

PUSHING AHEAD

A PUBLICATION FOR AND ABOUT CLAIREMONT EQUIPMENT CUSTOMERS • 2008 NO. 2

Featured in this issue:

“ADDED VALUE” EXCAVATORS

Komatsu's Dash-8 mid-size
excavator features make
you more productive

See article inside...



KOMATSU

A MESSAGE FROM THE PRESIDENT



Ronald Zagami

Clairemont Equipment Company *Parts • Rentals • Sales • Service*

7651 Ronson Road • San Diego, CA 92111-1990 • TEL (858) 278-8351 • FAX (858) 492-9959

Dear Equipment User:

The economic stimulus package that the President signed into law can have a significant impact on your business this year. The law states that companies buying new equipment in 2008 can depreciate an additional 50 percent of the cost in this year. If you elect to use it, the bonus depreciation can lower your 2008 tax bill. There are other benefits of the stimulus package, and you can get more detailed information in the Guest Opinion article in this issue of *Pushing Ahead*.

You may want to consider using the bonus depreciation on purchases of new Komatsu equipment that offers benefits such as lower owning and operating costs. In the past several years, Komatsu has made tremendous improvements across its extensive machinery line, including the addition of ecot3 engines designed to meet Tier 3 standards for reduced emissions. Komatsu not only made reduced emissions standards a priority, but in the process, made its equipment more productive with better fuel economy.

It's that kind of commitment that makes us proud to represent Komatsu utility, construction and mining machines at Clairemont Equipment Company. Komatsu machines are among the most technologically advanced in the industry, and many include Komatsu's KOMTRAX remote equipment-monitoring and management system that helps you track your machine's performance and service schedules. If an error code appears, Komatsu alerts Clairemont and you right away so the issue can be diagnosed and fixed quickly. It also alerts you to upcoming routine service in advance, allowing you to schedule it at a convenient time. Komatsu was the first manufacturer to install such a monitoring and management tool as standard equipment.

Of course, we believe that service is important in keeping your machine running at maximum productivity throughout its entire life. That's why we make it a priority to have trained technicians who can service your Komatsu and competitive brands of equipment quickly and efficiently with little downtime. If you choose to do the work yourself, rest assured we have nearly every part you need on hand, and if we don't, in most cases we can have it the next morning.

At Clairemont, we stand ready to make your owning and operating costs as minimal as possible, and we'll be happy to work with you in any way we can to make that happen.

Sincerely,
CLAIREMONT EQUIPMENT COMPANY

Ronald Zagami
President

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If you didn't make it to Las Vegas for CONEXPO-CON/AGG, here's a full report of the largest show in its history and what Komatsu had to offer.

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Associated General Contractors (AGC) expects nonresidential construction spending to continue rising in 2008. Here's why.

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UTILITY NEWS

A recent survey shows 93 percent of compact excavator owners say tight tail swing is a jobsite benefit. Learn why these units have taken off in popularity.

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CONEXPO IN FOCUS

Huge crowds see latest innovations in construction equipment at record-setting event

Three years ago, CONEXPO-CON/AGG was the largest show in its history, but that record fell by the wayside this year as the triennial event ended its 2008 run with more than 2 million square feet of exhibit space that was seen by crowds topping 144,000.

Attendees easily navigated their way through some 2,000 indoor and outdoor exhibits from leading manufacturers, such as Komatsu, which were grouped together by category. This year's show surpassed its 2005 predecessor by 21 percent in terms of size and number of exhibits.

As in the past, Komatsu had one of the largest equipment displays at the show at the Las Vegas Convention Center, which ended its run March 15. Komatsu displayed 24 products from its construction and utility lines, including excavators, wheel loaders and parallel tool carriers, dozers, skid steer

and compact track loaders, backhoe loaders, articulated and rigid-frame haul trucks, plus a mobile crusher and a motor grader. Sizes ranged from the 1,900-pound-plus PC09 excavator to the massive WA800 wheel loader.

Komatsu introduced new products such as the D39EX-22 dozer — a D39PX-22 model is also available — and the PC35MR-3 and PC45MR-3 compact excavators. To highlight how products could be paired for maximum efficiency, Komatsu placed a PC400LC-8 excavator with an HM300-2 articulated truck for moving massive amounts of material quickly and efficiently. A D65 dozer from Komatsu's ReMarketing program (see related article) showed how the program takes used equipment and updates it with new components and paint as needed. The "half-and-half" machine drew large numbers of people interested in how Distributor Certified used machines could benefit their business.

Komatsu displayed more than 20 machines ranging from the PC09 excavator to the WA800 wheel loader at one of CONEXPO's largest displays.

Komatsu sponsors team in first Construction Challenge

Komatsu sponsored a high school team in the first Association of Equipment Manufacturers (AEM) Construction Challenge. It's part of AEM's ongoing effort to attract young people into the construction industry in professions such as manufacturing and in-the-field careers. The seven-member Komatsu-sponsored team was from North Springs Charter School in Atlanta, Ga. They were one of 50 teams competing at CONEXPO after qualifying during regional rallies and competitions held across the country earlier this year involving 146 teams.

The Challenge finals included an Infrastructure Dialog segment on





Attendees got a good look at how Komatsu's KOMTRAX remote machine-monitoring system works by standing on an interactive pod that activated a display screen of information (above). They could further see how the system works by viewing machines being monitored via computer in real time (below).



Komatsu personnel were on hand to answer attendees' questions about Komatsu equipment.

infrastructure awareness, especially roads/ highways and water/sewer; an Equipment & Careers segment that required the team to develop an interactive educational resource or product; and a Road Warrior segment that required building and using construction equipment.

Continued . . .



Komatsu introduced new products including the D39EX-22 dozer, which features better visibility and a Tier 3 engine for maximum production with less fuel usage and lower emissions.



Komatsu's Construction Challenge team answers questions during the Infrastructure Dialog portion of the competition, which also included Equipment & Careers and Road Warrior segments. The high school group was from North Springs Charter School in Atlanta, Ga.



Visitors to Komatsu's display could compete against other drivers in a simulated driving contest.

Komatsu had major presence at CONEXPO

... continued

Education, technology a hit

Attendees also showed up in record numbers to take advantage of the numerous educational opportunities offered at CONEXPO. One hundred and thirty seminars, the most ever, were available in several categories, including Aggregates, Asphalt, Concrete, Construction Project Management,

Equipment Maintenance Management, Environmental, Management and Personnel Development. Those not able to attend a seminar could still catch it through technology such as LiveCasts and podcasts.

An Information Technology Pavilion displayed the latest construction-related computer software, hardware and peripherals, as well as telecommunications equipment. Manufacturers displayed the latest technological advances in equipment — such as Komatsu's KOMTRAX remote machine-monitoring system — which helps owners and operators improve their productivity through production and maintenance tracking. Komatsu's interactive display allowed attendees to stand on a circular pod linked to a video screen that showed the advantages of KOMTRAX.

Contractors and material producers interested in doing business beyond U.S. borders, could get valuable information from the International Forum. A record number of 10 international exhibits were on display, including ones from Brazil, China, Finland, Germany, Italy, Korea, Spain and Turkey.

A new feature this year was the Safety Zone of exhibits and demonstrations, including ones from OSHA and MSHA.

Back to Vegas in three years

CONEXPO-CON/AGG gave those in attendance a chance to network with people like themselves from the U.S. and other countries. They could discuss topics of mutual interest and talk about ways to apply the information learned to their own businesses.

The 105 supporting organizations that helped put on CONEXPO-CON/AGG included the Association of Equipment Manufacturers (AEM); National Ready Mix Concrete Association; National Stone, Sand & Gravel Association; Associated General Contractors (AGC) and many other industry groups, including some from foreign countries.

CONEXPO-CON/AGG will return to the Las Vegas Convention Center March 22-26, 2011. ■

MinExpo returns to Las Vegas in September



MinExpo will be held Sept. 22-24 at the Las Vegas Convention Center.

Komatsu will be among more than 1,000 exhibitors displaying the latest in mining equipment, technology, parts and service, as well as other items, at MinExpo, Sept. 22-24 at the Las Vegas Convention Center.

The largest show of its kind, MinExpo features more than a half-million square feet of exhibit space with everything from massive mining machines to hand tools used to keep them running; the latest in automation and robotics; safety and communication equipment; engines and parts; material-handling and processing equipment and services; pollution-control equipment; reclamation equipment and services; computer applications and more.

The Komatsu booth will be twice as large as it was last time, filled with exciting new products, proven products with enhancements and technology displays. Modular Mining Systems, Inc. will be part of the Komatsu booth this year.

Twenty educational sessions will be offered on Sept. 23 and 24 as part of MinExpo's conference program. Sessions will cover topics such as underground and surface mining, safety, processing, bulk material handling, environmental issues, exploration and new mine development. Attendees can earn professional development credits.

DEPRECIATION BONUS

Congress and the President have prescribed powerful medicine to stimulate the U.S. economy

On February 13, President Bush signed the Economic Stimulus Act (ESA). In addition to providing tax rebate checks to middle-income families and making it easier to refinance mortgages, the ESA temporarily reinstates the depreciation bonus and increases Sec. 179 expensing limits. The goal: encourage business purchasing.

Under the new law, companies that buy equipment (and other eligible property) in 2008 can depreciate an additional 50 percent of the cost in the year. To be eligible for bonus depreciation, the equipment must be new and placed in service before January 1, 2009. The depreciation bonus is elective (you do not have to use it) and applies for both regular and alternative minimum tax purposes.

The ESA also significantly boosts Sec. 179 expensing limits for 2008. Companies can now expense up to \$250,000 as long as total purchasing does not exceed \$800,000. For each dollar over, the eligible expensing amount correspondingly drops by one dollar. Companies that spend more than \$1,050,000 on tangible personal property cannot take advantage of Sec. 179 (but can still use the depreciation bonus). Unlike the depreciation bonus, Sec. 179 expensing can be applied to both new and used equipment. Companies eligible for Sec. 179 can also combine it with the depreciation bonus for even bigger tax savings.

Trimming this year's tax bill

By lowering your taxable income, the depreciation bonus and Sec. 179 can dramatically cut your 2008 tax bill, thereby freeing up cash in the near term. But there is a catch: The more you depreciate now, the

less you will be able to depreciate later. In other words, your tax bill in future years will be slightly higher because you have less to deduct.

If history is any guide, the temporary capital investment incentives will boost equipment purchasing in the months ahead as savvy companies take advantage of the law to buy newer, more efficient, and more environmentally friendly equipment. Check with your tax professional to learn about making Sec. 179 and the depreciation bonus work for you. ■

Christian A. Klein is Vice President of Government Affairs and Washington counsel for the Associated Equipment Distributors. More information about the new capital investment incentives is available at <http://www.depreciationbonus.org>. This article is provided for informational purposes only and is not tax or legal advice.



Christian A. Klein

The Economic Stimulus Act provides for temporary bonus depreciation on new equipment purchases in 2008, helping trim tax bills in the short term.



MAKING GAINS

Nonresidential construction spending likely to continue to increase this year

A gain in nonresidential construction employment in January is likely a sign of more spending in that area throughout 2008, according to Associated General Contractors (AGC) Chief Economist Ken Simonson. Simonson also suggests that the 3.5 percent gain in employment of architects and engineers since January of 2007 is another positive indicator.

Total construction employment fell in January, but those losses occurred in residential building and residential specialty trades, said Simonson in an AGC press release. He added that on the flip side, employment in the three nonresidential categories —

nonresidential building, specialty trades, plus heavy and civil engineering — were up by 1,300.

“The reality is a good deal better for nonresidential construction employment than Bureau of Labor Statistics (BLS) indicated,” said Simon. “Census figures for December show nonresidential construction spending jumped almost 16 percent from a year earlier, which could only have occurred with a sharp rise in employment. The ‘missing’ employees work for specialty-trades contractors, firms that entered the database as residential but are now busy installing wallboard, wiring and plumbing in schools, hotels and offices rather than houses.

“Residential spending in December fell 20 percent from a year before,” he added. “That suggests residential employment probably fell by roughly 20 percent as well, or 600,000 jobs, not the 240,000 that BLS counted. If these 420,000 ‘residential’ specialty-trades contractors were included in the nonresidential work force, nonresidential construction employment for the past year would show a hefty gain of about 8 percent. That would be consistent with the rise in nonresidential that the Census reported.”

Growth in 15 of 16 categories

The Census numbers show mostly double-digit growth in 15 of 16 nonresidential categories, Simonson said.

“For 2008, I expect continued expansion in power, energy, communication, hospital and higher education construction, and a modest increase in the nonresidential total, before taking cost escalation into account.” ■

Recent data show that nonresidential construction is likely to post gains in several categories, according to AGC Chief Economist Ken Simonson.



NEW PRODUCTS

“ADDED VALUE” EXCAVATORS

Komatsu’s Dash-8 mid-size excavators have an extensive list of features to make you more productive

When a manufacturer introduces a new series of excavators, you expect to find a new feature or two when compared to previous machines. With Komatsu’s new Dash-8 models of its popular PC300LC, PC300HD and PC400LC excavators, the list of new features is extensive, including the ability to get more done at a lower cost.

All three feature fuel-efficient, ecot3, Tier 3 engines. Those engines have high-pressure, common-rail fuel-injection systems designed to provide more productivity with less fuel and lower emissions. Each engine received a boost in horsepower and operating weight compared to its predecessor.

“It all adds up to a lower cost per yard to move dirt,” said Doug Morris, Komatsu Product Marketing Manager. “Komatsu designed these machines to provide the user more for his money. Better fuel economy and improved performance are just a few of the significant upgrades that help lower the cost per yard for any contractor who has dirt to move. Whether they’re into heavy highway work, commercial construction, underground utilities or all of the above, the PC300LC-8, PC300HD-8 and PC400LC-8 will help their bottom line.”

Morris notes that one simple way to help maintain a healthy bottom line is to track machine performance and maintenance schedules. Komatsu makes it easy to do with its KOMTRAX machine-monitoring system that’s standard on all new excavators and is free for five years. The KOMTRAX system sends operating information — such as machine utilization, fuel consumption and load factors, in addition to operating hours,

location, cautions and maintenance alerts — to a secure Web site via wireless technology.

“KOMTRAX increases machine availability, reduces the risk of theft, allows for remote diagnosis by the user’s Komatsu distributor and provides operational information that’s helpful in efficiency and productivity,” Morris explained. “It’s an excellent fleet-management tool.”

In conjunction with KOMTRAX, all three machines have Komatsu’s exclusive Equipment Management Monitoring System (EMMS). It performs three main functions and displays them on the monitor: all critical excavator systems, alerting and guiding



Doug Morris,
Komatsu Product
Marketing Manager

Continued . . .

Brief Specs on Komatsu PC300LC-8 and PC400LC-8

Model	Net hp	Operating Weight	Bucket Capacity
PC300LC-8	246 hp	77,093-79,152 lbs.	0.89-2.56 cu. yd.
PC300HD-8	246 hp	85,085-88,551 lbs.	0.89-2.56 cu. yd.
PC400LC-8	345 hp	97,148-103,834 lbs.	1.47-3.74 cu. yd.

Komatsu’s new Dash-8 PC300LC, PC300HD and PC400LC offer more productivity with less fuel consumption for a lower per-yard cost.



Dash-8 mid-size excavators offer several advantages

... continued

the operator should an abnormality occur; preventive maintenance schedule; and error codes and troubleshooting assistance to help mechanics minimize downtime.

Five working modes match specific applications

Operators can keep track of machine performance with the large multicolor monitor that displays data in 10 languages. The monitor also displays the automatic air conditioner, machine maintenance tracking and the image from the standard, counterweight-mounted rearview camera. Using the monitor, the operator can also select the best operating mode for the most efficient use of the PC300LC-8, PC300HD-8 or PC400LC-8. Five modes — Power, Economy, Lifting, Breaker and Attachment — are available.

“Each mode is designed to match engine speed, pump flow and system pressure with the application, giving the operator the ability to match equipment performance with the job at hand,” described Morris. “For example, the Power mode provides maximum production and power for faster cycle times during mass excavation. Breaker mode delivers one-way flow to the breaker, while Attachment mode will run two ways when using shears and thumbs. It’s easy to select the right mode or adjust flow rates when operating attachments. Whatever mode is selected, the machine will deliver the right amount of hydraulic pressure to get the job done.”

Komatsu’s five working modes allow operators to easily match the machine with the applications they’re performing, making it more efficient.

The monitor is located inside a more spacious cab that has a high-back operator seat for excellent support and comfort to reduce fatigue, so operators stay more productive longer. Multiposition, pressure-proportional control levers and armrests integrated with the console levers allow the operator to work comfortably while maintaining precise control.

The highly pressurized cab keeps dust from entering, while its rigid frame offers visibility and excellent sound absorption. A new cab damper mounting reduces noise and vibration levels.

“We kept the operator in mind when we designed the cabs for the PC300LC-8, PC300HD-8 and PC400LC-8,” Morris noted. “We sought input from them about what would make their environment more conducive to productivity. Extensive studies show that an operator who is more comfortable will be more productive.”

Designed to reduce downtime

Being more productive also means reducing downtime, and Komatsu’s PC300LC-8, PC300HD-8 and PC400LC-8 do that in a variety of ways. Komatsu exclusively designed all major components, such as engine, hydraulic pumps, motors and control valves, for long-term durability and reliability. It’s the same with booms and arms, which are highly resistant to bending and torsional stress, thanks to thick, high-tensile-strength steel, interior partition walls and large, one-piece castings. In addition, Komatsu-designed electronic components, such as controllers, connectors, sensors and wiring, have undergone extensive testing to ensure reliability in the harshest conditions.

Komatsu made maintaining and servicing simpler with easy access to the radiator and hydraulic oil cooler, which are mounted side by side.

“Komatsu set out to design a machine that had all the advantages an owner and user need: speed, power, fuel efficiency, lower emissions and reduced downtime,” said Morris. “We believe we achieved just that.” ■





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MORE PRODUCT NEWS

NEW PZ TOOL CARRIERS

Parallel Z-Bar linkage helps users keep loads on the level

Komatsu's new parallel tool carriers have all the latest features of its new Dash-6 wheel loaders — plus the added advantage of a Z-Bar linkage that offers parallel movements in both fork and bucket applications. Two models, WA200PZ-6 and WA250PZ-6, are available and replace previous PT machines.

"The parallel Z-Bar linkage gives these wheel loaders both parallel lift and good digging ability," said Mike Gidaspow, Product Marketing Manager Wheel Loaders. "It allows the bucket and forks to stay more level than regular wheel loaders, so operators don't have to continually adjust to keep the load from tipping forward. They are great for a variety of applications, including utility work and warehouses, where users want to keep a load even throughout the entire cycle.

"Users will also appreciate the PZ models for their excellent visibility throughout the cycle," he added. "For example, when using forks, the operator can see the end of the tines at all times. That makes it easier for him to see the load he's picking up, and helps him avoid bumping into objects. Added advantages of the parallel Z-Bar linkage include large tilt force at all heights, large dump angle at maximum boom height and a two-mode bucket leveler."

Similar advantages to Dash-6 wheel loaders

Both machines got a boost in horsepower compared to their predecessors and, like their Dash-6 wheel loader counterparts, are powered by high-torque, ecot3, Tier 3 engines that offer high performance with less fuel consumption and lower emissions. Electronically controlled hydrostatic transmissions provide quick travel response and aggressive drive into the pile. An

inching pedal gives the operator simultaneous control of travel and equipment hydraulic speeds. The new variable traction control system with S-Mode allows the operator to adjust the tractive effort to the job conditions and reduce tire slippage.

"As with many of our new products, the PZ machines come standard with the KOMTRAX monitoring system that can be used to track machine location, error codes and other items that help owners and operators better track maintenance," said Gidaspow. "Users will find these machines among the most highly productive and efficient they've ever used." ■



Mike Gidaspow,
Product Marketing
Manager Wheel
Loaders

Brief Specs on Komatsu PZ Parallel Tool Carriers

Model	Net hp	Operating Weight	Bucket Capacity	Breakout Force
WA200PZ-6	126 hp	25,275-25,420 lbs.	2.5-2.75 cu.yd.	18,990-20,210 lbs.
WA250PZ-6	138 hp	26,808-27,778 lbs.	2.5-3.0 cu. yd.	24,250-26,490 lbs.



Komatsu's new PZ tool carriers feature parallel Z-Bar linkage that keeps loads level. They also offer excellent visibility so operators can see the end of the tines when using forks.



COMPACT EXCAVATORS

The tale of the short tail

The terms short tail swing and zero tail swing are the current industry buzzwords related to compact excavators sold in North America.

Recently, a survey of 200 compact excavator owners yielded some interesting trends, with 93 percent saying that short tail swing was a jobsite benefit and 83 percent noting that they would purchase a short-tail-swing machine again. That's a powerful statement of where customer preference is headed, or should we say, has already gone?

Owners in the survey also rated short-tail machines as better than conventional machines in the areas of machine balance, stability, pushing power with the blade, stability on slopes and most importantly, the ability to work in tight spaces.

Komatsu's tight-tail-swing design gets into tight spaces, and has greater stability and lift capacity in response to customers' recommendations.

But, can these machines, with little or no tail overhang, perform like their conventional-tail-swing counterparts? That depends.

Komatsu Utility moved exclusively to short-tail-swing units with the introduction of its MR-2 series of machines in 2003. As Komatsu developed these machines, it recognized that owners in North America wanted greater stability and lift capacity in addition to the obvious benefit of tight-quarters work.

To address this customer desire, every Komatsu excavator is designed with extra counterweight in the tail section that enhances stability and machine balance. Not all manufacturers have addressed this performance area, so it is imperative to look deeply and demonstrate before purchasing a short-tail unit.

What else to look for

Other items to evaluate during the purchase decision process are a large, comfortable operator station with great visibility; a machine undercarriage that's designed like a large excavator; choice of track systems (Komatsu offers its Road-Liner track, unique in the industry and designed for longer life on hard surfaces); low maintenance requirements; and easy-to-reach daily checks and maintenance points. Also be sure your dealer can offer a good selection of machine-matched buckets, a thumb and quick coupler. And, for the maximum in versatility, consider the option of a power-angle blade and what it can do for your operation. This feature is optional on Komatsu PC35, PC45 and PC50 excavators.

In summary, short-tail-swing machines are here to stay, and owners appreciate their ability to work productively in tight quarters. However, not all short-tail machines exhibit the same performance characteristics, so try before you buy. When you do, you'll see what a difference owning a Komatsu can make. ■





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- Tilting engine hood with easy access to service check and fill points
- Heavy-duty, 1.25-yard loader with parallel lift and over 6½ tons breakout force

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If you want to move more material more cost-effectively, you want Komatsu machines. Our complete line of rugged, reliable mining equipment—including trucks, shovels and wheel loaders—is engineered to:

- Lower costs per ton
- Reduce cycle times
- Provide the longest life

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KOMATSU & YOU

COMMITTED TO EXCELLENCE

Komatsu America Chairman/CEO outlines technology, product support goals to benefit customers

QUESTION: Construction is down somewhat from its record highs of the past few years. What is your outlook for the coming year?

ANSWER: The housing market has brought the construction industry down as a whole, and we believe housing will likely be down through much of this year. The government is responding with items such as the economic stimulus package, and the Federal Reserve has been lowering interest rates. We'll have to watch and see what effects those moves have on the construction economy. But it isn't all doom and gloom. There's still governmental spending projects for highway, and energy and infrastructure segments continue to be strong.

QUESTION: What about mining? What is Komatsu's place in the industry?

ANSWER: Mining is exceptionally strong, with emerging markets and higher prices for commodities, such as copper, fueling the growth. We expect that to continue for many years to come, as countries such as China and India continue to build their economies. Komatsu has always been a global leader in the mining industry and our expertise helps us maximize our opportunities in that market. We believe our Peoria plant is the best in the business for the manufacture of electric mining trucks. We have an incredible team of people there, who through research and development, have made Komatsu's electric mining trucks the most technologically advanced in the industry.

QUESTION: How will those advances in technology benefit equipment users?

ANSWER: Equipment users appreciate the technology going into new machines because it helps them with fleet management — items such as performance and maintenance. Our KOMTRAX machine-monitoring system,

Continued . . .



David W. Grzelak,
Chairman and CEO,
Komatsu America Corporation

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.

David Grzelak was appointed Chairman and CEO of Komatsu America Corp. in April of 2002 and has management responsibility of five Komatsu operations related to the construction, utility and mining industries.

He has held several management positions with Komatsu since joining the company in 1991 as Vice President of Sales, including Executive Vice President, President and COO, Chief Executive Officer, Chairman and CEO, Global Officer and Chairman and CEO of Komatsu Mining Systems.

"I've held many positions at Komatsu, but one thing that's never changed in this company is its commitment to quality, productive machinery," said Grzelak. "From top to bottom, Komatsu is very aware of the challenges contractors and mining companies face, and we're constantly working to make our machines the most advanced and efficient on the jobsite. Komatsu has long-range plans to ensure that continues to always be the case."

A 1971 graduate of Penn State University with a B.S. in Industrial Engineering, he added an MBA from Gannon University in Erie, Penn., his hometown. Both universities have honored him with distinguished achievement awards, and he was appointed to Penn State's Board of the Leonhard Center for the Enhancement of Engineering Education.

He and his wife, Diane, have two children, Mike and Meghan, and a granddaughter. David is an avid golfer and an accomplished tennis player, a sport for which he is a certified United States Professional Teaching Association professional.

Chairman says Komatsu committed to R&D spending

... continued

which comes standard on all new construction machinery, will help them do that easily. We're the only manufacturer in the industry that installs such a system as standard equipment on new machines and provides free communication for five years. Komatsu constantly monitors those machines and if an error code comes up, we'll immediately alert the dealer and the customer to the problem. They can work together on a quick resolution. Our mining trucks come with VHMS (Vehicle Health Monitoring Systems), which functions much the same way. It's another level of product support, and a great partnership between Komatsu, the distributor and the customer.

QUESTION: What other ways is Komatsu continuing its commitment to excellence in customer support?

ANSWER: We're one of the top equipment companies in the world, depending on the industry. As always, we're looking to improve. We're doing that in several ways, including spending a lot of time and money on research and development, much of which is partially

done by talking with equipment users to find out how Komatsu machinery can improve their business. They also expect that machinery to be backed up with excellent support, no matter where they work. So we're working to ensure consistent product support throughout our distributor network, including recertifying service technicians.

Part of any good customer support plan is having parts available on the shelf when a customer needs them. Our distributors have most common parts in stock, with additional parts on hand based on criteria such as what machines they have in the field. In most cases, they have parts available when the customer calls, or if not, they can have it by 7 a.m. the next day. They're able to do that because Komatsu has committed to having regional parts depots across North America. When distributors are missing a part and place an order, they know a truck will be coming to their store that night to meet their requirements.

QUESTION: Speaking of parts, Komatsu recently teamed with Hensley to build a new plant dedicated to ground-engaging tools. Will there be more of such investments in the future?

ANSWER: We'll always continue to invest in ways to make our equipment better. As I mentioned, we put a huge effort into research and development. Through that, we've developed numerous machines that are unique and unrivaled in the marketplace, and we're introducing new products each year that are more efficient and productive. Komatsu has always been at the forefront of equipment manufacturing. For instance, we were the first to offer zero-tail-swing excavators, which are commonplace in the market today. We're one of only two manufacturers that offer a full line of products in utility, construction and mining, all of which are recognized for their quality and reliability.

We also have developed great relationships with our suppliers, which help in the research and development of our products. And on the other end, we have great relationships with our distributors. We're working hand-in-hand with both to ensure that the quality, reliability, efficiency and productivity that's been a part of every product we make, continue to be there. ■



Komatsu America Chairman and CEO David Grzelak says even though the construction industry is down as a whole, mining continues to be strong.



Komatsu recently completed its tenth regional parts depot. The depots are strategically located to ensure parts are readily available to distributors and customers throughout North America, the next day in most cases.



Komatsu's KOMTRAX machine-monitoring system allows equipment users to track machine performance and maintenance items.

PARTS NEWS

ECO-WHITE FILTERS

How Komatsu's latest hydraulic filters lower operating costs by trapping more contaminants longer

Komatsu constantly looks for ways to lower operating costs, increase efficiency and reliability and be environmentally responsible. It does that in part by using quality parts such as its Eco-White filters, designed to keep hydraulic systems on mid-size excavators cleaner and give components extended life.

"New Eco-White filters double the time until a filter change is necessary," noted Dan Brown, Komatsu Parts Marketing. "Older models that use paper and hybrid filters require filter changes every 250 hours. Eco-White filters push the fluid and filter changes out twice as far, which results in lower costs per hour."

Standard on Dash-8 PC200, PC300 and PC400 excavators, Eco-White filters are made completely of synthetic fibers. The layers of fiber increase the actual square footage of the filter — measured by the depth, number of bends and length of the filter — while the actual physical size of the filter is smaller than paper and hybrid (a combination of paper and fibers) filters on older machines.

"With its smaller size, the Eco-White filter can sit above the oil in the hydraulic tank," explained Brown. "The advantage is cleaner filter changes because the Eco-White filter retains the contaminants, keeping them from re-entering the hydraulic oil tank during removal. It also reduces spills during removal."

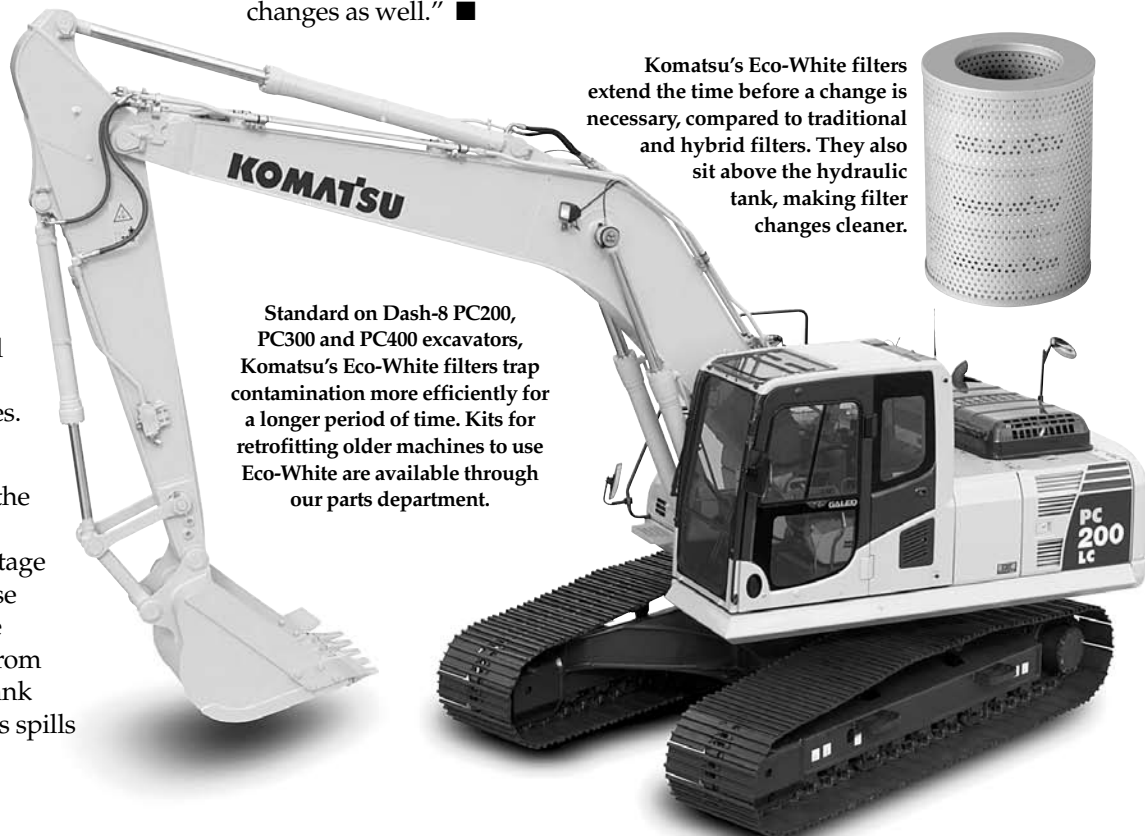
Traps contaminants more efficiently

Eco-White filters trap contamination more efficiently for a longer period of time. Every layer of fibers does a particular job. The outer layer traps larger contaminants while subsequent layers take care of smaller particles.

"With the Eco-White filter, you can extend component life, which lowers operating costs and puts more dollars in your pocket in the long run," said Brown. "Komatsu distributors offer kits so users can retrofit older machines to use the Eco-White filters, giving those machines the capability of extended filter changes as well." ■



Dan Brown,
Komatsu Parts
Marketing



Komatsu's Eco-White filters extend the time before a change is necessary, compared to traditional and hybrid filters. They also sit above the hydraulic tank, making filter changes cleaner.

Standard on Dash-8 PC200, PC300 and PC400 excavators, Komatsu's Eco-White filters trap contamination more efficiently for a longer period of time. Kits for retrofitting older machines to use Eco-White are available through our parts department.

DISTRIBUTOR CERTIFIED

“HALF AND HALF”

Dozer gives before and after look at a Komatsu Distributor Certified used machine



Lee Haak,
Director, ReMarketing



Attending CONEXPO means getting a chance to see the latest in equipment and technology. Komatsu’s large display included that, but it also gave attendees a chance to see how a Distributor Certified used machine, available through Komatsu ReMarketing, could be a valuable addition to their fleet.

The 7,000-hour D61PX-12 dozer on display was a “half-and-half” machine. One side showed the dozer’s condition when it was traded in, while the other showed how the Distributor Certified machine had been upgraded with a new undercarriage and hydraulic components, as well as new paint.

“This machine caught a lot of eyes because people weren’t expecting something like this to be on display,” said Lee Haak, Director, ReMarketing. “It went through an exhaustive checklist of items during the evaluation process to qualify it for Distributor Certified used status. By showing the ‘half-and-half’ machine, people get an up-close look at the value added by our distributors during the certification process.

“Our intention was to show how a Komatsu Distributor Certified used machine offers more than just a new paint job,” he added. “We wanted them to understand that each used machine in our Distributor Certified fleet goes through a nearly 200-step evaluation process that checks the machine from stem to stern. Any item that can be measured on a machine is, and each component is brought into Komatsu specifications. We want the customer to know exactly what’s been done to the machine before deciding to purchase it.”

Subsidized financing, warranties

Haak noted that Komatsu has more than 750 certified evaluators at distributors throughout North America who evaluate dozers, excavators, wheel loaders and skid steers before they are put into the Distributor Certified used fleet. Komatsu’s Distributor Certified used equipment offers subsidized financing, and factory warranties are available for most machines. Distributors have access to a nationwide database of certified machines, along with photos and an evaluation of each unit.

“These machines are a lower-risk alternative for the used equipment buyer who might otherwise buy one at auction without knowing anything about it or getting a warranty,” Haak said. “Because they’ve been certified, they’re eligible for warranties up to three years, depending on the model, hours and grade we give them. We’ll work with customers to fit their needs with a machine and price they’re comfortable with, and a warranty to match. When customers buy a Komatsu Distributor Certified used piece of equipment, they’re getting the same backing from their distributor and Komatsu that they would on a new piece.” ■



Komatsu’s Distributor Certified used dozer at CONEXPO caught a lot of eyes. ReMarketing Director Lee Haak (center) gave them an up-close look at the machine’s before and after conditions.





KOMATSU DISTRIBUTOR CERTIFIED USED EQUIPMENT

The next best thing to new.



If it can be measured, we measure it!

Whether you're looking for a high-quality machine that will become part of your fleet, or for a machine that will get you through the busy season, Komatsu Distributor Certified Used Equipment is your best alternative to buying new.

If it can be measured, we measure it! Specially trained Komatsu Distributor Certified evaluators check, measure and diagnose virtually every aspect of the machine. Once the machine meets Komatsu's high performance standards, your local distributor can tailor the machine for your site-specific needs. And to add to your peace of mind, most Komatsu Distributor Certified Used Equipment is eligible for special financing and warranty.

Purchasing Komatsu Distributor Certified Used Equipment makes sound business sense. You'll receive good value for your money and a reliable and productive machine that will get the job done for years to come — we guarantee it!

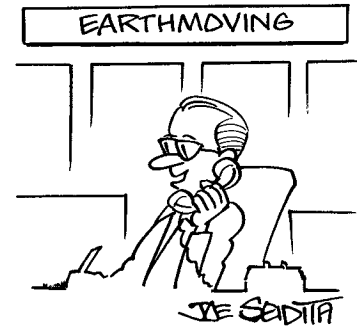
To learn more about Komatsu ReMarketing's Distributor Certified Used Equipment, contact your local Komatsu Distributor or go to our Web site at www.equipmentcentral.com and click on "used equipment."



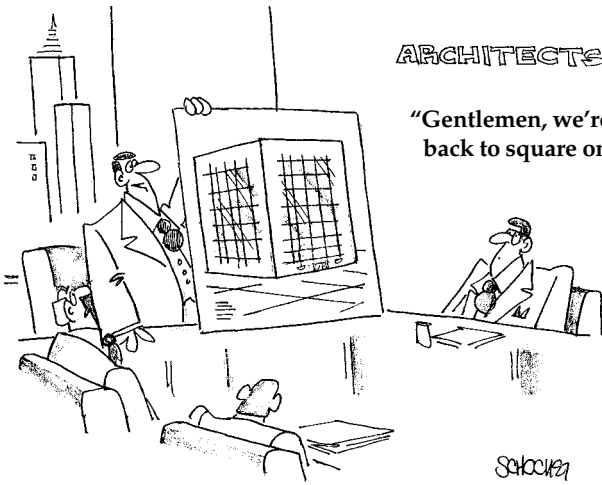
ON THE LIGHT SIDE



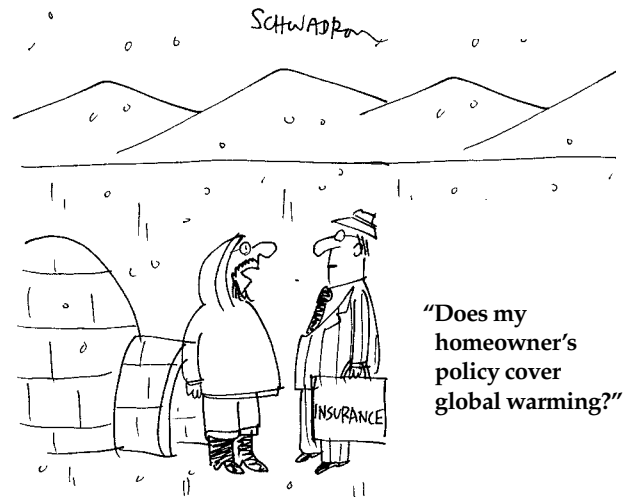
"Your late uncle was a strong supporter of the 'Adopt-a-Highway' program... So he left his entire estate to his adopted highway."



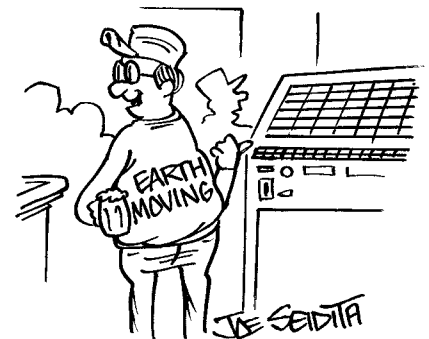
"We loaded 16 tons and what did we get? ... Well, we want another of those loaders!"



"Gentlemen, we're going back to square one."



"Does my homeowner's policy cover global warming?"



"Hey Joe! Do you have 'I Feel the Earth Move' on this jukebox?"

AT YOUR SERVICE

ADVANCED TECHNICIAN COMPETITION

Making good technicians better is the goal of this Komatsu training event

Many of the top heavy equipment technicians in the nation took part in the Komatsu Advanced Technician Competition (ATC) in February. The annual event takes place at the Komatsu Training and Demonstration Center in Cartersville, Ga.

“The Advanced Technician Competition is designed to help Komatsu distributor technicians improve their troubleshooting and machine problem-solving skills,” said ATC Director Wade Archer. “In doing that, we’re making good technicians even better, which benefits the customer by reducing downtime and repair costs.”

In the competition’s 10 machine categories, technicians have one hour to troubleshoot a machine and diagnose two problems that have been preset by Komatsu trainers. They’re judged not only on whether they correctly identify the issues, but also on how they get there. They’re expected to demonstrate their ability to properly use all tools, including service manuals and computers. They’re also evaluated based on their communication skills — that is, dealing effectively with the customer and asking the right questions of him.

In addition to the hands-on portion of the contest, Komatsu also puts on educational seminars to further technicians’ knowledge and skills.

“The technicians who come here tend to be the top ones at their distributorships,” said Archer. “They’re highly motivated and want to improve, and they like to compete to be the best. We think the pressure of the competition simulates what they experience on a jobsite, and we have no doubt that they leave here better able to meet the repair needs of equipment users.”

Contest winners receive trophies and prizes, including cash awards of \$3,500 for first place, \$2,500 for second place and \$1,000 for third place. ■



Wade Archer,
ATC Director



At the ATC, top technicians from across the country compete against each other in a troubleshooting skills contest. Komatsu training personnel (below) judge contestants based on their ability to properly use all information to reach the correct diagnoses in the shortest time.



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