

ROAD To SUCCESS

April • 2007 No. 2

A PUBLICATION FOR AND ABOUT ROAD MACHINERY LLC CUSTOMERS

Featured in this issue:

CODE ONE CONSTRUCTION, LLC

Mesa site-work contractor is building a reputation based on quality work

See article inside...



(L-R) Operations Manager Randy Cason,
Project Manager Denny Philips and Estimator
Patrick Stratman

Featured in this issue:

J'S PIPELINE CONSTRUCTION

California utility contractor keeps growing his strong family business

See article inside...



Jesus Rodriguez,
Owner



KOMATSU

A MESSAGE FROM CORPORATE



Dear Equipment User:

As you might expect, we believe Komatsu equipment is top-of-the-line. Some might argue there are comparable machines within certain models, but top-to-bottom and across-the-board, you're going to be hard-pressed to come up with a more solid lineup — and in specific machines, you're not even going to be able to come close to the performance you get from Komatsu. All we want is a chance to prove to you the difference Komatsu and Road Machinery LLC can make in your business.

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ROAD To SUCCESS

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A SALUTE TO A CUSTOMER

CODE ONE CONSTRUCTION, LLC

Mesa site-work contractor is building a reputation based on quality work

It's been said that two heads are better than one. Adding a third should yield even more success. That's been the case for Code One Construction, LLC, which is led by a team of three individuals who each take their ownership roles very seriously.

Based in Mesa, Code One Construction — the name derived from Arizona building codes — was born out of another company that Randy Cason, Pat Stratman and Denny Philips worked for before becoming entrepreneurs. Cason is Operations Manager and oversees field work, Stratman handles estimating and preconstruction duties, while Phillips takes care of day-to-day operations as a Project Manager.

"Arnie Pipkin, who owned the company we bought, was the catalyst for us starting Code One," Cason acknowledged. "He was ready to get out and asked us if we wanted to buy his business. We changed the name and basically started over from scratch with

each of us taking responsibility for a segment of Code One. We all have our own roles, but we're all working for a common goal: to build a company that has a good reputation for customer service through quality work done on time and on budget."

Reputation helps in growth

That reputation is already well-established. In the three years that Code One Construction has been doing business, it's developed a long list of repeat customers who call on the company to provide full site packages that include everything from clearing and minor demolition to paving. Most of its work falls into the commercial building sector, with a small minority of municipal work.

"We have two divisions, grading and utilities," explained Stratman. "We break out services as needed, but our goal is to have those two divisions working on the same project as much as possible. The aim is for us to offer our customers one contractor that can handle the bulk of their site work. It's better for them because we can control the schedule, and they only have to deal with us.

"Our name is out there now," he continued. "We run into people all the time who have heard of us and have good things to say. It's nice to get positive feedback and know that our hard work and attention to detail are paying off."

Its reputation for quality work has helped Code One Construction triple in size since the three owners took over. Code One employs nearly 35 people, having kept some of the staff from its predecessor, including General Superintendent Jeff Pfundheller. Its employees are split among six utility crews and one grading crew.

(L-R) Operations Manager Randy Cason, Project Manager Denny Philips and Estimator Patrick Stratman own and operate Mesa-based Code One Construction. The company offers site packages and individual services to commercial clients and municipalities throughout the Phoenix area.



"We promote a family atmosphere, and we believe that's helped us in recruiting quality employees, even in a tight labor market," observed Philips. "Each employee is just as important to the success of the company as we are. They're a big part of the reason why we've grown and developed into more of a full-service company, and we're very proud of their efforts."

Adding equipment to meet demands

Also playing a major role in Code One Construction's ability to complete as many as 40 projects a year is reliable equipment, much of it Komatsu machinery purchased from Road Machinery LLC's Phoenix branch with the help of Account Manager Roger Cox. Recent acquisitions include a PC220LC-7 excavator and three WB146-5 backhoe loaders.

"The WB146s replaced some WB140s that we were using," pointed out Cason. "The WB146 upgrades are significant, especially the S-boom on the new machines. They have better visibility, plus they have great power for pushing material into the trench during backfilling. They also offer us a great deal of versatility because we equipped them so we can dig, backfill and compact. The operators really like running the WB146s, which is nice to hear and really validated our decision to go with them."

For larger and deeper excavations, Code One turns to the 53,350-pound PC220. "We bought it because it allows us to do most of our projects without having to go to a larger-size machine," reported Philips. "It has good reach, and even at deeper depths, it maintains its power. It also has good power for lifting pipe and tanks. Speed and fuel efficiency are good as well."

Code One also rents equipment and buys its parts from Road Machinery as needed. "Roger and Road Machinery have done a fantastic job for us," Stratman confirmed. "Even though we're a young company, they've treated us as if we've been a customer of theirs for decades, and we appreciate that."

Continue to get better

Cason, Stratman and Philips agree that Code One Construction will continue to grow, albeit at a slower pace.



Setting pipe is one of several tasks for which Code One Construction uses its Komatsu PC220LC-7 excavator. The company also digs trenches and compacts with the 53,350-pound machine.



Code One upgraded its backhoe fleet with three Komatsu WB146-5s. "They offer us a great deal of versatility because we equipped them so we can dig, backfill and compact," said Operations Manager Randy Cason.



(L-R) Code One Operations Manager Randy Cason, Project Manager Denny Philips, RML Account Manager Roger Cox and Code One Estimator Patrick Stratman meet at Code One's office. "Roger and Road Machinery have done a fantastic job for us," Stratman said. "Even though we're a young company, they treat us as if we've been a customer of theirs for decades."

"Much of our growth has been a result of the market exploding in this area," Stratman said. "In some ways, we were forced to get bigger. Now, we're looking at more of a controlled growth pattern. We want to really focus on our place in the market and how we can continue to get better at what we do." ■



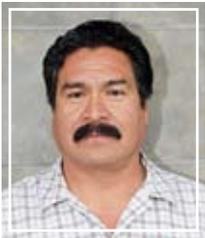
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A SALUTE TO A CUSTOMER

J'S PIPELINE CONSTRUCTION

California utility contractor keeps growing his strong family business



Jesus Rodriguez,
Owner



Maria Rodriguez,
Bookkeeper

When Jesus Rodriguez founded J's Pipeline Construction in 1995, the business consisted of himself and three family members. In the 12 years since, the number of employees has grown, but the family atmosphere has remained.

"The whole business was built by family and in a family environment," said Rodriguez. "Nearly everyone who works here is part of my immediate family or is an uncle or cousin. My brothers are part of the business and my brother-in-law. We're all related somehow, and I believe that's important because we're all working toward a common goal of success."

Rodriguez named the business after himself and the first names of his sons, Jesus Jr. and Juan. The younger Jesus is Foreman and Juan works part-time while going to college. Rodriguez's daughter, Maria, also attends college and does bookwork part time,

and his wife, Analia, works part time in the office as well.

The Ontario, Calif.-based company specializes in installing underground utilities throughout the metro Los Angeles area, covering Ventura, Riverside, San Bernardino and Orange counties. J's Pipeline's focus is on the municipal and commercial sectors of the construction marketplace, serving as a subcontractor on as many as 20 projects at once.

J's Pipeline offers its customers a full package of services that includes any necessary pavement removal, digging trenches, bedding, laying pipe, backfilling and pavement replacement.

"We narrowed our focus to putting in utilities because that's what we know best," said Rodriguez. "I've always had the idea to do one thing and do it well, and that's been our mission. By focusing our attention on one thing, we've become very good at what we do. Our customers see that and continue to call us back. The bulk of our work comes from word-of-mouth referrals and repeat customers."

Experienced staff

Keeping satisfied customers has been Rodriguez's goal since he started his business, after working for nearly 20 years for other construction companies as a laborer, equipment operator and foreman. His staff of nearly 30 employees brings a similar level of experience to each project the company does.

"Nearly everyone here has been in the construction industry a long time," Rodriguez noted. "They're essential to the company's success, and we certainly wouldn't be where we are without them. We all have the same

J's Pipeline workers install concrete storm pipe using a Komatsu PC200LC-7 at Westminster Junior High School in Westminster, Calif.



philosophy, which is to focus on three things: safety, quality and production, in that order.”

Versatile equipment

Rodriguez looks for similar attributes when buying equipment. Recent acquisitions include a Komatsu PC200LC-7 excavator and a WB146-5 backhoe loader, both purchased from Road Machinery LLC’s Perris, Calif., branch with the help of Account Manager Paul Moreno.

“Reliability is extremely important to me when it comes to equipment,” Rodriguez stated. “I have to know that it’s not going to cost me in downtime and repairs, and the Komatsu equipment has certainly delivered. We started buying Komatsu a little more than a year ago, after years of working with competitive brands. From what I’ve seen, we made the right decision.”

Part of that decision was based on the service he’s received from Road Machinery. “Paul and Road Machinery have been excellent to work with,” Rodriguez acknowledged. “We buy our parts and filters from Road Machinery, and they’ve responded to our needs very well.”

Rodriguez also appreciates the versatility the Komatsu machines offer. J’s Pipeline uses the 45,460-pound PC200LC-7 for deep digs and setting pipe, while employing the WB146-5 for a variety of uses.

“The machines offer us options, and that’s important in our business, where we’re constantly digging at varying depths,” reasoned Rodriguez. “We can use the WB146 for shallower digs, but we can also backfill with it and put a wheel on it for compaction. It helps us in tight spaces too, where we can’t fit a bigger machine.

“The PC200 lets us pick up where the backhoe leaves off and get deeper,” he continued. “What we really like is the speed and power in all applications. It will lift fairly large concrete pipe without a problem, which is something we do quite often.”

Carrying on the family business

Rodriguez expects the business to continue to grow at a steady pace with many years of



Using a Komatsu WB146-5 backhoe loader, Foreman Jesus Rodriguez Jr. digs a utility trench at the site of the new Rampart Police Station in downtown Los Angeles. “We use the WB146 for shallower digs, but we can also backfill with it and put a wheel on it for compaction,” said Owner Jesus Rodriguez. “It helps us in tight spaces too, where we can’t fit a bigger machine.”



J’s Pipeline Owner Jesus Rodriguez (left) and his daughter, Maria, meet with RML Account Manager Paul Moreno at the company’s office in Ontario, Calif. “Paul and Road Machinery have been excellent to work with,” reported Jesus. “We buy our parts and filters from Road Machinery, and they’ve responded to our needs very well.”



Jesus Rodriguez Jr.,
Foreman

work left in the Los Angeles area. While he doesn’t see himself retiring soon, he does see a changing of the guard on the horizon.

“Our children have indicated to me that they enjoy the business, and I can see them taking it over some day,” he said. “It makes me very happy to see how they’ve taken such an active interest. I would be very proud if they carried on the family business well into the future.” ■



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CUSTOMER SPOTLIGHT

ACE ASPHALT OF ARIZONA, INC.

Commercial paving company tackles major hospital project with help of new BOMAG 814-2 pavers

Successful businesses frequently grow and evolve from surprisingly humble beginnings. Any number of factors can play a part in transforming an upstart operation into a flourishing operation, but every success story seems to have one thing in common, the ability to find a specialized niche and to do it very well.

Few would guess from its name that Ace Asphalt of Arizona, Inc. was once a small Wisconsin pavement striping company called Parking Stripes, Inc. But that's precisely how the business began in 1966. Today, Ace Asphalt's specialty is commercial paving, but even more impressive is the broad repertoire of projects the company takes on. While Ace doesn't get involved with highway projects, almost everything else is fair game, from major site developments to small parking lot repairs.

Ace Asphalt's emphasis on commercial asphalt paving and other non-highway work appears to be what it does best. But the company's commitment to providing high-

quality service for every customer, large or small, may be the real difference contributing to its continued success. It is also a sign that despite its growth, Ace hasn't abandoned its modest roots.

The company's journey, which began in Wisconsin, was marked by gradually increasing sales over time, followed by expanded service offerings, such as asphalt patching and seal coating. The most extraordinary step in company history occurred in 1981, when its owners sold the local operations and formed today's existing company in Phoenix. To further capitalize on rapidly occurring growth in Arizona, they later added a branch in Tucson, and began providing earthwork and grading services as well.

Steady stream of projects

Today, Ace Asphalt's 400 employees complete 4,000 projects per year for total annual sales in excess of \$100 million, making it the largest parking lot contractor in Arizona and one of the largest in the United States. Its project portfolio is diverse and impressive, ranging from random patching jobs to construction of the proving grounds for auto manufacturers DaimlerChrysler and Volvo.

The company's steady stream of projects puts increased demand on both crews and equipment to keep up with the work load. Because approximately 75 percent of Ace Asphalt's projects involve paving, its paving equipment sees a lot of action. "One thing about our equipment is that it doesn't sit," said Tom Tuttle, Production General Manager and 12-year veteran of Ace Asphalt.

Ace's fleet is composed primarily of commercial-class pavers, with a few highway-

Ace Asphalt of Arizona, Inc. specializes in commercial paving, taking on projects that range in size from small parking lot repairs to major site developments.



class machines on hand for wide-open heavy production areas. In recent years, Ace Asphalt looked in a new direction for its equipment needs, searching specifically for a machine that would be an ideal complement to the company's commercial paving specialty. When it came time for the company to add new pavers to its arsenal, Ace consulted with Sales Representative Glenn Leighton at Road Machinery LLC's Phoenix branch. He recommended Ace Asphalt try out the new 814-2 mid-size self-propelled asphalt pavers from BOMAG.

"We checked out another company in town that was running a BOMAG paver," recalled Tuttle. "We were impressed, so we purchased a used 813 machine to try it out. We decided it was the way to go, so we ordered three brand-new 814-2 pavers." Ace's three new acquisitions were among the first of the model sold in the United States, bringing the total number of pavers in Ace's fleet to 13.

New pavers take on a big job

With a standard paving width of eight to 14 feet, the 814-2 is an ideal solution for the variety of commercial projects Ace Asphalt takes on. The company wasted no time putting its new BOMAG pavers to work, sending them to the construction site of the Mountain Vista Medical Center on a cleared stretch of desert terrain in Mesa, Ariz. Scheduled to open its doors this year, this new state-of-the-art, full-service hospital will hold 172 beds and have two connecting office buildings once complete.

Ace Asphalt was awarded a \$6 million contract for the job and began work on the site in August 2005. The company has made use of all its capabilities on the project, installing the underground utilities, including the storm-water and sewer systems, as well as handling all the grading and balancing of the site.

Few projects for Ace Asphalt are complete without a paving component, and the medical center job is no different. Like many new commercial building projects, Mountain Vista needs a parking area large enough to accommodate the sizeable volume of staff, patients and visitors certain to be frequenting the center daily.



Ace Asphalt operators use this new BOMAG 814-2 commercial paver to pave the parking lots at the Mountain Vista Medical Center in Mesa, Ariz. "We've been very pleased with this machine," said Ace Asphalt Production General Manager Tom Tuttle.

Although the overall scale of the parking project is large, it is actually a cluster of several smaller parking lots. As a result, the individual areas can only be effectively paved with a commercial-class paver. And due to the ongoing construction of the hospital building itself, Ace cannot complete the project all at once, but rather has to break it down into various phases.

The first phase of paving began in November 2005, when Ace Asphalt's paving crew brought the company's new 814-2 pavers to the jobsite. "We're typically running one or two of the BOMAG pavers at a time, depending on the area we have prepped," said Scott Phillips, Ace Asphalt's Project Manager for the Mountain Vista job.

Maneuverability is advantage

Specifications for the paving portion of the project call for more than 20,000 tons of asphalt to be put down. Despite the nuances and tight fits of the areas to be paved, Ace has been able to maintain its production goal of 500 tons per day on average. Because the 814-2 is only 12 feet long, the machine can pave its way into tight spaces, turn and pave its way out, all without stopping. "The BOMAG really allows us to get into corners and pull out the mat quite well," said Phillips.

With parking bays, light standards and other obstacles to negotiate, the pavers' maneuverability is not only a welcome advantage for Ace Asphalt, but also a necessary one. The BOMAG pavers' productivity has

Continued . . .



Versatile pavers yield impressive results

... continued

also proved to be a valuable benefit. The 814-2 features an 85-horsepower Cummins diesel engine, providing more power than typical commercial-class pavers. Additionally, a load-sensing hydraulic system on the machine only delivers power when necessary, making the paver as efficient as it is powerful.

"Normally we would use a compact paver to pull out parking bays and things of that nature, and then bring in the big paver to handle the roadways," said Tuttle. "But ever since we brought in the BOMAGs, we prefer to use them everywhere we can. In some instances we won't even start up the big machine or bring it to the job because it's simply more cost-effective to run the 814."

Maintenance advantages

Easier cleaning and maintenance also contribute to the machines' efficiency on the job.

The design of the 814-2 lets the operator raise the hopper bed to a clearance of six feet in only five minutes, allowing for quick, convenient cleaning when needed. According to Tuttle, other units Ace has used take much longer to open up and still don't provide enough clearance for a thorough cleaning. The company must take these pavers to a shop, where the front end literally has to be taken apart for cleaning.

"Our operators can clean the BOMAG pavers very easily themselves," reported Tuttle. "As far as the longevity of the units and avoiding breakdowns, they really appreciate that feature."

Thanks in part to the versatility of the pavers, Ace Asphalt has maintained its anticipated schedule throughout the various phases of the Mountain Vista project. The impressive results that the 814-2 has yielded for Ace even helped persuade the company to recently purchase three new BOMAG tandem-drum rollers.

More work ahead

Ace Asphalt's work on the hospital job will conclude when it paves the main ring running around the complex, a road that is remaining unpaved while a high volume of construction traffic continues to go in and out from the facility. Meanwhile, the new 814-2 pavers will have no trouble keeping busy as Ace's work load remains constant and strong.

"We've been very pleased with this machine," confirmed Tuttle. "It outperforms our other compact pavers and lays a very nice mat. It can do just about anything our bigger machines can do while producing a product that is just as good or even better than what we would get by switching back and forth between machines. And that doesn't even take the cost savings into account."

Some at Ace Asphalt had always believed that the differences between various pavers on the market were insignificant, and that the operator was the one to make or break a paving operation. But Ace's recent experiences with its new pavers have proven that an already successful and prosperous company can still find ways to improve the bottom line, one parking lot at a time. ■

With a length of only 12 feet, the BOMAG 814-2 allows Ace Asphalt to maneuver into tight spaces, letting operators easily navigate around parking bays, light standards and other obstacles.





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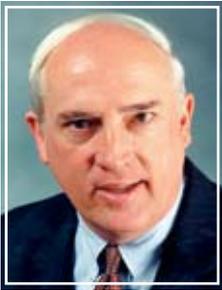
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CRITICAL COMMERCE CORRIDORS

ARTBA proposes new highway program to move freight more efficiently in future years



Pete Ruane, President, American Road & Transportation Builders Association (ARTBA)

ARTBA is proposing a new federal program to improve freight transportation by strategically linking and upgrading ports, airports, border crossings and rail networks — and separating commercial traffic from passenger vehicles where possible.

The development of a national strategy to improve the efficient movement of freight is critical to future U.S. economic productivity and should be a top priority for federal policymakers charged with writing the next highway and transit reauthorization bill in 2009. That's the message American Road & Transportation Builders Association (ARTBA) President Pete Ruane delivered at a recent U.S. Chamber of Commerce Foundation conference.

Ruane cited a Federal Highway Administration (FHWA) report showing that freight bottlenecks are causing trucks more than 243 million hours of delay annually, at a cost of nearly \$8 billion. "If the U.S. economy grows at a conservative annual rate of 2.5 to 3 percent over the next 20 years, domestic freight tonnage will almost double and the volume of freight moving through the largest international gateways may triple or quadruple," the FHWA report says. "Without new strategies to increase capacity, congestion at freight bottlenecks on

highways may impose an unacceptably high cost on the nation's economy."

Plan addresses future needs

In his remarks, Ruane outlined a two-part plan approved by the ARTBA Board of Directors that is aimed at addressing the nation's future surface-transportation needs. Part one of the plan is to continue the current highway and transit programs, but with better funding to address future safety and mobility priorities.

Part two of the plan establishes a new federal government program called the "Critical Commerce Corridors (3C) Program." Funded by freight-related user fees, it would improve U.S. freight movement and emergency response capabilities. The program would strategically link and upgrade the nation's major water ports, airports, border crossings and rail networks with national intermodal freight transfer centers. Where possible, the network would separate commercial traffic from passenger vehicles.

The scheduled 2009 reauthorization of the highway and transit investment law (SAFETEA-LU) provides a meaningful opportunity for Congress to develop a national freight strategy and allow the U.S. Department of Transportation to assume the lead role in identifying and defining a "Critical Commerce Corridors" system, according to Ruane.

"The result of this initiative would be a clear and focused strategy directed at the growing dilemma of efficiently moving freight," Ruane said. "This challenge is about more than congestion, bottlenecks and delayed deliveries. It is about securing America's place in the global competitive market. The American people and business community deserve nothing less." ■



NEW PRODUCTS

NEW “GO-TO” LARGE EXCAVATOR

The PC800LC-8 is bigger, faster and more fuel-efficient than its predecessor

For large earthmoving jobs, as well as heavy underground utility projects, the Komatsu PC800LC-8 is the new “go-to” machine. The PC800LC-8, which meets Tier 3 emissions-reduction standards, has replaced the PC750LC-7 in Komatsu’s excavator lineup.

Weighing in at more than 180,000 pounds, the PC800LC-8 is several thousand pounds heavier than its predecessor and has a faster cycle time.

“The additional weight gives the PC800 improved lift capacity and over-the-side stability, which makes it ideal for lifting and placing heavy pipe,” said Komatsu Hydraulic Excavator Product Manager Peter Robson. “The improved cycle time was achieved with a quick arm-return circuit and a faster bucket dump. The result is greater productivity in truck loading.”

Like all Dash-8 excavators, the PC800 delivers outstanding fuel economy, especially when run in the Economy working mode. The machine also has a Heavy Lift mode which delivers 10 percent more lifting force on the boom whenever it’s needed.

The KOMTRAX monitoring system is standard equipment on the PC800LC-8, which also has a hydraulic fan with a Reverse mode that operators can activate through the monitor panel to help clean the radiator when operating in particularly dusty conditions.

King of the hill

The PC800LC-8 has 487 net horsepower, which is 7 percent more than the PC750LC-7.

“That’s nice, but an excavator is not like a dozer or a truck where you need raw horsepower to pull up a hill,” Robson explained. “With an

excavator, it’s all about how fast you can dig, and top digging performance is achieved through precise engine and hydraulic management, not higher horsepower. If you can use less horsepower to get the production you need, you’re king of the hill. And that’s what we’ve done with the PC800LC-8. We’ve developed a machine that digs faster but uses less fuel.”

Robson says the PC800LC-8 features the durability and reliability that Komatsu excavators are known for, and is also a very smooth machine that operators will appreciate because it handles like a much smaller excavator. ■

For more information on the PC800LC-8, contact your sales representative, or call our nearest branch location.



Peter Robson,
Komatsu Hydraulic
Excavators Product
Manager

Brief Specs on Komatsu PC800LC-8

Model	Flywheel horsepower	Operating weight	Bucket capacity
PC800LC-8	487 hp	182,980 lbs.	2.23-5.93 cu. yd.

If you're looking for a large excavator that digs faster and uses less fuel, the new Komatsu PC800LC-8 is the answer. The massive 487-horsepower machine delivers outstanding fuel economy and 10 percent more lifting force in the Heavy Lift mode.





100% responsive
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Here are three excellent examples of wheel loaders engineered to work in harmony with the operator. The WA200-5, WA250-5 and WA320-5 feature Komatsu's electronically controlled Hydrostatic Transmission (HST) for smooth, precise power when digging, loading or moving material on your site.

- HST delivers high efficiency and maximum power.
- Fully automatic shifting lets the operator focus on the task at hand with the right balance of hydraulic response and travel speed.
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MORE NEW PRODUCTS

NEW WHEEL LOADER

Mid-size WA430-6 offers better production at a lower cost

Like most equipment users, you're probably looking for a way to lower your fuel costs while maintaining or improving productivity. Komatsu's new WA430-6 wheel loader delivers on both counts.

The WA430-6 replaces the WA400-5 in Komatsu's wheel loader lineup. Like Komatsu's other Dash-6 models (WA380, WA450, WA480, WA500 and WA600), the WA430-6 is powered by an ecot3, Tier 3-compliant engine.

"We've seen significant production and fuel-efficiency increases with the WA430-6 compared to its predecessor," said Rob Warden, Komatsu Wheel Loaders Product Manager. "For example, this machine can use up to 15 percent less fuel to do the same amount of work. Like the other Dash-6 models, it has a large-capacity torque converter, so the user will have a lot of power going up a hill and greater rimpull going into a pile. It also has 21 percent more breakout force than the WA400-5."

The WA430-6 comes standard with a variable-displacement piston pump that works in combination with Komatsu's Closed-center Load Sensing System (CLSS) to deliver only the necessary amount of flow needed for hydraulic function. The design prevents wasted hydraulic flow, which in turn provides better fuel economy.

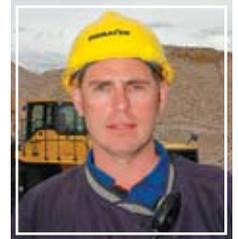
Pick the best mode

Fuel efficiency and power are enhanced through several operation modes, including the "E" (Economy) mode for general loading. An automatic transmission with an "Auto Low" mode is used for low-engine-speed operations, and a "P" (Power) mode gives the WA430-6 maximum digging power. An

"Eco" indicator informs the operator when the machine is maximizing fuel efficiency.

Tracking utilization and machine condition is easy with the KOMTRAX equipment monitoring system that comes standard on the WA430-6. The system allows users to monitor machine location, meter reading and error codes, as well as a host of other information.

"The WA400-5 was a great machine, so we took its basics and made it better with the WA430-6," explained Warden. "We believe this machine, like our other Dash-6 models, is an industry leader that will improve performance in a wide range of applications." ■



Rob Warden,
Product Manager

Comparative Specs for the Komatsu WA430-6

Model	Output	Bucket Capacity	Breakout Force
WA400-5	200 hp	4.1-5.6 cu. yds.	33,290 lbs.
WA430-6	231 hp	4.1-5.6 cu. yds.	40,333 lbs.

Komatsu's new WA430-6 wheel loader, which replaces the WA400-5, provides increased production and fuel efficiency compared to its predecessor. A large-capacity torque converter gives added power for hill climbing and greater rimpull going into a pile.





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- Standard two-speed transmission makes short work of load and carry operations.
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NEW UTILITY PRODUCTS

NEW BACKHOE LOADER

Komatsu's WB142-5 offers excellent productivity in an economical package

Owners looking for a solid backhoe loader that's economical, yet powerful enough to tackle a variety of tasks can turn to Komatsu's new WB142-5.

"The WB142-5 is the fifth model in an outstanding line of backhoe loaders from Komatsu," said Jeff Aubrey, Product Manager Backhoe Loaders. "It's aimed at the cost-conscious buyer who wants a machine with lots of performance in a simple package. Therefore, it's priced lower than our high-spec deluxe models. It's what we call an 'entry-level' backhoe loader, but it has many of the same design features of its big brother, the WB146-5."

High production

Production in both loader and backhoe applications is driven by a Komatsu 76-net-horsepower diesel engine that's housed in a heavy-duty, cast nose guard, which provides integral counterweight and front protection to the engine. Standard four-wheel drive lets operators work on days when other machines are parked.

Unlike many units in its class, the WB142-5 features a high-output (37 gpm), tandem-gear-pump hydraulic system designed for maximum speed, power and control. It even has two settings for the loader and the backhoe, so the operator can choose between maximum performance and maximum fuel economy.

Roomy work station

Komatsu kept the operator in mind with the new WB142-5, which features a state-of-the-art interior that's rugged, yet elegant. A suspension seat provides a comfortable fit for any size operator. The ROPS/FOPS canopy has a true dual-entry platform. Controls, switches and

gauges are clustered to simplify operation and visibility.

A corner-mounted exhaust allows the operator a full 360-degree unobstructed view, including a clear look at the loader bucket, even at maximum height. Komatsu's new S-boom design is narrow, providing better visibility in both the trench and in loading trucks.

The operator may choose from either Power or Economy mode when using the 14-foot-class backhoe. A one-cubic-yard loader bucket with a bolt-on cutting edge is standard, as are reversible stabilizer pads.

A pleasure to own

Daily service checks are simple. Just raise the one-piece, tilting hood, and all daily checks are grouped on the left side of the engine. Grease points are conveniently located and fuel filling is at ground level. There's also a standard lockable tool box. And like all Komatsu machines, the WB142-5 uses O-ring face-seal hydraulic fittings for leak-free operation. ■

Brief specs on the WB142-5

Model
WB142-5

Output
76 hp

Operating Weight
14,513 lbs.

Bucket Capacity
1.0 cu. yd. (loader)

Komatsu's new WB142-5 offers many of the same benefits as larger Komatsu backhoe loader models — operator comfort, high value, high productivity, ease of service and security.





DOZERS

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NEW QUARRY PRODUCTS

HD785-7

Komatsu's new haul truck features advantages designed to lower users' cost per ton

Part of any efficient quarry operation involves moving materials quickly from the ground to the crusher at the lowest cost per ton possible. Komatsu's new HD785-7 haul truck was designed with maximum efficiency in mind to help you move more material faster with less fuel consumption.

"More and more quarries are going to larger-capacity haul trucks, such as the 100-ton HD785-7," said Tom Stedman, Marketing Manager - Mining Trucks. "It has the tightest turning radius of any truck in its class. In quarry operations, where space is often limited, that's a big advantage."

The HD785-7 has several other features that make it advantageous, including a high-performance engine that delivers nearly 10 percent more horsepower than its predecessor, the HD785-5. Variable Horsepower Control (VHPC) allows selection of two modes, Power and Economy, which can be set according to working conditions. In either mode, the VHPC system detects whether the truck is loaded or empty and selects the optimum horsepower for production and fuel efficiency.

Tracking fuel efficiency and maintenance is easy with the Vehicle Health Management System (VHMS), a fully integrated system that collects data throughout the truck. "It's a great tool for looking at long-term trends," said Stedman. "VHMS provides data gathered from all areas of the truck, including pressures, temperatures and speeds, to name just a few. Customers can use this information to customize their maintenance programs accordingly."

All-wheel, wet-disc brakes

Komatsu worked to lower maintenance costs with the addition of all-wheel, wet-disc brakes. Each brake is fully sealed to keep contaminants

out, reduce wear, and require no adjustments. "They are much more efficient than dry-disc brakes," Stedman noted. "Over the long haul, they're going to save the user quite a bit."

An Automatic Retard Speed Control (ARSC) utilizes a large-capacity retarder that allows operators to set downhill travel speed at a constant level, so the operator can concentrate on steering. "It's like cruise control for downhill operation," explained Stedman. "When the operator reaches the speed he's comfortable with, he activates the system with the push of a button, and the truck will maintain that speed. It's very good for areas where there are long downhill hauls.

"The ultimate goal of the new HD785-7 is to save the user time and money," he added. "With more horsepower and lower fuel consumption, the cost per ton is fantastic. We'll be bringing these features to more of our haul trucks in the future." ■



Tom Stedman,
Marketing Manager
Mining Trucks

Komatsu's new 785-7 100-ton haul truck offers 10 percent more horsepower than its predecessor, while lowering fuel consumption. Additional features include all-wheel, wet-disc brakes, Variable Horsepower Control and a Vehicle Health Management System.

Brief specs on the Komatsu HD785-7

Model	Capacity	Net Horsepower	Vehicle Weight
785-7	100 tons	1,178	366,000 lbs.





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INDUSTRY OUTLOOK

LONG HOURS AND SAFETY

New study indicates working overtime is not a major health or safety issue

There has long been a perception that working more than 40 hours per week adversely affects the health and safety of workers. There were even some research studies indicating that was the case. But now, a new study shows the connection between working overtime and experiencing safety and health problems might be overstated.

The study, published recently in the *Journal of Occupational and Environmental Medicine*, found that people who work very long hours do indeed have an increased likelihood of health and safety problems — however, it also found that other factors, such as previous health problems, actually have a much stronger effect on overall worker health, safety and productivity.

“Our results challenge the assumption that each hour of work above 40 hours steadily increases health and safety risks and reduces productivity,” said Allen Harris Jr., Ph.D., lead author of the report. “In fact, no adverse effects were found until the 60-hour-per-week mark.”

Even when workers reached the 60-hour-per-week mark, Allen noted that “the effects were limited to an increased risk of workers’ compensation episodes for hourly female employees with a history of workers’ comp episodes, and to an increased risk of new musculoskeletal diagnoses for older workers.” People not in those categories did not show any added risk.

More emphasis on prior health

The study was based on a sample of nearly 2,800 people who work at a heavy manufacturing company. Presumably, the results are also applicable for other industries, including construction, where long hours are often the norm.

According to the researchers, moderate overtime (48-59 hours per week) had no bearing on employee health and safety, regardless of their job or demographic characteristics.

“Although work hours are a factor, they should be considered alongside previous health and other factors that comprise the larger context within which employee health, productivity and safety outcomes are determined,” said William Bunn, M.D., co-author of the report. “On both the research and policy fronts, more emphasis needs to be focused on prior health and other antecedents to the number of hours worked that better predict employee safety, lost productivity and future health.” ■

It has long been speculated that working long hours, which is not unusual in the construction industry, might negatively impact the health and safety of workers.

However, a recent study by Allan Harris Jr., Ph.D., and William Bunn, M.D., indicates that may not be the case.

Today’s advanced equipment, such as this Komatsu excavator, is specifically designed for operator safety and comfort, which also makes construction safer.



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KOMATSU & YOU

CONTINUOUS IMPROVEMENT

Serving customers better is the goal of V.P./General Manager of Construction Division

QUESTION: As someone relatively new to Komatsu, what are your initial thoughts on what the company does best?

ANSWER: As one of my former bosses used to say, "Product is King," and one of the things I've learned is that Komatsu products are excellent. We make very high-quality, technologically advanced equipment that's productive and reliable. We believe our products provide the best value in the industry when you take into account the performance, the uptime, the longevity and what you'll get in resale or trade-in.

QUESTION: At the other end of the spectrum, where does Komatsu need to improve?

ANSWER: The biggest thing is product support. Certainly, that's not unique to Komatsu. Probably every equipment manufacturer and every equipment dealer in the country would say they want to improve product support because that's where you create customer loyalty. From what people tell me, Komatsu has improved in that area in recent years. I believe we're doing a good job supporting our product now, but we're still not as good as we want to be or need to be. Our goal is continuous improvement that results in ever greater customer satisfaction.

QUESTION: What steps is Komatsu taking to improve the level of support?

ANSWER: The Komatsu Training and Demonstration Center in Cartersville, Ga., is a good example of a step we've taken to improve the quality of service we provide. It's a state-of-the-art facility that offers training for distributors' technicians, their in-house trainers and their customers. On the parts side of the

Continued . . .



Greg Hewitt,
V.P./General Manager Construction Division,
Komatsu America Corp.

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.

A native of Knoxville, Tenn., Greg Hewitt graduated from the University of Tennessee with a business degree, then joined the Maytag Company. Unlike the Maytag repairman of TV commercial fame, Greg was never the loneliest guy in the world while at Maytag. He spent 17 years there, where he earned an MBA and held a variety of increasingly important jobs. He left Maytag in 2004 to join Textron, a large multi-industry company, as Executive Vice President of the Jacobsen (professional mowers) Division.

Last November, Greg was recruited by Komatsu America Corp. to become V.P. and General Manager of the Construction Division. It's a new position in which Hewitt oversees all activities associated with planning, operations, selling and servicing Komatsu's construction-size equipment line, which consists of D31 to D275 dozers; PC120 to PC1250 excavators; WA150 to WA700 wheel loaders; GD555 to GD675 motor graders; articulated trucks; and rigid trucks less than 715 hp.

"Even though I had never worked in heavy equipment manufacturing, I knew Komatsu was a great company and that this was a great opportunity," said Hewitt. "Having been here for a while now, I'm even more excited about the prospects. One of Komatsu's strengths is a product that, in my opinion, across-the-board, is equal or superior to anything else out there. Our goal is to build on that strength to deliver an unprecedented level of satisfaction to customers."

Hewitt is married with two daughters, ages 8 and 12. "My work days can be fairly long. When I'm away from the job, I enjoy investing time with family, staying in shape, reading and traveling."

Komatsu to introduce new, small dozer line

... continued

support equation, we continue to open Regional Parts Depots to ensure that our distributors can get same-day or early next-morning delivery of virtually any part. We now have a fill rate in the high 90th percentile, which we'll put up against anybody in the world.

QUESTION: Product-wise, what should Komatsu customers be excited about this year?

Komatsu's focus on product support places an emphasis on training. The company's state-of-the-art Training and Demonstration Center in Cartersville, Ga., provides training for distributors' technicians and in-house trainers as well as customers.



To augment its larger dozer line, which includes machines such as this D155AX, Komatsu plans to introduce a new line of small dozers in 2007.

With a wide range of equipment from large mining machines to compact utility equipment, Komatsu produces high-quality, technologically advanced equipment that's productive and reliable. "We believe it's the best value in the industry," stated Greg Hewitt, V.P./General Manager Construction Division, Komatsu America Corp.



ANSWER: Our big launch in 2007 is a new, small dozer line (machines roughly in the 75- to 125-horsepower range). We believe our current Komstat dozers are excellent — highly productive and reliable — and that the new models will be best-in-class by a large margin.

QUESTION: If you had one-on-one time with a contractor who's trying to choose between a Komatsu machine and another leading brand, what would you tell him to convince him to buy Komatsu?

ANSWER: I would just give him the facts. Fact number one: if production is important, examine horsepower, digging speed, capacity, fuel efficiency, reliability — all of those things. Shop and compare. In most cases, we're going to come out on top. Fact number two: do some research on resale value. Due in part to our commitment to R&D and engineering, our machines last a long time and hold their value better than the competition. Fact number three: look at the big picture. We're a \$16 billion global company. With Komatsu and our distributors, you get the kind of cradle-to-grave total support that only the largest of companies can provide.

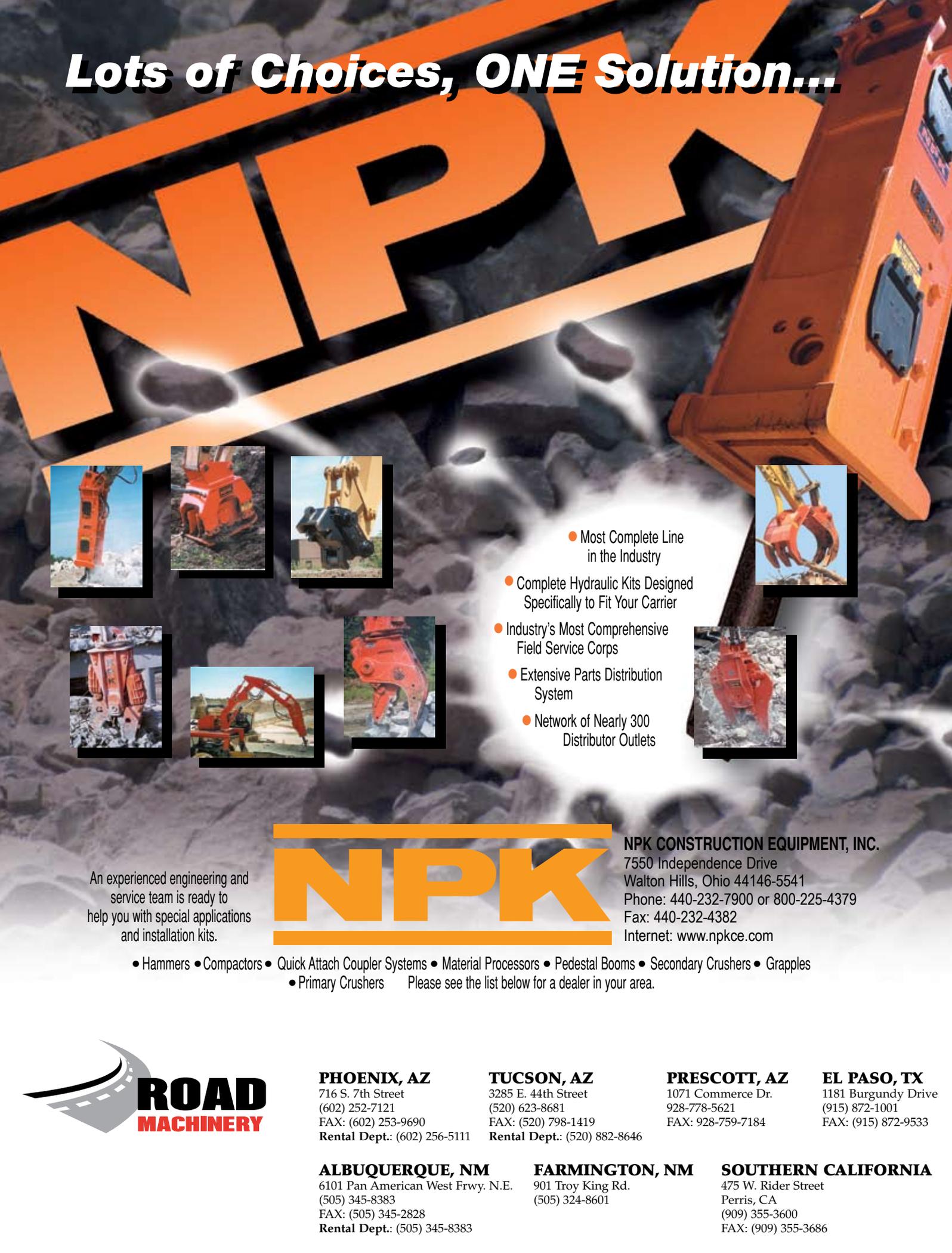
Lastly, I'd tell him to look for the best value. If he studies the machine owning and operating costs, we feel confident that Komatsu will be the choice more times than not.

QUESTION: What is Komatsu expecting from the construction economy this year?

ANSWER: We're fairly positive about the construction market. As everybody knows, housing is down, but everything else is holding its own. The overall industry forecast is for about a mid- to high-single-digit decrease in the total number of units sold this year. On the face of it, that doesn't sound great, but when you consider we're coming off a couple of all-time-record years, it's really not bad at all.

And frankly, at Komatsu, we think there's a potential for us to grow our business even in a slightly slower market. In the overheated environment we've been in, some manufacturers did well largely because they had inventory available. Now, with inventory more plentiful, customers will probably do more shopping around looking for the best value. We welcome that environment as an opportunity to prove our worth to an equipment user. ■

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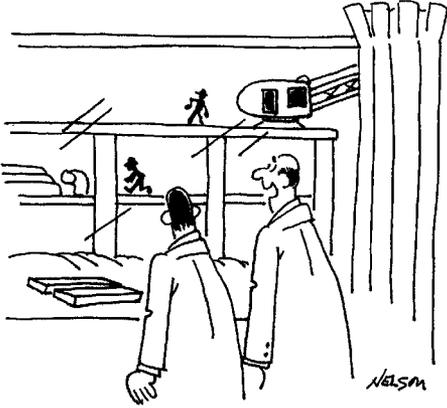
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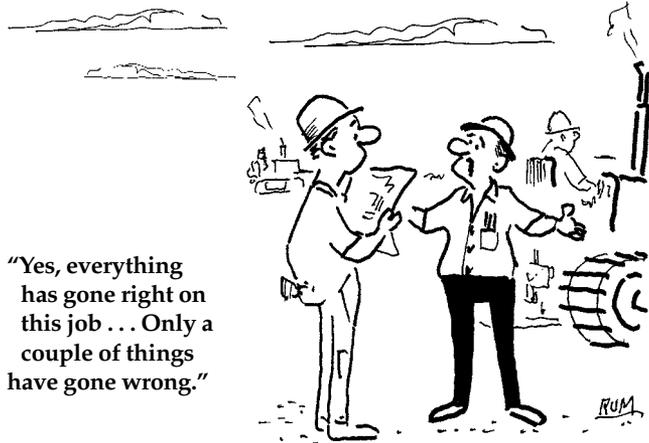
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ON THE LIGHT SIDE



"Costs are up, profits are down . . . but as an industry, we're still booming."



"Yes, everything has gone right on this job . . . Only a couple of things have gone wrong."



"Take good care of that old dozer. It's made a lot of money for me . . . I used its serial number to win the lottery."



"So the safety rules really are carved in stone."



"No, it's not a new requirement that we camouflage the machine in its natural environment."



"This isn't a new repair manual. It's an encyclopedia . . . I'm using my breaks to study for the 'Millionaire' show."

INDUSTRY NEWS

Small business health insurance being studied

The House Small Business Committee recently held a hearing on the state of healthcare for small business. The committee acknowledged that rising healthcare costs are one of the biggest concerns for small businesses, and that fewer entrepreneurs are able to provide adequate health insurance to their employees.

According to the committee, of the 46 million uninsured Americans, more than half live in a household headed by a small-business owner or employee. While most businesses that employ more than 200 provide health insurance to their employees, less than half of small-business employers offer coverage.

As House Small Business Committee Chairman Nydia Velázquez (D-NY) noted, "The high cost of healthcare is a serious

obstacle for small businesses that are trying to compete in the global marketplace. We know small firms pay more per employee to provide health insurance than large firms and that many of our nation's main job creators simply cannot afford it. Meaningful reform that addresses these concerns is a necessity, and this committee will be working to find a solution to this ongoing crisis."

Possible solutions to the problem include changing the tax treatment of health insurance, exploring reinsurance options, and expanding pooling options available to small businesses. A recent AED survey shows that members believe Congress should enact legislation to reduce small-business insurance costs, thus helping members provide health insurance to their employees. ■

This article appeared in AED's (Associated Equipment Distributors) "Washington Insights" newsletter



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PRODUCTIVITY POINTERS

THE KOMTRAX ADVANTAGE

How Komatsu's wireless equipment-monitoring system can help you improve productivity



Ken Calvert,
Director of IT Support



Chris Wasik,
Manager of Service
Support Programs

For more information on how KOMTRAX can work for you, contact our service department today.

By using all the capabilities of KOMTRAX, machine owners can improve field productivity and improve profitability.

Chances are you've heard of KOMTRAX, Komatsu's wireless system that allows you to monitor your equipment from your office computer or laptop. You may know it provides basic information, such as where a machine is and how many hours are on it, which is useful if a machine is stolen, and for service and maintenance. What you may not realize is that the new version of KOMTRAX can also be an extremely useful tool in improving your field productivity.

"Customers who use the full-range of KOMTRAX services have a distinct advantage over those who don't. It's really that simple," said Ken Calvert, Komatsu Director of IT Support. "How? By providing details on asset utilization. How many of your machines are actually working at any given time? Do you need more machines, or could you get by with fewer? Is a machine working or idling? Is it being run in Power mode or Economy mode; and if it's full power, is that really necessary or

is it a waste of fuel? These are all money matters that directly impact a contractor's bottom line."

"Of course, KOMTRAX is also still a valuable tool for scheduled maintenance and helping implement a repair-before-failure program for major components," added Chris Wasik, Manager of Service Support Programs for Komatsu. "But we believe KOMTRAX's operational information will help a contractor improve efficiencies, availability and profit."

The KOMTRAX difference

Komatsu is so convinced that wireless equipment monitoring is a true difference maker for equipment users that it's taken unprecedented steps to make the system available, affordable and user-friendly. These steps include:

- Factory installing KOMTRAX as standard equipment on almost every new Komatsu machine, and making it totally free for five years (top competitors charge more than \$2,000 for the hardware and installation, then also charge a monthly communication fee);
- Having a team of Komatsu and distributor personnel dedicated solely to monitoring KOMTRAX, and communicating with customers to help them keep costs and downtime to a minimum;
- Making the information easy to use and understand, including, in the not-too-distant-future, communicating KOMTRAX info to customers via e-mail.

"Right now, thousands of KOMTRAX-equipped machines are out in the field, but only a small percentage of customers actually use the data," observed Calvert. "We want to increase that number because we're convinced Komatsu customers who use KOMTRAX properly will be more productive and more profitable." ■





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DISTRIBUTOR CERTIFIED

STRENGTH IN NUMBERS

How customers benefit from the growth of Komatsu's Certified Used equipment program



For more information on Komatsu Distributor Certified used equipment, call our sales office today.

Back in 1999, Komatsu started certifying used equipment so buyers would know exactly what they were getting when they bought a Komatsu used machine. No more guesswork. No more hoping you're getting a good deal, but fearing you might be buying somebody else's problem. With Komatsu's Certified Used equipment program, you could buy used with confidence.

The program started with just a handful of distributor technician-evaluators trained to inspect used machines. Today, there are more than 600 such certified inspectors.

"The growth of the program and the growth of the number of trained evaluators is significant because it ensures a high level of

consistency from coast-to-coast," said Komatsu Director of ReMarketing Lee Haak. "All of our technician-evaluators are trained to the same standards and certified by the same person, Komatsu ReMarketing Training Manager Alan Christensen. They all use the same worksheet and the same criteria. Wherever you are in North America, if you buy a Komatsu Distributor Certified used machine, you're assured of what you're getting and of what the machine is going to do."

Full disclosure

The Distributor Certified evaluation process includes diagnostic tests and covers all essential aspects of machine operation, from the engine, drive train and hydraulics to the undercarriage, work equipment and electrical system.

"The inspection and resulting rating basically constitute a 'full disclosure' report to the buyer of that piece of equipment," explained Christensen. "We're providing honest, straight-forward and factual information. Sometimes, when we find issues, we repair them. But mostly, we're here to give a true assessment of a used machine's status."

The inspection/assessment is something each evaluator takes very seriously, according to Christensen. "The evaluator's name is on that report. By signing it, he is, in essence, looking the salesman in the eye and saying, 'You can tell your customer he can buy this with confidence because I've given it a thorough inspection.' It's like his own personal seal of approval."

Because of the rigorous inspection, Komatsu distributors are willing to stand firmly behind the product, which is also often eligible for extended warranties and special rates from Komatsu Financial. ■

(Right) Following about five hours of classroom training, technicians are critiqued on their practice evaluations.



(Below) Komatsu ReMarketing Training Manager Alan Christensen conducts a training session at a Komatsu distributor.





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USED EQUIPMENT FOR SALE

HYDRAULIC EXCAVATORS

YEAR	MAKE	MODEL	HRS	EQUIP#	PRICE
2005	KOMATSU	PC750LC-7	1,124	9293	\$543,000
2005	KOMATSU	PC450LC-7	1,744	9593	\$310,500
2005	KOMATSU	PC400LC-7	<2,800	2 UNITS	\$289,500
2005	KOMATSU	PC400LC-7	3,130	11162	\$282,500
2005	KOMATSU	PC400LCSE-7	2,146	9267	\$289,500
2005	KOMATSU	PC400LC-7	2,932	9883	\$275,000
2005	KOMATSU	PC300LC-7	<1,000	2 UNITS	\$209,000
2005	KOMATSU	PC300LC-7	<1,300	2 UNITS	\$209,000
2005	KOMATSU	PC300LC-7	<1,200	2 UNITS	\$209,500
2004	KOMATSU	PC228US-3	920	10866	\$129,900
2003	KOMATSU	PC228US-3	2,389	10865	\$99,500
2006	KOMATSU	PC220-8	331	10869	\$149,000
2006	KOMATSU	PC200-8	550	11167	\$134,900
2005	KOMATSU	PC200LC-7	875	11166	\$124,500
2004	KOMATSU	PC200-7	<1,100	2 UNITS	\$114,500
2005	KOMATSU	PC200LC-7	35	10870	\$134,900
2005	KOMATSU	PC200LC-7	<1,200	4 UNITS	\$129,500
2005	KOMATSU	PC200LC-7	1,085	9592	\$124,691
2005	KOMATSU	PC200LC-7	1,224	9449	\$131,541
2005	KOMATSU	PC200LC-7	905	9448	\$128,751
2004	KOMATSU	PC200-7	2,156	10864	\$97,500
2003	KOMATSU	PC200-7	1,681	9233	\$107,500
2002	KOMATSU	PC128US-2	1,963	9796	\$74,500
2000	KOMATSU	PC128US-2	132	8616	\$59,000

WHEEL LOADERS

2005	KOMATSU	WA500-3	62	9622	\$315,000
2006	KOMATSU	WA470-5	<1,000	2 UNITS	\$265,000
2005	KOMATSU	WA470-5	336	9594	\$265,000
2003	KOMATSU	WA450-5	1,366	10759	\$114,500
2006	KOMATSU	WA380-5	<1,000	4 UNITS	\$189,500
2003	KOMATSU	WA380-5	<5,000	2 UNITS	\$124,900
2003	KOMATSU	WA380-5	5,016	8584	\$110,000
1998	KOMATSU	WA380-3	7,237	9569	\$89,000
2006	KOMATSU	WA320-5	45	10862	\$139,000
2000	KOMATSU	WA320-3MC	<4,000	2 UNITS	\$89,000
2003	KOMATSU	WA250-5PT	8,630	10772	\$65,000
2003	KOMATSU	WA180PT-3MC	6,337	10858	\$59,900
2005	KOMATSU	WA100-5	335	10757	\$69,500
1997	CAT	966F II	14,354	10398	\$115,000

MISCELLANEOUS

2005	KOMATSU	BR550JG-1	1,573	9439	\$435,000
2005	KOMATSU	D65EX-15	2,499	10976	\$154,500
1973	KOMATSU	D20	2,152	10505	\$5,000
2005	HYPAC	C766C	263	7638	\$75,000

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