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EQUIPMENTTEER

A publication for and about Power Equipment Company's customers • 2013 No. 4



C&L LOGGING

Move to mechanical logging increases efficiency, production for Livingston company

See article inside . . .



Darrek Copeland,
Co-Owner/President

KOMATSU®



LAVENDER LUMBER

Deer Lodge family business focuses on providing quality service, logs to east Tennessee customers

See article inside . . .



Robert Lavender
(right), Owner,
and his son
Robbie.

A MESSAGE FROM THE PRESIDENT



Chris Gaylor

Looking
forward to
2014

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Dear Valued Customer:

Like you, we're excited about what lies ahead next year. Economic indicators show a strengthening economy, and construction has been a major beneficiary. Spending hit a four-year high recently, led by a strong rebound in residential construction that includes significant gains in new housing starts. Non-residential construction also continues to do well, and many organizations expect the trend to continue into 2014 and beyond.

Another reason we're looking forward to next year is the upcoming CONEXPO. Held in Las Vegas on March 4-8, it showcases the latest in equipment and technology for the construction industry. As always, the manufacturers we represent, such as Komatsu, will have several innovative new products on display and will feature their world-class product support capabilities. We hope to see you there.

While new products are always exciting, sometimes purchasing a used piece makes perfect sense. In this issue of your *Power Equipmenteer* magazine, there's an informative article about Distributor-Certified used equipment available through Komatsu ReMarketing. These thoroughly-inspected machines offer a great alternative to new equipment.

Remember, incentives are still available for purchasing equipment this year. Fifty-percent bonus depreciation on most property placed in service before 2014, and extended Sec. 179 expense levels of \$500,000 with a phase-out beginning at \$2 million is still in effect.

Used or new, we can service your equipment, and encourage you to contact us about special incentives that may apply to parts and repairs on your machinery during the coming months. In some instances, subsidized financing may be available. Contact us for further details.

As always, if we can do anything for you, please call or stop by one of our locations.

Sincerely,
POWER EQUIPMENT COMPANY

Chris Gaylor
President

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IN THIS ISSUE

C&L LOGGING

Read how this Livingston company's move to mechanical logging has increased its efficiency and productivity.

LAVENDER LUMBER

This Deer Lodge family business focuses on providing quality service and logs to east Tennessee customers.

GUEST OPINION

Christian Klein, AED Vice President of Government Affairs, explains how Americans need to be educated on infrastructure and its funding.

INDUSTRY OUTLOOK

Learn how growth in construction is highlighting labor shortages and see the suggestions to help solve the problem.

NEW PRODUCT

Discover how the rugged design of Komatsu's new PC360LC-10 Waste Handler provides maximum uptime in tough applications.

A CLOSER LOOK

Find out why Komatsu's 930E mining truck boasts of industry-leading availability and longevity.

DOLLARS & SENSE

See how Komatsu is increasing its offering of quality Distributor-Certified used equipment through its expanded ReMarketing inventory.

BREAKING NEWS

Now you can increase your productivity in rock excavation and demolition with the new Xcentric™ Ripper attachments.

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C&L LOGGING

Move to mechanical logging increases efficiency, production for Livingston company



▶ VIDEO

Darrek Copeland,
Co-Owner/President

The saying “logging is in the blood” certainly applies to Darrek Copeland. After a couple of years working for a logging company, he left to try his hand in another industry, only to return in relatively short order.

“I knew I had to go back to logging,” said Copeland, Co-Owner and President of C&L Logging. “I started in the industry after graduating from high school in 1989. I came to love logging, and I really missed being away from it.”

Copeland teamed up with his father-in-law, Glenn Ledbetter, to form C&L Logging in 1995. Today, the Livingston-based company works within a 50-mile radius with a highly experienced crew of six, including both Copeland and Ledbetter. The company specializes in mountain logging with an emphasis on select-cut hardwoods and handles everything from road building to delivering logs to customers.

“We’re very much hands-on owners,” said Copeland. “Glenn oversees the trucking side,

and I’m in the woods cutting timber. Most of our employees have been logging for decades, which plays a major role in our ability to deliver quality logs to our customers’ specifications. It’s helped us build strong relationships and repeat business.”

In its infancy, C&L Logging felled and delimbed timber with chainsaws and cable-skidded the logs to the landing. “Over the years, we’ve continued to develop practices that increase efficiency and safety,” said Copeland. “A couple of years in, we acquired a knuckle boom and buck saw, which eliminated a lot of labor at the landing.”

The biggest change for C&L came about seven years ago when the company began full-mechanical logging. “It dramatically changed our business in terms of efficiency, safety and the size of projects we’re capable of doing,” said Copeland. “With chainsaws, a good project was about five to 10 acres. Now we’re doing tracts of 20 to 30 acres or larger. For nearly three years, we’ve been working on one 4,400-acre piece of land for a repeat customer, and we expect to be there for another couple of years.”

More productive with Komatsu feller buncher

When C&L began the switch to mechanical logging, Copeland and Ledbetter started looking for additional equipment. One of the first pieces they purchased was a Komatsu feller buncher with a Quadco 2800 intermittent saw head that rotates 360 degrees to saw trees and top them in the woods. The company recently worked with Power Equipment Forestry Sales Representative Larry Prater and traded in its first machine for a new Komatsu XT445L-2. C&L kept the previous saw head and uses it on the new feller buncher.

“Because our specialty is mountain logging, we’re often on steep ground, so machine stability

(L-R) Members of the C&L Logging crew include Co-Owner/President Darrek Copeland, Jamie Valentine, Cleston Ledbetter and Toby White.





▶ VIDEO

C&L Logging Co-Owner/President Darrek Copeland saw a tree with a Komatsu XT445L-2 feller buncher equipped with a Quadco 2800 intermittent saw head. "Because our specialty is mountain logging, we're often on steep ground, so machine stability is essential," said Copeland. "Our previous feller buncher was stable, and Komatsu built on that with the new model. It allows me to work on steeper slopes and in rougher ground, so our productivity increased."

is essential," said Copeland. "Our first feller buncher was stable, and Komatsu built on that with the new model. It allows me to work on steeper slopes and in rougher ground, so our productivity increased."

"Adding to that is a faster boom and better lifting capacity," Copeland continued. "It's smoother too, which is a great feature for our select-cut application. I'm constantly working between trees, so I have to be very careful to not damage any of the other trees so they can continue to grow and be ready for harvest in the future. I can do that with the XT445 because it lets me tuck in the boom and get directly to the tree I'm harvesting. I can saw it off, lay it down, turn it, trim it and shovel it to the road with one machine. Not only is that more efficient, but it's safer because the need for guys with chainsaws taking down trees and cabling them up to be drug out with another machine is eliminated."

C&L Logging does routine service on the XT445L-2, calling on Power Equipment's Knoxville branch for assistance as needed.

"Power Equipment is excellent to work with," Copeland affirmed. "For example, I've called the service department with issues, and they've worked with me to resolve them over the phone. That's a big advantage when you're working in the woods. Getting a machine out can be a challenge. It saved us on transportation and



C&L Logging Co-Owner/President Darrek Copeland worked with Power Equipment Forestry Sales Representative Larry Prater on the purchase of a new Komatsu XT445L-2 feller buncher. "Power Equipment is excellent to work with," Copeland affirmed. "We're very pleased with the good relationship we've built with Larry and Power Equipment."

potential repair costs. We're very pleased with the good relationship we've built with Larry and Power Equipment."

Not looking to get bigger

Copeland is also pleased with where C&L Logging stands today. The company is about the same size as when it started, and he said that suits him fine.

"The market for our products is strong, so we are tempted to expand," Copeland said. "But honestly, we're not looking to do that. We have a strong family dynamic since we are all related somehow by blood or marriage. We all get along and know how each other thinks and works, and that contributes to our production and efficiency, which we are always trying to improve upon." ■



Go online or scan this QR code using an app on your smart phone to watch video of C&L Logging's machines at work.

LAVENDER LUMBER

Deer Lodge family business focuses on providing quality service, logs to east Tennessee customers

When it comes to logging, there's not much Robert Lavender hasn't seen in more than 35 years in the business. Not only has he been in the woods harvesting timber, but he's also owned a sawmill operation.

"I guess it was a foregone conclusion that I'd be in the logging business," said Robert, who along with his wife Kathy, owns Lavender Lumber. Their son Robbie also works for the Deer Lodge-based business. "Both sides of my family were in the logging business, as was my father-in-law.

"I did both harvesting and running the sawmill for nearly 25 years, but it got to be too much," Lavender added. "I quit sawmilling about 10 years ago, and since then it's exclusively been clear cutting and thinning timber for private individuals and corporations. I have some ground of my own that we occasionally get logs from as well."

Robert Lavender (right) owns and operates Lavender Lumber, along with his son Robbie. The Deer Lodge company offers thinning and clear cutting for private individuals and corporations, mainly in eastern Tennessee.



Lavender estimates that until recently nearly 90 percent of Lavender Lumber's work was thinning, but the company has spent the past several months on a large clear-cutting project. The company has cleared about 25 percent of the 4,000 acres scheduled to be cut. Like all of Lavender Lumber's jobs, it's being done by a small crew that includes Robert and Robbie.

"Typically, I run the rubber-tired cutter, and Robbie runs the loader. We also have a skidder operator as well as a few trucks of our own," said Robert. "I ran two crews for awhile, but during the past few years, I cut back to one. I believe the size is just right for now. We're producing about eight truck-loads of wood per day, and that meets our customers' needs."

Barko fits the bill

To delimb trees, cut them to length and load them, Lavender Lumber recently purchased a Barko 495ML Magnum knuckleboom loader from Power Equipment with the help of Forestry Sales Representative Larry Prater. "What we're looking for when buying equipment is productivity, ease of operation and maintenance and fuel economy. The Barko 495ML fit the bill across the board."

Robbie Lavender, who mainly operates the Barko loader, noticed significant advantages right away. "It's a bigger loader than the one we replaced, so the grapple is larger, and it will handle more wood more quickly. At the same time, our fuel usage decreased by about 30 percent. It's increased our production and lowered our operating costs."

Lavender Lumber performs routine maintenance on the Barko, using parts from Power Equipment. "I've had a relationship with Power for many years. They stand behind their



▶ VIDEO



Robbie Lavender delimits and cuts logs to length with a Barko 495ML Magnum knuckleboom loader. "It's a bigger loader than the one we replaced, so the grapple is larger, and it will handle more wood more quickly. At the same time, our fuel usage decreased by about 30 percent. It's increased our production and lowered our operating costs."

(L-R) Robbie and Robert Lavender of Lavender Lumber meet with Power Equipment Forestry Sales Representative Larry Prater. "Anytime we've needed something, they've responded quickly and taken care of it," said Robert. "We consider Power Equipment a partner in our business."

machinery, and they support it by having parts on-hand and getting to us right away if we have a service issue," said Robert. "Anytime we've needed something, they've responded quickly and taken care of it. We consider Power a partner in our business."

Content at current size

After downsizing, adding more efficient and productive equipment and what looks like several more years of work ahead for Lavender Lumber on its current project, Robert is content to maintain the company's size and scope of work.

"We get a lot of calls to work on small tracts of land, but right now we're not in a position to take on those jobs," said Robert. "We would like to do that again in the future, but as far as getting any bigger, that's a play-it-by-ear proposition."

"Logging is all about providing quality logs to our customers," Robbie added. "We could grow, and that's a possibility. But I don't want to do it just for growth's sake. If we do, it has to be done in a way that doesn't jeopardize the commitments we've made to our customers. If it makes sense, we'll consider it. If it doesn't, we'll leave it alone." ■



Go online or scan this QR code using an app on your smart phone to watch video of Lavender Lumber's machines at work.



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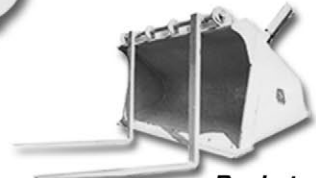
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HOW MUCH GAS TAX DO YOU PAY?

Americans need to be educated on infrastructure and its funding

Americans are largely clueless about how much they pay in gas taxes, according to a new poll released by the American Road & Transportation Builders Association.

When asked how much the average household pays in state and federal fuel taxes, 63 percent of respondents said they either don't know or estimated the total amount at more than \$100 per month. According to Federal Highway Administration data, however, the average U.S. household pays \$46 per month based on the current gas tax of 18.4 cents per gallon.

While 9 percent of those polled responded in the correct range (\$40 to \$59), infrastructure advocates are troubled by the public's unfamiliarity with the critical element of the infrastructure funding debate. Before expiration of the current highway bill (MAP-21) on Sept. 30, 2014, Congress must find new revenue streams, either through a politically difficult gas tax increase or another financing mechanism, to maintain the solvency of the Highway Trust Fund (HTF).

Fortunately, the poll also revealed most Americans believe the federal government should play an integral role in infrastructure investment; 74 percent of respondents supported this philosophy, while 20 percent disagreed.

Raising public awareness

Pro-infrastructure lawmakers and transportation industry organizations are working to raise public awareness of the federal government's vital role in infrastructure investment and why Congress and the administration must work together to find a long-term solution to maintain the solvency of the HTF for decades to come.

A recent AED-funded report by researchers at William & Mary University projected a \$365 billion shortfall for the HTF over the next two decades (assuming spending levels and revenue streams stay the same). That same study found that restoring the gas tax's purchasing power to what it was in 1993 (the last time it was increased) by raising it to 25 cents per gallon and indexing it for inflation going forward would eliminate that deficit and generate an additional \$167 billion for roads, bridges and transit. ■



Christian Klein,
AED Vice
President of
Government
Affairs

A recent poll by the American Road & Transportation Builders Association revealed that few Americans know how much they actually pay in gas tax. A large percentage believe the federal government should play an integral role in infrastructure investment, which is largely funded by the current 18.4-cents-per-gallon federal tax.



FIND & RETAIN GOOD EMPLOYEES

Growth in construction highlights the shortage; here are suggestions to help solve the problem

Recent reports show that growth in the construction industry continues to outpace the overall economy. In fact, construction spending hit a four-year high in July, according to a U.S. Census Bureau analysis.

From July 2012 to July 2013, nearly \$1 trillion was spent on construction. Private residential work led the way with a 17-percent increase compared to the previous 12-month period. Within that market, single family construction was up 29 percent and multifamily was up 39 percent.

Economist Ken Simsonson, with The Associated General Contractors of America (AGC), expects the residential trend to continue for the foreseeable future, but he's not so bullish on other sectors. "Private nonresidential spending will be very uneven,

and public construction spending remains threatened," he predicted.

Private nonresidential construction did show some growth during the same time as housing, with an overall 2-percent gain. Within this sector, lodging saw a 33-percent boost, warehouses 11 percent and power 5 percent. Public construction is up somewhat as well, in part due to funding from the last highway bill. However, that legislation runs out in September 2014.

This upward trend in activity is having some positive effect on construction employment. From August 2012 to August 2013, 35 states added jobs, one state remained unchanged, and 14 others lost jobs.

"While we would like to see even more robust growth, it is encouraging that most states have a larger construction work force today than they did a year ago," said Stephen Sandherr, Chief Executive Officer for AGC. "It will take a lot more growth, however, before construction employment levels return to their pre-recession levels in most places."

Even with robust growth, employment levels may never reach where they were before the financial downturn a few years ago. Because of the recession, several thousand workers left the field, and many laid-off workers either retired or left construction altogether to find other employment. However, prior to the recession, the construction industry was still struggling to find workers. Statistics showed that the market needed 180,000 new workers just to keep pace with production levels at the time. Today, the market would need to replace almost 100,000 jobs a year to rebuild the work force.

On-site help such as carpenters, equipment operators and laborers are the hardest jobs to fill, according to an AGC report that highlights the shortage of workers in the construction industry. The report also shows that 86 percent of respondents expect finding qualified craft workers will remain difficult or get harder.





Construction spending hit a four-year high in July, according to a U.S. Census Bureau analysis. From July 2012 to July 2013, nearly \$1 trillion was spent on construction, but with the growth comes a shortage of workers such as equipment operators.

A recent AGC report highlights the problem, showing about 75 percent of construction companies can't find the help they need. Nearly 700 businesses participated in the survey, which AGC conducted during the summer of 2013. Another report from the Construction Industry Roundtable estimates a shortage of approximately 2 million workers by 2017. This report also estimates that 17 percent of craft workers will retire during the next few years.

Taking steps to combat stereotypes

According to the AGC report, on-site help such as carpenters, equipment operators and laborers are the hardest jobs to fill. Nearly half of the companies surveyed said trouble finding supervisors, estimators and engineers was a concern, and 86 percent of respondents expect finding qualified craft workers will remain difficult or get harder. The survey also showed that 72 percent of these companies predicted filling professional positions will continue to be a challenge.

"Many construction firms are already having a hard time finding qualified workers

and expect construction labor shortages will only continue to get worse," said Sandherr. "We need to take short- and long-term steps to ensure enough workers are available to meet future demand and avoid the costly construction delays that come with labor shortages."

Organizations and construction companies alike are taking steps to help solve the labor shortage. For instance, 48 percent of businesses are mentoring future workers, 38 percent are participating in career fairs and one-third are supporting high school construction skills academies. Additionally, almost half are offering internships for professionals.

The AGC report also notes that Sandherr urged elected and appointed officials, including Congressional members, to do more to provide opportunities for public school students to participate in programs that teach construction skills. He said skills-based programs offer students a more hands-on way to learn 21st century skills such as math and science, and these types of programs have reduced dropout rates.

Continued . . .

Companies challenged to find qualified workers

... continued

One primary goal is to change negative perceptions of the construction industry. Past surveys have shown the industry ranked as low as 249 out of 250 in terms of possible occupations high school students would choose. Low wages represent a common misconception.

"The construction industry is going to have to get the word out," said Gregory P. Smith, President of Chart Your Course International in a previous article. "Businesses need to actively recruit. They can't just put an ad in the paper anymore and expect to get good results. The military has recruiters that go into every high school in the country to show the benefits it has to offer. The construction industry needs to do the same thing – show students they can make a decent living without going to college."

Positive work environment

As the pool of workers continues to decrease, it's essential for businesses to do everything possible to retain current employees. Keeping those employees not

As the pool of workers continues to decrease, it's essential for businesses to do everything possible to retain current employees. Experts say a positive work environment and recognition are among key reasons why employees continue to stay with a company.

only builds an experienced staff, but it also cuts down on the expense of hiring new employees.

Smith lists key elements to employee retention, which include creating a positive work environment, rewards, recognition, reinforcement, skill development and evaluation.

"Money is an important factor for choosing a place to work, but studies show that most people are willing to accept less pay if they have a workplace where they feel they have input and their ideas are listened to," said Smith. "People will, in most cases, stay with a company longer if the quality of their work meets their needs, even though they could make more money elsewhere. If a company can only compete on money, it will never get ahead because people want more than money."

A recent webinar on the AGC website, presented by Dennis Engelbrecht of the Family Business Institute and in conjunction with Performance Roundtable, featured items businesses can employ to "Attract and Retain Top Construction Talent." The presentation listed best practices and steps companies can take such as providing the right amount of compensation and benefits, which include health insurance and retirement, if possible.

Further practices and steps include incentive systems and bonuses such as profit sharing. An attractive culture and work environment with teamwork and collaboration, career growth, leadership development and opportunity for ownership were also cited as ways to better retain employees.

"You have to keep in mind as an employer that your good employees always have options," said Smith. "But by treating them right and demonstrating that you value them, you stand an excellent chance of being able to hire and keep the best people. And the word gets around – those workers will tell others, and suddenly you have a large number of people knocking on your door wanting to work for you." ■



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UP TO THE CHALLENGE

Rugged design of new PC360LC-10 Waste Handler provides maximum uptime in tough applications



Kurt Moncini,
Product Manager,
Excavators

Waste handling can be an extremely tough application for equipment. Not only is waste material highly varied and difficult to handle, it produces a lot of airborne debris that can wreak havoc on engines and other critical systems. Komatsu designed its new PC360LC-10 Waste Handler to stand up to both types of challenges.

“Anyone who works in transfer stations, demolition, scrap handling and recycling centers knows how severe these applications can be,” said Kurt Moncini, Product Manager, Excavators. “Komatsu built the PC360LC-10 Waste Handler with these conditions in mind and came up with a package that helps minimize the impact of these unique environments. We reduced associated downtime and kept the focus where it should be: the work at hand.”

Komatsu engineered the PC360LC-10 Waste Handler with a severe-duty revolving frame undercover that has thicker steel for greater protection of internal components. Operators are also well protected from falling debris with standard cab-top guarding. Additional falling-object protection and front window guards are also available.

The heavy-duty boom and arm are made with high-tensile strength steel and have large cross-sectional areas and one-piece castings in the boom foot and boom and arm tips. The design provides excellent strength and durability.

Debris accumulation reduced

Several features reduce debris accumulation and improve airflow, allowing the operator to focus on the job instead of the temperature gauge. Improvements include a high-capacity Sy-Klone® engine precleaner, remote-mounted A/C condenser, engine door and hood corrugated screening package, auto reversing fan and radiator clean-out covers to keep air flowing through the coolers and make cleaning easier. Engine and hydraulic-compartment gap seals prevent debris from entering the radiator-cooling air stream. A wide core cooling package with wide fin spacing keeps air flowing through the radiator, hydraulic oil and charge air coolers. The standard auto reversing fan changes air flow direction to clean screens and coolers on a regular interval.

“Operators can adjust the interval to match conditions, and they can manually reverse the fan at any time with the flip of a conveniently-located switch on the right-hand console,” said Moncini. “Six working modes allow operators to match machine performance to the application, which offers high production in tougher tasks and greater fuel efficiency in less strenuous situations, so users get dual benefits.” ■

Brief Specs on the Komatsu PC360LC-10

Model	Net Hp	Operating Weight
PC360LC-10	257 hp	78,255-79,930 lbs.

Komatsu designed the PC360LC-10 Waste Handler for maximum uptime in severe-duty applications such as transfer stations and recycling.



DASH 10 EXCAVATORS

From Komatsu - The Excavator Experts



Komatsu Dash 10 excavators provide increased horsepower, improved operator comfort and reduced fuel consumption. The excavator experts at Komatsu can help you complete jobs more quickly, while lowering your fuel and maintenance costs.

- Efficient Komatsu Tier 4 Interim engines and advanced hydraulic systems maximize productivity while providing up to 10% lower fuel consumption.
- Enhanced operator environment improves comfort and machine control.
- Komatsu CARE provides complimentary Tier 4 maintenance, including KDPF exchange filters. Contact your Komatsu distributor for details.

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WA500-7

From Komatsu - The Loader Experts



The WA500-7 Tier 4 Interim Wheel Loader is a class-leading performer in the aggregate industry with improvements in production, fuel efficiency, operator comfort and serviceability.

- Large-capacity torque converter with lock-up delivers power, speed and efficiency.
- New operator's cab offers improved visibility and ergonomics.
- Efficient Tier 4 Interim engine provides up to a 7% reduction in fuel consumption.
- Komatsu CARE provides complimentary Tier 4 maintenance, including Komatsu Diesel Particulate Filter exchange. Contact your Komatsu distributor for details.

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TRIED AND TRUE HAULER

Komatsu's 930E mining truck boasts industry-leading availability and longevity

There's a reason you see so many Komatsu 930E haul trucks in mines, not just throughout the U.S., but worldwide. Actually, there are two reasons. First of all, nearly 1,700 930Es have been sold since the model was first introduced in 1996. Second, they last a long time, so once a mine has one, it's not unusual that it's still running 10, 12 or 14 years later.

"It's one thing to have a truck that old with 100,000 or more hours on it; it's another for it to still be producing at a high level," said Tom Stedman, Komatsu Product Marketing Manager, Electric Drive Trucks. "But we have many 930Es out there with double-digit years and six-figure hours delivering exceptionally high availability. Historically, we have had the highest mechanical availability of any of the large-haul trucks, and we're very proud of that."

One of the primary reasons for the success of the 930E is the electrical retarder system.

"We believe dynamic electrical retarding is far superior to the mechanical braking system of our primary competitor," said Stedman. "It virtually eliminates brake wear and requires far less maintenance, which improves operating costs and contributes to our high mechanical availability. The other big advantage is speed on grade. Trucks equipped with an electric dynamic retarder can navigate downhill loaded grades as much as 40-percent faster than an equivalent size mechanical-drive truck."

At 320 tons, the 930E is a perfect four-pass match for a shovel with a common 80 ton bucket.

While Komatsu is already at work on a Tier 4 model that will be required in 2018, Stedman

says the "bones" of the truck will remain the same. "It's still early in the redesign process, but the bulk of the changes will be related to the engine and emissions, including improved fuel economy. We will be building on the elements that have made this model so successful, while modernizing important areas, such as the cab, control system and electronics."

For more information on how the 930E-4 or the 3,500 hp 930E-4SE can improve performance on your mine site, call your local Komatsu Distributor. ■



Tom Stedman,
Komatsu Product
Marketing Manager,
Electric Drive Trucks

Brief Specs on Komatsu 930E-4

Model	Gross Vehicle Weight	Gross Output	Payload
930E-4	1,106,670 lbs.	2,700 hp	320 tons

The dynamic electrical retarding system is one reason Komatsu's 930E-4 haul truck provides maximum uptime. It also allows operators to increase hauling speed and improve productivity.



Customer Care

From Komatsu - The Product Support Experts



You need your machines running to keep your business running. And you need complete confidence in your expert service team to keep them running at maximum productivity.

Komatsu certified, factory-trained technicians have the knowledge and determination to make repairs right the first time. Our parts inventory and distribution systems allow us to get most replacement parts to you in 24 hours or less.

At Komatsu, customer satisfaction is our number-one priority.

KOMATSU®



www.komatsuamerica.com

EXPANDED REMARKETING INVENTORY

Komatsu increases its offering of quality Distributor-Certified used equipment

In 1999 Komatsu formed its ReMarketing Division to offer quality Distributor-Certified used equipment. Since then, hundreds of contractors throughout North America have taken advantage of these lower-cost alternatives to new equipment.

"We continue to see contractors turning to the rental and used equipment market to augment their fleet so they're not tying up their capital in new machines," said Lee Haak, Director, ReMarketing, which is now a part of Komatsu's Rental and ReMarketing Division. "Komatsu's aim is to offer customers the highest-quality used machinery in the industry, and we've made a concerted effort to expand our organization to meet that goal. For instance, Komatsu employs ReMarketing regional managers (featured on next page) to work directly with Komatsu distributors. ReMarketing has also trained more than 1,000 Komatsu-certified evaluators at our distributors."

Those evaluators do more than just take a cursory glance at a piece of used equipment to determine its resale value. Each machine is put through a thorough, 200-step evaluation process that checks machines from stem to stern. This process includes measuring items such as the undercarriage on a bulldozer. Any item not meeting Komatsu standards is clearly identified.

"We strive for consistency in our evaluations no matter who does it or where it's done," said Haak. "That's important for two reasons. One, buyers know exactly what the condition of the machine is and what's been done to it, as opposed to buying a machine at auction or through another source. Two, if they buy from outside their geographic region, they can trust in the machine's condition without investing time and money to physically go look at it."

Web site available

Haak noted that ReMarketing customers have a large variety of needs. "Some buyers want a machine that's had everything replaced, and others want a fixer-upper that they can buy in the fall and have their mechanics work on during the winter. One contractor may want a used excavator to start a new business, while another is looking for a quality, older wheel loader to park at a gravel pile where they occasionally pull material. We can accommodate practically any need because we have a vast network of inventory available."

Those interested in used equipment will often find certified ReMarketing machines through their local distributor, according to Haak. "That should be the first place they check. Our Web site that's dedicated to ReMarketing machines is also available at www.komatsuused.com. The Web site allows customers to search by machine and category and has listings from across our distributor network. Information on the Web site includes condition, asking price, location and contact information for each machine."

Continued . . .



Lee Haak,
Director,
ReMarketing

To view available distributor-certified used pieces available through Komatsu ReMarketing, visit www.komatsuused.com.

Used equipment available through Komatsu's Rental and ReMarketing Division is Distributor-Certified, so buyers know the condition of the machine and what has been repaired. "Buying a ReMarketing machine can be a great low-cost alternative to a new purchase," said ReMarketing Director Lee Haak.

The screenshot shows the KomatsuUsed.com website. At the top, there's a navigation bar with links like 'Home & ReMarketing', 'Distributor Locator', 'Used Equipment', 'Advanced Searching', 'About Us', 'Using Site/Help', 'Online Auctions', and 'Site Map'. Below this is a 'Quick Search (Make & Model)' section with a search bar and dropdown menus for 'Category' and 'Manufacturer'. There are also radio buttons for 'New Item', 'Current', and 'Overhaul', and input fields for 'Hours From', 'Hours To', 'Year From', and 'Year To'. A large image of a yellow Komatsu excavator is featured prominently. To the right of the excavator, it says 'BUY WITH CONFIDENCE' and 'KomatsuUsed.com'. At the bottom, there are icons for various equipment types: EXCAVATORS, DOZERS, WHEEL LOADERS, TRUCKS, MOTOR GRADERS, OTHER EQUIPMENT, and ATTACHMENTS.

Komatsu offering a lower-cost alternative to buying new

... continued

Many Komatsu ReMarketing machines also qualify for subsidized financing, and warranties are available for purchase. "No other manufacturer does it like we do," said Haak. "We're flexible when it comes to

warranties. For example, someone may want a 90-day warranty. Komatsu will do that. If a customer wants a warranty, we'll work with them to purchase one for up to six years and 8,000 hours." ■

Meet Komatsu ReMarketing's Management Team



Lee Haak,
Director, ReMarketing

Lee Haak has been with Komatsu for 33 years and Director of ReMarketing during the past seven years. He's overseen the ReMarketing division's expansion throughout North America and recently into Latin America. Haak is one of two management members who covers the United States as part of its regional management team. "Buying a new piece of equipment isn't always necessary or the best option. ReMarketing machines can offer a lower-cost alternative, and buyers know right up front the unit's condition and what's been repaired. It's a solid alternative."



Ken Van Zanten,
Regional Manager -
ReMarketing Division

Kent Van Zanten is ReMarketing's other United States Regional Manager, covering the Northeast and Midwest. Van Zanten has been with Komatsu for nearly 20 years, the last nine with the ReMarketing Division. "Komatsu is synonymous with quality and has a strong dealer network that's invested in customer success. ReMarketing adds to that by providing good-quality, used machines that can help users build their business in a cost-effective way. Customers can also buy with confidence knowing that they will be backed by Komatsu's world-class parts and service support."



Josh Alters,
District Manager,
ReMarketing

Josh Alters joined the ReMarketing team two years ago as a Regional Manager for Canada after 11 years with Komatsu Financial. "Customers have the assurance that machines certified through their Komatsu distributor have been thoroughly inspected and are ready to work. If they view a used unit through their distributor's Web site or our ReMarketing site, they can be confident it will be delivered as represented, with no surprises."



Mario Muxe,
Regional Manager,
Mexico and Latin
America

Mario Muxe covers Mexico and Latin America and has been with Komatsu for 20 years. "I started handling ReMarketing exclusively about three years ago, and what I've found is that customers appreciate that we offer a solid alternative to new machines. Added value comes in knowing that we'll support it with OEM parts and well-trained distributor technicians."



Lauri McNulty,
ReMarketing,
Business Analyst

Lauri McNulty is ReMarketing's Business Analyst and handles data and marketing, including posting certified machines to the division's new komatsuused.com Web site. "ReMarketing has grown considerably during the 10 years that I've been with the division. We have more than 2,000 machines up on our site with pictures, condition and inspection reports upon request. Soon that will include a mobile app. It's a terrific resource for researching what ReMarketing has available."

NEW ATTACHMENTS

Increase productivity in rock excavation and demolition with Xcentric™ Rippers

If your list of services includes rock excavation and/or demolition, you're always looking for increased performance and production output with lower maintenance costs and less downtime. You can get those benefits with Xcentric™ Ripper attachments.

Nine models are available for seven- to 150-ton excavators, and all were developed with Xcentric's patented Impact Energy Accumulation Technology, which features amplified eccentric gears and enables efficient rock breaking and demolition. It provides high production in even the most severe conditions, and it can be an economical alternative to drilling and blasting in areas where that may not be possible or is limited.

"The unique design provides greater energy and force than traditional hydraulic breakers," said Rob Brittain, Product Manager, Specialty Attachments with Hensley Industries (a Komatsu company). "That patented technology increases the speed and the blows per minute. Depending on size, it could be up to 1,500 bpm."

Xcentric Ripper attachments have two- to five-times higher production rates in most applications and conditions, according to Brittain. "There are a wide range of uses, from trenching in rocky applications to demolition and underwater use, as well as quarries and tunnels. There is an Xcentric Ripper that will suit nearly every need."

Built for durability

Xcentric Rippers are made with wear-resistant steel for long life, and have a simple structure for ease of maintenance and durability. Adding to Xcentric Ripper's durability is a closed-energy chamber that keeps the attachment virtually free

of dust, water and other potential contaminants, even in underwater applications. That helps ensure lower maintenance and repair costs normally associated with severe working conditions.

"Other key benefits include minimal wear-parts consumption and maintenance, with no daily lubrication required; long-life components; less fuel and emissions per ton; easy operation; and increased operator comfort with low-noise performance on par with that of using a bucket," said Brittain, noting the rippers work with competitive brands as well as Komatsu. "We encourage those who do these types of work to consider an Xcentric Ripper. I believe they'll see a noticeable difference in increased production and lower maintenance costs." ■

Xcentric Rippers feature patented Impact Energy Accumulation Technology with amplified eccentric gears that enables efficient rock breaking and demolition. It provides high production in even the most severe conditions, and it can be an economical alternative to drilling and blasting in areas where that may not be possible or is limited.



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BUILDING LASTING RELATIONSHIPS

Ed Powers says listening and the “gemba” philosophy lead to improved equipment performance and product support



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.

Ed Powers, Vice President and General Manager, Construction Equipment Division & General Manager, Northern Latin America Division.

This year marks Ed Powers' 25th anniversary with Komatsu. He has served as Vice President and General Manager, Construction Equipment Division for the past five years, and in January 2012, he increased his responsibilities to include General Manager, Northern Latin America Division. Prior to that, he served as Vice President of Construction Equipment Sales, West Region Construction Equipment Manager, Director of North America Sales Utility Division, Regional Manager of Rental Services, Deputy Regional Sales Manager (NJ) and Finance Field Representative.

“I have witnessed our business evolve during the past 25 years. The level of sophistication and how rapidly technology advances is mind-boggling. This is the advantage Komatsu has over the competition – we are recognized as an engineering leader. Most manufacturers have huge marketing campaign budgets, whereas Komatsu prioritizes its budget into research and development. This is how we can provide our customers with the most technologically advanced product in the market – the D61i-23 dozer,” said Ed, who graduated from the State University of New York in 1988 and later earned his MBA at Keller Graduate School of Management in Chicago, Ill.

Most of all, Komatsu understands that manufacturing the most advanced products isn't the sole answer to satisfying customers' needs. In this market you must offer a premium product, but what sets Komatsu apart from its competitors, is providing superior product support and progressive telematics capabilities. It's all about preventive maintenance and being able to control your costs. Komatsu can provide all the necessary tools, no matter the objective. We listen, focus on gemba and deliver.”

Ed and his wife, Berta, have been married for six years and have two children, three-year-old Joselyne and eight-month-old Liam.

QUESTION: The initial push for Tier 4 Final machines begins soon. Is Komatsu ready?

ANSWER: Most certainly. As government emissions regulations mandate, we will be introducing our Tier 4 Final products in 2014. As of now, we haven't announced which models are included, but when you visit our booth at ConExpo in March, you will see our introductory-line machines. Komatsu's introduction of Tier 4 Interim machines proved to be very successful, and we expect similar results with our Tier 4 Final machines.

QUESTION: Why were the Tier 4 Interim machines so successful?

ANSWER: Komatsu CARE was one of the major factors in the success of our Tier 4 Interim machines. Prior to their launch, we listened to our customers' concerns relating to this new technology. Their primary concerns were reliability and maintenance. Based on that, we created Komatsu CARE – a complimentary package for all our Tier 4 machines, which provides factory-scheduled maintenance for the first three years or 2,000 hours, whichever comes first, and includes up to two Komatsu Diesel Particulate Filter exchanges. In addition to addressing the required government mandates and supporting our customers' Tier 4 Interim concerns through Komatsu CARE, we also improved the overall efficiency of our products, especially when it came to fuel usage.

A good example of improved efficiencies is our D61i-23 dozer, the next generation of machine-control technology and the first *intelligent Machine Control* (iMC) model in the North American market. It provides automated blade control from rough-cut to finish grading, and it is setting a standard by changing the traditional mast- and cable-aftermarket systems. We plan to introduce more dozer-model sizes in the months ahead, and we will have

an impressive display of our excavator line at ConExpo.

QUESTION: What else is Komatsu doing to make the customer experience better?

ANSWER: Today's construction-equipment users are much more knowledgeable when it comes to owning and operating costs, and they are fully literate in the world of instant communication. Komatsu continues to elevate its telematics capabilities by incorporating new technology, such as KOMTRAX and our new mobile app, which allows users to view real-time critical machine information on their Apple or Android smart phones or via tablet device. Komatsu customers can also order parts online through eParts and communicate with us via text and email. The next generation of contract owners is here, and we are running right along with them.

Komatsu strives to know its customers and their specific needs, so we've made a commitment to visit customers' work sites and witness first-hand their work flow. This gives us a true understanding of their needs and helps build long-lasting relationships. The Japanese refer to this visualization process as *gemba*, and during the past few years, Komatsu has aggressively employed the *gemba* philosophy. I firmly believe that this has contributed to our success today.

This customer-centric approach is very important to Komatsu. The Tier 4 technology is extremely complex and there is still a steep learning curve for some of our customers. Komatsu and its Distributors are working together to help customers tackle that learning curve more quickly, which is another advantage of Komatsu CARE. During the program's regularly scheduled maintenance visits to customers' jobsites, we have additional opportunities to share KOMTRAX data, visualize their applications and personally ensure that customers are entirely satisfied. Komatsu is committed to being more than just an equipment provider – we are a one-stop-shop solution provider.

QUESTION: What market opportunities exist?

The rental market has always been a good opportunity for growth. That's even more apparent now, as the Construction Equipment (CE) market recovers from one of the worst economic downturns since the Great Depression.



Komatsu introduced its new D61i-23 intelligent Machine Control dozers with integrated grade-control technology that provides automated blade control from rough-cut to finish grading. According to Komatsu's Ed Powers, the machines have received rave reviews.



Komatsu met emissions regulations with its Tier 4 Interim machines, as well as improved productivity and efficiency that resulted in lower owning and operating costs. Tier 4 Final standards begin in earnest next year.

Typically the rental market has represented approximately 20 percent of our entire CE demand, but it's currently at nearly 45 percent, and we expect it to remain a dominant segment of our business. Through our Rental and ReMarketing Division, Komatsu and our Distributors are ready to enhance and reinforce our rental presence in the growing market.

QUESTION: You mentioned the CE Market returning to pre-recession levels. How are markets looking today?

ANSWER: During the past several years, the CE market recovery has been fueled by the commercial, infrastructure and rental segments, with much of this growth resulting from increased energy demand. We are very optimistic that as the housing market continues to recover at a long-term sustainable rate, the CE demand will also remain solid, which will invigorate the overall economy. ■

Gemba: a Japanese word meaning "where things are actually taking place." Komatsu regularly visits customers' jobsites (their gemba) to see first-hand how customers use their equipment. The gemba philosophy is one of the key principles Komatsu applies to demonstrate its commitment to quality and reliability.

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NEW PROGRAM REDUCES COSTS

Komatsu offers incentives and financing to help you make needed repairs now

For many construction companies, the winter months are a time to take stock of and make critical repairs to equipment in order to ensure it's ready for the next season. Among those critical repairs are major items such as hydraulic or drive train overhauls and engine rebuilds, which are designed to bring machines back to like-new performance.

Although repairs can be costly, delaying those repairs can lead to unexpected downtime and higher lost-time costs. Komatsu recognizes this, so it is participating in and supporting distributor incentives for major machine repairs using new and Komatsu Reman parts. Additionally, Komatsu recognizes that it can be difficult to pay in-full for the needed repairs, so they are also providing attractive financing for qualified customers, including zero-percent financing for 12 months and no payments for 90 days through Komatsu Financial.

"We understand that there are a variety of reasons for putting off needed repairs, but doing so could put you at risk for significant downtime when a machine is most needed," said Glenn Schindelar, Senior Marketing Manager. "Komatsu is committed to finding solutions to help ensure those larger repairs get done now so that our customers' machines are running at peak performance when it's time to go to work. This is a way to do that at a reasonable cost that can either be paid for outright or financed over a period of months."

To take advantage of this program, repairs must be done by Power Equipment's Komatsu-certified technicians either in the shop or on the field. All parts carry a one-year, unlimited hours warranty.

"Having the work done by Komatsu-certified technicians offers peace of mind that it's done right, and having a warranty provides added

value," said Schindelar. "We encourage those considering repairs to check out their distributor incentive programs and financing to see if it's right for them. We find that customers who take advantage of specials like these tend to greatly benefit."

Schindelar cited examples, such as a sand and gravel company that was having a difficult time affording the upkeep of its machines during the economic downturn. The company fixed what it could, but a more comprehensive solution was required. Using the local distributor's incentive program, combined with zero-percent financing through Komatsu Financial, the company was able to put one machine back into proper working order. Because the program worked so well, the company decided to finance repairs on two additional machines. This one customer, and many others like him, was able to completely repair his machines and have them totally ready for full production without impacting his short-term cash flow.

"We have many similar stories where customers used an incentive program and financing to lower their cost and manage their payments, so they were able to repair their machines without a major impact to cash flow," said Schindelar. "It showed them that Komatsu and their distributor were committed to their success." ■



Glenn Schindelar,
Senior Marketing
Manager

Komatsu is participating in and supporting dealer incentive programs with discounts on new and Komatsu Reman parts used to make major repairs. Komatsu is also providing attractive financing options for qualified customers, including zero-percent financing for 12 months and no payments for 90 days through Komatsu Financial.



CLOSING IN ON TIER 4 FINAL

Last round of emissions regulations to go into effect in 2014

After almost 20 years of engine regulations, the beginning of the end is in sight with Tier 4 Final standards that begin implementation in earnest in 2014. The Final standards are designed to reduce engine emissions of oxides of nitrogen (NOx) and particulate matter from new machinery to near zero.

Engine horsepower determines when equipment manufacturers must meet Tier 4 Final regulations. Smaller, compact equipment must meet the requirements beginning this year, with a much larger wave of new machinery coming next year. Construction, mining and other types of machinery from 175 horsepower to 750 horsepower are to be introduced in 2014, and those with horsepower from 76 horsepower to 174 horsepower will need to meet the standards in 2015. Many new machines meeting Tier 4 Final standards will be on display at CONEXPO next March in Las Vegas.

The goal of reducing engine emissions of NOx and particulate matter began with the

initial Tier 1 standards in 1996. Tier 2 started in 2001, with Tier 3 following five years later. NOx is a key ingredient in smog, while particulate matter is essentially soot. The government considers both to be significant health hazards.

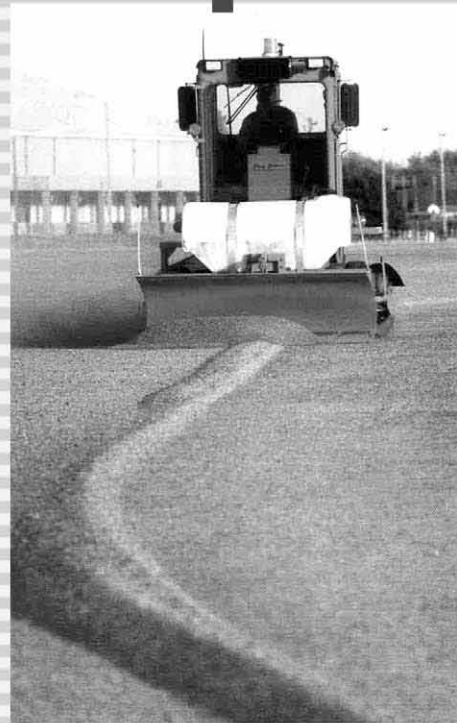
In 2008, Tier 4 standards went into effect as part of a two-stage phase-in, beginning with Tier 4 Interim, which reduced NOx by 45 percent and cut the soot an engine could emit by 90 percent, compared to Tier 3 regulations. Tier 4 also required the use of low-sulfur diesel fuel containing less than 15 ppm sulfur, maintenance-emissions filters and Tier 4-specific engine oil.

Under Tier 4 Final, engine manufacturers will have to cut NOx by an additional 80 percent. The EPA estimates that when Tier 4 Final engines fully replace older engines, they will reduce emissions by about 738,000 tons of NOx and 129,000 tons of particulate matter annually. The EPA says that reduction would prevent an estimated 12,000 premature deaths each year by 2030. ■

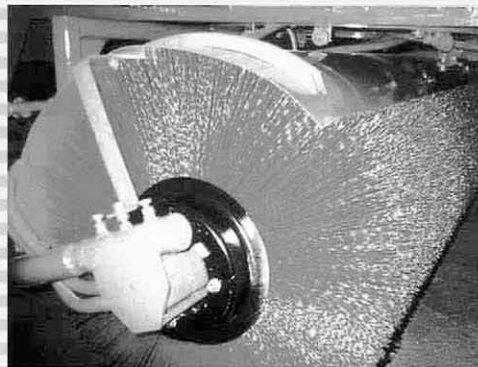
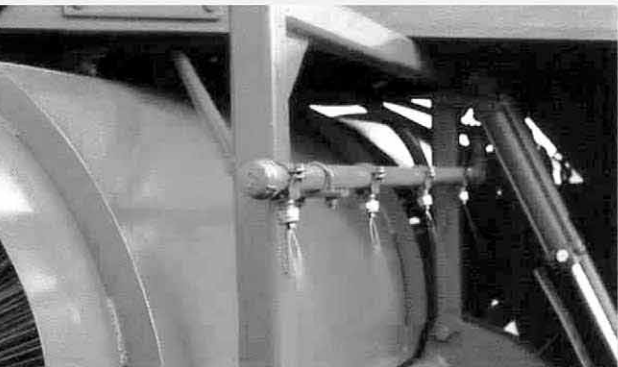
Tier 4 Final regulations for machinery from 175 horsepower to 750 horsepower go into effect next year, marking the beginning of the end of the tier standards that were first implemented in the mid-1990s.



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MORE INDUSTRY NEWS

App allows users to alert Congress to infrastructure deficiencies

If you're stuck in traffic or see what you believe is a bridge defect and want to let someone know about it, there's now an app for that. Available free on mobile devices, the "I'm Stuck" app allows users to alert Congress to conditions such as traffic congestion, airport delays, off-schedule busses and more.

Developed by the organization Building America's Future (BAF), the app is designed so users can directly and immediately e-mail their congressional representatives. BAF is a bipartisan coalition of elected

officials dedicated to new investment in infrastructure, which has consistently received low grades through the years from the American Society of Civil Engineers.

"All elected officials, including me when I was a mayor and governor, pay attention to what the public is saying," said former Pennsylvania governor and BAF Co-Chair Ed Rendell. "The public understands the infrastructure problem. The states have demonstrated a willingness to do their part. So, we're calling on Congress to pass a significant infrastructure investment plan." ■

EPA introduces National Stormwater Calculator to estimate rainwater and runoff

The Environmental Protection Agency recently introduced a National Stormwater Calculator that lets users estimate the annual amount of rainwater and frequency of runoff from a specific site anywhere in the United States. It's designed so site developers, landscape architects, urban planners and homeowners can reduce runoff.

Estimates are based on local soil conditions, land cover and historic rainfall records. Users supply information about a site's land cover and select the types of low-impact controls they would like to use. The calculator then provides seven, green infrastructure practices they can use to reduce runoff. The calculator is available for download from the EPA's Web site at www.epa.gov. ■

Report estimates needs for drinking-water infrastructure funding

A new report says the nation needs to invest more than \$380 billion between now and 2030 for drinking-water systems to remain reliable. Released by the EPA, the report says current infrastructure averages about 700 water-main breaks a day. It also highlights the needs of more than

73,000 systems that could use expansion, replacement and/or rehabilitation.

The report follows others from the Congressional Budget Office and the Water Infrastructure Network, which estimate 20-year investment requirements of between \$331.2 billion and \$571 billion. ■

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SIDE TRACKS

On the light side



"Those were the good old days leading Santa's sleigh.
Then along came GPS..."



"I'll work with people from the other party, but
don't expect me to 'Friend' them on Facebook!"



"Looks like Santa was replaced by a Santa app."

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.PowerEquipmenteer.com

1. N C A R E R _ _ _ _
2. D U B G I L I N _ _ _ _ D _ _ _ _
3. L E V D E O R E P _ _ _ _ _ _ _ _ P _ _ _ _
4. N E R E G _ _ _ _ E _ _ _ _
5. O B X O L T O _ _ _ _ L _ _ _ _

Did you know...

- It took only 95 minutes to construct a Model T Ford in 1914.
- The first in-flight movie was shown on an internal U.S. flight in 1929.
- Motorized ambulances were first used in France.
- The average suit of armor weighed between 50-55 pounds.
- The first hurricane named after a man was Hurricane Bob in 1979.
- There are 119 grooves on the edge of a quarter.
- The phrase "The quick brown fox jumps over a lazy dog" contains every letter in the alphabet at least once.
- Alaska has over 5,000 earthquakes each year.
- Tug of War was an Olympic event between 1900 and 1920.
- The largest snowman ever built was made in Maine in 1999. He stood 113 feet tall.



2012 Komatsu WA500-7, 2,311 hours



2005 Komatsu WA400-5, 4,525 hours

Equip #	Year	Make/Model	Description	Serial No.	Hours
DOZERS					
J00126	2008	KOMATSU D51EX-22		B10814	3,332
J00146	2008	KOMATSU D51PX-22	CAB W/ AIR COND	B10437	1,884
J00147	2008	KOMATSU D51PX-22		B10589	932
J00129	2011	KOMATSU D65EX-17		1027	1,695
EXCAVATORS					
J00139	2009	KOMATSU PC55MR-3		15323	1,928
J00143	2008	CAT 308CCR		KCX02274	286
J00121	2006	KOMATSU PC78US-6N		9317	2,149
J00144	2008	KOMATSU PC200LC-8T		A88846	1,021
J00145	2009	KOMATSU PC308USLC		30199	4,412
J00081	2008	KOMATSU PC300LC-8		A90561	4,505
J00110	2012	KOMATSU PC360LC-1		A32114	1,202
J00083	2006	KOMATSU PC400LC-7E		A87264	4,742
J00087	2007	KOMATSU PC400LC-7E		A87564	5,342
J00130	2008	KOMATSU PC400LC-8		A88281	3,300
J00128	2011	KOMATSU PC450LC-8		A10377	3,810
TRUCKS					
J00101	2004	KOMATSU HD605-7		7037	9,972
WHEEL LOADERS					
J00142	2006	KOMATSU WA250-5L		A74020	5,334
J00127	2008	KOMATSU WA320-6		A34047	1,773
J00115	2005	KOMATSU WA400-5		A40092	4,525
J00107	2006	KOMATSU WA480-6		A38054	9,765
J00138	2007	KOMATSU WA500-6		A92232	8,252
J00140	2012	KOMATSU WA500-7		10037	2,311
J00123	2009	KOMATSU WA600-6		60619	4,850

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