

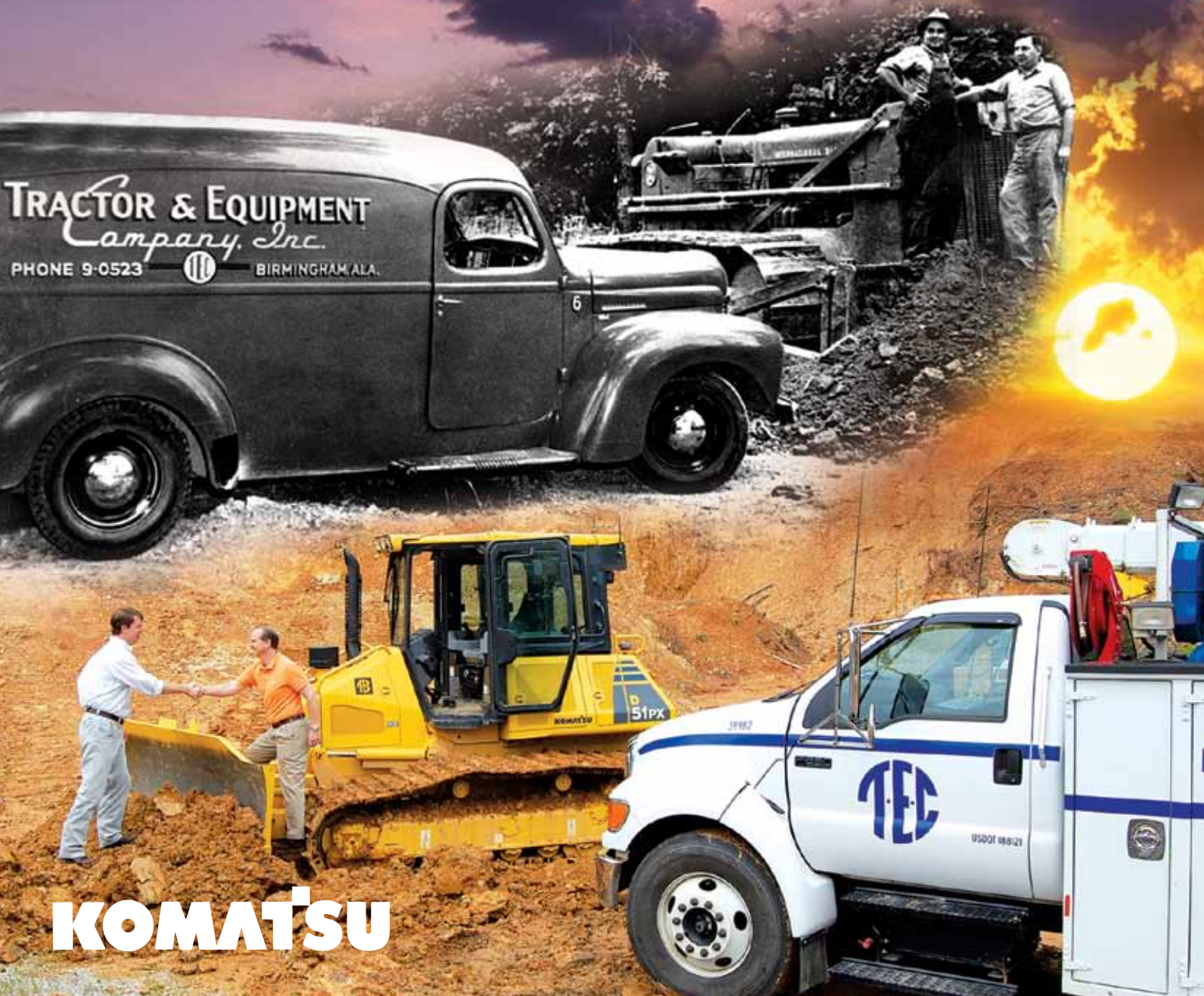


Tractor Times

A publication for and about Tractor & Equipment Company customers

2011 No. 1

**Yesterday and today —
customers come first for TEC**



KOMATSU

A MESSAGE FROM THE PRESIDENT



Dan Stracener

**A long tradition
of "Putting The
Customer First"**



**TRACTOR
&
EQUIPMENT**
Company

Dear Equipment User,

We love the photo collage on the front cover of this issue of your Tractor Times. We think it speaks volumes about Tractor & Equipment Company — who we were, who we are and what we stand for.

In 1943, Tractor & Equipment Company opened its doors in Birmingham. Just one location and a handful of people determined to make their new dealership one of the leading equipment companies in the Southeast. The founders decided early on that they were going to achieve that by "Putting The Customer First." It became their motto. Today, it's our tradition.

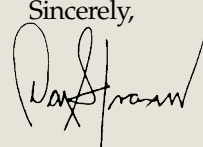
Much has changed since 1943 when a new house cost \$3,600 and a gallon of gas was 15 cents. But at Tractor & Equipment Company, our commitment to you, the customer, remains as strong today as it was 68 years ago.

We now have 21 branch locations spread throughout Alabama, Georgia and the Florida Panhandle. The product lines we carry are true industry leaders. Our support capabilities are second-to-none. But most of all, we believe it's the quality of our employees that sets us apart from many other equipment dealers.

All of our people — salesmen, service technicians, PSSRs and other parts personnel — are involved with customers just like you every single day. As a company, we emphasize customer satisfaction with a goal to not just meet your needs but exceed your expectations. We couldn't do that without employees who share our commitment. Fortunately, ours do.

All of us at TEC thank you for your past support. We hope you'll continue to give us the opportunity to earn your business. I can assure you that, just like our founders, "Putting The Customer First" will always be our guiding principle.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dan Stracener', written over a horizontal line.

Dan Stracener
President



IN THIS ISSUE

ROBERTSON GRADING & PAVING

Quality work is the calling card of this Augusta, Ga., asphalt paving firm.

TRADE SHOW NEWS

Get ready for CONEXPO 2011 with this preview of what you can expect at next year's premier construction event.

GUEST OPINION

Real estate expert Howard Roth previews the road ahead regarding President Obama's \$50 billion infrastructure improvement proposal.

INDUSTRY OUTLOOK

Take a look at the positive forecast for construction spending in 2011.

EQUIPMENT MANAGEMENT

Find out why your older Komatsu machines continue to offer efficient and reliable productivity.

NEW MINING PRODUCTS

See why Komatsu's largest wheel loader, the WA1200-6, is also one of its most productive and fuel-efficient.

KOMATSU & YOU

Komatsu Vice President of Product Marketing Erik Wilde discusses machine improvements for 2011, including Tier 4 changes, the new hybrid excavator and 3-D machine-control systems.

UNDER THE HOOD

Thought oil sampling was only for new machines under warranty? Learn why the benefits of oil sampling increase as a machine ages.

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KOMATSU

A SALUTE TO A CUSTOMER

ROBERTSON GRADING & PAVING

Quality work is the calling card of this Augusta, Ga., asphalt paving firm



Lewis Robertson,
Owner

Today, Robertson Grading & Paving is widely recognized as one of the leading asphalt paving firms in and around Augusta, Ga. But originally, paving was not even part of the plan when Lewis Robertson started Robertson Grading in 1994.

Robertson had spent 20 years in the asphalt-paving business before deciding that he wanted to do something different. The company he was with had been growing substantially by acquiring other companies and becoming, in Robertson's words, "like a big corporation." That didn't appeal to him, so he decided to branch out on his own with Robertson Grading.

"The economy was good, and there was lots of work," Robertson recalled. "I had about five

people working for me, and we mostly did grading for subdivisions. Initially, all I wanted to do was the grading. Over time, that evolved into doing the base work for roads, which we then had somebody else pave."

But many of the developers and general contractors Robertson was working for were familiar with his asphalt-paving background and wanted him to offer that service as well.

"That was really my area of expertise," Robertson noted. "One of the developers who wanted me to do some paving for him actually helped me get the equipment I would need to get started paving. After that, we were Robertson Grading & Paving, and paving became, and has remained, our primary business."

The final piece of the puzzle came in 2002/2003, when Robertson and two partners started Augusta Asphalt, a hot-mix plant. "There were only two other asphalt plants in town," said Robertson. "We thought the competition would be good. Having a plant would allow us to sell product to other area paving firms as well as supply our own jobs more cost effectively."

Robertson's current partners in Augusta Asphalt are Construction Preferred Inc. (an Augusta family-owned business headed by Brett Cooper, the son of Robertson's original partner, Buddy Cooper), and Danny Bonnell who manages the plant.

**Do it right the first time
and every time**

Most of Robertson Grading & Paving's work today consists of base and paving, along with concrete curb and gutter. The company, which

In addition to Robertson Grading & Paving, Owner Lewis Robertson is a partner in Augusta Asphalt. Danny Bonnell (inset photo), also a partner, manages the plant.



for the most part works within an 80-mile radius of Augusta, employs about 50 people.

"Virtually everything we do is centered around asphalt and paving," said Robertson. "Like everybody, our business has slowed and evolved in recent years. Whereas in the past, 95 percent of our work was for private developers, now 95 percent of it is public work for customers such as the DOT, Fort Gordon or the Savannah River Site (nuclear facility).

"I am proud of the fact that we've been able to maintain our work load to the point that we haven't laid anybody off. We became smaller through attrition — by not replacing people who left — but the guys who've been with me for many years are still here."

Robertson credits his work force for understanding and implementing the company's philosophy of doing "quality work" and doing jobs right the first time.

"We stress quality work because as years pass, nobody will remember how fast you did a road. They'll remember how well you did it — how smooth it is, how well it drains, how long it's lasted and how courteous your people were. Of course, we're going to meet all time lines and we're going to be price-competitive, but the most important thing to me is that we are known as a company that does the job right the first time, and every time."

Subdivisions, highways and more

Robertson estimates his company has done most of the asphalt paving in subdivisions in and around Augusta, including Ivy Falls, Ashbrook and Canterbury Farms. The company has also done a significant amount of municipal, county and state road work including all the paving at the Grovetown I-20 Interchange.

"Most of our work is as a subcontractor so we're typically bidding to a G.C. rather than directly to a government entity," said Robertson. "Because of that, there's a little leeway where we don't necessarily have to be the low bid to win a job. If the contractor is comfortable with us and likes the work we've done for him in the past, he's often willing to



This Komatsu WA450 wheel loader works at Augusta Asphalt, stockpiling material and feeding the plant.



Operator Joe Parks uses a Komatsu D39PX dozer to clear trees and brush from a building site in Columbia County. "Joe loves the D39," said Robertson Grading & Paving Owner Lewis Robertson. "It handles well, offers great visibility and has been very reliable."

pay a little more for our services. We try to be very competitive in submitting bids, but even in this economy, we've found our reputation still counts for something."

Top products and dealer support

Robertson Grading and Paving has turned to Tractor & Equipment Company for many of its pavers and rollers through the years, as well for parts and service for those machines.

"Tractor & Equipment and our Sales Rep John McMahon have been excellent service providers," confirmed Robertson. "The best thing is, unlike some dealers and salesmen, they always call back and always try to help. Even



To see Robertson Grading & Paving's machines in action, find this article in our online magazine at www.TECTractorTimes.com

Continued . . .

Exceeding expectations is Robertson's goal

... continued

on equipment that they don't sell, we still call on TEC for service because they do such a good job.

"We recently purchased our first Hamm roller from them and have been very pleased with it. It's easy to operate and does a great job of giving us the compaction we need. As our paving fleet ages and we need additional

units, we'll certainly look to the Vögele pavers and Hamm rollers that TEC now carries, not just because they're excellent products, but also because TEC is the dealer for those products."

For its grading work, Robertson uses a Komatsu D39 dozer, while Augusta Asphalt relies on a Komatsu WA450 wheel loader to feed the plant and stockpile material.

"My dozer operator, Joe Parks, is the only guy I let on the D39, and he loves that machine to death," said Robertson. "It does a really good job for us on small grading and pushing jobs. It handles well, offers great visibility and has been very reliable. All the guys at the asphalt plant like the WA450 too. It's been a very productive wheel loader and has given us great uptime."

Looking forward to future growth

Robertson says he believes work is going to continue to be at a level similar to 2010 for another year, or maybe two, before rebounding. As a result, he says, Robertson Grading & Paving will continue to be at its best.

"It's not like three or four years ago when there was so much work that everybody was busy. Today it's a very competitive market. Contractors cut wherever possible, so they can bid jobs for a little less in order to keep work coming in. It used to be that a backlog of work in the range of six to eight months was commonplace. Now it's often more like 30 days. Fortunately, our employees understand the situation and that spurs them to do topnotch work. They know that's what's going to keep us in demand and allow us to keep our doors open.

"It's really all about customer satisfaction," Robertson continued. "When I drive on a road that a competitor paved, I'm always judging it. My goal is to try to make sure that when we do a job, the end result is better than what the other guy would have done — and is the best that it can be. As long as we keep delivering projects that meet or exceed customers' expectations, we're optimistic that we'll get our share of the work that's available. And if we do that, we're confident it will be enough to keep us going and, we hope, growing in the years to come." ■



Lewis Robertson (left) works with TEC Sales Rep John McMahon. "The best thing about TEC and John is they always call back and always try to help," said Robertson. "Even on equipment they don't sell, we still call on TEC for service because they do such a good job."

Robertson Grading and Paving's newest roller is this Hamm HD 14VV.





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CONEXPO COMING

This year's big construction industry event to be even larger than its predecessors

When CONEXPO-CON/AGG was held in 2008, it counted itself the largest construction industry event of its kind with attendance topping 144,000. When it returns to Las Vegas this year, that claim may not hold, as CONEXPO-CON/AGG is expected to be even larger.

CONEXPO-CON/AGG will be held at the Las Vegas Convention Center March 22 to 26 with more than 2 million square feet of exhibit space that features a wide variety of equipment, educational opportunities and technology. The event is held in conjunction with the International Fluid Power Expo (IFPE), an exposition and technical conference dedicated to the integration of fluid power with other technologies for power transmission and motion control applications. It's on pace to top more than 126,000 square feet.

"These numbers are especially gratifying given the continued slowdown in the manufacturing

sector," said Megan Tanel, Vice President Exhibitions and Events for the Associated Equipment Manufacturers (AEM). "We value the industry support we're receiving as we strive to offer the industry a gathering place to sell their equipment, products and services as well as network with their peers."

More networking opportunities will be available with the addition of the International Concrete (ICON) Expo, which will be co-located with CONEXPO-CON/AGG and IFPE. Presented by the National Concrete Masonry Association (NCMA), ICON is designed to serve the needs and interests of all producers, suppliers, designers, architects and others involved in the concrete products industry.

Learning opportunities

Attendees can also learn how to make their businesses more efficient and profitable with a wealth of educational opportunities presented by industry experts.

More than 125 educational sessions are available in nine categories: Aggregates, Asphalt, Concrete, Earthmoving and Site Development, Equipment Asset Management, Management Best Practices, Recycling/Sustainability, Safety and Workforce Development. Within each, attendees can find such topics as how to secure the most profitable projects in your area; unlimited alternatives to money — business to business credit; cash management and forecasting through tough times; tips on working with federal and state legislators to help shape projects; and work force 2012 and beyond.

Sessions generally run 90 minutes and include materials attendees can take with them for future reference. Educational credits are available for many sessions.

CONEXPO-CON/AGG will be held March 22 to 26, 2011, at the Las Vegas Convention Center. More than 2 million square feet of exhibit space will feature the latest in machinery and technology for the construction industry.





Komatsu will highlight its Hybrid PC200LC-8 excavator, as well as new equipment with Interim Tier 4 engine technology that went into effect at the beginning of this year.

Also new in 2011 is an enhanced Safety Zone with an innovations theater and simulators that feature exhibits and demonstrations from industry and government groups, including OSHA, MSHA and others.

In addition, CONEXPO-CON/AGG will hold a Green Roads Summit designed to offer insight into how sustainability efforts affect current and future road construction projects.

Easy navigation

As in the past, event organizers are making it easier to navigate around the site. Similar products and companies will be grouped together. For instance, those interested in earthmoving equipment can find it in the North Hall, part of the Central Hall, the Riviera Pavilion and the Gold, Blue and Riviera lots outside the convention center.

Komatsu will display more than 20 products, including its revolutionary Hybrid PC200LC-8 excavator as well as products that feature new Interim Tier 4 engine technology, which went into effect at the beginning of 2011 for a large number of construction machines. In its 30,000 square feet of display area in the North Hall (Booth 1009) will be excavators, dozers, motor graders, trucks and more. Komatsu personnel will be on hand to provide information and answer questions.



Komatsu's 30,000-square-foot display area will showcase machinery as well as technology, such as its KOMTRAX remote machine-monitoring system that allows users to track hours, location, service intervals and other valuable information from a secure website.

A theater presentation in its exhibit space will highlight product features and the service and programs Komatsu and its distributors offer in support. One program Komatsu will showcase is its KOMTRAX remote machine-monitoring system that's standard on most new machines and free for the first five years.

Continued . . .

Komatsu display features new technology

... continued

Past attendees enjoyed Komatsu's video simulators, so a six-person video game center will be part of the exhibit space at the upcoming expo. It features a Komatsu HM300 articulated truck in a race through a fictional construction site. A company store with items

such as apparel and die-cast models rounds out Komatsu's display.

Other product concentration areas for lifting equipment, asphalt paving and production, concrete paving and production, aggregate processing and heavy-duty trucks and mixers will be set up at the expo. Sub-specialties such as engines, hydraulics, lubricants, tires and components have their designated areas as well.

Information stands will be set up throughout the show, and interactive product locators, searchable by company and product, will be on the show floor. These will also have information regarding seminars and meetings. Other show services include a free shuttle system to transport visitors from hotels to and from the convention center and an intra-show shuttle system.

A positive experience

In addition to AEM, there are several organizations that sponsor CONEXPO-CON/AGG, including many with which attendees are affiliated. Among them are the American Concrete Pavement Association, American Road & Transportation Builders Association, The Associated General Contractors of America and Land Improvement Contractors of America.

Statistics show that the vast majority of those who attend CONEXPO-CON/AGG and its co-located shows see it as a positive experience. About 80 percent of attendees at the 2008 event rated it as excellent or very good.

According to a recent AEM survey of contractors, industry customers cite new products, such as those displayed at CONEXPO-CON/AGG, IFPE and ICON, and access to industry experts as key reasons for attending these types of shows. Organizations believe the shows provide valuable benefits to attendees and exhibitors alike.

"What remains the same is (our) commitment to offer a quality show experience and outstanding customer service," said IFPE Show Director Melissa Magestro. "We are industry-run shows and delivering maximum value to attendees and exhibitors is our top priority."

For more detailed information on the show, visit www.conexpoconagg.com. ■



Product managers and other personnel will be on hand to provide information and answer questions about how Komatsu can help your business.

As in past years, Komatsu will feature a large display area that highlights many of its new products, including wheel loaders and excavators.



GUEST OPINION

THE ROAD AHEAD

The President's proposal is a start, but only a drop in the bucket of what's needed to fix infrastructure

President Barack Obama's announcement of a proposed \$50 billion program to improve America's roads, bridges and transportation system has once again brought infrastructure to the forefront of public discussion. Although we'd like to think the U.S. has better infrastructure than the rest of the world, that's actually not the case. The fact is, compared to most of the developed world, our infrastructure is much older and in desperate need of repair.

We only have to look at the age and condition of water mains for evidence of this. A recent New York Times story revealed the somewhat startling statistic (based on EPA data) that, on average, a major water line bursts somewhere in the country every two minutes. Add to this the fact that our roads, thousands of our bridges and dams and parts of our rail system date back well into the last century, and it becomes clear that our infrastructure is inadequate.

The proposal put forth by the President included a six-year program to rebuild 150,000 miles of roads, maintain 4,000 miles of rail track and build 150 miles of runways, with a total cost of \$50 billion. This may seem like a grand program, but last year the American Society of Civil Engineers estimated the minimum investment needed to bring the country's infrastructure, including roads, bridges, rail and airports, up to standard is \$2.2 trillion and counting.

The President recently backed up his call with a new report from the Treasury Department and the Council of Economic Advisers cataloging a 50-percent fall in infrastructure spending in the country since 1960. The U.S. spends just 2 percent of GDP on infrastructure, compared to 9 percent in China and 5 percent in Europe. There's a clear danger the U.S. will continue to fall behind

in global competitiveness if we continue to shortchange our infrastructure.

Of course, the President's proposal is also about jobs. More than 1.5 million construction workers have been sidelined during the recession, and a major building program such as that proposed by the President would go a long way to putting people back to work, as well as creating jobs throughout the next decade. In fact, analysts suggest that without the Obama plan in place, highway spending in the U.S. may fall as much as 5 percent this year. Bottom line: more jobs will likely be lost in the construction sector, which would have a negative impact on real estate.

The proposal to establish a formalized approach to the country's transportation infrastructure challenges, including the possible establishment of a National Infrastructure Bank, would be a good first step to start addressing the United States' significant infrastructure challenges, but more is needed. With our water delivery, wastewater treatment and utility infrastructure all needing attention, this is just a drop in the bucket. ■



Howard Roth

Howard Roth is the Global Real Estate Leader and a Partner with Ernst & Young LLP's Real Estate practice. This article originally appeared in GlobeSt.com

President Barack Obama has proposed a \$50 billion investment in infrastructure. Howard Roth says it's a start, but much more is needed to update aging roads, bridges and other transportation sectors.



CONSTRUCTION SPENDING FORECAST

Economists see a boost of up to 8 percent as part of overall growth in the economy

As the economy tries to heal, forecasts for the construction industry call for growth in 2011 in most sectors, with a total value of as much as \$445 billion, according to a McGraw-Hill Construction report released late last year. That total would be an 8 percent rise from 2010, part of an overall growth of 2.5 percent in the U.S. economy predicted by McGraw-Hill.

Single-family housing should see the strongest growth at 27 percent, with more than \$126 billion in construction starts. That will depend on several factors, including the foreclosure mess getting sorted out. Following closely behind is multifamily housing, with an expected rise of \$23.6 billion, a 24-percent gain from last year.

"While the economy is still facing headwinds, the stage is being set for construction to see

modest improvement in 2011 from (2010's) very weak activity," said Robert A. Murray, Vice President of Economic Affairs at McGraw-Hill Construction during a recent presentation. "We're turning the corner, slowly. As 2010 becomes the final year of a very lengthy and unusual construction cycle, 2011 will be the first year of renewed growth for overall construction activity."

Increases extend to commercial buildings, where a 16-percent gain is expected by McGraw-Hill. That follows a three-year decline in building new stores, offices, warehouses and hotels. Manufacturing buildings are expected to increase 9 percent in dollars and 11 percent in square feet.

Other industry experts forecast similar improvements in green building, residential building, building product manufacturing, building materials, technology and the economy as a whole.

"The U.S. economy is in the second year of economic expansion," said Camilli Economics President Kathleen Camilli. "While the growth rate is currently modest, momentum is likely to grow as the economy responds to an ongoing monetary and fiscal stimulus in the pipeline. Notwithstanding the financial crisis's impact on residential and nonresidential construction, growth in this sector of the economy will continue to be driven by innovation in building technologies."

Modest growth this year, bigger next

Reed Construction Data expects a rise in nonresidential construction sectors of 2.7 percent in 2011, with an increase of 12.9 percent the following year. Reed expects increases in all sectors in 2011, including a 7.1-percent

Economists predict housing to see growth of more than 20 percent, including single-family and multifamily, as part of an overall boost in construction spending.



jump in health-care construction, 4.4 percent in commercial, 2.5 percent in education and more than 1 percent in manufacturing, amusement/recreation and lodging. Significantly higher growth is expected in all those areas, as well as office, religious and public safety in 2012.

“Commercial building construction spending will see the largest positive impact from the monetary stimulus,” said Reed Construction Data Chief Economist Jim Haughey, citing the Federal Reserve’s quantitative easing plan announced in late 2010. “Developers will get cheaper credit rates, higher space demand, more valuable building assets to pledge as collateral for new project loans and lenders with more cash. The restraint on housing starts cannot be solved by cheap credit as we have learned in the past few years. However, apartment construction will benefit similarly to other commercial buildings. Institutional buildings and the largely public, heavy construction sector will fare about the same as single-family and condo construction. The supply of construction funds for these markets is largely isolated from short-term changes in financial markets.”

Material prices to rise too

Haughey said cheaper credit, a cheaper U.S. dollar and higher equity prices are positive for the near-term spending outlook. Inflation will remain low, but rise enough to end concerns of deflation. “There will be a noticeable rise in inflation for commodities used in construction materials,” said Haughey. “Commodity price inflation has been near zero in recent months but will rise back to the 5-percent to 6-percent range.”

Others see commodity and materials prices rising as well. Associated General Contractors’ Chief Economist Ken Simonson said material prices were up considerably in the fourth quarter of 2010, are likely to be “volatile” in 2011, and noted that an Energy Information Outlook report forecasts diesel fuel to rise 22 cents on average from last year.

“It seems likely that materials that are traded globally, such as oil, copper and steel (especially the scrap that forms the raw material for most construction steel), have



Growth in several sectors is anticipated, such as commercial, institutional and health care.



Material prices were up in the fourth quarter of 2010 and are expecting to rise more in 2011, especially those traded globally, such as steel and copper.

a greater risk of near-term price spikes than materials for which demand stems from domestic construction, such as concrete, asphalt, wallboard and lumber,” said Simonson.

He added, “Consequently, contractors may face a two-tier pricing picture in 2011: volatility and large spikes for some materials, stable and shrinking prices for others. Meanwhile, owners are likely to be as resistant as they have been in 2010 and 2009 to pass-throughs of price increases. Contractors will need to be sure they or their subcontractors can absorb possible price spikes.” ■

EQUIPMENT MANAGEMENT

CONTINUED PRODUCTIVITY

Why your older Komatsu equipment remains an efficient and reliable choice

The advent of interim Tier 4 emissions standards was ushered in as the calendar turned to 2011, affecting machinery with engine horsepower in the 175 to 750 range. While the standards mandate a reduction in soot and other emissions in new machines, that doesn't mean you have to immediately get rid of your older dozers, excavators and wheel loaders.

"Many of our customers prefer to continue using their older Komatsu pieces because they've found them reliable and a good fit for their business," said Komatsu's Erik Wilde, Vice President, Product Marketing. "They go right on racking up the hours on those machines."

Contractors using Komatsu equipment, such as Webber, LLC, continue to turn the hour meter to impressive numbers. Webber does heavy highway work, and its two subsidiaries recycle materials and manufacture precast concrete barriers. The company also has sand pits and

concrete and asphalt plants. For more than 20 years, Komatsu excavators, dozers and wheel loaders have been in the companies' fleets.

"Komatsu has been our top equipment choice because it has proven time and again to be productive and reliable," said Donnie Poplaski, Director Equipment Department for Webber. "We have some wheel loaders with more than 25,000 hours and excavators pushing 13,000 to 15,000 hours that still have the original componentry. That says a lot about the quality that Komatsu offers."

Komatsu quality means its equipment runs even in the toughest conditions. Shawn and Todd Harders have found that to be the case with the D65 dozers and PC200 excavators they use to do agricultural and wetland work. The brothers own and operate Harders Dozer & Scraper Work, which often clears land in inhospitable areas.

"We've always believed Komatsu excavators are top-of-the-line," said Todd. "We use our PC200s to remove trees or stack trees that the dozers push up. We also use them to dig channels. Working in water up to two feet deep, which we often do, is tough on equipment. We have 10,000 hours on a Dash-6 excavator that's more than 10 years old. That's a good testament to how well our Komatsu equipment works and lasts."

Hour after hour

Grant Meenach, founder and President of Kern Pacific nearly echos those sentiments. Meenach recently added a PC800LC-8 to a fleet that's always leaned heavily toward Komatsu equipment. Not long after Meenach went into business for himself in 1998, he purchased a PC220LC-5 excavator and a WA320-3 wheel loader.

Many contractors use older Komatsu excavators for a variety of purposes, including such rugged applications as demolition.





Contractors often rely on older Komatsu equipment because they find that even with high hours, it works in less-than-ideal conditions. “We’ve always believed Komatsu excavators were top-of-the-line,” said Todd Harder of Harders Dozer & Scraper Work. “We have 10,000 hours on a Dash-6 excavator that’s more than 10 years old. That’s a good testament to how well our Komatsu equipment works and lasts.”

Of course, the latest model PC800LC hydraulic excavator has helped Kern Pacific quickly complete even deep digs up to 30 feet. Meenach said his older Komatsu equipment still does an excellent job of helping the company stay productive and complete projects on time.

“I’ve kept buying Komatsu equipment because its durability means it runs and runs without costing us downtime,” Meenach acknowledged. “We’ve put up to 15,000 hours on a wheel loader without doing much more than routine maintenance. And, when I believe it’s time to trade or sell, Komatsu holds its value.”

Demo starts a trend

All it took for ready-mix concrete producer Ellensburg Cement Products to see Komatsu’s value was a demo that compared apples to apples. The third-generation family business began using Komatsu products about 10 years ago. President Jeff Hutchinson explained that from the first time the company used a Komatsu excavator, he saw a big difference.

“We had a different brand of excavator that was getting very old and wasn’t giving us the productivity we wanted,” said Hutchinson. “We called the top equipment dealers in the region and told them we wanted to demo their machines, so they all brought similar-size excavators out for us to try. Bottom line, the Komatsu PC600 performed the best.”

Ellensburg Cement Products eventually traded in its initial PC600 for another, and began buying additional Komatsu pieces, including a WA600 wheel loader, a WA500 wheel loader and an HD325 haul truck.



Companies such as Brannan Sand and Gravel use older Komatsu wheel loaders to charge crushers and as general-purpose machines. “What I’m looking for is reliability and fuel efficiency — machines I can count on every day and that won’t break me paying for diesel fuel — and that’s what I get from our Komatsu machines,” said Aggregate Production Supervisor Jim Thompson.

“All of our Komatsu units have held up really well,” said General Superintendent George Seubert. “We use the WA600 to feed the crusher and the WA500 to feed the wash plants. We now have 8,000 hours on the WA600. It still runs great. Also, fuel consumption on both wheel loaders and the excavator has been very good.”

Consistently fuel efficient

Fuel efficiency is one reason Brannan Sand and Gravel keeps purchasing Komatsu equipment. It helps that its Komatsu units maintain low fuel consumption even as the hour meter creeps into the five-digit range.

Continued . . .

Komatsu — productive equipment that lasts

... continued

Brannan Sand and Gravel is part of the Brannan Companies, which include Brannan Ready Mix and Brannan Construction. With the three entities, Brannan Companies handle complete projects for heavy highway and commercial development as a general or subcontractor, as well as supplying materials.

The Brannan Companies rely heavily on Komatsu equipment, including excavators, wheel loaders and haul trucks, especially in their material pits. "We started using Komatsu machines eight or nine years ago," said Equipment and Shop Division Manager Chuck Irsik. "We'd been running another brand prior to that, but when we were in the market for a new wheel loader around 2001, we thought we should probably do some demos and compare prices. Komatsu performed well in the demo and was priced fairly, so we decided to give it a try. Komatsu machines have been a mainstay for us ever since. They are productive, reliable units that last a long time."

"All of our Komatsu pieces in the pits have performed well, including those that have a lot of hours on them," added Aggregate Production Supervisor Jim Thompson. "What I'm looking for is reliability and fuel efficiency — machines I can count on every day and that won't break me paying for diesel fuel — and that's what I get from our Komatsu machines."

Komatsu machines maintain their reliability and longevity into the thousands of hours. "All of our Komatsu units have held up really well," observed Ellensburg Cement Products General Superintendent George Seubert.

Familiarity leads to purchase

Owner/President Bob Quinn was already familiar with Komatsu equipment when he founded Quinn Construction in 1992. The company does general earthwork and demolition, using several PC200LC excavators, a PC220LC excavator and two WA500-1 wheel loaders.

"I've always believed that proper maintenance is vital, because it ensures that the equipment performs to its maximum capabilities, even with a high number of hours," said Quinn. "The other factor I'm adamant about is buying quality equipment to start with, and that's why over the years we've purchased and stayed with Komatsu. I used Komatsu machinery when I worked for someone else and saw first-hand how well it performed. When I started acquiring equipment, Komatsu was at the top of my list."

Quinn appreciates the versatility the excavators provide, as he uses them for excavation as well as equipping them with quick couplers to run several attachments for demolition. "We get a lot of flexibility from the excavators," said Quinn. "The wheel loaders have been outstanding as well. We used to do some crushing, and we originally bought them for feeding the crushers. Now they're general-purpose machines. Both have about 16,000 hours on them and are still as productive as they were when we purchased them."

In it for the long haul

Komatsu's Wilde said he hears numerous similar stories around the country and throughout Canada as users continue to see the value, reliability and productivity in even the oldest Komatsu machines.

"In many cases, equipment users like to keep machinery as long as possible because it continues to earn them profits long after it's paid off," said Wilde. "With Komatsu equipment, they're confident that's going to be the case. We do everything we can from a product support standpoint for that to happen by continuing to stock parts at our distributors, parts depots and main parts location. When customers are ready to add to or update their fleets, our latest technology models are an excellent choice for many reasons. Like our customers, we're in it for the long haul." ■





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NEW MINING PRODUCTS

LOWER OPERATING COSTS

New WA1200-6 offers you more productivity with less fuel consumption

The WA1200-6 is Komatsu's largest wheel loader and one of its most productive and economical, thanks to improvements built around customer input and feedback. Among the most productive features is a new 1,765-net-horsepower engine that has a full 132 horsepower more than its predecessor.

Despite the increased horsepower, the 477,000-pound WA1200-6 uses 15 percent less fuel in an EPA-compliant, Tier 2 engine. A new, dual-mode, active-working hydraulic system allows the operator to select between normal and powerful loading, while the optimum oil flow in the working system increases efficiency and reduces cycle times. Komatsu extended the dump clearance, and added stability by improving the static tipping-load rating.

"The WA1200 is a primary production machine in all types of mines that depend on wheel loaders for excavation and loading," said Steve Thorson, Product Marketing Manager, Mechanical Drive Mining Equipment. "Our mining customers provided us with valuable information that we then used to improve on the WA1200-3, which the new model replaces. We did it without sacrificing power or production and, in fact, we improved per-ton/per-yard costs."

Komatsu included an additional torque converter cooler as standard equipment to reduce oil temperature and increase cooling capacity. For hydraulic cooling, a new pump with increased oil capacity helps lower oil temperature. Two additional air cleaners were introduced and the size of the elements increased to 15 inches for more capacity.

Operator controls optimum performance

An engine rpm-control system with auto deceleration allows the operator to set the

engine rpm at the optimum work-performance level and control speed smoothly with the accelerator. The variable transmission cut-off system for the left brake pedal is adjustable by a switch at the operator's seat. When loading, the low setting reduces brake impact to prevent spillage, while the high setting can be used for traveling.

"A couple of areas customers were adamant about improving were the operator environment and serviceability," said Thorson. "We did that by increasing the size of the cab, which now includes a seat for trainers to ride along with a new operator. It's also easier to operate, thanks to joystick and fingertip controls. From a service standpoint, we grouped the service points in a central location to reduce the amount of time necessary to change fluids and filters. Overall, the WA1200-6 is a better machine, designed for higher production and increased profits." ■



Steve Thorson,
Product Marketing
Manager,
Mechanical Drive
Mining Equipment

Komatsu's largest wheel loader, the new WA1200-6, offers several upgrades that, compared to the previous model, improve productivity and per-ton/per-yard cost to move materials.



MACHINES IMPROVED FOR 2011

Komatsu VP discusses Tier 4 changes, new hybrid excavator and 3-D machine-control systems



**Erik Wilde, Vice President
of Product Marketing**

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.

Erik Wilde joined Komatsu in 1997 as an Assistant Service Engineer for mining dozers. He became Product Manager for hydraulic excavators in 2001, was promoted to Director of Product Marketing in 2004 and is now Vice President of Product Marketing. Erik's primary responsibility is to help drive development of new products and to promote and market Komatsu products to distributors and equipment users.

"Komatsu is the second-largest manufacturer of construction and mining equipment in the world," he said. "We engineer and design our machines from the ground up with Komatsu-made parts and components. That's how we assure quality. Equally important is technological innovation, which is so ingrained at Komatsu it's included in our logo (the offset T in the Komatsu logo symbolizes technological innovation). Our goal with each product is to provide equipment users with a machine that delivers the best value in the industry."

When he's not on the job, Erik enjoys doing almost anything outdoors, from hiking to fishing to kayaking. He, his wife and their three children (nine, seven and five) also enjoy water skiing, snow skiing and snowboarding.

QUESTION: Each year, Komatsu makes product improvements. What's new for 2011?

ANSWER: The latest changes to our product line have been driven by Tier 4 emissions standards that went into effect January 1 of this year. The requirement covers engines from 175 hp up through 750 hp (Example: D65-D375 dozers, PC220-PC1250 excavators, WA380-WA600 loaders, etc.). This requirement reduces particulate matter by 90 percent and NOx by 45 percent in the machines' exhaust when compared to the Tier 3 requirement.

Our Tier 4 platform is based on our proven Tier 3 engine platform and technology. To achieve Tier 4 on these models, we added a diesel particulate filter similar in function to other manufacturers. To optimize machine performance, we added in the robust Komatsu Variable Geometry Turbocharger (KVGT) and a large-capacity Exhaust Gas Recirculation System. Both systems are hydraulically actuated for precision control and reliability.

QUESTION: Two years ago, Komatsu introduced the first hybrid hydraulic excavator. What's new for hybrids in 2011?

ANSWER: We're bringing out our second-generation hybrid excavator before any of our top competitors introduce their first. The Komatsu HB215LC-1 will replace the current Hybrid PC200LC-8 in the Komatsu lineup. We took our last three years of experience in the market to further optimize the system. Another key improvement is the new ability to run hydraulic attachments.

QUESTION: Beyond Tier 4 and the HB215LC-1 hybrid excavator, are there other ways Komatsu is using technology

to improve machine performance for equipment users?

ANSWER: We've always considered ourselves to be the technological innovation leader in the equipment industry. That's what we hang our hat on. We believe our on-board diagnostics and user interface are far beyond what our competition offers, especially on new Tier 4 machines.

The next generation of KOMTRAX will be on all Tier 4 units. We were the first manufacturer to offer such a wireless, machine-monitoring system with free communication as standard equipment. This newest version will be even more user-friendly, will provide more information to the customer, and will help Komatsu and its distributors support the machine even better.

QUESTION: What's going to be the next big thing in construction equipment?

ANSWER: Hybrid machines or anything else that reduces fuel consumption. The cost of fuel is a significant part of equipment owning and operating costs. Anything that lowers the total amount spent on fuel will be big for the foreseeable future.

Also 3-D machine-control systems. The cost benefits of a stakeless work site are proven and the technology is being transferred into other products. At Komatsu, we work closely with the industry leaders to enhance the machine to system interface and performance. We even offer "plug and play" systems to make it easier for our customers to connect our machines to their 3-D machine-control packages. This technology is rapidly advancing and will continue to expand for years to come, delivering higher productivity and lower costs for our customers.

QUESTION: What can we expect from Komatsu in the future?

ANSWER: Komatsu is committed to delivering the highest-quality products that optimize productivity while delivering low operating costs. Our 2011 Tier 4 products will exceed those expectations and our customers can expect us to deliver that same value proposition with models requiring Tier 4 in 2012. ■



The industry-leading KOMTRAX machine-monitoring system gets a Tier 4 upgrade in 2011 to make it more informative and more user-friendly.



In 2011, Komatsu will introduce its second-generation hybrid excavator before most other manufacturers will have come out with their first.



Komatsu has worked closely with laser-grading manufacturers to come up with a new 3-D machine-control system that dramatically improves fine dozer grading.



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UNDER THE HOOD

OIL SAMPLING AND ANALYSIS

Beyond warranty — the benefits of oil sampling increase as a machine ages

When you finance a new piece of equipment, you're required to participate in an oil sampling and analysis program as part of the machine warranty. Why? In part, because, if the manufacturer is going to be on the hook for a repair bill, it wants it to be a low-cost, preventive-maintenance repair rather than a high-dollar, high-downtime, unexpected emergency repair.

"Scheduling the repairs suggested through oil analysis saves end users time and money compared to reacting with emergency repairs," said Matt Beinlich, Manager, Technical Support Center (Komatsu Service Department). "When detected early in oil sampling, repairs are less expensive and do not risk unexpected downtime. With oil analysis, our customers can 'look inside' their engines, transmission and hydraulic systems for early warning signs of future failures."

Obviously, issues become more frequent as a machine ages. Despite that fact, many equipment owners choose to discontinue oil sampling once the warranty period is over.

"Sampling when a machine is under warranty may be required, but continuing to sample later in a machine's life is at least as important," said Beinlich. "When machines age, there are more opportunities for the application or environment to change, and this has an effect on overall machine health. The cost of continuing to sample oil is tiny compared with the expense of emergency repairs. Robust oil analysis programs can even give end users the confidence to extend planned component intervals."

Komatsu Oil and Wear Analysis (KOWA)

Komatsu offers an effective, easy-to-use sampling program known as KOWA (Komatsu


Oil and Wear Analysis). Your Komatsu distributor can supply you with KOWA kits to draw oil and fluid samples. KOWA utilizes independent labs to analyze the fluid for such issues as fuel dilution, coolant leaks and contaminants — and to determine if there's excessive wear metal in the sample, an indication that a component might be failing prematurely.

You can get results rapidly through a free online service. Historical data and reports are available through customized software called KOWA-LOAMS (Lube Oil Analysis Management System). Your local Komatsu distributor will help you interpret the sample analysis, including recommending action you might want to take to protect your machine. ■

For more information on KOWA and how oil sampling throughout the life of your equipment can benefit your bottom line, contact your local Komatsu distributor.

Oil sampling is typically required on new machines as part of the warranty package. Komatsu urges equipment owners to continue sampling after the warranty period ends. "The cost of continuing to sample is tiny compared with the expense of emergency repairs," said Matt Beinlich, Manager, Technical Support Center.





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KA-14

INDUSTRY NEWS

MORE TRANSPORTATION FUNDING

Industry groups stand behind commission's recommendation to raise the gas tax

Construction industry groups applauded a proposed increase in the country's gas tax, saying it's a way to fund transportation infrastructure as well as reduce the national deficit. The increase was part of the President's National Commission on Fiscal Responsibility and Reform report.

The commission's recommendation was a 15-cents-per-gallon increase in the federal gas tax, which currently stand at 18.4 cents for gasoline and 24.4 cents for diesel fuel. The increase would kick in beginning in 2013, rising one cent per gallon every three months until the 15-cent increase was met.

The money would be dedicated to the transportation trust fund, set up in the 1950s to pay for highway building and repair. The fund has fallen short of needs, so in recent years money has been pulled from the general fund to cover expenses. That's also contributed to the national debt.

A coalition of construction industry organizations said in a statement: "This proposal recognizes the integral relationship between improving transportation infrastructure, economic health and fiscal responsibility. If enacted, it will help prevent economically devastating cuts in federal infrastructure investment and remove the primary obstacle to passage of a multi-modal surface transportation bill.

"The issue of transportation investment is directly linked to balancing the federal budget," the statement continued. "Without new Highway Trust Fund revenue, policymakers will be forced either to impose highway and transit program cuts that would reduce payrolls and impede economic growth; or add an estimated \$34 billion over the next six years

to general fund spending. Either outcome undermines efforts to balance the budget. It is also important to recognize that a small number of transportation programs are currently funded with general funds, and those programs meet important needs and should be continued."

Call for more

Many of the industry groups supporting the recommendation called for an even higher tax, urging the commission to consider a 25-cent increase over a three-year period. A proposal put forth by two senators that would have met that total, would dedicate 10 cents of the increase to short-term deficit reduction, with 15 cents going to transportation improvements. The 10-cent portion would put \$83 billion toward the deficit over five years, then become additional funding for transportation. The 15-cent portion would generate \$117 billion over five years. ■

Construction industry groups say the proposal to incrementally raise the gas tax is a good way to fund needed transportation infrastructure improvements.



MORE INDUSTRY NEWS

Report answers FAQs about new Tier 4 technology

A “frequently asked questions” (FAQ) report put together by equipment industry groups is available to answer your queries about new Tier 4 technology. This year marks the advent of Tier 4 regulations for a vast range of machines.

“Many dealers and customers have questions about how the new Tier 4 regulations will affect them,” said Allen Schaeffer, Diesel Technology Forum Executive Director. “So, together with our industry partners, we’ve developed this information to help ease the transition for prospective

equipment owners, dealers, rental agencies and others in the off-road industry as the new rules come into effect.”

The report — available for download from industry Web sites, including Associated Equipment Distributors and Association of Equipment Manufacturers — addresses issues such as: How will the new Tier 4 engines be different from previous engines?; Do the new Tier 4 engines require different fuel?; How will Tier 4 engines affect the value of my trade-ins?; and many others. ■

ICUEE will offer new fleet-management pavilion and more educational sessions

More fleet-management education, products and services will be part of the International Construction and Utility Equipment Expo (ICUEE) than at previous shows, including a Fleet Management Exhibit Pavilion. ICUEE, also known as the “Demo Expo” because it allows users to run equipment, will be held October 4 to 6 at the Kentucky Exposition Center in Louisville.

ICUEE is geared to the utility/construction industry, including electric, phone, cable, sewer, water, gas, general construction, landscaping and public-works contractors and entities. Educational sessions in fleet management will benefit those who are new to the field as well as experienced professionals. ■

Groups pushing for more skills-based education

Industry groups are urging education officials to develop more schools that teach skills such as construction by highlighting examples of successful programs in such schools around the country. These schools focus on skills-based education and have proven to produce a higher percentage of graduates compared to typical high schools.

“For too long, we’ve told students that the only path to success lies in mastering a standardized test, instead of acquiring practical skills,” said AGC President Ted Aaland. “By giving students an opportunity to master skills like construction that will

win them good pay and earn them rewarding careers, we’re giving them another reason to work hard and another way to succeed.”

Aaland said student performance is higher at schools focusing on skills-based education, such as recently opened, construction-focused charter schools. Two already-operating schools have graduated students with higher scores on high school exit exams than their peers at district schools.

“Our education system and our graduation rates would be significantly better if schools like the one we’re opening were the rule, instead of the exception,” said Aaland. ■

NEWS & NOTES

Study shows billions wasted due to traffic congestion

A recent report on traffic conditions shows American motorists waste, on average, 34 hours a year due to traffic congestion. That equals \$115 billion and 3.9 billion gallons of fuel that potentially could be saved with more efficient roadways.

The numbers may potentially become worse as the nation's economy recovers. The annual report by the Texas Transportation Institute showed

decreases in wasted time, gas and money the previous two years, due in part to the recession. With the economy improving, more vehicles are expected on the nation's streets and highways.

The report looks at traffic data from 439 urban areas and is being used by industry groups to highlight the need for a new multi-year transportation bill that would support increased highway funding. ■



TEC has added Schwarze's range of powerful air and broom sweepers for municipal and contractor street sweeping.

Located in Huntsville Alabama, Schwarze Industries offers one of the most comprehensive sweeper lines in the sweeping business, including models for parking-area cleaning, industrial sweeping, mall and shopping center sweeping, airport runway sweeping, street sweeping, milling cleanup and stormwater runoff (PM-10) management.

Whether you are investigating sweeping as a business opportunity for the first time, looking for a quality used street sweeper to buy or would like a bid on replacing your entire sweeper fleet, you can count on the Schwarze Industries team to meet your needs.



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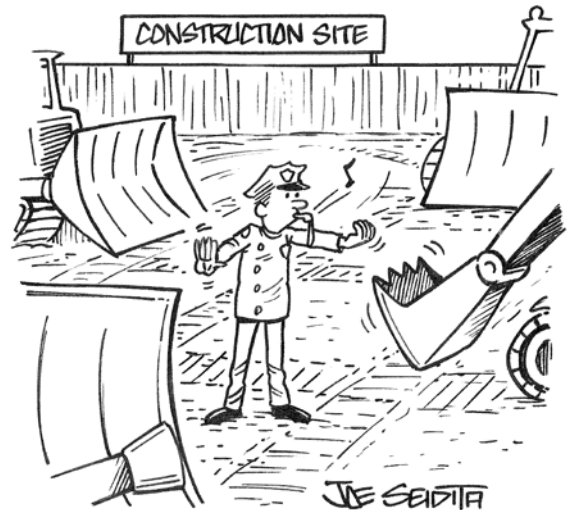
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SIDE TRACKS

On the light side



"Junior, I know you want to take my place someday, but don't you think you should at least graduate from grade school first?"



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.TECTractorTimes.com

1. LCCYE _____
2. AKTUOMS _____
3. RUTQEO _____
4. NMGNII _____
5. WRELCRA _____
6. NTPLAIOIPCA _____

Did you know...

- During World War II, Oscars were made of wood because metal was scarce.
- Before going into space, astronauts are not permitted to eat beans.
- If you refrigerate rubber bands they will last longer.
- The number of dimples on a golf ball is 336.
- Dogs can get toupees in Tokyo.
- The cat is the only domesticated animal not mentioned in the Bible.
- Pillows made of stone were used by the Egyptians.
- In one year, Mexico City sinks about an inch.
- Philadelphia was the site of the first stock exchange in 1791.
- The U.S. Air Force was a corps of only 50 soldiers when World War I broke out.
- In addition to a dagger and spear, a gladiator was also armed with a net.
- The last Pony Express ride ended in Sacramento, California.

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PC400LC-7L, 60065, 2006, 3,926 hrs.....\$195,000



D51PX-22, B11373, 2009, 1,890 hrs.....\$125,000

EXCAVATORS

Komatsu PC50MR-2, 7087, 2006, 1,539 hrs\$32,500

Komatsu PC200LC-8, A88120, 2007, 1,740 hrs.....\$100,000

Komatsu PC220LC-8, A88246, 2006, 3,373 hrs.....\$115,000

Komatsu PC228USLC-3, 40727, 2007, 2,302 hrs.\$120,000

Komatsu PC300HD-7EO, A86072, 2007, 5,000 hrs\$137,500

DOZERS

Komatsu D39PX-21A, 2430, 2008, 1,621 hrs\$72,000

Komatsu D61PX-15, B40146, 2005, 6,397 hrs\$75,000

Komatsu D61PX-15EO, B46113, 2009, 2,128 hrs.\$165,000

Komatsu D61PX-15EO, B45156, 2007, 2,707 hrs.\$125,000



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