

PUSHING AHEAD

A PUBLICATION FOR AND ABOUT CLAIREMONT EQUIPMENT CUSTOMERS • 2010 No. 1

NEW HYBRID EXCAVATOR

**Komatsu unveils
the future of excavation
with its revolutionary
Hybrid PC200LC-8**

See article inside . . .



KOMATSU

A MESSAGE FROM THE PRESIDENT



Ronald Zagami

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Komatsu has always been on the leading edge when it comes to making such equipment, and in this issue of your *Pushing Ahead* magazine that's more apparent than ever. We believe you'll find the article on the Hybrid excavator and the technology behind it very interesting and an insight into what the future holds for construction equipment.

Because the Hybrid excavator isn't designed for every application, Komatsu continues to manufacture other products designed to keep your bottom line in check, such as the new D21 dozers and the CD110R crawler carrier, also featured in this issue.

Backing up such equipment with outstanding service is essential, and Komatsu helps with that too, by offering technicians numerous ways to improve their skills. We're dedicated to ensuring that our service technicians are among the industry's best by taking advantage of these offerings as well as those available from our other manufacturers.

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PUSHING AHEAD

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GUEST OPINION

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INDUSTRY NEWS

State transportation officials say they have \$70 billion in ready-to-go projects that could create hundreds of thousands of jobs. See how they are pushing to build on the stimulus-funding momentum.

DEMO DAYS UPDATE

Take a look at the future of construction equipment as Komatsu debuts its new Hybrid PC200LC-8 excavator.

NEW PRODUCTS

Learn all about Komatsu's revolutionary Hybrid PC200LC-8 excavator that can save up to 41 percent on fuel compared to conventional PC200 models.

UTILITY PRODUCTS

Check out Komatsu's new D21A-8 and D21P-8 small dozers, which are powerful, versatile dozers, especially in tight quarters and fine-grading applications.

MORE UTILITY PRODUCTS

Find out how Komatsu's new CD110R-2 crawler carrier provides a way to haul on-site materials in all types of ground and weather conditions.

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CORPORATE

7651 Ronson Road • San Diego, CA 92111
Ph: (858) 278-8351 • Fax: (858) 492-9959

SAN DIEGO

4726 Convoy Street • San Diego, CA 92111
Ph: (858) 278-8338 • Fax: (858) 279-4845

ESCONDIDO

1330 Mission Road • Escondido, CA 92029
Ph: (760) 739-9100 • Fax: (760) 739-8888

FONTANA

8520 Cherry Avenue • Fontana, CA 92335
Ph: (909) 429-9100 • Fax: (909) 429-9397

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81-501 Industrial Place • Indio, CA 92201
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OUTLOOK 2010

Finally, construction can see some light at the end of the recession tunnel

For the first time since 2006, construction starts are on the rise. McGraw-Hill Construction is forecasting an 11 percent increase in construction starts in 2010. Industry observers hope the upturn signals that the market has reached bottom and that the worst is over.

“At the very least, (the figures show) we are stabilizing after years of steep declines,” McGraw-Hill Chief Economist Robert Murray told *Engineering News Record*. “This is not a booming market; (but) it is ... inching upward.”

The McGraw-Hill forecast on construction starts reverses a three-year period during

which construction starts declined by 7 percent, 13 percent and 25 percent annually. Total construction activity is down 39 percent from its peak at mid-decade.

Construction put-in-place

The McGraw-Hill numbers appear to be more optimistic than some other construction economic forecasting groups. That’s because it measures construction “starts” rather than construction “put-in-place” — and starts tend to be more forward-looking. The organizations that measure put-in-place forecast significant improvement compared to 2009, but they’re not yet projecting growth.

For example, the U.S. Department of Commerce predicts total construction will drop another 2 percent this year (compared to a 10-percent drop in 2009). Industry forecasting firm FMI predicts a 5-percent decline in total construction in 2010 (compared to what it expects will be a 14-percent drop in 2009). Portland Cement Association likewise is calling for a 3-percent decline in 2010 (compared to 17 percent in 2009).

Yet another group, Reed Construction Data, expects little change in overall construction activity for much of the year, but a turn to expansion late in 2010.

Housing to pick up

It’s often said that housing will lead a recovery, and that may be happening this year. McGraw-Hill is forecasting a 30-percent increase in housing starts in 2010 to a total of 560,000.

The National Association of Home Builders (NAHB) is also optimistic, predicting single-family housing will increase 35 percent this year to 600,000 starts. “Things will start picking up again by summer,” Bernie Markstein,

Road and bridge construction is expected to be a bright spot in 2010. One industry group is forecasting 8 percent growth this year.





Director of Forecasting at NAHB told ENR. "It looks like the market has hit bottom, and now it is going to be a long, slow dig out of this."

NAHB is even more bullish on 2011, predicting there will be almost 900,000 single-family housing starts next year. Though far from the record 1.6 million starts recorded in 2005, that figure would nearly double the number of starts (445,000) in 2009.

Public works increasing

Another area of strength is public-works spending, including transportation, sewer and water projects. McGraw-Hill expects public works construction to rise 14 percent this year.

The American Road & Transportation Builders Association (ARTBA) expects the highway construction market to grow 8 percent to more than \$90 billion in 2010.

ARTBA Vice President of Policy & Economist Alison Premo Black attributes the increase in part to the American Recovery & Reinvestment Act (also known as the economic stimulus program), but cautions that long-term success depends upon reauthorization of the multi-year federal surface transportation bill and future economic growth.

"The best scenario would be a strong reauthorization of the federal highway and transit program and real economic growth that helps spur state and local investment," said Black. "Under this ideal situation, we could see real market growth approaching \$118 billion in 2015."

According to ENR, another sector that will benefit from increased government spending in 2010 will be water infrastructure funded through the Environmental Protection Agency. Water work is slated to receive nearly \$5 billion, which includes \$2.1 billion to Clean Water State Revolving Funds and \$1.4 billion to drinking-water SRFs.

Recovery in place

The construction economy, of course, does not exist in a vacuum. The nation's overall economic condition, specifically creating jobs and increasing gross domestic product (GDP), are crucial to the health of the construction economy. Almost all forecasters see improvement in 2010, from a low end of 2-percent growth to a high end of 5-percent growth.

Chris Varvares, President of the economic consulting firm Macroeconomic Advisors, told CNBC.com that he expects 4-percent GDP growth this year, but cautions, "You have to remember that you're starting from a low base. We're getting a snapback that, when judged with those from other deep recessions, is pitiful." He compares the economy to an intensive care patient recovering from a near fatal auto accident.

Another economist, Nariman Behravesh, Chief Economist at Global Insight, forecasts lower growth, in the range of 2 percent to 2.5 percent. "Sure, there are a lot of tailwinds, a lot of pent-up demand. All that means is that there is a recovery in place that is sustainable but not strong."

Both the National Association of Business Economists and the White House are calling for GDP growth of 3.2 percent in 2010. ■

It appears that housing starts have finally bottomed out following four consecutive years of declines. The National Association of Home Builders forecasts a 35 percent increase to about 600,000 starts in 2010.

A LONG-TERM APPROACH

The U.S. highway infrastructure needs more than another short-term stimulus



Brandon Borgna

Brandon Borgna is Communications Manager for the American Trucking Association (ATA), the largest national trade association for the trucking industry. ATA represents more than 37,000 members covering every type of motor carrier in the United States.

Industry groups such as the American Trucking Association are pushing Congress for a long-term approach to meeting the needs of the nation's infrastructure.

The U.S. Government has allotted more than \$20 billion of the \$26.6 billion available for highway, road and bridge projects as part of the American Recovery and Reinvestment Act. While these funds have prompted a short-term focus on infrastructure projects, the funding represents just 3.3 percent of the total \$787 billion stimulus package enacted by the White House last year. This small amount will do little to address the dire need for expansion and repair of our National Highway System.

Our nation needs a much larger, long-term investment in highway infrastructure. By 2020, economists expect more than a 26-percent increase in overall freight tonnage. Our nation's ability to efficiently move this freight will have a tremendous effect on our economy. Inefficiencies currently plague our transportation system. The Texas Transportation Institute's 2009 Urban Mobility Report (based on a 25-year study from 1982 through 2007) stated that in 2007 alone, Americans wasted \$87 billion in the form of 2.8 billion gallons of fuel and 4.2 billion hours because of traffic congestion. This cost will only go up as the economy rebounds and freight traffic increases.

Implementing a national approach that first addresses the nation's worst traffic bottlenecks, as listed by the Federal Highway Administration, will improve the flow of freight and have the greatest benefit for taxpayers. As proposed in the House Surface Transportation Authorization Act, a national strategic plan that defines the federal role in meeting transportation needs will improve delivery of infrastructure projects by primarily investing in those of national importance. Also, the federal government should tie infrastructure investment to system performance by requiring recipients of federal funds to meet performance standards for safety, infrastructure condition, congestion reduction and emissions.

Meeting the transportation challenges of the 21st century is critical to the long-term prosperity of the United States. As our population and economy grows, a national transportation policy that focuses on efficiency, congestion reduction and the improvement of freight movement around our nation's worst bottlenecks will facilitate economic growth and help our industries compete in the global economy. ■



IMMEDIATE-IMPACT PROJECTS

State transportation officials say they have nearly \$70 billion worth of “ready-to-go” projects

In an effort to boost transportation spending, state officials have identified nearly \$70 billion in new highway, bridge, port, rail and aviation projects that are “ready to go,” meaning work could begin within 120 days of federal approval and legislation. The transportation officials claim the projects could create hundreds of thousands of jobs.

The report from transportation officials came at the same time an Associated General Contractors (AGC) analysis showed a \$15 billion decline in federal investments in highway and transit systems in 2010 compared to last year. According to the analysis, including federal transportation and stimulus funding, the federal government invested \$78.6 billion in road and transit jobs in 2009. That’s expected to slip to \$63.4 billion this year.

Not helping matters is the lack of a new surface transportation bill to replace SAFETEA-LU which expired in September of 2009 without a new plan in its place. Stopgap measures have provided some funding. A six-year surface transportation bill was proposed by the House Transportation and Infrastructure Committee to provide as much as \$500 billion, but it’s been put on hold for now.

“Boosting transportation investments will keep thousands of construction workers employed at a time when our economy can scarcely afford layoffs,” said AGC Chief Executive Stephen Sandherr. “The success of the stimulus in saving countless construction jobs will be in vain if its sequel is underinvestment in our roads, bridges and transit systems.”

“Keep the momentum”

More than 10,000 transportation projects totaling more than \$30 billion have been

approved for funding under the stimulus plan — The American Recovery and Reinvestment Act — many of which are nearly or are already completed.

“We need to keep the momentum going,” said John Horsley, Executive Director of the American Association of State Highway and Transportation Officials (AASHTO), who was among those who identified the “ready-to-go” state projects. “There is still a need to invest in transportation projects if that’s what it takes to create jobs and bring unemployment down. What the state DOTs have done over the past months to put economic recovery dollars to work shows there is no better way to create jobs and longlasting benefits in every part of the country.” ■

Surface transportation officials have identified nearly \$70 billion worth of “ready-to-go” projects that can be started in 120 days or less with federal approval. They’re looking to build from the momentum created by stimulus funding, which has approved more than \$30 billion in projects so far.



LOOKING AT THE FUTURE

Demo Days attendees take first peek at Komatsu's new hybrid excavator



Demo Days featured an array of Komatsu equipment.

Attendees could not only see the latest Komatsu equipment, but operate it as well, including the new WA50-6 utility wheel loader.



Demo Days attendees listen to a brief presentation at the Komatsu Training and Demonstration Center in Cartersville, Ga.



Komatsu's new Hybrid PC200LC-8 excavator was a big hit at Demo Days, where it made its North American public debut.



Attendees of Komatsu's latest Demo Days were among the first to see and operate the company's latest innovation: the Hybrid PC200LC-8 excavator. It was one of more than 25 pieces of equipment highlighted during the event at Komatsu's Training and Demonstration Center in Cartersville, Ga.

Demo Days marked the North American public launch of the hybrid excavator (see related story), which debuted to much praise. Attendees also appreciated the chance to operate everything from a PC88MR-8 compact utility excavator to a D275AX-5 dozer with Komatsu's patented Sigma blade.

"This is a chance for customers to see the solutions and innovations Komatsu has to offer," said Bob Post, Director of Marketing Communications and Sales Training, who noted that for the first time, Komatsu used its Learning Management System (LMS) to register attendees. "Komatsu dealers do demonstrations, but often that's only one machine. Here, customers get to see and try first-hand our broad product line."

That product line included not only excavators and dozers, but wheel loaders, articulated and rigid-frame haul trucks, a motor grader, skid steer and compact track loaders, a CD110R-2 crawler carrier and a BR580JG crusher.

In addition to operating machinery, many attendees took advantage of Cartersville's close proximity to Komatsu's Chattanooga Manufacturing Operations (CMO) by touring the plant where excavators and articulated trucks are built. There were also educational seminars on a variety of topics.

For more information on Komatsu equipment, contact your sales representative or visit our nearest branch location. ■

NEW PRODUCTS

NEW HYBRID EXCAVATOR

Komatsu unveils the future of excavation with its revolutionary Hybrid PC200LC-8

By now you've probably seen hundreds of cars with a green leaf on them indicating they use hybrid technology. You may have even wondered when that technology would be available in construction equipment. The answer is now, with the launch of Komatsu's new Hybrid PC200LC-8 excavator.

Komatsu is the first manufacturer to commercialize a hybrid excavator, and has been for more than a year. Komatsu's unique Hybrid controller synchronizes the conventional diesel engine and hydraulic pumps with electric assist that uses energy that's wasted in conventional machines. The Hybrid PC200LC-8 works on the principle of regeneration and energy storage using the Komatsu Ultra Capacitor system that turns the stored energy into power transmission.

"This is similar to hybrid car technology," explained Armando Najera, Product Manager Excavators. "Hybrid cars use batteries that capture energy from the brakes when the car slows down. The difference is the Hybrid PC200LC-8 captures energy during the swing brake and stores it in the Ultra Capacitor. The Ultra Capacitor works in harmony with the engine, providing a seamless experience for the operator. Each time the upper structure slows down, energy is created and stored, then used to assist the engine. The result is greater fuel economy versus a conventional machine."

Najera points out that the more the upper structure rotates, the greater the efficiency. "Any application where the machine has to rotate frequently, such as mass excavation and utility trench digging, are ideal for the Hybrid. Each time the upper structure slows down, more energy is sent to the Ultra Capacitor and is available to assist the engine."

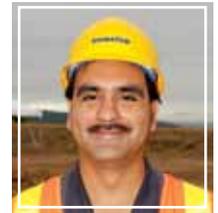
Actual customer trials have shown fuel savings of 25 percent to 41 percent when compared to a conventional PC200LC-8.

"Obviously, the fuel savings depend on the application, but our testing shows significant fuel reduction under a variety of applications," said Dave Grzelak, CEO and Chairman of Komatsu America. "There's also a significant reduction in CO₂ emissions with the hybrid. Compared to a conventional PC200LC-8, our data show that during the course of 2,000 hours — a fairly typical number of hours put on an excavator in a year — the hybrid emits up to 25 tons less. That's equivalent to taking nearly 600 5,000-gallon tanker trucks off the road. That's something to be very excited about."

Continued . . .



Dave Grzelak,
CEO and Chairman,
Komatsu America



Armando Najera,
Product Manager
Excavators

Brief Specs on the Komatsu Hybrid PC200LC-8 Excavator

Model	Operating Weight	Net Horsepower	Bucket Capacity
Hybrid PC200LC-8	43,643-47,260 lbs.	138 hp	0.66-1.57 cu. yd.

Truck loading and trench digging are ideal applications for the Hybrid PC200LC-8, according to Product Manager Armando Najera. "The more the upper structure rotates, the more energy is sent to the Ultra Capacitor and is available to assist the engine, resulting in greater fuel economy versus a conventional machine."



Hybrid productivity remains high with less fuel

... continued

A very efficient system

Komatsu's Hybrid PC200LC-8 reduces fuel consumption and emissions thanks to innovative technology that captures previously wasted energy and converts it to electricity that can be used to power the machine. Unlike conventional excavators, which use a hydraulic motor to rotate the upper structure, the Hybrid employs an electric swing motor that captures the energy that is normally wasted during swing braking.

The energy goes through an inverter that changes it from AC to DC and quickly stores it in the Hybrid PC200LC-8's Ultra Capacitor where it remains available until needed to power the swing motor or to assist the engine to create hydraulic power.

In addition to the swing motor, inverter and Ultra Capacitor, the Hybrid PC200LC-8 uses a built-in generator motor between the engine and the hydraulic pumps for effective transmission of energy to the pumps. The generator can charge the Ultra Capacitor during periods when no work or travel operations are used. The

generator motor also receives power from the Ultra Capacitor for engine assist.

"It's a very efficient system," affirmed Najera. "Think of the Ultra Capacitor like a balloon that's taking in air as it's being blown up. In this case the air represents the energy being stored in the capacitor. When a balloon pops, the air rushes out. The Ultra Capacitor works the same way in that it releases energy instantaneously when it's needed. Side-by-side, the Hybrid has the same digging force and performance levels as a standard machine, while using less fuel and reducing emissions."

Monitor displays status of stored energy

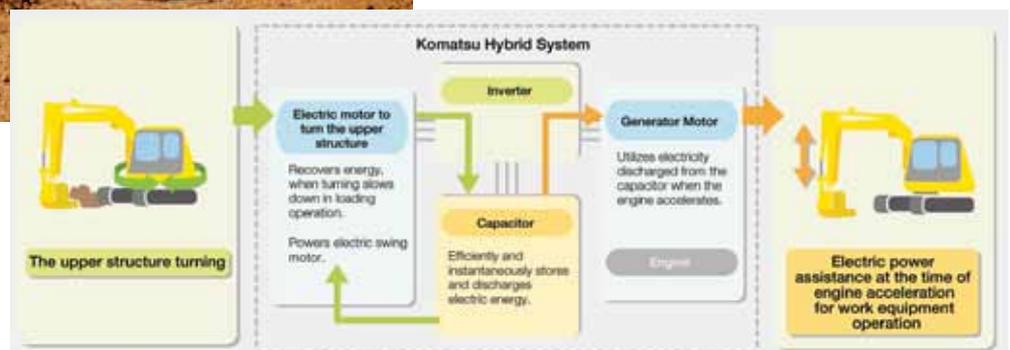
Similar to a standard PC200LC-8, the Hybrid has a seven-inch LCD monitor that displays valuable information regarding machine location, utilization, hours and service intervals. It also comes standard with Komatsu's KOMTRAX remote machine-monitoring system

In addition, the operator and owner can see energy flow on the "Hybrid Operation Monitor" as the machine operates. Users can change the monitor to display status of the Ultra Capacitor charging and discharging and engine assist by the generator motor as energy flow.

"The Hybrid is another aspect of Komatsu's overall commitment to produce the most efficient and environmentally friendly equipment," said Grzelak, who noted that hybrid technology is not new to Komatsu, which has been producing hybrid forklifts for a few years. "The Hybrid PC200LC-8 is a revolutionary product that's already been proven in the field to reduce fuel consumption without a reduction in productivity." ■



In a side-by-side comparison with a standard PC200LC-8, the Hybrid PC200LC-8 performed the same amount of work with a fuel savings of more than 30 percent. Komatsu's data, gathered over nearly two years, shows the Hybrid can save upward of 40 percent, depending on the application.





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THE VALUE OF SMALL DOZERS

Komatsu's smallest dozers are powerful, versatile machines for special work

The ability to push mass amounts of dirt with a powerful dozer is great for large jobsites, but there are times when only a smaller machine is viable or necessary. Komatsu makes a wide range of dozers for a broad variety of applications, including the D21A-8 and D21P-8 that are perfect for small and fine-grading work.

"The D21 dozers are the smallest Komatsu makes and are unrivaled in their size class," stated Product Manager David Caldwell, pointing out that the competition's smallest dozers are nearly twice the size of the D21. "Customers who use them find D21s terrific in urban areas and tight quarters. They make great finish dozers. Because of the compact size, they're easily transportable with a skid steer or two-axle trailer, so they're highly mobile."

Caldwell noted that the D21's compact size isn't a hindrance when it comes to pushing power. It's equipped with an efficient hydroshift transmission that offers powerful traction and smooth gear shifts, even at partial throttle.

Long tracks contribute to a well-positioned center of gravity that gives the D21 good balance, making grading on slopes easy. Three undercarriage options are available — a single grouser is standard — including optional high-flotation "swamp" pads and rubber tracks.

"Many customers use rubber tracks because it allows them to move on city streets and in otherwise sensitive areas such as historic districts," said Caldwell. "They also like that other options can be added, such as a three-point hitch and a separate hydraulic system which can be used to power a winch. So, not only do you get a machine that works as a good dozer, but versatility for other applications as well."

Six-way blade

Caldwell said in dozing applications, the D21 stands out with its eight-foot five-inch, six-way blade. "The six-way blade allows users to move dirt in almost every direction, and the cab design allows for great visibility of the blade and material," said Caldwell. "The blade is controlled by one joystick, while a second joystick controls all speed and direction."

"The two-joystick ease of operation provides more precise control and response for faster cycle times," he added. "And, when maintenance is needed, we simplified that too, with such features as spin-on filters throughout the machine for quick and easy service." ■



David Caldwell,
Product Manager

Brief Specs on Komatsu D21A-8 and D21P-8 Dozers

Model	Net Horsepower	Operating Weight	Blade Capacity
D21A-8	40 hp	8,690 lbs.	0.75 cu. yds.
D21P-8	40 hp	9,350 lbs.	0.89 cu. yds.

Komatsu's D21 dozers are the smallest in its lineup and work well in tight quarters and fine-grading applications.





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MORE UTILITY PRODUCTS

KOMATSU'S CRAWLER CARRIER

Unique features make this a go-to machine for jobs other haulers just can't do

The ability to haul on-site materials in all types of ground and weather conditions can have significant advantages on many jobs. Komatsu's CD110R-2 crawler carrier allows you to do that, even in the most adverse situations.

The CD110R-2 crawler carrier combines the features of a truck — a cab and dump box upperstructure — with an excavator-like undercarriage. The cab and dump box rotate 360 degrees, allowing dumping at any angle with minimal site impact, even in wet and swampy areas or on steep slopes.

"With minimal ground disturbance, you can keep working in conditions where a standard truck would probably bog down," explained Robert Beesley, Product Manager for Komatsu Utility Marketing Division. "The CD110R-2 offers low ground pressure. You don't have to stop work, which means you can complete projects more quickly."

Projects where the CD110R-2 really stand out include marsh/creek maintenance, creek/stream restoration, road building in forestry applications, reclamation of lakes, riprap installation for bank protection, pond building, hauling gravel for wetlands, pipe installation along forestry roads and golf course building.

"Practically anywhere the conditions are adverse, you'll find the CD110R has the ability to overcome them," said Beesley, noting that the undercarriage design reduces the accumulation of mud, snow and other materials that can adversely impact track and frame life. "It allows for faster climbing on steep slopes and reduced slippage in wet conditions. Rubber tracks provide longer shoe life, and the tread pattern helps maintain drawbar pull in forward and reverse."

A wealth of uses

Operators appreciate the large ROPS/FOPS cab with a low-effort joystick that controls rotation of the upperstructure and easy-to-operate foot pedals to control travel, direction and bed dumping.

"Because the upperstructure can be fully rotated, operators can position the dump body at any angle for loading and unloading, without moving the tracks," noted Beesley. "As an example, they could run the tracks parallel to a trench and dump rock directly into it. That's a unique feature that users find very convenient. There are a wealth of possible uses for the CD110R-2." ■



Robert Beesley,
Product Manager

Brief Specs on Komatsu CD110R-2 Crawler Carrier

Model	Net Hp	Empty Weight	Payload
CD110R-2	244 hp	34,390 lbs.	24,250 lbs.

Komatsu's CD110R-2 crawler carrier has the ability to work in adverse conditions where other machines may bog down. It features a fully rotating upperstructure for loading and dumping at any angle.





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- Fuel-efficient, Tier-3 engines and optimized hydraulics deliver maximum work per gallon.
- Precise, responsive controls allow for faster cycle times.
- Advanced diagnostic technology simplifies maintenance and service.

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MACHINES ON DISPLAY

KOMATSU AT ICUEE

Utility machines are the stars of this biennial equipment expo

Held every other year, the International Construction and Utility Equipment Expo is a great way to test all types of Komatsu utility machines. The most recent ICUEE was held last fall at the Kentucky Exposition Center in Louisville, Ky.

Komatsu had all types of utility equipment at the show including the WB146 backhoe loader, the CK30 compact track loader, the WA50 compact wheel loader, and the PC88 and PC38 compact hydraulic excavators.

“Even if they haven’t used Komatsu utility equipment, contractors know the Komatsu name and respect the fact that it’s a leader in construction and mining machinery,” said Komatsu Utility Product Manager Bob Beesley. “So when they see we make the small equipment too, they’re willing to try it because of the reputation.

“Once they do try it, they discover it’s built with the same dedication and attention to detail as the larger Komatsu units,” he noted. “We don’t just purchase pieces and parts that fit. Everything that goes on our utility machines is designed from the outset to work together

for maximum performance. For example, the hydraulics, for which Komatsu is known, are the same as on our full-size excavators.”

Komatsu makes its backhoes and skid steer loaders at its manufacturing plant in Newberry, S.C. ■

For more information on Komatsu utility machines, contact your sales representative or our nearest branch location.



Robert Beesley,
Product Manager



Among the Komatsu machines at the International Construction and Utility Equipment Expo was this WA50 wheel loader.

Attendees at ICUEE get to put machines, such as the Komatsu WB146 backhoe loader, through their paces.



An operator tries out Komatsu’s CK30 track loader at ICUEE.



QUALITY THAT LASTS

Komatsu's new VP of Manufacturing says building reliable machinery never goes out of style



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.

Bill Suzuki,
Vice President
of Manufacturing

Bill Suzuki was named Vice President of Manufacturing last October after marking 25 years with Komatsu. His new role involves overseeing operations at the plants in Peoria, Ill. (mining), Chattanooga, Tenn. (excavators and articulated trucks), and Newberry, S.C. (utility).

"I've seen Komatsu grow up in the North American marketplace," said Bill. "When I joined Komatsu, our presence here was very small, and now we have three manufacturing plants in the U.S. I'm very proud of what Komatsu has accomplished by focusing on quality products that are dependable and efficient. Our customers recognize that and remain loyal to us."

After graduating from Muroran Institute of Technology in 1984, Bill Suzuki went to work for Komatsu and has worked in the company's manufacturing operations since. Most recently he was General Manager of Komatsu's Peoria, Ill., manufacturing facility.

"The principles of each are the same, to build quality machinery that makes the user profitable," said Bill, who is married and has two teenage children. "I enjoy working with the staff at each plant to ensure those principles continue to be met."

QUESTION: You've been involved with manufacturing Komatsu products for more than two decades. What's changed in that time?

ANSWER: When I joined Komatsu, our product line was very limited, but since the early 1980s we've grown at an incredible rate, becoming one of the top two manufacturers of heavy equipment in the world. Demand for our innovative products continues to rise. Part of that has been a vastly increased presence in North America, and to meet that demand, Komatsu has built a number of manufacturing facilities. In North America we have three manufacturing plants: mining equipment in Peoria, Ill., excavators and articulated trucks in Chattanooga, Tenn., and utility equipment and wheel loaders in Newberry, S.C. Each has its own engineering and research and development components as part of the manufacturing process, and each not only supplies the North American marketplace, but also some products globally.

Through the years, Komatsu has also increased the number of genuine Komatsu components in our machinery. Customers appreciate that because they know their machine is built to exacting specifications and all components work together harmoniously to increase efficiency. They also like that they can go to the distributor and buy Komatsu OEM parts that are made specifically for their equipment.

QUESTION: With that much growth in a relatively short time, how has Komatsu ensured its products meet customer expectations?

ANSWER: We simply won't settle for mediocrity or compromise on quality. Think of manufacturing as a puzzle. You can't finish the picture without all the pieces. For Komatsu, those pieces are safety, quality, delivery and cost and they go hand-in-hand. Safety is our

utmost concern, both for our workers in the plants and operators of Komatsu equipment. From the operator's standpoint, you can't have safety without quality. That means using quality components and materials that ensure each of our machines has the right mix of power and stability so the operator feels confident in the machine's ability to do the job for which it's designed.

Of course, when the customer orders a machine, he expects delivery as quickly as possible. We've cut down our delivery time on orders considerably over the years, and we continue to improve. Because we're always looking for ways to streamline the manufacturing process — that certainly doesn't mean cutting corners in any way — we're able to build quality, safe products at competitive prices. During the past 20 years, our North American customers have come to see how all the pieces fit together to provide added value, and that's why many continue to buy Komatsu after their initial purchase.

QUESTION: What hasn't changed in terms of manufacturing?

ANSWER: Komatsu's commitment is to building innovative products that are reliable and cost-effective. That never goes out of style. Each time we set out to build a new machine, we strive to make it better than its predecessor by incorporating new technologies with the tried and true. We've always been very particular that the materials we use are the highest quality. We won't put a piece of equipment in the marketplace until it's been thoroughly tested and retested.

QUESTION: Are customers part of that process?

ANSWER: Yes. Part of the process of manufacturing equipment is gathering customer information about what they want in a piece of equipment and incorporating that into the final product. After all, they're the ones using the machine, so it makes sense that they're part of the process of building and testing machinery. We want to know what they like and don't like, so we can build a better machine.

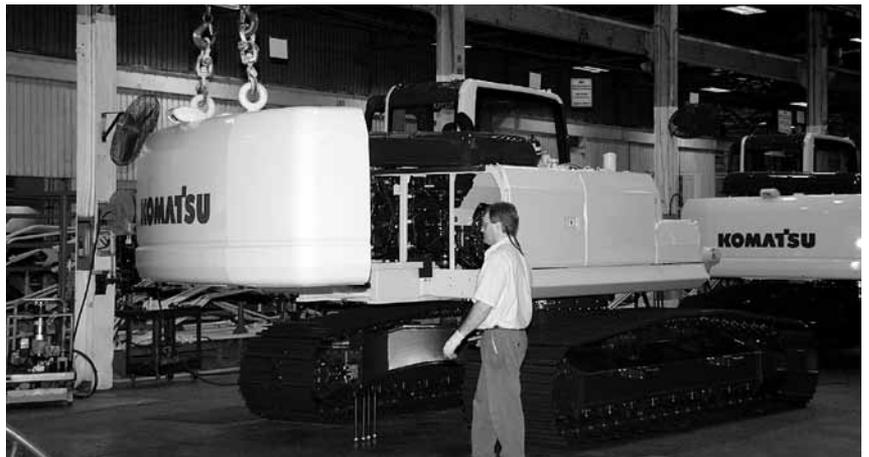
We also encourage customers to visit one of our manufacturing plants and see for themselves how Komatsu builds the machinery they use every day. ■



Employees of Komatsu's manufacturing operations do all assembly and testing of new machinery before it leaves the plant. "We've always been very particular that the materials we use are the highest quality," said Vice President of Manufacturing Bill Suzuki, who's been with Komatsu for 25 years. "We won't put a piece of equipment in the marketplace until it's been thoroughly tested and retested."



Komatsu encourages customers to visit its manufacturing facilities and see how the products they use are made. "Part of the process of manufacturing equipment is gathering customer information about what they want in a piece of equipment and incorporating that into the final product," said Bill Suzuki, Vice President of Manufacturing.



Komatsu's North American operations include three manufacturing plants in the United States that supply not only North America but also some products globally.

Water infrastructure sees big boost in funds this year

By the end of 2010 more than \$10 billion worth of water infrastructure projects could be finished or under construction thanks to a combination of funding measures. Included is a \$3.6 billion raise in State Revolving Funds (SRF) appropriations for the upcoming budget year. The bulk of the total comes from \$6 billion in funds from the

American Recovery and Reinvestment Act, also known as the stimulus package.

Congress gave \$2.1 billion to the Drinking Water SRF and \$1.4 billion to the Clean Water SRF. Combined sewer overflow and sanitary sewer overflow systems were provided an additional \$160 million. ■

"Green" building contractors could face potentially serious risk

The growth of "green construction" brings with it increased potential for liability issues that contractors should think about before building, according to an article in Business Insurance. Among the risks are disputes between contractors and design professionals who promise a certain level of green construction or LEED certification, but the completed project fails to meet the certification requirements for that level.

Among the incentives at stake are potential losses in tax credits that building owners may receive as a result of a green building not meeting requirements. That could lead to the owner

seeking redress from the builder or design professional, which could be very costly if the contractor or designer is found at fault.

According to the article, property/casualty insurance will pay building owners for the additional cost of rebuilding to a green standard after damage to an existing building and protect property owners from losses during construction of a green building. But by and large, the contractor would have a hard time covering the potential liability of not meeting a promised green certification as few, if any, insurance products exist to cover such an instance. ■

Updated DOL employment guide available

An updated version of the U.S. Department of Labor's Employment Law Guide is available, which the department says is "especially helpful for employers without dedicated legal or human resources staff" and will "help small businesses develop

wage, benefit, safety and health, and nondiscrimination policies."

The new guide addresses recent changes in federal minimum wage and expansion of the Family and Medical Leave Act among others. Visit www.dol.gov/elaws for a copy of the guide. ■

New EPA stormwater regulations take effect

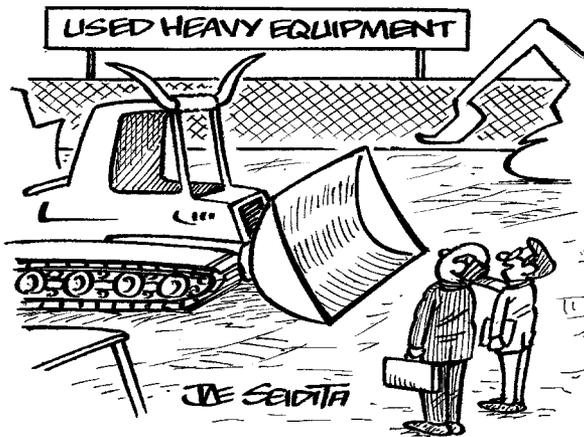
Citing soil and sediment runoff as a major cause of water quality issues, the Environmental Protection Agency (EPA) has implemented new regulations for controlling stormwater pollution on construction sites. Effective in February, and phased in over four years, the rules require construction site owners and operators to use best management

practices to ensure disturbed soil does not pollute nearby bodies of water.

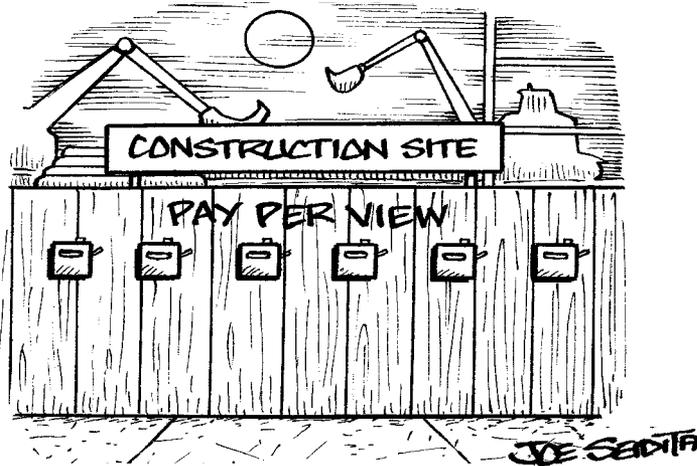
Sites where 10 acres or more are disturbed at once must monitor discharges to comply with specific limits. This marks the first time the EPA has imposed national monitoring requirements and enforceable numeric limitations on construction-site stormwater discharges. ■

SIDE TRACKS

On the light side



"That one only had one previous owner... an earthmoving company in Texas."

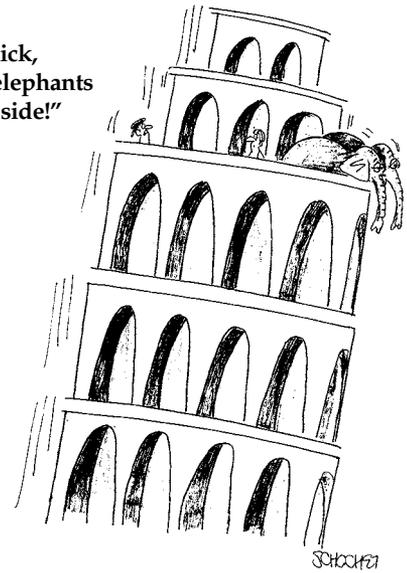


Brain Teasers

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

1. RECVIES _____
2. RITD _____
3. TACNIVEOXA _____
4. DELORA _____
5. PROCTOMAC _____
6. TAPRS _____

"Quick, shift the elephants to this side!"



Did you know...

- No piece of paper can be folded in half more than seven times.
- You burn more calories sleeping than you do watching television.
- The plastic things on the end of shoelaces are called aglets.
- There are 293 ways to make change for a dollar.
- The cigarette lighter was invented before the match.
- It takes 3,000 cattle to supply the NFL with enough leather for a year's supply of footballs.
- Abraham Lincoln faces to the right on a penny while all the other presidents face to the left on U.S. coins.
- The first Harley Davidson motorcycle was built in 1903, and used a tomato can for a carburetor.
- No word in the English language rhymes with month, orange, silver or purple.
- Apples, not caffeine, are more efficient at waking you up in the morning.

SERVING YOU BETTER

COMPUTER-BASED TRAINING

Our service technicians gain knowledge online to help keep your machines on track

Whether your equipment needs routine scheduled maintenance or a more extensive fix, you expect to have it up and running again with as little downtime as possible. That's Komatsu's goal too, and in an effort to build on service technicians' skills, it's extending online training opportunities.

Online courses are available to technicians across Komatsu's extensive lineup of construction, utility and mining machines. With a user name and password, technicians are able

to log in and take courses anywhere there's Internet access.

"It's part of our commitment to continual training and keeping technicians up-to-date," said Angie Huggett, Associate Media Developer based at Komatsu in Cartersville, Ga. "We still offer classroom and hands-on training. Computer-based training (CBT) enhances that by allowing the technician to learn virtually anytime and anywhere."

Huggett noted that technicians are often specialists in one area or only a few machines. With CBT, not only will they stay abreast of any updates or changes in those machines, but can more easily learn about additional equipment lines.

"Technicians can use CBT to expand their horizons," said William Grasse, Supervisor, Media Department. "For instance, they may be focused on excavators and want to learn about dozers. CBT allows them to get an in-depth look at that. They can then build on that knowledge through classroom and hands-on work."

Minimizing downtime

When technicians finish a module — in essence, a class — they take an online assessment. Successful completion earns them credit and satisfies a prerequisite to taking another course.

"The goal is to ensure they understand the function of a machine, so when they go out on a service call, they're able to diagnose and fix it as quickly as possible," said Grasse. "Keeping downtime to a minimum is critical, and CBT helps in our efforts to do that. We spent a lot of time developing the courses and accompanying materials, and we believe it will pay off for us and our customers." ■

Komatsu's computer-based training allows service technicians to enhance their knowledge and skills virtually anytime with an Internet connection.



(L-R) Members of the team that developed Komatsu's computer-based training are Training Manager Mike Robson, Supervisor Media Department William Grasse and Associate Media Developer Angie Huggett.





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