

# ROAD TO SUCCESS

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A PUBLICATION FOR AND ABOUT ROAD MACHINERY LLC CUSTOMERS



## ARIZONA SPECIALTY DEMOLITION

Phoenix contractor ramps up volume  
with addition of site demolition

(L-R) Arizona Specialty Demolition's management team includes Field Manager Nick Hoey, Estimator/Project Manager Brian Bailey, Vice President Chad VanMoorlehem, Controller Kelly Collier and President John Estrada. Collier and Estrada founded the Phoenix-based company in 2010.

## RECON

This environmental contractor is making  
great strides in final reclamation  
of McKinley Mine



Collin Olie,  
Project Manager

**KOMATSU**

# A MESSAGE FROM

# THE PRESIDENT & COO



Dear Valued Customer:

The construction sector continues to strengthen, although it's not growing as quickly as most of us would like. During the first half of the year, non-residential starts were up 2.4 percent, compared to the same period last year, led by heavy-engineering work that saw a 13-percent gain. Commercial starts remained down, compared to the previous year, but came back strong in the summer. Based on history, housing is only about half of what it should be, according to Reed Construction Data, which reported that may soon change for the better. Why? Because the Federal Reserve's bond-buying program ended, and interest rates are expected to rise by next summer. When that happens, usually those sitting on the sidelines jump into the market and buy houses before rates significantly climb. In turn, that boosts sales of retail items such as furniture and appliances.

A rise in housing starts would obviously be good news for the construction industry, and that growth could include new development work, which typically leads to increased commercial and other types of construction. That potentially means moving mass amounts of material, and if that's your forte, Komatsu has new Tier 4 Final machines designed to do it more efficiently. You can read about some of those new machines in this issue of your Road To Success magazine.

Among the new Komatsu Tier 4 Final machines is the PC490LC-11 excavator, which maintained the powerful lifting capacity and stability of the Dash-10 model, and features lower emissions and enhancements that maximize productivity, serviceability and fuel economy. It has all the same great benefits of its predecessor but offers reduced owning and operating costs. You'll find similar attributes in the new D155AX-8, even with an increase in operating weight.

Other new products include the WA200-7, which delivers the benefits of previous standard- and PZ-model wheel loaders in one machine. For those who work in the woods, Komatsu has two harvesting heads for greater logging capacity and efficiency.

If you are in the market for any of these products and financing is something you are interested in, we can help with that. Komatsu Financial offers several ways to help you acquire machinery and will even work with you to finance repairs. If you want to learn more about Komatsu Financial, I encourage you to read the Komatsu & You article.

Whether you need parts, service, equipment or financing, please call or stop by one of our branch locations today.

Sincerely,  
ROAD MACHINERY LLC

Dan Roush  
President & COO

**New machines  
are only one  
part of our  
offerings**



# ROAD To SUCCESS

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# RECON

## Environmental contractor making great strides in final reclamation of McKinley Mine



▶ VIDEO

Collin Olie,  
Project Manager

For nearly 50 years, McKinley Mine near Gallup, N.M., supplied low-sulphur coal for energy consumption throughout the Southwestern United States.

McKinley Mine's operations began in 1962 and were shut down in 2009; however, initial reclamation began in 1980 and was ongoing during the mine's operation. Remedial Construction Services, L.P. (RECON) is currently working to finalize the task that will bring the McKinley Mine relatively close to its original elevation and back to its original contours. RECON Project Manager Collin Olie estimated that RECON will have moved about a half million yards of earth during the process.

"Our work involves two steps, and we're close to the end of the first, which involves bringing the mine back to its original contours and within 10 feet of the original elevations," explained Olie. "That's primarily done in bulk excavation using materials on the property to balance the site. I like to think of it as moving mountains. The mine pushed through them to get to the coal,

and our task is to rebuild them. Additionally, we're constructing drainage channels and ponds, installing erosion control and seeding with a native mix. We have a full-time engineering group that ensures everything is done properly.

"Once that's done, the next phase is maintenance, which will be handled by a small standby crew, whose responsibility includes minimizing erosion issues," he added. "For instance, after a rainfall, they will check the site and repair anything that may have been damaged, such as replacing silt fencing. That phase could last as long as 10 years."

Many of the 50-plus employees are working on reshaping the mine, some areas of which are located on Navajo land, so that workforce has been hired locally. "We have an outstanding group of professionals, many of whom are native Navajo," said Olie. "That's unique to this project, but it's not unique to us as a company. RECON typically hires locally on large and long-term projects."

### Full-service company

Hiring locally is a necessity for RECON, a large environmental remediation, geotechnical construction and civil construction contractor that works in all 50 states and internationally. Headquartered in Houston, Texas, the company has U.S. regional offices in Kentucky, California, Louisiana, Pennsylvania, Oregon and Michigan. It also has a Canadian office in Montreal, Quebec. The McKinley Mine project is one of many jobs that the company has going on at any one time, as part of its drive toward 5,000 projects completed since its founding in 1989.

RECON's customer base includes industrial, commercial and governmental clients with about 85 percent of its work from repeat



RECON Operator Calvin Morris uses a Komatsu WA470-7 wheel loader to load an HM400-3 haul truck with rock.

▶ VIDEO





▶ VIDEO

RECON Operator Fred Gorman places rock in a drainage channel with a Komatsu PC360LC-10 excavator. "It has good power," said Gorman. "I like the thumb for placing rocks. It handles that very well."

customers. It's consistently listed as one of the Top 200 specialty contractors by Engineering News Record, which has also named RECON one of the Top 400 contractors and one of the Top 20 firms for all environmental, hazardous waste and excavation/foundation categories.

RECON has three divisions: environmental remediation services, geotechnical and civil services. It handles a variety of projects, such as soil and groundwater remediation; landfill-cell construction; hazardous-waste-site demolition; site preparation and development; and underground barrier construction.

"When it comes to environmental work, we're a full-service contractor," said Olie. "We handle everything from design-build to complete construction and/or demolition. Our experience and expertise sets us apart and are reasons why customers choose to work with us."

### Switch to Komatsu improves production

Olie noted that as a company, RECON uses Komatsu equipment, but when he began working at the McKinley Mine, that wasn't the case. After an assessment of the project, that changed.

"I evaluated the cost of the equipment we had on site and knew we could do better," he said. "I contacted several dealers, including Eric Hirengen at Road Machinery. We



▶ VIDEO

RECON Operator Daniel Damon moves material with a Komatsu HM300-3 articulated truck at the McKinley Mine. "I like the way it maneuvers around the jobsite," said Damon. "The truck has good stability and handles the conditions well, including the slopes."



use D65 dozers extensively, especially the low-ground-pressure PX models for doing landfill caps. They're some of the finest pieces of equipment I've ever used. That familiarity was a good starting point, but when we talked in terms of support, it was even clearer that Komatsu was the right choice."

RECON began renting a wheel loader and dozer, then kept adding to its rental fleet, which now includes a Tier 4 Interim PC360LC-10 and six PC490LC-10 excavators, HM300-3 and

Continued . . .



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# RECON plans for the future, looks to double in size

... continued



Gary Starks,  
Construction  
Manager

HM400-3 haul trucks, D65EX-17 dozers, two GD655 motor graders and a WA470-7 wheel loader. RECON recently purchased the WA470-7 wheel loader, along with a D65 and a D51 dozer.



(L-R) Road Machinery Account Manager Eric Hirengen and Vice President of Operations Chuck Paugh meet with RECON Project Manager Collin Olie at the McKinley Mine. "Eric and Road Machinery have done, and are doing, a great job of meeting our needs with excellent equipment and with lower operating costs," said Olie.



Road Machinery dedicated a service technician and truck to RECON's McKinley Mine project. "Both the on-site technician and the Komatsu CARE program were big motivating factors in our final decision to use a uniform Komatsu fleet," said Project Manager Collin Olie. "That level of service is outstanding, and we have lower and more-fixed maintenance costs."



RECON Operator Tommy Nelson spreads dirt with a Komatsu D65EX-17 dozer.



▶ VIDEO

"One of my concerns with rental units was the condition of the machines, but Eric and Road Machinery put that to rest quickly," said Olie. "Much of the equipment was practically brand new, so I didn't have to worry. As an environmental company working in sensitive areas, that's important to RECON. It told me that the equipment was well-maintained and would be productive and reliable. As a project manager, I'm focused on uptime. If a machine is down, it's costing us time, which ultimately equates to money."

## Road Machinery provides motivation

To further ensure RECON's Komatsu equipment remains productive, Road Machinery dedicated a full-time service technician and truck to the McKinley Mine. Additionally, Road Machinery provides complimentary scheduled maintenance on the Tier 4 machines through the Komatsu CARE program.

"Both the on-site technician and the Komatsu CARE program were big motivating factors in our final decision to use a uniform Komatsu fleet," said Olie. "That level of service is outstanding. We have lower and more-fixed maintenance costs, which allows me to put resources elsewhere. Eric and Road Machinery have done, and are doing, a great job of meeting our needs with excellent equipment and with lower operating costs."

## Focusing on the future

Olie expects to keep much of the Komatsu equipment for two to three more years as RECON continues heavy hauling of materials to bring the McKinley Mine to full reclamation. He's also looking at other opportunities in the area for future work.

"Obviously, if you're already in an area, it makes sense to see what else is out there," said Olie. "RECON has never been a static company that focuses solely on the present. It takes a forward approach. As a company, we have about 500 employees now, and at our current pace, we will likely double during the next two years based on our performance and customer demands." ■

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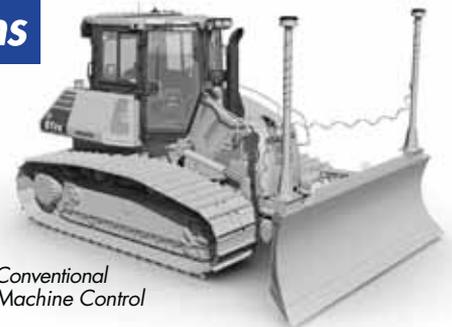
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# ARIZONA SPECIALTY DEMOLITION

## Phoenix contractor ramps up volume with addition of site demolition

Phoenix-based Arizona Specialty Demolition was recognized by one of Arizona's premier workers' compensation insurance companies as one of 2013's "Best of the Best" companies in the state for workplace safety. Its owners say the award reflects their culture of safe practices in an industry where workers are constantly at risk.

"The award is great, but what truly matters is that our employees go home every night in the same condition they were in when they came to work," said Controller Kelly Collier. "We're very proud of the fact that during our four years in business, Arizona Specialty Demolition has had zero reported injuries and an E-Mod (Experience Modification) rate below one. That's a tremendous accomplishment in this business."

It may be even more impressive considering that Arizona Specialty Demolition continues to grow, which, in turn, creates more accident opportunities. The company recently added complete demolition of residential and commercial buildings to a very long list of services it already performs.

"About four years ago, we started strictly doing tenant improvements and interior demolition," said President John Estrada, who, along with Collier, founded the company with a 14-foot trailer, a couple of trash carts and a box with some power tools. "Today, that makes up about 50 percent of our business and the other half comes from site demolition. Both types of work can be made up of several components, and we handle nearly everything in-house."

### Full-service offerings

Arizona Specialty Demolition's list of services includes selective interior and exterior demolition; structural, industrial and site removal; taking out tanks, stacks, bridges and unique structures; recycling, scrapping and green demolition; asbestos and lead abatement/survey coordination; emergencies, including 24-hour cleanup; ordered demolition for unsafe buildings; concrete and asphalt removal and concrete crushing; and land clearing, grading, tree removal, grubbing and property cleanup.

"We sub out our abatement work, but we oversee and manage it," said Vice President Chad VanMoorlehem. "We offer our clients everything from making sure they have the correct asbestos survey before demolition to hiring the right subcontractors to take care of hazardous material removal. Upon completion, we walk the project with the customer to make sure they're happy with our quality of work and supply them the proper documentation on all aspects of the removal. We're even using aerial drone video throughout a site project, which shows the stages of the project as it's done."

In addition to Estrada, Collier and VanMoorlehem, who are Owners, key

(L-R) Arizona Specialty Demolition's management team includes Field Manager Nick Hooye, Estimator/Project Manager Brian Bailey, Vice President Chad VanMoorlehem, Controller Kelly Collier and President John Estrada. Collier and Estrada founded the Phoenix-based company in 2010.

▶ VIDEO





▶ VIDEO

Arizona Specialty Demolition Operator Matt Cook uses a Komatsu PC210LC-10 excavator with a thumb to remove an air conditioning unit while tearing down a building in Tempe, Ariz. "It has good power, and it's fast," said Cook of the PC210.

individuals include Estimators/Project Managers Brian Bailey and Jerry Chandler. They are part of a total staff of about 40, who are split among four interior-demolition and two site crews. Bailey joined the staff last year and was instrumental in adding site demolition, and VanMoorlehem came on board a few months ago after working for a large environmental remediation company.

"Brian convinced us to quit farming out the site work and do it ourselves, which is something we had been thinking about doing for a long time," said Estrada. "Chad brought a new marketing aspect to the company that's helped us develop new clients and expand the business. Both have really helped us grow."

Collier added, "We're a relatively new company at four years old, but our experience reaches into multiple decades. Many of us worked for other demolition companies before this business, and that experience helped us start with a good foundation. We have a great group of people who are dedicated to making us the go-to demolition contractor in Arizona, and in turn, we treat them like family."

Despite site demolition being a relatively new component, the company is set up to handle even the largest projects, according to Bailey. "Most of the buildings in Arizona top out at about three stories, but we really don't have a restriction on height. We'll either start at the top and work our way down with a machine, or rent the larger machines necessary to get the job done."



▶ VIDEO

Operator Matt Cook loads trucks with a Komatsu PC210LC-10.

### Already doing large-scale projects

Arizona Specialty Demolition has already completed several large site demolitions, including a three-month project at Grand Canyon University. The company razed a church, several small apartment buildings, 52 quadplex units and a swimming pool.

Another job involved removing 150,000 square feet of asphalt, several hundred linear feet of fencing and underground utilities and buildings ranging in size from 5,000 to 7,500 square feet.

"We ramped up rather quickly, so we could immediately do those larger projects," said

*Continued . . .*



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# No job too big or too small for Arizona Specialty Demolition

... continued

Estrada. "Our second or third site job was \$1.3 million. Adding that element to the business doubled our volume in a year's time. It's proven to be a good move."

## Komatsu the obvious choice

The addition of site demolition brought the need for large equipment. Bailey ran Komatsu machinery at his previous job, so he contacted Road Machinery LLC Territory Manager Corey Barton about purchasing and renting excavators and loaders. Arizona Specialty Demolition bought a PC210LC-10 excavator with a thumb and has rented several pieces during the past year.

Road Machinery LLC Territory Manager Corey Barton (right) talks with Arizona Specialty Demolition Estimator/Project Manager Brian Bailey on a jobsite in Tempe, Ariz. "Komatsu has great cycle times, which leads to good production. It's also very fuel-efficient, so I know we're getting the maximum value for our dollar," said Bailey. "Additionally, I know based on our history that Corey and Road Machinery will take care of us from all aspects – sales, rentals, parts and service."



Operator Rick Bailey removes paving with a Komatsu PC360LC-10 excavator that Arizona Specialty Demolition rented from Road Machinery LLC.



"I was an operator, and for the most part, Komatsu was all I ran," recalled Bailey. "That familiarity made it an easy choice for buying the machines we needed to get started. I didn't even look anywhere else. I simply called Corey, and we started talking. Komatsu has great cycle times, which leads to good production. It's also very fuel-efficient, so I know we're getting the maximum value for our dollar. Additionally, I know based on our history that Corey and Road Machinery will take care of us from all aspects – sales, rentals, parts and service."

Bailey said Komatsu has added-value as well. "The Komatsu CARE program with the new Tier 4 machines is very nice. The fact that Komatsu covers our scheduled maintenance complimentary for the first 2,000 hours or three years is a great help to us because we don't have to worry about it being done. Road Machinery tracks the PC210 with KOMTRAX, contacts us when a service is due and comes to the jobsite to get it done."

## Won't change its philosophy

Arizona Specialty Demolition's management team agrees that even though the company is growing, it won't abandon its roots. No job is too small, according to Estrada.

"We cater to everyone, because no matter how big or small, all of our customers played a role in our growth," he stated. "Many of them referred us to other customers, and that's helped us build a long list of satisfied and repeat customers. About 90 percent of our work is done for repeat clients."

Many of those repeat clients are general contractors looking for quality subs such as Arizona Specialty Demolition. "We've always been, and will more than likely always stay, a subcontractor and work in our chosen field," said Collier. "If we became a general contractor, it would potentially put us in direct competition with our customers, and we're not interested in that. We want to focus on what we do best."

That doesn't mean that the company isn't looking for added growth. "It's market dependent, but we hope to double in size within the next 10 years," said VanMoorlehem. "That would put our sales at about \$10 million per year, which is ideally where we'd like to be. If we continue to take care of our customers and take advantage of the right opportunities, we believe that's possible." ■

## GUEST OPINION

# MORE THAN A PAYCHECK

## A career in construction offers young people the chance to craft a legacy and take pride in a job well-done

Looking back at my own career, I can't imagine where I would be today without the construction industry. The impact it's had on me is indescribable. That is why I am such an advocate today, and I am committed to sharing with others the many lucrative and gratifying career paths in our industry.

Career opportunities in the construction industry are endless, and the rewards are great.

One young man who spoke at this year's Construction Industry Institute's Annual Conference is a 23-year-old welder earning \$30 an hour. I hear this kind of story all the time – people in their 20s and 30s who choose to be craft professionals who earn above-average salaries, have stable employment and have the ability to advance and grow within their companies – all without student debt! All four young craft professionals who spoke at the conference referenced a high level of pay, a reliable profession, no student loan debt and pride in what they do, as the four main reasons they chose a career in construction.

### Encouraged by their passion

I am always encouraged to hear young craft professionals talk about their careers because they are so passionate about their work and what they contribute to the industry. They enjoy their professions and take great pride in being part of something bigger.

One young lady who works as a welder for a large industrial contractor proudly showed me a building she worked on and described how she was specifically requested to work in a certain area of the building because of her expertise. That building is now part of her

legacy, and it will be there for years to come for her children and grandchildren to see.

I have seen so many examples of young people who enter the industry and work their way into management and even company ownership in a short period of time. In what other industry can a person experience opportunities like these? ■

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*This article is reprinted with permission from "Breaking Ground: The NCCER Blog" at [blog.nccer.org](http://blog.nccer.org). Diane Greene is the Executive Director of the Build Your Future initiative at the National Center for Construction Education and Research. The initiative focuses on recruitment, training and placement of candidates into the construction industry. Greene has more than 25 years of experience in human resources and training, almost exclusively in the education and construction industries.*



**Diane Greene,**  
Executive Director,  
Build Your Future,  
National Center  
for Construction  
Education and  
Research

Construction can be a high-paying, rewarding career, and the industry should continue promoting that to young people, according to Diane Greene, Executive Director of Build Your Future. It has and will continue to do that through camps and by other means, such as the Construction Challenge at CONEXPO. For more information about students and construction, see the Focus on the Future article in this issue.



## FOCUS ON THE FUTURE

# TRAINING TOMORROW'S WORKERS

## As the number of available workers shrinks, the construction industry turns to education

A recent survey conducted by the Associated General Contractors of America (AGC) showed two-thirds of construction firms reported experiencing labor shortages between July 2013 and July of this year. Additionally, 25 percent said the inability to find enough workers forced them to turn down work.

“As demand for construction rebounds, many firms are finding that the pool of available workers is pretty shallow,” said Stephen E. Sandherr, AGC’s Chief Executive Officer. “Retiring older workers, strong demand in

other sectors of the economy and fewer young people seeking careers in construction are combining to create workforce shortages for many construction firms.”

For five consecutive years, skilled craft-worker positions have been the toughest to fill in America, according to Build Your Future, an initiative of the National Center for Construction Education and Research (NCCER), which promotes career and technical education (CTE). That’s despite 27 percent of those with post-secondary licenses and certifications earning more than someone with a bachelor’s degree. The average skilled craft professional makes \$6,200 more annually than recent college graduates, according to Build Your Future.

### Reasons for a tight labor market

The tight labor market has been good for the skilled workers who are employed, with 70 percent of companies saying they are paying more than they did last year. As the pool of available workers continues to shrink, paychecks will likely continue to rise. So why is there such a shortage of workers?

The Great Recession is one reason. Construction was hit particularly hard with an unemployment rate that reached nearly 30 percent. The lengthy downturn caused many to seek work in other fields. The industry was already growing older, with the average worker’s age in the mid to late 40s when the downturn began in 2008. In 2012, the average age of a tradesperson was 56. Many older workers simply retired and never came back.

Another reason is perception. For decades, construction had a stigma as hard, dirty work. Youngsters were encouraged to avoid the construction industry. For instance, in 2012

For five consecutive years, skilled craft-worker positions have been the toughest to fill in America. The shortage of workers has forced some companies to turn down work.





Retiring older workers, strong demand in other sectors of the economy and fewer young people seeking careers in construction are combining to create workforce shortages, according to Associated General Contractors CEO Stephen Sandherr. The tight labor market has been good for skilled workers, with 70 percent of companies saying they are paying more than last year.

only one in three parents encouraged a trade, according to SkillsUSA. In student surveys from a decade ago, construction ranked near the bottom of fields they wished to enter.

### **Attracting younger workers**

The last 10 years, especially the past few, have seen a major push to attract younger workers, from elementary school through college age. Groups such as NCCER host career days to show students the value of construction work and how the industry can be a great fit for their skill sets. They're also getting the word out through online videos and advertising and through materials teachers can use in the classroom.

One of NCCER's Build Your Future campaigns aims to "shift the public's perception about careers in the construction industry to reflect the wide range of professions available." (See the Guest Opinion article in this issue, from Build Your Future Executive Director Diane Greene.) Others include making career and technical education a priority in secondary schools and providing a path from ambition, to training, to job placement as a craft professional.

"As an industry, we must educate the public about the vast career opportunities available in

the construction industry and provide tangible opportunities for individuals to learn skills that will help them build a successful career," said Don Whyte, President of NCCER, who recently partnered with other organizations to offer a Build Your Future Scholarship.

The campaign notes that CTE programs such as welding, electrical or carpentry add hands-on elements to the high school academic experience and can also lead to an industry-recognized credential. "CTE students are significantly more likely than their non-CTE counterparts to report that they developed problem-solving, project completion, research, math, college application, work-related, communication, time management and critical thinking skills during high school," according to the Association for Career & Technical Education.

Harvard Graduate School of Education's Pathways to Prosperity Project predicts that by 2018, 2.7 of 8 million jobs in manufacturing and construction will require a post-secondary credential.

### **Promoting the "cool factor"**

The industry isn't only talking up lower-cost educational opportunities and higher earning potential of careers in construction. It's also

*Continued . . .*

# Educating younger workers is a great return on investment

... continued



The number of women in construction hasn't changed much since the 1970s, but recently, more groups have been focusing on attracting more girls and women to the industry.

promoting the “cool factor,” especially the technology that's gained a significant foothold. Companies are using digital plans, video simulation, virtual reality and machinery that's guided by GPS, which is easier to operate and more comfortable.

When it comes to equipment, the industry is comparing much of today's machinery to the joystick video game consoles that many students use or have used in the past, and they are also highlighting how technologically advanced the equipment is compared to even a few years ago.

During the recent Manitoba Construction Career Expo, the Campfire Union and Manitoba Construction Sector partnered to offer students a virtual-reality simulation of running a tower crane from the perspective of the operator inside the cab. It allowed them to see what it would be like to pick up and drop loads of steel beams. Several programs designed for operation of other types of construction equipment, such as dozers and excavators, are also available. Students in engineering programs are also using tablets, laptop computers and software as part of the design-and-build process, often putting plans in digital format that equipment operators plug into GPS systems used for automated grading and digging.

Organizations and companies such as Komatsu America agree that training younger workers for tomorrow's construction and equipment-maintenance jobs is vital.



“Construction work is somewhat different from what it was,” said Ken Simonson, AGC Chief Economist, in a recent Advertising Age article. “There is much more use of laser and GPS-guided equipment, building information modeling and other things that require computer skills and the use of technology that was not common before the recession.”

## Increasing the number of women

One element of the construction industry before the recession that's similar today is the lack of women. Federal data shows only about 2.6 percent of the 7.1 million workers in construction are women, about the same as in the 1970s. An industry goal is to dramatically increase that percentage with greater awareness in school and by using programs such as MAGIC (Mentoring a Girl in Construction) camps that feature hands-on activities with construction projects, women speakers and engineers, and female construction and project managers.

During Engineers Week, February 22-28, 2015, DiscoverE (formerly National Engineers Week Foundation), will host a Girl Day on February 26, and the group is encouraging others to do the same. DiscoverE said, “Girl Day is a movement that shows girls how creative and collaborative engineering is and how engineers are changing our world. With hundreds of events happening each year, together we are driving the conversation about girls and engineering.”

It's all part of a broader effort to show the work force what the future of construction has to offer, including high-paying, rewarding jobs that build the country's roads, bridges, buildings and other structures.

“In the business world, we look for the ROI (return on investment) in the resources we expend, and investing in the future sometimes requires vision that does not immediately translate to the bottom line,” said Katrina Kersch, Senior Director and COO of NCCER in a blog post, ‘The ROI of Partnering with Education’ on the organization's Web site. “Investing our time, talents and resources to partner with education means that our industry is willing to invest in our own future.” ■

## PRODUCT IMPROVEMENT

# STRONG AND EFFICIENT

## New PC490LC-11 excavator provides powerful lift capacity while reducing emissions

The government introduced air-quality regulations in the early 1990s, which required manufacturers to begin the process of reducing emissions. Komatsu built a solid foundation when it introduced its Tier 1 engine platform, and it continued to add technology that's met each subsequent emission standard while further reducing fuel consumption and improving performance.

Komatsu's new Tier 4 Final-certified PC490LC-11 is no exception. It delivers the same powerful lifting capacity and stability of the popular Dash-10 Tier 4 Interim model while lowering emissions and maintaining the operating weight, horsepower and bucket capacity.

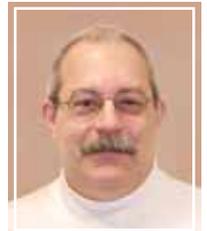
"The previous PC490 increased horsepower, operating weight and lift capacity compared to the model it replaced," said Kurt Moncini, Product Manager, Excavators. "We started with that platform and enhanced this new

model to maximize productivity, serviceability and fuel economy, so users get high levels of performance with the same or reduced owning and operating costs."

### KOMTRAX® enhancements

Komatsu designed the Tier 4 Final engine for increased efficiency, using its already-proven technology from the Interim models and integrating a selective catalytic reduction (SCR) system. The engine uses an advanced electronic-control system to manage air-flow rate, fuel injection, combustion parameters and aftertreatment functions to optimize performance, reduce emissions and provide advanced diagnostic capability.

Komatsu's Tier 4 Final engines use DEF (diesel exhaust fluid) for treating NOx emissions. When it's injected into the exhaust stream as required,



Kurt Moncini,  
Komatsu Product  
Manager, Excavators

*Continued . . .*

### Quick Specs on the Komatsu PC490LC-11 Excavator

Model	Operating Weight	Net Horsepower	Bucket Capacity
PC490LC-11	105,670-110,220 lbs.	359 hp	1.47-4.15 cu. yds.



The PC490LC-11 features a heavy-duty undercarriage and counterweight that contribute to high lift capacity and lateral stability. Operators can increase lifting force by 7 percent by choosing Lift Mode, which boosts hydraulic pressure.

# PC490LC-11 builds off predecessor's strong attributes

... continued

it works with the heat of the exhaust and the SCR catalytic converter to convert NOx into harmless nitrogen and water vapor that expel out of the exhaust pipe. Komatsu also enhanced KOMTRAX® to monitor the new Tier 4 Final emissions package components and process.

Other new features of KOMTRAX® in the PC490LC-11 include the Operator Identification System, which allows operators to input an identification number so equipment managers can track specific users, set parameters for individual operators, shifts, attachments and more. An Auto Idle Shutdown function helps improve operating costs by reducing unnecessary idle time. It alerts operators to excessive idle time, giving them a warning prior to shutting down the machine.

"Auto Idle Shutdown and the Operator Identification System increase efficiency and reduce wasted hours and unnecessary fuel consumption, which increase owning and operating costs," said Moncini. "Another standout feature of the enhanced KOMTRAX® system is a switch to cellular, which provides greater bandwidth, more efficient communication

and allows operator ID set-up information to be sent to the machine."

## Heavy-duty components

The PC490LC-11 maintains the productivity features of the Dash-10, including a heavy-duty undercarriage and counterweight that contribute to high lift capacity and lateral stability. A variable-track gauge option increases both the lift capacity and lateral stability up to an additional 10 percent. To account for that, it has strong undercarriage components, including links, rollers, shoes, idlers and center frame. A reinforced, revolving frame and large-capacity swing bearing provide further strength. Operators can increase lifting force by 7 percent by choosing Lift Mode, which boosts hydraulic pressure.

Lift Mode is one of six available working modes, allowing operators to match machine performance to the application. Additional modes include Power, Economy, Breaker, Attachment Power and Attachment Economy.

The PC490LC-11's enhanced hydraulic system helps reduce hydraulic loss, resulting in better efficiency. Additionally, Komatsu designed and produces all major components of the hydraulic system, including pumps, motors and valves. The integrated design employs a closed-center, load-sensing system that uses variable-speed-matching technology.

"Variable-speed matching adjusts the engine speed to hydraulic pump output, allowing the engine to operate at the most efficient rpm," said Moncini. "It also has a hydraulically driven reversible cooling fan that varies its speed in response to coolant, hydraulic oil and ambient temperatures for greater efficiency.

"Like other Tier 4 products, the PC490LC-11 is backed by Komatsu CARE, which provides complimentary scheduled maintenance for the first three years or 2,000 hours, with work done by certified technicians who also perform a 50-point inspection," Moncini added. "Komatsu met the Tier 4 Final standards while maintaining the strong attributes of the predecessor model. We believe users will see the added benefits, even those who are currently or have previously used the Interim model." ■

Komatsu's new PC490LC-11 provides the same powerful lifting capacity and stability of the popular Dash-10 Tier 4 Interim model while lowering emissions.



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# LOADERS

From Komatsu - The Loader Experts



The WA380-7 Tier 4 Interim Wheel Loader is a class leading performer with improvements in production, fuel efficiency, operator comfort and serviceability.

- Komatsu Smart Loader Logic reduces fuel consumption while maintaining production.
- Large capacity torque converter with lock-up provides 10% fuel savings.
- New 7" LCD multi-function monitor panel provides easy access machine diagnostics.
- Komatsu CARE provides complimentary Tier 4 maintenance, including Komatsu Diesel Particulate Filter exchange. Contact your Komatsu distributor for details.

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## NEW PRODUCT

# 'ONE MACHINE, ALL APPLICATIONS'

## Komatsu's new WA200-7 wheel loader provides benefits of standard and PZ models in a more efficient package

Having one machine that provides production in earthmoving, sand and gravel applications, as well as the lifting capacity to move pipe and other materials is a distinct advantage for a wheel loader. Komatsu's new WA200-7 provides these, in a powerful Tier 4 Interim package that builds upon the proven technology of its predecessor.

Komatsu's WA200-7 uses the versatile PZ "parallel Z-bar linkage," which provides large breakout force for quick and easy bucket filling. It also keeps loads level during lift and has high tilt forces to handle large attachments, making it an ideal machine for fork applications, such as moving pallets.

"The WA200-7 is one machine for all applications," said Craig McGinnis, Komatsu Product Specialist, Wheel Loaders. "It combines the best of both the standard and PZ Dash-6 models but has many improvements. One of the biggest changes is Komatsu's proprietary Tier 4 engine technology that further reduces fuel consumption by up to 3 percent compared to the already-low level of the Dash-6 series. It also uses a Komatsu Diesel Oxidation Catalyst (KDOC) that reduces particulate matter through 100-percent passive regeneration, which does not interfere with daily operation."

McGinnis notes that Komatsu designed the KDOC to last through the engine's lifetime, and it also engineered the WA200-7 with no diesel particulate filter. Additionally, Komatsu provides complimentary scheduled maintenance through its Komatsu CARE program for the first three years or 2,000 hours.

### Enhanced operator comfort

To enhance operator comfort, Komatsu designed the WA200-7 with a roomy cab. The work equipment is controlled by a

multifunction mono-lever that includes a forward-neutral-reverse switch and an integrated proportion-control switch for third-spool-equipped loaders.

"As with other Komatsu wheel loaders, the WA200-7 has a highly efficient and responsive hydrostatic drive train with variable-speed control and the Komatsu Traction Control System," said McGinnis. "The dynamic braking effect of the HST practically eliminates brake wear, which further reduces maintenance costs. We encourage anyone looking for an all-purpose loader to check out the WA200-7. Its versatility, production and low owning and operating costs make it the leader in its size class." ■



Craig McGinnis,  
Komatsu Product  
Specialist, Wheel  
Loaders

### Quick Specs on the Komatsu WA200-7 Wheel Loader

Model	Operating Weight	Net Horsepower	Bucket Capacity
WA200-7	25,342-26,070 lbs.	126 hp	2.6 cu. yds.

Komatsu's new WA200-7 uses the versatile PZ "parallel Z-bar linkage," which provides large breakout force for quick and easy bucket filling. It also keeps loads level during lift and has high tilt forces to handle large attachments, making it an ideal machine for fork applications, such as moving pallets.



## PRODUCT FOCUS

# NEW TIER 4 FINAL DOZER

## Enhancements give D155AX-8 greater efficiency, reduce owning and operating costs



Chuck Murawski,  
Komatsu Product  
Manager, Dozers

When you already have one of the most productive and efficient dozers in the 260 hp-plus size class, it's not necessary to completely overhaul it to meet the newest tier standard. You simply build on an already successful platform and enhance it like Komatsu did with the D155AX-8, which is Tier 4 Final certified with the addition of selective catalytic reduction (SCR).

The D155AX-8 maintains the horsepower and blade capacity of its predecessor, with about a 2.5-percent increase in operating weight," said Chuck Murawski, Komatsu Product Manager, Dozers. "Despite the increase in weight, the new model reduces fuel consumption while providing the same powerful production of the Dash-7 it replaces."

### Quick Specs on the Komatsu D155AX-8 Dozer

Model	Operating Weight	Net Horsepower	Blade Capacity
D155AX-8	89,300 lbs.	354 hp	12.3-15.6 cu. yds.

Komatsu's new D155AX-8 dozer features an automatic gearshift transmission, which shifts to the optimal gear range based on work conditions and load, and a lock-up torque converter that automatically transfers engine power directly to the transmission.



Both power and fuel efficiency come from Komatsu's automatic gearshift transmission, which shifts to the optimal gear range based on work conditions and load, and a lock-up torque converter that automatically transfers engine power directly to the transmission. Operators can select from automatic or manual gearshift modes to fit the application. Automatic is for general dozing, and manual is for dozing and ripping in rough ground.

Komatsu continues to significantly improve productivity and operation with an electronic-control power train system, including the Hydrostatic Steering System that provides powerful turns under various work conditions. Counter-rotation is available while in neutral, for minimum turning radius, providing excellent maneuverability. When operating in adverse conditions such as uneven ground, the K-bogie undercarriage system keeps the correct alignment between the rollers and links for a smoother ride and longer component life.

### More material with less power

The D155AX-8 is equipped with a dual-tilt and power-pitch SIGMADOZER blade, which gives it a high blade capacity, improves dozing performance and increases productivity up to 15 percent, compared to a conventional semi-u blade. The blade improves soil-holding capacity and reduces digging resistance for a smoother flow of material, allowing larger amounts of soil to be dozed with less power.

"The D155 dozer's popularity comes from its ability to cost-effectively move massive amounts of material, and this new model does that with a further reduction in owning and operating costs," said Murawski. "Komatsu covers scheduled maintenance for the first three years or 2,000 hours through Komatsu CARE, which includes a 50-point inspection at each interval." ■

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## INCREASED LOGGING CAPACITY

### Komatsu introduces new robust C-Series “carry style” harvesting heads



New C-Series “carry style” harvesting heads feature Komatsu’s Constant Cut™ saw control system with a saw bar that includes a 19cc saw motor with an integrated valve to deliver precise control of hydraulic flow and pressure.

MaxiXplorer™ 3.1 is also standard and a complete system for machine control, head control, cross cutting and administration.



Forestry operations are always looking for increased logging capacity, as well as machinery that’s durable and reliable, and Komatsu’s new C-Series “carry-style” harvesting heads deliver on all counts. Two models are available, including the high-capacity C144 and the versatile, all-around C93.

The C93, available installed on Komatsu 911.5 and 931.1 harvesters, replaces the 350.1 and offers significant improvements for better handling of thinning projects, as well as tough-limb and multi-stem harvesting applications. It has a recommended working diameter of 6 to 15 inches and a maximum cutting capacity of up to 23.6 inches.

The C144’s recommended working diameter is 8 to 20 inches, with a 28-inch maximum cutting diameter. It’s available on Komatsu 931.1 and 941.1 harvesters. The C144 and the C93 can be installed on other carriers as a loose head.

#### Efficient control systems

The C93 and C144 harvesting heads also feature Komatsu’s new Constant Cut™ saw-control system with a saw bar (29.5 inches on the C93 and 32.5 inches on the C144) that includes a 19cc saw motor with an integrated valve to deliver precise control of hydraulic flow and pressure.

MaxiXplorer™ 3.1 is also standard and a complete system for machine control, head control, cross cutting and administration.

“Customers choose which head is right for them based on the diameter and weight of the timber they harvest,” said Steve Yolitz, Komatsu Manager, Marketing Forestry. “Komatsu heads may also fit multiple machines, giving users several options while reducing the number of machines and attachments needed. Our distributors can guide customers to the harvesting head that is best for them.” ■

#### Quick Specs on the Komatsu Harvesting Heads

Model	Weight	Max. Cutting Diameter
C93	2,138 lbs.	23.6 in.
C144	3,086 lbs.	28 in.

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# CUSTOMER-DRIVEN SOLUTIONS

## VP of Operations says Komatsu Financial offers much more than loans for purchasing new equipment



**Tim Tripas,**  
Vice President of Operations,  
Komatsu Financial

*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.*

Tim Tripas joined Komatsu 23 years ago after graduating from Drake University in Des Moines, Iowa, with a degree in English. “My parents encouraged me to take classes that interested me, so in addition to English, I took a lot of business and law classes. That gave me a well-rounded background and set me up well to join Komatsu Financial.”

His first responsibilities included working on audits and collections before becoming a regional operations manager, followed by director of operations. In 2004, he helped set up Komatsu Finance Europe, then returned to the United States in his present role as Vice President of Operations. He oversees all functions of finance, including credit applications, funding, audits, leasing and more.

“One of the things I’m most proud of is that 8 out of 10 Komatsu machines sold in North America are now financed through Komatsu Financial,” said Tripas. “That’s due to a very concerted effort by our personnel to get out and meet customers face-to-face at their jobsites, offices and our distributor locations, so we know their businesses and can tailor programs to meet their needs. I believe Komatsu makes the best equipment in the business, so building a world-class finance company that helps customers put that machinery in their fleets and finances the parts and service to keep them producing is a priority.”

Tim and his wife, Alissa, have a daughter, and he enjoys spending time with his family outside of work. He also sneaks out to golf on occasion.

**QUESTION:** Why should a customer consider Komatsu Financial for financing equipment instead of going with an outside lender?

**ANSWER:** All we do is finance Komatsu equipment through Komatsu distributors. That puts us in a unique position to better understand customers’ opportunities and the challenges they face compared to an outside lender that finances everything from homes to airplanes. Being an equipment manufacturer, we also know the construction and mining marketplaces better, which allows us to be more flexible on the front-end when setting up the financing and on the back-end if customers hit a bump in the road. At Komatsu Financial, either on the front end or after the sale, our first question is always, “How can we help?” For those reasons, the number of companies that turn to Komatsu Financial for their equipment needs has continued to increase.

**QUESTION:** How much of an increase have you seen?

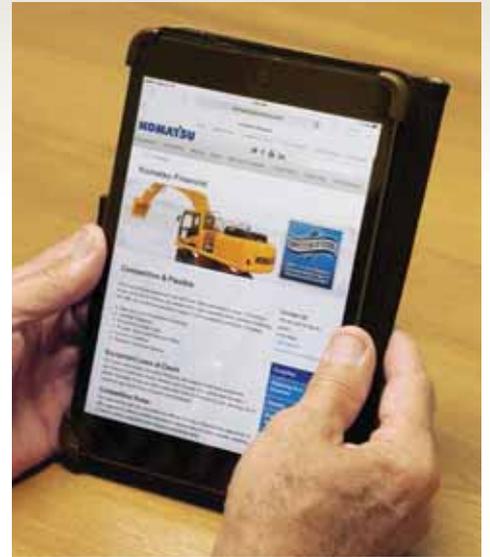
**ANSWER:** More than 80 percent of all new Komatsu machines sold in North America are financed by Komatsu Financial. That is up from about 60 percent five years ago.

**QUESTION:** How have you been able to achieve that?

**ANSWER:** We’ve taken a much more customer-oriented approach, including getting out in the field and meeting directly with dealers and customers to understand how we can better serve their needs. That contact has helped us develop a lot of great programs that are different than what the typical marketplace has to offer. For example, if a customer has a lease that’s greater than 24 months, we’ll let them out of it six months early, as long as the customer is buying another piece of Komatsu equipment.



More than 80 percent of all new Komatsu equipment sold in North America is financed by Komatsu Financial. That is up from about 60 percent five years ago.



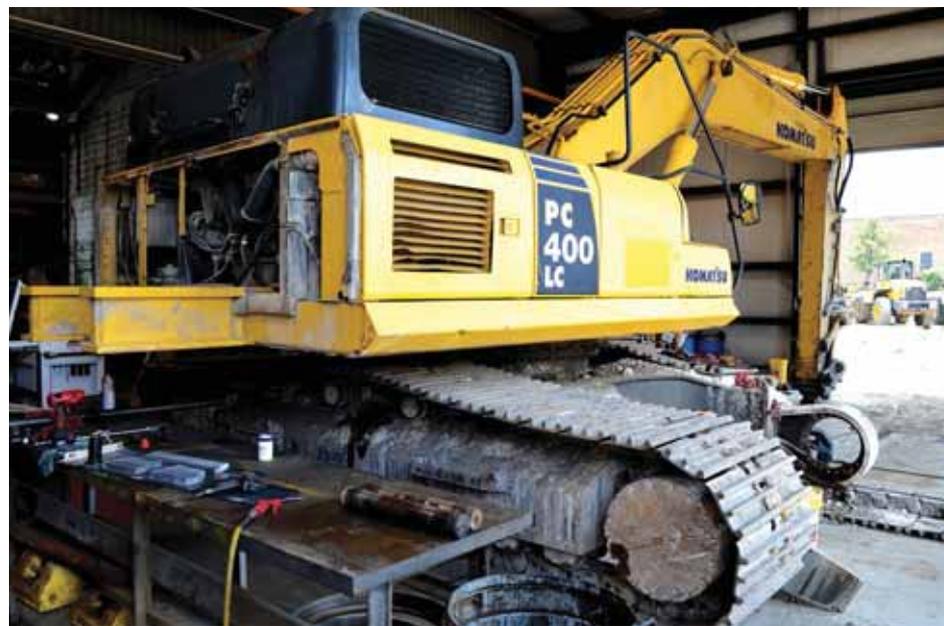
Komatsu offers cost-effective and viable financing solutions for new and used equipment purchases and leases, as well as parts and service needs.

So, a customer may have a D51 dozer and would really like a larger size or a new D51i-22 *intelligent* Machine Control dozer. With this program, we completely forgive the final six months of payments on the existing lease, to allow for the additional machine purchase. Nobody else in the industry does anything like that.

**QUESTION:** Could you give some other examples?

**ANSWER:** In talking with customers, many said they desired the flexibility of paying over time for repairs or service work from their dealer. We developed a parts and service financing program that's a true loan. Some competitors have similar financing, but in reality, it's a credit card that charges higher interest. Komatsu Financial's program lets customers finance the first \$50,000 at zero percent for 15 months with no payments for 90 days. That allows the customer to bring the equipment into the shop, get it fixed and get the equipment back and working before a payment is due. Additionally, on this or any other product from Komatsu Financial, there is never a pre-payment penalty.

Another example is our Flex Lease. Customers make a 36-month commitment, but every year on the anniversary of the lease, they have the option to return the equipment. That grew out of a customer telling us, "I think I need a machine for three years, but I know for sure I need it for one." The advantages are obviously that if a situation changes, they can opt out, and if customers choose to stay in the lease, their rate continues to be what it was from the day the lease started. It's been well-received,



especially in light of the past few years when we've seen a big shift from ownership toward leasing. We have several other attractive leasing options if that's the route a customer wants to go.

**QUESTION:** Do you finance used equipment?

**ANSWER:** Absolutely. We'll finance new and used equipment as long as it's a product a distributor sells and not a competitive brand. Our focus is on helping build successful relationships with our distributors and their customers, and financing new and used equipment, leases and parts and service contributes to that. We consider Komatsu Financial a facilitator in the process, and we're willing to do whatever we can to help customers be successful. ■

Komatsu has a parts and service financing program that lets customers finance the first \$50,000 at zero percent for 15 months with no payments for 90 days. That allows customers to bring the equipment into the shop, get it fixed and get the equipment back and working before a payment is due.

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## INDUSTRY NEWS

# SHORT-TERM FUNDING

## Last-minute bill keeps Highway Trust Fund from insolvency

A short-term measure passed and signed just before the Highway Trust Fund (HTF) was about to run out of money provides nearly \$11 billion for road and transportation projects. The bill – H.R. 5021, the Highway and Transportation Funding Act of 2014 – is a nine-month extension to the previous highway bill, MAP-21, that expired in September.

H.R. 5021 expires in May 2015, giving lawmakers a chance to work through a longer-term bill. While proposals for a broader measure had been brought up, including a \$302 billion, four-year bill from President Obama, Congress eventually passed H.R. 5021, which authorized a transfer from the general fund to pay for it.

The current short-term measure is funded by a budget maneuver known as “pension smoothing.” It allows corporations to reduce contributions to employee retirement plans. In turn, the government’s tax revenues increase because companies can no longer take tax deductions for the contributions.

Traditionally, the HTF is funded from the 18.4-cents-per-gallon gas tax. In recent years, revenues have fallen short, forcing transfers from the general fund to pay for road repairs and construction. The tax hasn’t been increased in more than 20 years, and as cars have become more fuel-efficient and people drive less, the gas tax hasn’t kept up with needed transit spending.

### Another ‘crisis’ next spring

Congress will need to address revenues next spring when it takes up transportation funding. Lawmakers have proposed several ideas, including raising the gas tax and

indexing it to inflation, charging drivers a per-mile fee, more tolling and combinations of all of the above.

Transportation Secretary Anthony Foxx said he was disappointed in the short-term fix.

“This latest band-aid expires right as the next season begins, setting up another crisis next spring,” said Foxx. “So in the coming months, the Department will again be required to prepare cash-management procedures in anticipation of repeating the same Highway Trust Fund insolvency crisis. Americans deserve a multi-year transportation bill that provides the certainty that businesses and communities deserve, creates jobs and makes necessary policy updates to lay the foundation for lasting economic growth.” ■

A short-term bill provides nearly \$11 billion in funding for transportation projects and runs through May of 2015.

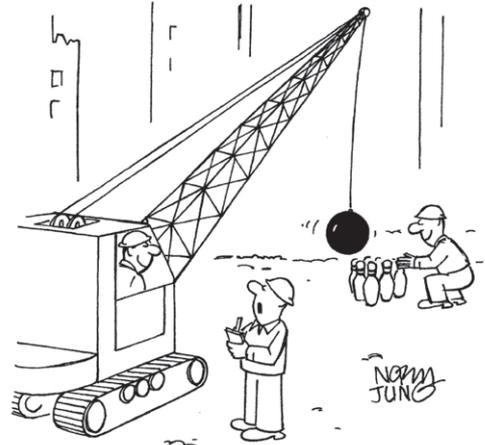


# SIDE TRACKS

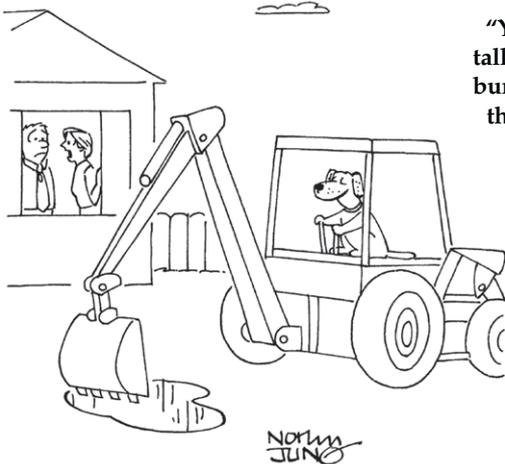
## On the light side



"The minimum wage is being upgraded, so how about the minimum allowance?"



"That last strike put you two pins up!"



"You'll have to talk to him about burying bones in the backyard."

## Did you know...

- President Lincoln proclaimed the first national Thanksgiving Day in 1863. Christmas became a national holiday in the United States in 1890.
- Glass takes one million years to decompose, which means it never wears out and can be recycled an infinite amount of times.
- First occupied by John Adams in 1800, the White House has witnessed one presidential wedding, five first-family weddings, 11 births and seven presidential funerals. Recent additions include John F. Kennedy's swimming pool, Richard Nixon's bowling alley and Bill Clinton's running track.
- The largest gold nugget ever found was discovered in 1869. It weighed 173 pounds and was named The Welcome Stranger.
- Peanut oil is used for cooking in submarines because it doesn't smoke unless it's heated above 450° F.
- Your tongue is the only muscle in your body that is attached at only one end.

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

1. B U R C \_ \_ \_ R \_ \_
2. T R O M O \_ \_ \_ T \_ \_ \_
3. A R E R P I R \_ \_ \_ \_ I \_ \_
4. L A P A S T H \_ \_ S \_ \_ \_ \_ L \_ \_
5. N A E D L I E D D \_ \_ \_ D \_ \_ \_ \_

# BULKY, HEAVY SCRAP PILES. BRING IT.

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# MORE INDUSTRY NEWS

## AGC offers members private insurance exchange

The Associated General Contractors of America now offers member firms in the commercial construction industry a nation-wide private insurance exchange. CEO Stephen Sandherr said that the exchange was developed in collaboration with an outside company and features comprehensive insurance coverage from major insurers. It was designed to reduce costs and administrative burdens.

“Because the exchange offers a broader range of options than what’s typically available to individual firms, employers

and their employees will get more of the benefits that meet their particular needs,” said Sandherr. “Instead of struggling with unpredictable insurance premiums, employers will be able to define the amount they will provide to their employees for health and other insurance benefits and then direct their employees to an online store where they will have more options than they have had in the past. The new private exchange, unlike many public exchanges, will provide employees with the guidance and support they need to make good decisions.” ■

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“My Paladin attachment allows me to gain **versatility** on the jobsite and enhance my machine's capability.”

*John B., Forestry Management*

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2012 PC490LC-10	2009 WA320-6
	
2012 D375-6	2009 Wirtgen W2200

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### WHEEL LOADERS

2009	WA320-6	2,940	EMD011020	\$135,000
2011	WA470-6	3,068	EMD009646	\$215,000
2014	WA320-7	336	CONSIGNMENT	\$165,000
2006	WA380-5L	5,329	EMD008944	\$99,500
2007	WA500-6	7,214	EMD007624	\$159,000

### DOZERS

2008	D65EX-15EO	4,142	EMD007946	\$119,000
2012	D375A-6	1,080	EMD009839	\$925,000

### EXCAVATORS

2012	PC490LC-10	1,240	EMD010391	\$369,000
2010	PC300LC-8	1,909	EMD009758	\$210,000
2013	PC210LC-10	588	EMD010595	\$185,000
2012	PC360LC-10	975	EMD010597	\$287,000
2007	PC78UU-6EOE	1,822	EMD010639	\$60,000

### MOTOR GRADERS

2007	GD655-3	2,400	EMD010049	\$155,000
2011	GD655-5	883	EMD010588	\$229,000

### PAVING/COMPACTION

2008	VOGELE/5200-2	475	EMD000185	\$210,000
2008	CAT/CB-224E	1,230	EMD010608	\$18,500

### CRUSHER

2005	BR380JG-1	4,392	EMD010614	\$275,000
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