



TRACTOR & EQUIPMENT COMPANY

TRACTOR TIMES

A publication for and about our customers in AL, FL & GA • 2008 No. 2

Featured in this issue:

PINE ENTERPRISES

Suwanee, Ga., firm
specializes in residential
water and sewer
connections

See article inside...



Jean and Bob Cabral own Pine Enterprises along with their sons Greg Russell and Mike Cabral

KOMATSU

A MESSAGE FROM THE PRESIDENT



Dan Stracener



Dear Equipment User:

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

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

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

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

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

Sincerely,

A handwritten signature in black ink that reads "Dan Stracener".

Dan Stracener
President

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EQUIPMENT**

**RESPONSIVE
SERVICE**





TRACTOR & EQUIPMENT COMPANY

TRACTOR TIMES



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Just when you thought they couldn't get any better, Komatsu added an extensive list of features to its Dash-8 mid-size excavators to make them even more productive.



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RELIABLE EQUIPMENT
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A SALUTE TO A TEC CUSTOMER

PINE ENTERPRISES

Suwanee, Ga., firm specializes in residential water and sewer connections

Bob Cabral started in business as a plumbing contractor in 1971 in Tulsa, Okla. In 1985, when work was slow to nonexistent in the Tulsa area, Bob moved the business to Norcross, Ga. Eventually, he sold the plumbing company and started an underground utility firm with his two sons, Greg Russell and Mike Cabral.

"In the beginning, it was literally just the three of us, plus my wife, Jean, who has always taken care of office duties for the family business," Bob recalled. "Greg and Mike were the field crew. We just went about getting jobs and tried to make a name for ourselves

as a company that could be counted on to do quality work and get it done on time."

Today, their company, Pine Enterprises, is one of the leading providers of residential sewer and water services, not just in the Atlanta area, but throughout Georgia, and in neighboring states as well. Now headquartered in Suwanee, Ga., with offices in Ellenwood and Canton, the company also has locations in Tampa and Orlando, Fla.; Greenville, S.C.; Nashville, Tenn.; and Mesquite, Texas. In addition, Pine Enterprises has a commercial division that does right-of-way work, road bores, and larger-scale sewer and water work in developments.

"We believe what separates us from competitors is our size and our professionalism," said Greg, who serves as Residential Division Manager. "Many companies that do what we do, which essentially is connect the water and sewer lines from the house to the street, are very small operations. We started out that way too, but now have taken it to another level. We've done as many as 12,000 to 13,000 houses a year. Because of our size, we're able to respond quickly; we're able to put multiple crews on a job if necessary; and we're able to provide emergency services seven days a week. We believe our strength is the level of service we're able to provide our customers."

Pine Enterprise's work tends to be about 75 percent to 80 percent residential, with the remainder commercial.

"On the commercial side, we do what the big guys don't want to do," said Mike, who serves as Commercial Division Manager. "We take on strip centers and subdivisions. We do a lot of backflow preventive work. We work

Jean and Bob Cabral, along with their sons Greg Russell and Mike Cabral, own Pine Enterprises, a leading provider of residential sewer and water services throughout the southeastern U.S.





Pine Enterprises has a fleet of about 25 Komatsu compact hydraulic excavators, most of them PC50MR-3s, like this one at work in Forsyth County, Ga.



Pine Enterprises' job primarily is to connect sewer and water laterals from the house to the street.

on the smaller sewer mains, say 12-inch pipe and 200- to 300-foot runs, the type of jobs that we can do more cost effectively than the large underground firms. We'll also do many jobs that require slow and careful digging around utilities."

Veteran and talented work force

Pine Enterprises' work force tends to fluctuate, depending on work load. The company has been as large as 100 employees.

"We have excellent employees," acknowledged Bob. "The average employee has been with us five years or more and many have been here more than ten years. The experience they bring to the job is one of the big reasons we're able to be as productive and effective as we are."

"Our philosophy regarding employees is to promote from within, which gives people a way to advance within the company and gives them an additional reason to stay with us," noted Greg. "Every new hire starts laying pipe, then can work his way up to operator and perhaps to field superintendent, if that's what he wants."

"The other good thing about our hiring practices is that everybody learns the job from the ground up," added Mike. "Once they get in an operator's seat, they fully understand what the pipe guy is going through, which makes them better operators. They also learn the Pine Enterprises way of doing a job and dealing with customers."

Productive, reliable equipment

In order to do its residential and commercial work quickly and efficiently, Pine Enterprises has turned to a large fleet of Komatsu compact excavators from Tractor & Equipment Company. Pine has about 25 of the units, including PC27s, PC35s and primarily PC50s. The company also has a Komatsu PC160LC-7 for its larger commercial work.



Pine Enterprises switched from backhoe loaders to tight-tail-swing compact hydraulic excavators during the past few years because, according to Greg Russell, Residential Division Manager for Pine, "There's less room to work today. Komatsu tight-tail-swing excavators allow us to work more effectively in cramped quarters, and safety is improved as well."

"We used to do our work with backhoe loaders, but over the years, homes have gotten larger, and lots, in many cases, have stayed the same or gotten smaller," said Greg. "The end result is there's less room to work. The Komatsu tight-tail-swing compact excavators allow us to work more effectively in cramped quarters, and safety is improved as well."

Pine's Komatsu units all have a long stick that provides more than a foot of additional reach. "They're very productive machines for us," confirmed Pine's Georgia Division Manager Shane Rosser. "Our operators like them a lot."

According to Area Manager Wes Hall, the Komatsu excavators have also been very reliable. "We don't have nearly as many breakdowns as we had with another brand



Mike Cabral,
Commercial Division
Manager



Greg Russell,
Residential Division
Manager

Continued . . .

Pine Enterprises looks to the future

...continued



Shane Rosser,
Division Manager



Wes Hall,
Area Manager

we used before turning to Komatsu. As a result, repair costs are lower, and even more important, productivity is higher due to increased machine uptime."



Pine Enterprises designed its own trucks, eliminating the need for a trailer, to transport its Komatsu compact excavators.



In addition to the compact excavators, Pine Enterprises has a Komatsu PC160LC-7 for larger commercial work.

(L-R) Mike, Jean and Bob Cabral and Greg Russell are the ownership/management team at Pine Enterprises, headquartered in Suwanee, Ga.



Responsive, efficient service

Both Bob and Greg say they've been very pleased with the Komatsu equipment, but they say the service they get from Tractor & Equipment Company is even more important to them.

"I'm old-school," admitted Bob. "To me, this business has always been built on relationships. You've got to be able to trust your supplier and know he's working for you and going to take care of you. TEC has taken great care of us and we're very happy with them."

"If we need them to make a repair or help with maintenance, they're right on it," added Greg. "If a unit breaks down and we need a replacement, they take care of it immediately. If we need a machine in Tennessee, they handle it for us. Bottom line, TEC understands our needs and acts accordingly."

Optimistic about the future

Despite the recent housing slowdown, Pine Enterprises remains upbeat about the future.

"We've downsized a little to reflect the slower residential economy, but we don't view this as a 'gloom and doom' environment," commented Bob. "We know that eventually the market will adjust and correct. It always has and always will. So we're taking this dip as an opportunity to fine tune our business so when it does turn back up, we'll be ready to take full advantage of it."

"I'd say long term, we're still looking to grow the business," said Greg. "I don't know that we necessarily ever planned to be this big back when we were getting started, but having become a good-size firm, I think we'd prefer doing more rather than scaling back."

"Both Greg and I are still fairly young and we enjoy this industry," added Mike. "We helped build Pine Enterprises, and now we run it for the most part. We're pleased with what we've accomplished, but we still hope to do much more. We take a lot of pride in what goes in the ground on our jobs. Our regular customers understand that and appreciate it, and we're confident that when builders get busy again, we'll get busy right along with them." ■



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ON THE JOB



BALDWIN COUNTY ADDS KOMATSU LANDFILL DOZER

Performance and product support are most important in demanding application

In February, Alabama's Baldwin County Commission added a Komatsu D65EX-15SL landfill dozer to its fleet for the Magnolia Landfill. According to Landfill Equipment Manager Doug Hartsock and his staff, the machine has met or exceeded all expectations.

The two men currently running the new D65EX-15SL are Tim Shiver, Assistant Landfill Supervisor, and Mike Curtis, Operator. Shiver has been pleased with the landfill dozer since delivery. "It is much more responsive than other dozers I have run in the past," he noted. "It seems to be quicker all around, which makes us far more productive at the end of the day."

Curtis has spent the most time on the dozer, so far. "The visibility is much better than other dozers," reported Curtis. "It also does a great job of throwing debris out of the tracks, which is very important while moving C & D material."

(L-R) Assistant Landfill Supervisor Tim Shiver, Landfill Equipment Manager Doug Hartsock and Operator Mike Curtis are very pleased with the performance of a new Komatsu D65EX-15SL landfill dozer they are using at Baldwin County's Magnolia Landfill.



Operator comfort has always been a Komatsu priority and the D65EX-15SL landfill dozer is no exception. "I can tell that Komatsu put an emphasis on operator comfort when designing the D65," Curtis asserted. "I can run the machine all day and not feel worn out when it's time to go home."

Product support is important factor

"I've not only been impressed with the new machine, but with Tractor & Equipment's support throughout the years on all the Komatsu machines we have," Hartsock stated. He noted that TEC Mobile Service Manager Danny Wright has gone the extra mile to provide outstanding product support.

"All my dealings with Danny have been first-class," claimed Hartsock. "He is very responsive and knowledgeable, and also has a talented group of mechanics working with him."

"To me, service after the sale is just as important as the quality of machine we purchase," he continued. "There is no doubt our new D65 landfill dozer will do a great job for us for many years, but we also have the peace of mind that we can rely on TEC's product support to keep us going during any unforeseen circumstance."

TEC Sales Rep Chad Stracener expressed the importance of the TEC-Baldwin County relationship. "They have been a loyal customer for many years, and we are extremely grateful for our relationship with Baldwin County. We aim to exceed their expectations on a sales, service, and parts standpoint every time an opportunity presents itself," said Stracener. ■



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INDUSTRY OUTLOOK

CONEXPO IN FOCUS

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

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

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

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

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



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

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

Komatsu sponsors team in first Construction Challenge

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

The Challenge finals included an Infrastructure Dialog segment on



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



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

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

Continued . . .



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



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



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

Komatsu had major presence at CONEXPO

...continued

Education, technology a hit

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

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

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

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

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

Back to Vegas in three years

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

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

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

MinExpo returns to Las Vegas in September



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

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

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

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

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

GUEST OPINION

DEPRECIATION BONUS

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

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

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

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

Trimming this year's tax bill

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

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

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

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

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



Christian A. Klein





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FIELD NOTES

DEMO DAYS

Tractor & Equipment customers test drive and operate new Komatsu machines

Komatsu's newest products, along with many that have been updated, were featured at a recent Komatsu Demo Days event. Hundreds of equipment users, including dozens of TEC customers, took advantage of the opportunity to

Greg Farr (left) of TEC's Calhoun branch brought Tim Kirkpatrick and Charlie Kirkpatrick (operating in photo below right) from C.H. Kirkpatrick & Sons to Demo Days to check out new Komatsu equipment.



operate the machines at the Komatsu Training and Demonstration Center in Cartersville, Ga.

Among the units that were available were the brand-new Komatsu D39-22 dozer and its big brother, the D51-22. The units feature powerful engines, rugged components, a mid-mounted cab and a distinctive sloping nose that provides the best visibility in the industry.

Construction-size excavators on hand ranged from the popular PC200LC-8 up through the 487-horsepower PC800LC-8. Loaders included Dash-6 versions of the WA250, WA380, WA500 and WA600. Also available to test drive and operate were Komatsu articulated and rigid-frame haul trucks, a GD655-3 motor grader, numerous utility machines, and a BR580JG mobile crusher.

For more information on any of these units, feel free to call your TEC sales representative or visit our nearest branch location. In many cases, if you'd like to try something out, we'll be able to set up a demo for you. ■

Demo Days provides an opportunity for equipment users to try out new Komatsu machines at the Komatsu Training and Demonstration Center in Cartersville, Ga.



Kyle Johnson (left) of Reeves Construction in Macon, Ga., is with TEC VP/General Manager-GA Steve McCondichie.



Brian Simmons (left) of John Simmons & Sons, Andersonville, Ga., attended with TEC's Tony Daughtry out of Albany.



Georgia Regional Sales Manager DeVaughn Pettit (left) is with Rodney Lock of Lock's Dozing in Dalton, Ga.



TEC's Joel Bradfield (left) from the Kennesaw branch and Michael Huff, Baldwin Paving, Marietta, Ga.



Cass Pace (center) of CPS, Inc. attended Demo Days with Dwight Swaim (left) and Don Burgreen, TEC VP-Decatur Branch Manager.



Danny Kendrick (second from left) and Phillip Kendrick (far right) of Kendrick Construction in Lafayette, Ala., came to Demo Days with Jay Wages (second from right) of TEC's Anniston branch to check out the new Komatsu dozer line, where they visited with Tom Olson (far left) of Komatsu.



Joe Byrd (left) and Perry Allen (third from left) with McCartney Construction in Gadsden, Ala., visit with TEC Anniston Branch Manager Todd Bigbee (second from left) and VP/Sales Manager-GA Mike Copeland (far right).



(L-R) Charles Eaks and Josh Chandler of SJ&L Contractors out of Huntsville, Ala., and Ben Dowland of Dowland Excavating in Athens, Ala.



Jim Baker (left) and Ken Whittemore (right) of Whittemore Farms in Jasper, Ala., attended Demo Days with Robert Boehme from TEC-Birmingham.



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NEW PRODUCTS



“ADDED VALUE” EXCAVATORS

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

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

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

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

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

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

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

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



Doug Morris,
Komatsu Product
Marketing Manager

Continued . . .

Brief Specs on Komatsu PC300LC-8 and PC400LC-8

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

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



Dash-8 mid-size excavators offer several advantages

...continued

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

Five working modes match specific applications

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

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

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

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

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

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

Designed to reduce downtime

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

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

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





COMPACT EXCAVATORS

The tale of the short tail

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

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

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

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

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

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

What else to look for

Other items to evaluate during the purchase decision process are a large, comfortable operator station with great visibility; a machine undercarriage that's designed like a large excavator; choice of track systems (Komatsu

offers its Road-Liner track, unique in the industry and designed for longer life on hard surfaces); low maintenance requirements; and easy-to-reach daily checks and maintenance points. Also be sure your dealer can offer a good selection of machine-matched buckets, a thumb and quick coupler. And, for the maximum in versatility, consider the option of a power-angle blade and what it can do for your operation. This feature is optional on Komatsu PC35, PC45 and PC50 excavators.

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

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





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MORE PRODUCT NEWS

NEW PZ TOOL CARRIERS

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



Mike Gidaspow,
Product Marketing
Manager Wheel
Loaders

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

"The parallel Z-Bar linkage gives these wheel loaders both parallel lift and good digging ability," said Mike Gidaspow, Product Marketing Manager Wheel Loaders. "It allows the bucket and forks to stay more level than regular wheel loaders, so operators don't have to continually adjust to keep the load from

tipping forward. They are great for a variety of applications, including utility work and warehouses, where users want to keep a load even throughout the entire cycle."

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

Similar advantages to Dash-6 wheel loaders

Both machines got a boost in horsepower compared to their predecessors and, like their Dash-6 wheel loader counterparts, are powered by high-torque, ecot3, Tier 3 engines that offer high performance with less fuel consumption and lower emissions. Electronically controlled hydrostatic transmissions provide quick travel response and aggressive drive into the pile. An inching pedal gives the operator simultaneous control of travel and equipment hydraulic speeds. The new variable traction control system with S-Mode allows the operator to adjust the tractive effort to the job conditions and reduce tire slippage.

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

Brief Specs on Komatsu PZ Parallel Tool Carriers

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

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





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COMMITTED TO EXCELLENCE

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



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

This is one of a series of articles based on interviews with key people at Komatsu discussing the company's commitment to its customers in the construction and mining industries — and their visions for the future.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

ANSWER: We're one of the top equipment companies in the world, depending on the industry. As always, we're looking to improve. We're doing that in several ways, including spending a lot of time and money on research and development, much of which is partially done by talking with equipment users to find out how Komatsu machinery can improve their business. They also expect that machinery to be backed up with excellent support, no matter where they work. So we're working to ensure consistent product support throughout our distributor network, including recertifying service technicians.

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



Komatsu America Chairman and CEO

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



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

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

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

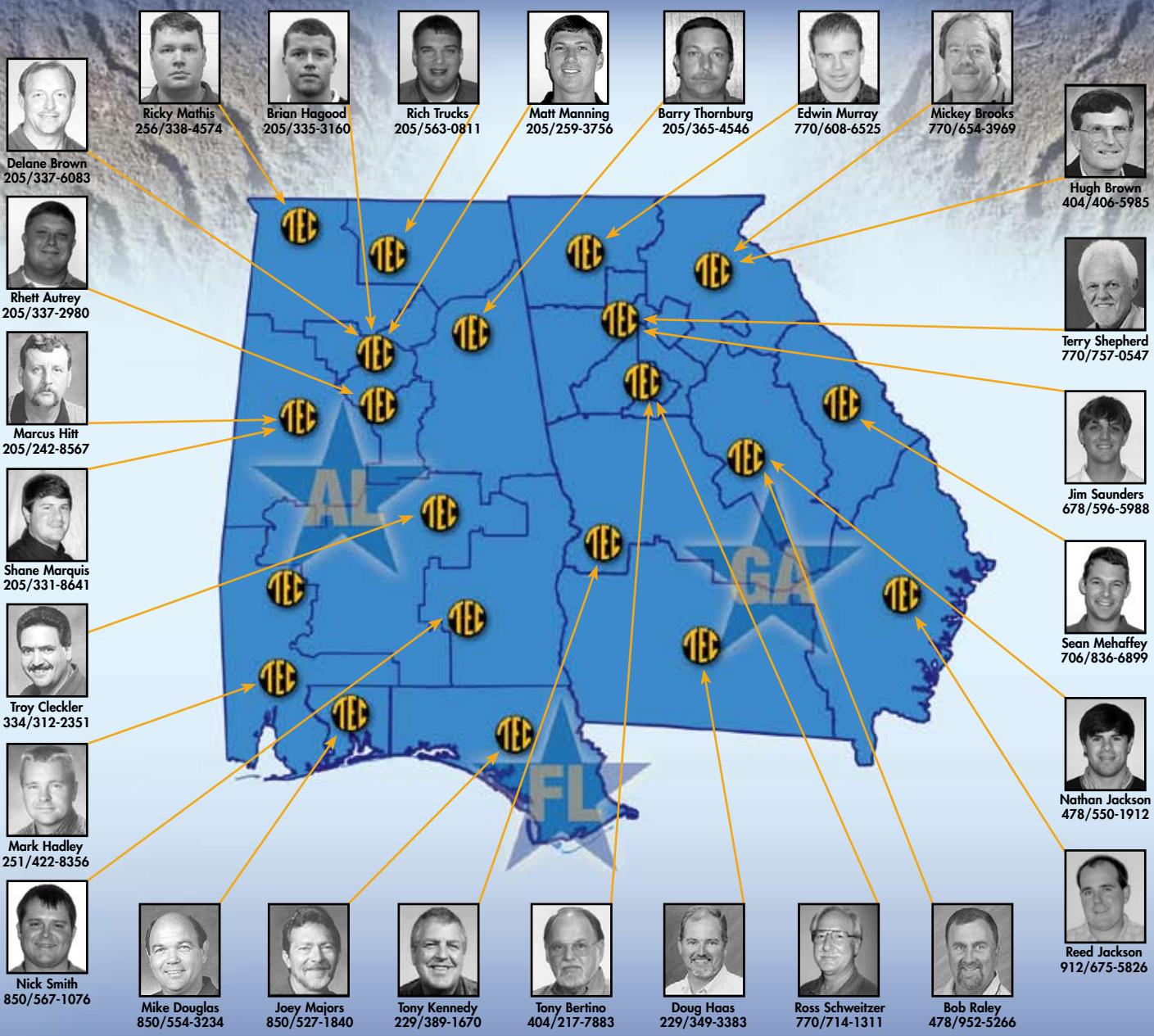
Komatsu recently completed its tenth regional parts depot. The depots are strategically located to ensure parts are readily available to distributors and customers throughout North America, the next day in most cases.



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SERVING YOU BETTER



TEC AT ATC

Technicians from TEC prove they're among the best in the nation

Tractor & Equipment Company excelled at this year's Komatsu Advanced Technician Competition (ATC), which features top technicians from across the country competing against each other in a troubleshooting contest. TEC technicians won three awards in the 10 categories.

Leading the way was Mike Burkes from the Tuscaloosa branch. He placed first on the D475 dozer and took home a first-place trophy and the \$3,500 cash prize that goes along with it. Greg Thomas, from TEC's Macon branch, placed second on the WA900 wheel loader, winning \$2,500, and also collected \$1,000 for placing third on the PC2000 excavator.

"We're very proud of Mike and Greg and the entire TEC team who competed at ATC," said TEC Corporate Training Manager Jimmy Johnson. "All our technicians are good mechanics and ATC helps them polish work procedures that help in a real-world environment."

TEC service managers recommend technicians, who may compete in an "in-house" contest in order to be selected to go to the Komatsu ATC, which takes place at the Komatsu Training and Demonstration Center in Cartersville, Ga.

Of course, the purpose of ATC is to improve technician troubleshooting skills to benefit TEC customers. "Considering the training and studying that the technicians do preparing for our local contest and the knowledge that they get at ATC itself, I have no doubt that they're much better technicians for the experience," said Johnson. "The customers benefit because the techs who compete at ATC bring back what they learn and share it with others throughout all the TEC branches," he explained.

"The bottom line is that the training for and experience at ATC help our technicians diagnose and repair machine problems more quickly. In a business where time is definitely money, that can be a significant cost savings for the customer in terms of a repair bill, and especially in reducing downtime." ■



The TEC team that went to Komatsu's ATC included (L-R) Corporate Training Manager Jimmy Johnson, Birmingham; former Corporate Training Manager Bernie Osborne (now retired); and Technicians Greg Thomas, Macon; Mike Burkes, Tuscaloosa; Buddy Averitt, Tuscaloosa; Scott Smith, Mobile.



Greg Thomas (center) receives his third-place award for the PC2000 excavator. He also took second on the WA900 wheel loader.



Mike Burkes (right) took home the first-place award on the D475 dozer at Komatsu's ATC.

INDUSTRY NEWS

MAKING GAINS

Nonresidential construction spending likely to continue to increase this year

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

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

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



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

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

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

Growth in 15 of 16 categories

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

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

PARTS NEWS



ECO-WHITE FILTERS

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

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

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

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

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

Traps contaminants more efficiently

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

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



Dan Brown,
Komatsu Parts
Marketing



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

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

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NEWS & NOTES



Experienced TEC staffers move into new service management positions

TEC recently promoted two experienced service department employees into management positions. Larry Watkins is the new Service Manager - North Alabama. In this position, Watkins is responsible for the service departments at TEC's Birmingham, Tuscaloosa, Decatur, Tuscumbia and Anniston branches. He joined TEC in 1977 and after many years as a Field Service Technician, he became Tuscaloosa Service Manager, a position he held for 18 years before assuming his new title.

Michael Burkes is the new Service Manager at the Tuscaloosa branch. He began his career with TEC in 1995 and has been a Field Service Technician for 11 years. ■



**Larry Watkins,
Service Manager - North Alabama**



**Michael Burkes,
Tuscaloosa Service Manager**

Representatives seek water infrastructure funding

Congressional representatives called on the Government Accountability Office (GAO) to study the nation's water infrastructure needs. The representatives say studies show that there will be a \$300 billion to \$500 billion funding gap to cover what is needed in the next 20 years, according to an article in E&E Daily.

"Our water infrastructure needs have grown, while funding for clean water has been declining," representatives wrote in the letter to the GAO Comptroller General asking him to look for ways to finance a Clean Water Trust Fund that provides at least \$10 billion annually to maintain and upgrade wastewater treatment and sewer collection systems. "Many wastewater treatment systems are nearing the end of their useful-design lives." ■

Representatives asked the GAO to work with federal, state and local government agencies, as well as representatives of industry and publicly owned waterworks, according to the article.

"To guarantee consistent long-term funding for water infrastructure, we must identify a dedicated source of revenue that is both logical and sustainable," said Representative James Oberstar, D-Minn., Chairman of the House Transportation and Infrastructure Committee. "We know it is possible, because we already have the Highway Trust Fund and Aviation Trust Fund. Once a sustainable funding source for water infrastructure investment is identified, I hope to take up legislation creating a new Clean Water Trust Fund in the next Congress." ■



RELIABLE EQUIPMENT
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DISTRIBUTOR CERTIFIED

"HALF AND HALF"

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



Lee Haak,
Director, ReMarketing



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

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

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

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

Subsidized financing, warranties

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

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



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





For more information, contact:

Rick Mathis rmathis@tractor-equipment.com
Jon Lake jlake@tractor-equipment.com

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KOMATSU D61EX-12, S/N B3188 \$ 95,500



KOMATSU PC600LC-7, S/N 20079 \$ 310,000

EXCAVATORS

Komatsu PC200LC-8, C60031, 2006 \$ 110,000

Komatsu PC300LC-6, A84198, 2000 \$ 75,000

Komatsu PC300LC-6, A84775, 2002 \$ 95,000

Komatsu PC300LC-6, A84872, 2002 \$ 110,000

Komatsu PC300LC-7E0, A88770, 2007 \$ 220,000

Komatsu PC400LC-6, A85352, 2003 \$ 102,000

Komatsu PC400LC-6LM, A85333, 2003, w/ hammer \$ 250,000

Komatsu PC400LC-7L, A86414, 2005 \$ 155,000

Komatsu PC600LC-7, 20079, 2004 \$ 310,000

Komatsu PC750LC-7, 20011, 2004 \$ 425,000

ARTICULATED TRUCK

Komatsu HM400-1L, A10099, 2006 \$ 275,000

DOZERS

Komatsu D31PX-21A, 50780, 2004 \$ 47,500

Komatsu D31PX-21A, 50897, 2005 \$ 58,500

Komatsu D39PX-21A, 2327, 2007 \$ 95,000

Komatsu D41E-6, B30111, 2001 \$ 60,000

Komatsu D41E-6C, B40042, 2004 \$ 82,500

Komatsu D41E-6P, 40956, 2006 \$ 75,000

Komatsu D61EX-12, B1823, 2003 \$ 85,000

Komatsu D61EX-12, B3188, 2004 \$ 95,500

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