risk of near-term price spikes than materials for which demand stems from domestic construction, such as concrete, asphalt, wallboard and lumber," said Simonson.

He added, "Consequently, contractors may face a two-tier pricing picture in 2011: volatility and large spikes for some materials, stable and shrinking prices for others. Meanwhile, owners are likely to be as resistant as they have been in 2010 and 2009 to pass-throughs of price increases. Contractors will need to be sure they or their subcontractors can absorb possible price spikes." ■



Material prices were up in the fourth quarter of 2010 and are expecting to rise more in 2011, especially those traded globally, such as steel and copper.

Growth in several sectors is anticipated, such as commercial, institutional and health care.







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# CONTINUED PRODUCTIVITY

## Why your older Komatsu equipment remains an efficient and reliable choice

The advent of interim Tier 4 emissions standards was ushered in as the calendar turned to 2011, affecting machinery with engine horsepower in the 175 to 750 range. While the standards mandate a reduction in soot and other emissions in new machines, that doesn't mean you have to immediately get rid of your older dozers, excavators and wheel loaders.

"Many of our customers prefer to continue using their older Komatsu pieces because they've found them reliable and a good fit for their business," said Komatsu's Erik Wilde, Vice President, Product Marketing. "They go right on racking up the hours on those machines."

Contractors using Komatsu equipment, such as Webber, LLC, continue to turn the hour meter to impressive numbers. Webber does heavy highway work, and its two subsidiaries recycle materials and manufacture precast concrete barriers. The company also has sand pits and

concrete and asphalt plants. For more than 20 years, Komatsu excavators, dozers and wheel loaders have been in the companies' fleets.

"Komatsu has been our top equipment choice because it has proven time and again to be productive and reliable," said Donnie Poplaski, Director Equipment Department for Webber. "We have some wheel loaders with more than 25,000 hours and excavators pushing 13,000 to 15,000 hours that still have the original componentry. That says a lot about the quality that Komatsu offers."

Komatsu quality means its equipment runs even in the toughest conditions. Shawn and Todd Harders have found that to be the case with the D65 dozers and PC200 excavators they use to do agricultural and wetland work. The brothers own and operate Harders Dozer & Scraper Work, which often clears land in inhospitable areas.

"We've always believed Komatsu excavators are top-of-the-line," said Todd. "We use our PC200s to remove trees or stack trees that the dozers push up. We also use them to dig channels. Working in water up to two feet deep, which we often do, is tough on equipment. We have 10,000 hours on a Dash-6 excavator that's more than 10 years old. That's a good testament to how well our Komatsu equipment works and lasts."

### Hour after hour

Grant Meenach, founder and President of Kern Pacific nearly echos those sentiments. Meenach recently added a PC800LC-8 to a fleet that's always leaned heavily toward Komatsu equipment. Not long after Meenach went into business for himself in 1998, he purchased a PC220LC-5 excavator and a WA320-3 wheel loader.

Many contractors use older Komatsu excavators for a variety of purposes, including such rugged applications as demolition.







Contractors often rely on older Komatsu equipment because they find that even with high hours, it works in less-than-ideal conditions. “We’ve always believed Komatsu excavators were top-of-the-line,” said Todd Harder of Harders Dozer & Scraper Work. “We have 10,000 hours on a Dash-6 excavator that’s more than 10 years old. That’s a good testament to how well our Komatsu equipment works and lasts.”

Of course, the latest model PC800LC hydraulic excavator has helped Kern Pacific quickly complete even deep digs up to 30 feet. Meenach said his older Komatsu equipment still does an excellent job of helping the company stay productive and complete projects on time.

“I’ve kept buying Komatsu equipment because its durability means it runs and runs without costing us downtime,” Meenach acknowledged. “We’ve put up to 15,000 hours on a wheel loader without doing much more than routine maintenance. And, when I believe it’s time to trade or sell, Komatsu holds its value.”

### **Demo starts a trend**

All it took for ready-mix concrete producer Ellensburg Cement Products to see Komatsu’s value was a demo that compared apples to apples. The third-generation family business began using Komatsu products about 10 years ago. President Jeff Hutchinson explained that from the first time the company used a Komatsu excavator, he saw a big difference.

“We had a different brand of excavator that was getting very old and wasn’t giving us the productivity we wanted,” said Hutchinson. “We called the top equipment dealers in the region and told them we wanted to demo their machines, so they all brought similar-size excavators out for us to try. Bottom line, the Komatsu PC600 performed the best.”

Ellensburg Cement Products eventually traded in its initial PC600 for another, and began buying additional Komatsu pieces, including a WA600 wheel loader, a WA500 wheel loader and an HD325 haul truck.



Companies such as Brannan Sand and Gravel use older Komatsu wheel loaders to charge crushers and as general-purpose machines. “What I’m looking for is reliability and fuel efficiency — machines I can count on every day and that won’t break me paying for diesel fuel — and that’s what I get from our Komatsu machines,” said Aggregate Production Supervisor Jim Thompson.

“All of our Komatsu units have held up really well,” said General Superintendent George Seubert. “We use the WA600 to feed the crusher and the WA500 to feed the wash plants. We now have 8,000 hours on the WA600. It still runs great. Also, fuel consumption on both wheel loaders and the excavator has been very good.”

### **Consistently fuel efficient**

Fuel efficiency is one reason Brannan Sand and Gravel keeps purchasing Komatsu equipment. It helps that its Komatsu units maintain low fuel consumption even as the hour meter creeps into the five-digit range.

*Continued . . .*



# Komatsu — productive equipment that lasts

... continued

Brannan Sand and Gravel is part of the Brannan Companies, which include Brannan Ready Mix and Brannan Construction. With the three entities, Brannan Companies handle complete projects for heavy highway and commercial development as a general or subcontractor, as well as supplying materials.

The Brannan Companies rely heavily on Komatsu equipment, including excavators, wheel loaders and haul trucks, especially in their material pits. "We started using Komatsu machines eight or nine years ago," said Equipment and Shop Division Manager Chuck Irsik. "We'd been running another brand prior to that, but when we were in the market for a new wheel loader around 2001, we thought we should probably do some demos and compare prices. Komatsu performed well in the demo and was priced fairly, so we decided to give it a try. Komatsu machines have been a mainstay for us ever since. They are productive, reliable units that last a long time."

"All of our Komatsu pieces in the pits have performed well, including those that have a lot of hours on them," added Aggregate Production Supervisor Jim Thompson. "What I'm looking for is reliability and fuel efficiency — machines I can count on every day and that won't break me paying for diesel fuel — and that's what I get from our Komatsu machines."

Komatsu machines maintain their reliability and longevity into the thousands of hours. "All of our Komatsu units have held up really well," observed Ellensburg Cement Products General Superintendent George Seubert.

## Familiarity leads to purchase

Owner/President Bob Quinn was already familiar with Komatsu equipment when he founded Quinn Construction in 1992. The company does general earthwork and demolition, using several PC200LC excavators, a PC220LC excavator and two WA500-1 wheel loaders.

"I've always believed that proper maintenance is vital, because it ensures that the equipment performs to its maximum capabilities, even with a high number of hours," said Quinn. "The other factor I'm adamant about is buying quality equipment to start with, and that's why over the years we've purchased and stayed with Komatsu. I used Komatsu machinery when I worked for someone else and saw first-hand how well it performed. When I started acquiring equipment, Komatsu was at the top of my list."

Quinn appreciates the versatility the excavators provide, as he uses them for excavation as well as equipping them with quick couplers to run several attachments for demolition. "We get a lot of flexibility from the excavators," said Quinn. "The wheel loaders have been outstanding as well. We used to do some crushing, and we originally bought them for feeding the crushers. Now they're general-purpose machines. Both have about 16,000 hours on them and are still as productive as they were when we purchased them."

## In it for the long haul

Komatsu's Wilde said he hears numerous similar stories around the country and throughout Canada as users continue to see the value, reliability and productivity in even the oldest Komatsu machines.

"In many cases, equipment users like to keep machinery as long as possible because it continues to earn them profits long after it's paid off," said Wilde. "With Komatsu equipment, they're confident that's going to be the case. We do everything we can from a product support standpoint for that to happen by continuing to stock parts at our distributors, parts depots and main parts location. When customers are ready to add to or update their fleets, our latest technology models are an excellent choice for many reasons. Like our customers, we're in it for the long haul." ■







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## NEW MINING PRODUCTS

# LOWER OPERATING COSTS

## New WA1200-6 offers you more productivity with less fuel consumption

The WA1200-6 is Komatsu's largest wheel loader and one of its most productive and economical, thanks to improvements built around customer input and feedback. Among the most productive features is a new 1,765-net-horsepower engine that has a full 132 horsepower more than its predecessor.

Despite the increased horsepower, the 477,000-pound WA1200-6 uses 15 percent less fuel in an EPA-compliant, Tier 2 engine. A new, dual-mode, active-working hydraulic system allows the operator to select between normal and powerful loading, while the optimum oil flow in the working system increases efficiency and reduces cycle times. Komatsu extended the dump clearance, and added stability by improving the static tipping-load rating.

"The WA1200 is a primary production machine in all types of mines that depend on wheel loaders for excavation and loading," said Steve Thorson, Product Marketing Manager, Mechanical Drive Mining Equipment. "Our mining customers provided us with valuable information that we then used to improve on the WA1200-3, which the new model replaces. We did it without sacrificing power or production and, in fact, we improved per-ton/per-yard costs."

Komatsu included an additional torque converter cooler as standard equipment to reduce oil temperature and increase cooling capacity. For hydraulic cooling, a new pump with increased oil capacity helps lower oil temperature. Two additional air cleaners were introduced and the size of the elements increased to 15 inches for more capacity.

### Operator controls optimum performance

An engine rpm-control system with auto deceleration allows the operator to set the

engine rpm at the optimum work-performance level and control speed smoothly with the accelerator. The variable transmission cut-off system for the left brake pedal is adjustable by a switch at the operator's seat. When loading, the low setting reduces brake impact to prevent spillage, while the high setting can be used for traveling.


"A couple of areas customers were adamant about improving were the operator environment and serviceability," said Thorson. "We did that by increasing the size of the cab, which now includes a seat for trainers to ride along with a new operator. It's also easier to operate, thanks to joystick and fingertip controls. From a service standpoint, we grouped the service points in a central location to reduce the amount of time necessary to change fluids and filters. Overall, the WA1200-6 is a better machine, designed for higher production and increased profits." ■



Steve Thorson,  
Product Marketing  
Manager,  
Mechanical Drive  
Mining Equipment

Komatsu's largest wheel loader, the new WA1200-6, offers several upgrades that, compared to the previous model, improve productivity and per-ton/per-yard cost to move materials.





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KA-14



# MACHINES IMPROVED FOR 2011

## Komatsu VP discusses Tier 4 changes, new hybrid excavator and 3-D machine-control systems

**QUESTION:** Each year, Komatsu makes product improvements. What's new for 2011?

**ANSWER:** The latest changes to our product line have been driven by Tier 4 emissions standards that went into effect January 1 of this year. The requirement covers engines from 175 hp up through 750 hp (Example: D65-D375 dozers, PC220-PC1250 excavators, WA380-WA600 loaders, etc.). This requirement reduces particulate matter by 90 percent and NOx by 45 percent in the machines' exhaust when compared to the Tier 3 requirement.

Our Tier 4 platform is based on our proven Tier 3 engine platform and technology. To achieve Tier 4 on these models, we added a diesel particulate filter similar in function to other manufacturers. To optimize machine performance, we added in the robust Komatsu Variable Geometry Turbocharger (KVG) and a large-capacity Exhaust Gas Recirculation System. Both systems are hydraulically actuated for precision control and reliability.

**QUESTION:** Two years ago, Komatsu introduced the first hybrid hydraulic excavator. What's new for hybrids in 2011?

**ANSWER:** We're bringing out our second-generation hybrid excavator before any of our top competitors introduce their first. The Komatsu HB215LC-1 will replace the current Hybrid PC200LC-8 in the Komatsu lineup. We took our last three years of experience in the market to further optimize the system. Another key improvement is the new ability to run hydraulic attachments.

**QUESTION:** Beyond Tier 4 and the HB215LC-1 hybrid excavator, are there other ways Komatsu is using technology

*Continued . . .*



**Erik Wilde, Vice President  
of Product Marketing**

*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.*

Erik Wilde joined Komatsu in 1997 as an Assistant Service Engineer for mining dozers. He became Product Manager for hydraulic excavators in 2001, was promoted to Director of Product Marketing in 2004 and is now Vice President of Product Marketing. Erik's primary responsibility is to help drive development of new products and to promote and market Komatsu products to distributors and equipment users.

"Komatsu is the second-largest manufacturer of construction and mining equipment in the world," he said. "We engineer and design our machines from the ground up with Komatsu-made parts and components. That's how we assure quality. Equally important is technological innovation, which is so ingrained at Komatsu it's included in our logo (the offset T in the Komatsu logo symbolizes technological innovation). Our goal with each product is to provide equipment users with a machine that delivers the best value in the industry."

When he's not on the job, Erik enjoys doing almost anything outdoors, from hiking to fishing to kayaking. He, his wife and their three children (nine, seven and five) also enjoy water skiing, snow skiing and snowboarding.

# Improving machine performance and lowering costs

... continued

**to improve machine performance for equipment users?**

**ANSWER:** We've always considered ourselves to be the technological innovation leader in the equipment industry. That's what we hang our hat on. We believe our on-board diagnostics and user interface are far beyond what our competition offers, especially on new Tier 4 machines.

The next generation of KOMTRAX will be on all Tier 4 units. We were the first manufacturer to offer such a wireless, machine-monitoring system with free

communication as standard equipment. This newest version will be even more user-friendly, will provide more information to the customer, and will help Komatsu and its distributors support the machine even better.

**QUESTION: What's going to be the next big thing in construction equipment?**

**ANSWER:** Hybrid machines or anything else that reduces fuel consumption. The cost of fuel is a significant part of equipment owning and operating costs. Anything that lowers the total amount spent on fuel will be big for the foreseeable future.

Also 3-D machine-control systems. The cost benefits of a stakeless work site are proven and the technology is being transferred into other products. At Komatsu, we work closely with the industry leaders to enhance the machine to system interface and performance. We even offer "plug-and-play" systems to make it easier for our customers to connect our machines to their 3-D machine-control packages. This technology is rapidly advancing and will continue to expand for years to come, delivering higher productivity and lower costs for our customers.

**QUESTION: What can we expect from Komatsu in the future?**

**ANSWER:** Komatsu is committed to delivering the highest-quality products that optimize productivity while delivering low operating costs. Our 2011 Tier 4 products will exceed those expectations and our customers can expect us to deliver that same value proposition with models requiring Tier 4 in 2012. ■



In 2011, Komatsu will introduce its second-generation hybrid excavator before most other manufacturers will have come out with their first.

(Right) Komatsu has worked closely with laser-grading manufacturers to come up with a new 3-D machine-control system that dramatically improves fine dozer grading.



The industry-leading KOMTRAX machine-monitoring system gets a Tier 4 upgrade in 2011 to make it more informative and more user-friendly.





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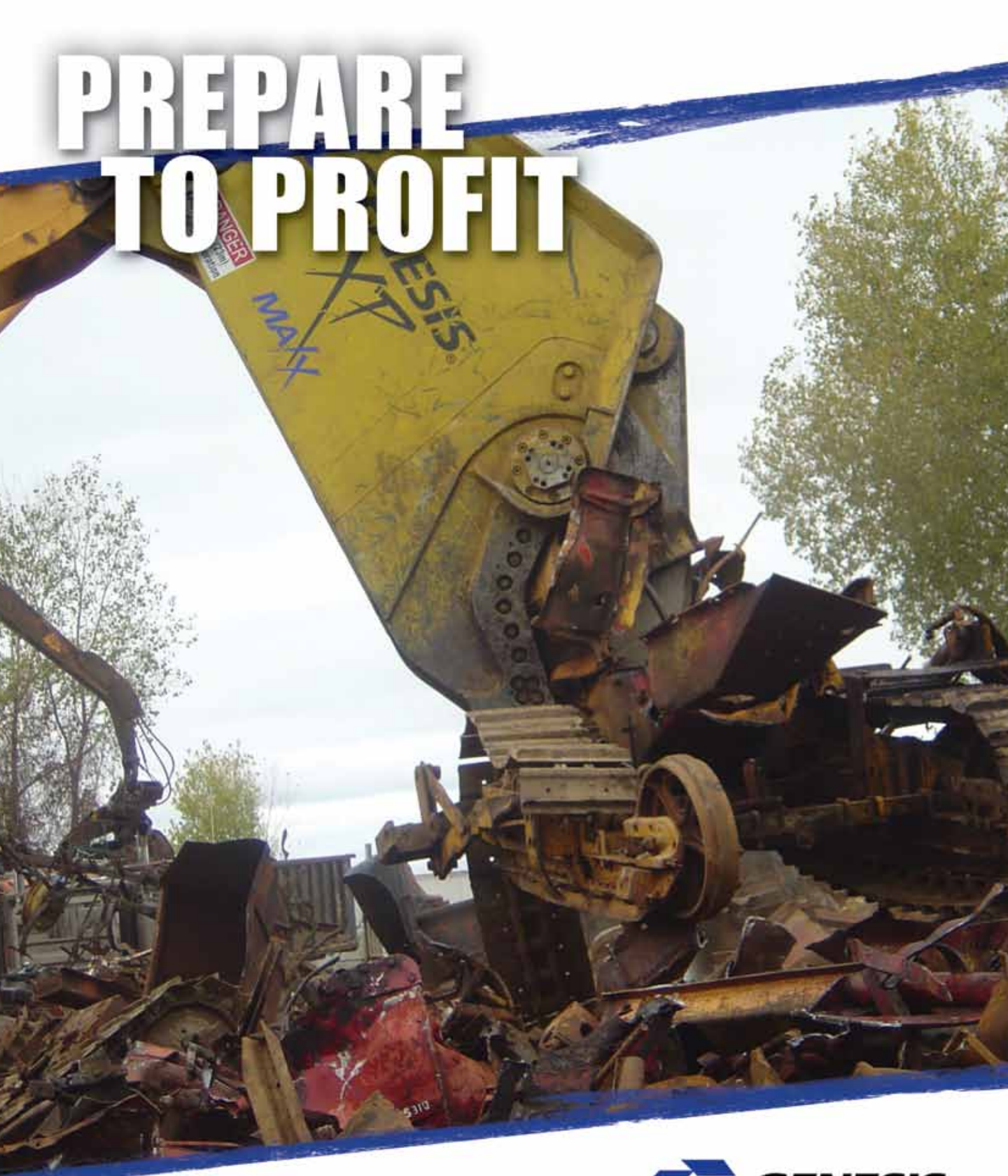


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# OIL SAMPLING AND ANALYSIS

## Beyond warranty — the benefits of oil sampling increase as a machine ages

When you finance a new piece of equipment, you're required to participate in an oil sampling and analysis program as part of the machine warranty. Why? In part, because, if the manufacturer is going to be on the hook for a repair bill, it wants it to be a low-cost, preventive-maintenance repair rather than a high-dollar, high-downtime, unexpected emergency repair.

"Scheduling the repairs suggested through oil analysis saves end users time and money compared to reacting with emergency repairs," said Matt Beinlich, Manager, Technical Support Center (Komatsu Service Department). "When detected early in oil sampling, repairs are less expensive and do not risk unexpected downtime. With oil analysis, our customers can 'look inside' their engines, transmission and hydraulic systems for early warning signs of future failures."

Obviously, issues become more frequent as a machine ages. Despite that fact, many equipment owners choose to discontinue oil sampling once the warranty period is over.

"Sampling when a machine is under warranty may be required, but continuing to sample later in a machine's life is at least as important," said Beinlich. "When machines age, there are more opportunities for the application or environment to change, and this has an effect on overall machine health. The cost of continuing to sample oil is tiny compared with the expense of emergency repairs. Robust oil analysis programs can even give end users the confidence to extend planned component intervals."

### **Komatsu Oil and Wear Analysis (KOWA)**

Komatsu offers an effective, easy-to-use sampling program known as KOWA (Komatsu

Oil and Wear Analysis). Your Komatsu distributor can supply you with KOWA kits to draw oil and fluid samples. KOWA utilizes independent labs to analyze the fluid for such issues as fuel dilution, coolant leaks and contaminants — and to determine if there's excessive wear metal in the sample, an indication that a component might be failing prematurely.

You can get results rapidly through a free online service. Historical data and reports are available through customized software called KOWA-LOAMS (Lube Oil Analysis Management System). Your local Komatsu distributor will help you interpret the sample analysis, including recommending action you might want to take to protect your machine. ■

*For more information on KOWA and how oil sampling throughout the life of your equipment can benefit your bottom line, contact your local Komatsu distributor.*

**Oil sampling is typically required on new machines as part of the warranty package. Komatsu urges equipment owners to continue sampling after the warranty period ends. "The cost of continuing to sample is tiny compared with the expense of emergency repairs," said Matt Beinlich, Manager, Technical Support Center.**



# MORE TRANSPORTATION FUNDING

## Industry groups stand behind commission's recommendation to raise the gas tax

Construction industry groups applauded a proposed increase in the country's gas tax, saying it's a way to fund transportation infrastructure as well as reduce the national deficit. The increase was part of the President's National Commission on Fiscal Responsibility and Reform report.

The commission's recommendation was a 15-cents-per-gallon increase in the federal gas tax, which currently stand at 18.4 cents for gasoline and 24.4 cents for diesel fuel. The increase would kick in beginning in 2013, rising one cent per gallon every three months until the 15-cent increase was met.

The money would be dedicated to the transportation trust fund, set up in the 1950s to pay for highway building and repair. The fund has fallen short of needs, so in recent years money has been pulled from the general fund

to cover expenses. That's also contributed to the national debt.

A coalition of construction industry organizations said in a statement: "This proposal recognizes the integral relationship between improving transportation infrastructure, economic health and fiscal responsibility. If enacted, it will help prevent economically devastating cuts in federal infrastructure investment and remove the primary obstacle to passage of a multi-modal surface transportation bill.

"The issue of transportation investment is directly linked to balancing the federal budget," the statement continued. "Without new Highway Trust Fund revenue, policymakers will be forced either to impose highway and transit program cuts that would reduce payrolls and impede economic growth; or add an estimated \$34 billion over the next six years to general fund spending. Either outcome undermines efforts to balance the budget. It is also important to recognize that a small number of transportation programs are currently funded with general funds, and those programs meet important needs and should be continued."

### Call for more

Many of the industry groups supporting the recommendation called for an even higher tax, urging the commission to consider a 25-cent increase over a three-year period. A proposal put forth by two senators that would have met that total, would dedicate 10 cents of the increase to short-term deficit reduction, with 15 cents going to transportation improvements. The 10-cent portion would put \$83 billion toward the deficit over five years, then become additional funding for transportation. The 15-cent portion would generate \$117 billion over five years. ■

Construction industry groups say the proposal to incrementally raise the gas tax is a good way to fund needed transportation infrastructure improvements.





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## MORE INDUSTRY NEWS

### Report answers FAQs about new Tier 4 technology

A “frequently asked questions” (FAQ) report put together by equipment industry groups is available to answer your queries about new Tier 4 technology. This year marks the advent of Tier 4 regulations for a vast range of machines.

“Many dealers and customers have questions about how the new Tier 4 regulations will affect them,” said Allen Schaeffer, Diesel Technology Forum Executive Director. “So, together with our industry partners, we’ve developed this information to help ease the transition for prospective

equipment owners, dealers, rental agencies and others in the off-road industry as the new rules come into effect.”

The report — available for download from industry Web sites, including Associated Equipment Distributors and Association of Equipment Manufacturers — addresses issues such as: How will the new Tier 4 engines be different from previous engines?; Do the new Tier 4 engines require different fuel?; How will Tier 4 engines affect the value of my trade-ins?; and many others. ■

### ICUEE will offer new fleet-management pavilion and more educational sessions

More fleet-management education, products and services will be part of the International Construction and Utility Equipment Expo (ICUEE) than at previous shows, including a Fleet Management Exhibit Pavilion. ICUEE, also known as the “Demo Expo” because it allows users to run equipment, will be held October 4 to 6 at the Kentucky Exposition Center in Louisville.

ICUEE is geared to the utility/construction industry, including electric, phone, cable, sewer, water, gas, general construction, landscaping and public-works contractors and entities. Educational sessions in fleet management will benefit those who are new to the field as well as experienced professionals. ■

### Groups pushing for more skills-based education

Industry groups are urging education officials to develop more schools that teach skills such as construction by highlighting examples of successful programs in such schools around the country. These schools focus on skills-based education and have proven to produce a higher percentage of graduates compared to typical high schools.

“For too long, we’ve told students that the only path to success lies in mastering a standardized test, instead of acquiring practical skills,” said AGC President Ted Aaland. “By giving students an opportunity to master skills like construction that will

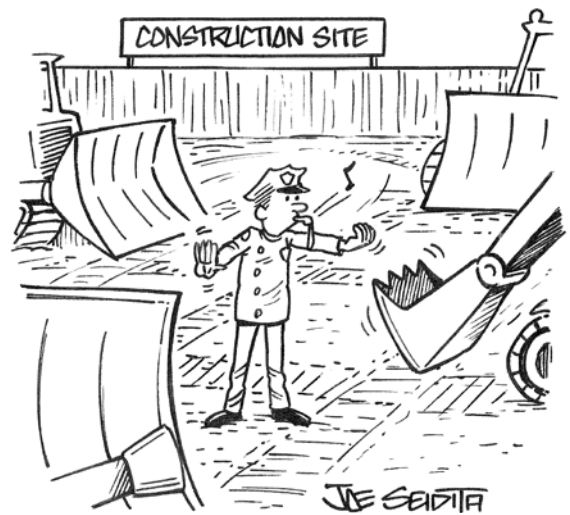
win them good pay and earn them rewarding careers, we’re giving them another reason to work hard and another way to succeed.”

Aaland said student performance is higher at schools focusing on skills-based education, such as recently opened, construction-focused charter schools. Two already-operating schools have graduated students with higher scores on high school exit exams than their peers at district schools.

“Our education system and our graduation rates would be significantly better if schools like the one we’re opening were the rule, instead of the exception,” said Aaland. ■

## SIDE TRACKS

### On the light side



"Junior, I know you want to take my place someday, but don't you think you should at least graduate from grade school first?"



### 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.BrandeisSolutions.com](http://www.BrandeisSolutions.com)

1. LCCYE \_\_\_\_\_
2. AKTUOMS \_\_\_\_\_
3. RUTQEO \_\_\_\_\_
4. NMGNII \_\_\_\_\_
5. WRELCRA \_\_\_\_\_
6. NTPLAIOIPCA \_\_\_\_\_

### Did you know...

- During World War II, Oscars were made of wood because metal was scarce.
- Before going into space, astronauts are not permitted to eat beans.
- If you refrigerate rubber bands they will last longer.
- The number of dimples on a golf ball is 336.
- Dogs can get toupees in Tokyo.
- The cat is the only domesticated animal not mentioned in the Bible.
- Pillows made of stone were used by the Egyptians.
- In one year, Mexico City sinks about an inch.
- Philadelphia was the site of the first stock exchange in 1791.
- The U.S. Air Force was a corps of only 50 soldiers when World War I broke out.
- In addition to a dagger and spear, a gladiator was also armed with a net.
- The last Pony Express ride ended in Sacramento, California.



## NEWS OF NOTE

### BRAMCO names two new vice presidents

Bramco, the parent company of Brandeis Machinery, announced the election of two new officers at its annual meeting. Gary P. Hirsch and Spencer DePoy were named vice presidents.

Hirsch was appointed Vice President-Crane and Material Handling Division. He will continue a leadership role in promoting crane and material handling products for Brandeis Machinery as well as Power Equipment Company, another Bramco subsidiary.

Hirsch has been with Bramco more than two years. Prior to joining the company, he served as an executive with Terex and Ingersoll-Rand.

Spencer Depoy is now Vice President, Indiana Regional Sales Manager. This year marks his 10th with Brandeis Machinery. He joined Brandeis in 2001 as Rental Representative, then moved into machine sales. He was promoted to Indiana Sales Manager in 2007. DePoy's new position gives him responsibility for the sales management of Brandeis Machinery's Indianapolis, Fort Wayne and South Bend branches.

"We congratulate Gary and Spencer and applaud their efforts on behalf of both customers and our company," said Charles Leis, Bramco President & COO. "We encourage customers to call or stop by and let them know what they can do for you." ■



Gary Hirsch



Spencer DePoy

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option. All  
machines  
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prior sale. Year  
listed is year of  
manufacture.



**2007 Komatsu PC160LC7EO,**  
PP25553, 1,350 hrs.  
\$109,580



**2007 Komatsu WA150-5,**  
BTE0013, 7,300 hrs.  
\$64,000

### ASPHALT PAVER

**2004 LeeBoy 8515T, PT25327,** 4,578 hrs. ....\$32,000

### SKID STEER

**2005 CAT 262B,** BCON3, 458 hrs.....\$28,500

**2005 CAT 262B,** BCON3, 458 hrs.....\$28,500

### CRAWLER DOZERS

**2008 Komatsu D51EX-22,** BPZ0808, 650 hrs. ....\$113,900

**2008 Komatsu D51PX-22,** PP25178, 1,450 hrs.....\$105,000

**2006 Komatsu D61PX-15,** PP25523, 4,040 hrs.....\$85,000

**2006 Komatsu D65EX-15EO,** BCON2, 1,010 hrs.....\$156,000

**1988 Dresser TD15E,** PT25143, 3,323 hrs.....\$25,770

### EXCAVATORS

**2006 Komatsu PC158USLC,** PP21113-1, 3,350 hrs. ....\$69,000

**2007 Komatsu PC160LC7EO,** PP25553, 1,350 hrs. ....\$109,580

**2009 komatsu PC88MR8,** PP25273, 250 hrs. ....\$85,000

### FORESTRY

**2005 Valmet 890.2, PT21040-1,** 10,333 hrs.....\$89,000

### WHEEL LOADERS

**2007 Komatsu WA150-5,** BTE0013, 7,300 hrs. ....\$64,000

**2000 Komatsu WA180-3MC,** PP17845-1, 5,938 hrs.....\$49,900

**For additional information, please call (502) 493-4380**



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