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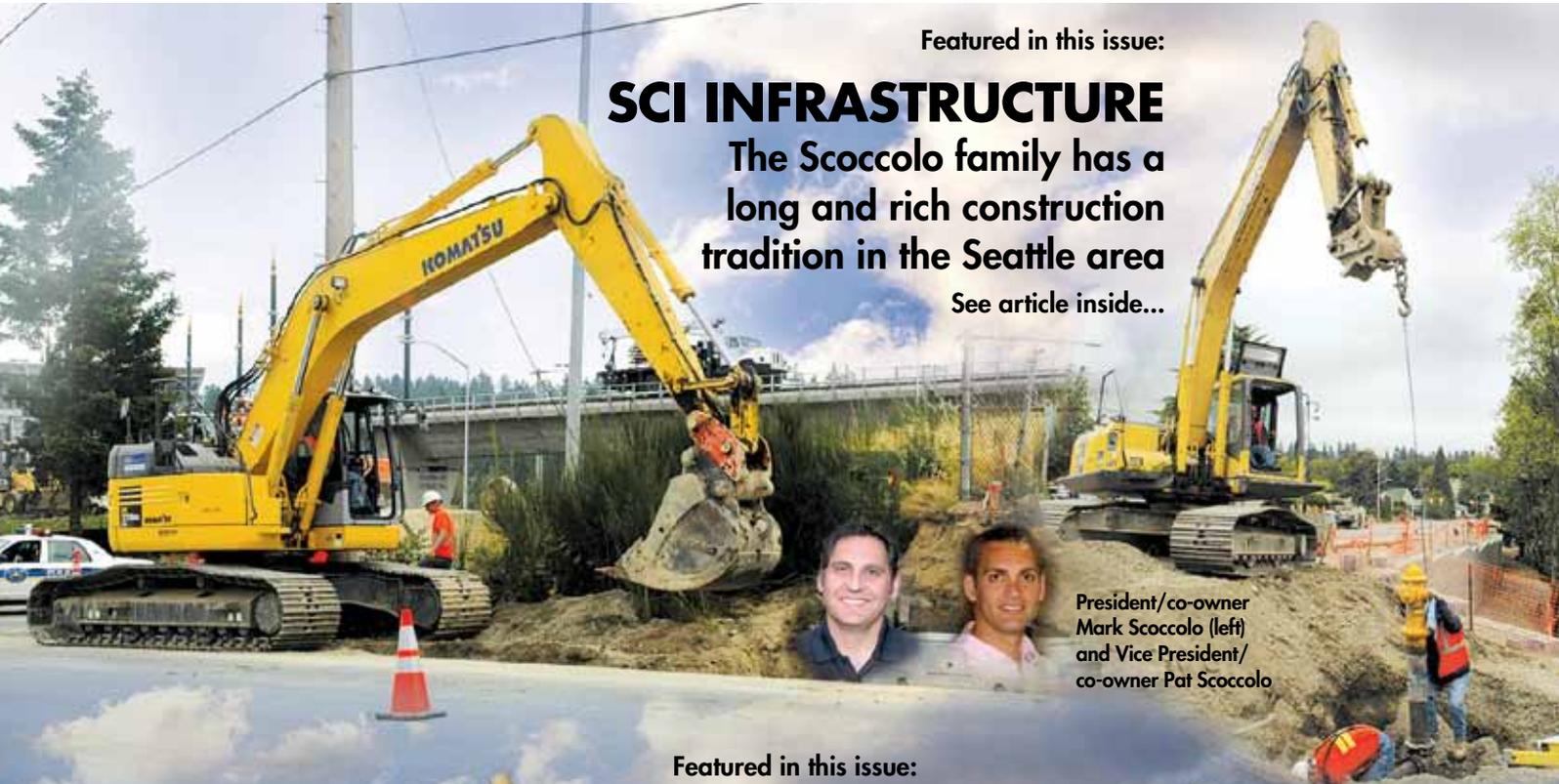
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Featured in this issue:

SCI INFRASTRUCTURE

The Scoccolo family has a long and rich construction tradition in the Seattle area

See article inside...



President/co-owner
Mark Scoccolo (left)
and Vice President/
co-owner Pat Scoccolo

Featured in this issue:

GORDON PAVING COMPANY

A second set of brothers energizes this longtime, family-owned Twin Falls, Idaho, firm

See article inside...



President/co-owner Brian Hansen (left)
and Vice President/co-owner Brandon Hansen

KOMATSU



Brian Sheridan

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We all know construction can be a cyclical entity, and through each cycle we've always remained ready to help you in any way we can. One way we can help is by working with you to take advantage of tax incentives such as the depreciation bonus and additional expensing offered under this year's Economic Stimulus Act. There's still time to take advantage, but you must do it before the end of the year.

Perhaps you'd like to use those advantages to buy one of Komatsu's revolutionary dozers, which have drawn rave reviews from industry experts and users alike. In this issue of your *Modern Machinery Update* magazine, you can read how the D155AX-6 with the Sigma blade is helping companies move more material faster. You'll also see that the new D51 recently won a prestigious industry award for its super-slant nose design, which increases operator visibility for more accurate and efficient work in a large number of applications.

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Sincerely,
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Brian Sheridan
President



IN THIS ISSUE...

SCI INFRASTRUCTURE

Read about the Scoccolo family's long and rich construction tradition in the Seattle area.

GORDON PAVING COMPANY

See how a second set of brothers has energized this longtime family-owned Twin Falls, Idaho, firm.

INDUSTRY OUTLOOK

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GUEST OPINION

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PRODUCT INNOVATIONS

Find out why customers are praising Komatsu's D155 dozer with the revolutionary Sigma blade.

NEW EQUIPMENT

See how Komatsu's new WA320PX-6 parallel tool carrier offers benefits to users in a wide range of applications.

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SCI INFRASTRUCTURE

The Scoccolo family has a long and rich construction tradition in the Seattle area



Mark Scoccolo,
President/co-owner



Pat Scoccolo,
Vice President/
co-owner

From Scoccolo Brothers Excavating, to Scoccolo Construction Inc., to SCI Infrastructure, the Scoccolo family has been involved in construction in the Seattle area for more than 50 years. Armondo and John Scoccolo started doing small residential work as Scoccolo Brothers in 1951. In 1959, Armondo left that business and started Scoccolo Construction, which focused on topsoil and hydroseeding work for contractors who were building Interstate highways in the region. Through the years, the company continued to evolve into general contracting.

Today, the company, which became SCI Infrastructure when Armondo's sons Mark and Pat Scoccolo took over the business in 1998, is one of the leading grading, utilities and site contractors in the Puget Sound area.

"Utility work is a specialty of ours, which is why we put the word infrastructure in our name," said Mark Scoccolo. "But we are a full-service contractor, with the emphasis on service. We don't own gravel pits or asphalt plants. We buy from local providers

and provide a service. We're probably best at complex projects that encompass many different aspects, including utilities, grading, walls, curb, ponds, traffic signals — you name it. The more facets that are involved, the more competitive we are."

Located in Pacific, Wash., between Auburn and Puyallup, SCI works primarily in the greater Seattle area, but will travel to eastern Washington and beyond for the right job and a good customer. The company employs about 200 people.

Valued employees/big jobs

In addition to Mark Scoccolo, who serves as President, and Pat, who's Vice President, key personnel at SCI include Project Manager Kenton Wilde, Commercial Division Manager Jerry Peterson, General Superintendent Ray Shanahan and Fleet Mechanic Randy Rutledge. Mark's wife, Jennifer Scoccolo, is a Senior Engineer for SCI.

"We believe our people are what sets us apart from the competition," said Mark. "We have talented, hardworking employees, many of whom have been with us for many years. They understand how we do business and they take pride in the final product. Because of our employees, I think we have a very good reputation within the industry. Our customers tell us they're happy when we win a bid because they know we're going to do the job right."

SCI typically serves as the prime contractor on a job, but also works with a handful of contractors as a sub. The company's jobs include public and private projects. Current and recent work includes a new high school in Marysville, a hospital in Arlington, a bike

With headquarters in Pacific, Wash., near Puyallup, SCI Infrastructure is a full-service utilities and site-development contracting firm that works throughout the greater Seattle area.



trail in Bothell and a new luxury hotel in downtown Seattle.

One of SCI's largest projects was doing all the civil work for five miles of the Sound Transit light rail from Sea-Tac Airport to the Boeing Access Road. With that job recently completed, the company also won the contract to fix a one-mile stretch of South Center Boulevard, which was heavily damaged during construction of the light-rail station.

Reliable equipment and service

In order to take on and complete, large, complex, time-sensitive projects like the ones for Sound Transit, SCI requires reliable and productive equipment. The company turns to Modern Machinery for Komatsu hydraulic excavators, which are its primary production pieces.

"Excavators are our mainline machines," said Pat Scoccolo. "They have the biggest crews and when one goes down, it can idle a lot of men and other machines. Because of that, we want an excavator that's not just fast, but also reliable. We got our first Komatsu excavator almost 20 years ago and it was far more reliable and productive than anything else we'd ever had. We've been loyal to Komatsu ever since."

Today, SCI has about a dozen Komatsu excavators including five PC200s, a PC350 and five tight-tail-swing models (PC128, three PC138s and a PC228).

"Komatsu excavators are fast and we can count on them to work every day," said Mark. "The tight-tail-swing models have been great for us on congested jobsites, especially road work where it often lessens the number of lanes that have to be closed."

"In addition to productivity and reliability, another big plus for Komatsu is that the machines last a long time," added Pat. "It's not unusual for us to keep an excavator for 10,000 or even 15,000 hours. We can get that from our Komatsu machines with relatively little trouble. They hold up well over time, plus our operators like the Komatsus so they treat them well."

The brothers also appreciate the support they receive from Modern Machinery.



This SCI crew uses a Komatsu PC200LC-7 to help set a fire hydrant as part of a street rehab job associated with the Sound Transit light-rail project near Sea-Tac Airport.



SCI rented this Komatsu PC1000 from a friendly competitor to do some deep, heavy pipe work on the light-rail job.

"Our Modern Sales Representative, Mike Foote, along with everybody at Modern, is easy to work with and very helpful," said Mark. "Although we have our own mechanics, we call on Modern for service work. Their

Continued . . .

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SCI works to improve construction industry

... continued



President Mark Scoccolo (left) and his wife, Jennifer, who's a Senior Engineer, work with Modern Machinery Territory Manager Mike Foote to meet SCI Infrastructure's equipment needs.

For Sound Transit, SCI Infrastructure did all the civil work for a five-mile stretch of the light-rail project from Sea-Tac Airport to the Boeing Access Road. (Lower photo) An SCI crew uses a Komatsu PC228 to do pipe work near the airport.



technicians respond quickly and do an excellent job of troubleshooting. We've had success with Modern and they always treat us very fairly."

"We appreciate the opportunity Mark and Pat have given us to work with SCI," said Modern President Brian Sheridan. "They're the type of well-respected company that we're proud to count as customers."

Business has grown

Since Mark and Pat took over about a decade ago, SCI Infrastructure has more than doubled its business.

"The market allowed us to grow and we took advantage of it," said Mark. "We're at about \$50 million right now and I think we'd like to stay in that range rather than get a lot bigger. We've become fairly well diversified and now serve multiple markets, which we hope will help us smooth out some of the ups and downs of the business cycle."

Both Mark and Pat are active in industry organizations. Mark is a Vice President of the National Utility Contractors Association (NUCA) and Pat works with the local NUCA chapter, the Utility Contractors Association of Washington. They also are members of Associated General Contractors (AGC).

"We think it's important to do our part to try to make our industry better," said Pat. "That's why we're involved with organizations like NUCA and AGC. It's also helpful as a way to meet and talk with others in the industry to share concerns and work toward solutions."

"We work with groups like NUCA and AGC because we're proud of the construction industry and our place in it, and we want to help improve it," added Mark.

"Compared to a job where you're in front of a computer all day, there's a tangible satisfaction involved with building something," he continued. "Our family has been doing this for 50 years. When we were growing up, our dad would take us around and point out projects that he'd worked on. Pat and I hope to someday be able to do the same thing with our kids and grandkids." ■

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GORDON PAVING COMPANY

A second set of brothers energizes this longtime, family-owned Twin Falls, Idaho, firm



Brian Hansen,
President and
co-owner



Brandon Hansen,
Vice President and
co-owner

In 2004, brothers Brandon and Brian Hansen bought into Gordon Paving Company, a Twin Falls, Idaho-based business started by their grandfather Gordon Hansen almost 60 years earlier. Although their father, Craig Hansen, who previously owned the company with his three brothers, remained a part owner, Brian and Brandon took over day-to-day operations. This year, they bought out Craig and became sole owners of the company.

Brandon and Brian were not new to Gordon Paving. They had worked there as teens. After graduating high school, Brandon went to work

for a large, nationwide contracting firm, then owned his own excavation business, working on subdivisions in Park City, Utah. Brian went to college, but always worked for Gordon Paving. He opened up the St. George, Utah, branch and also opened another branch (since closed) in Las Vegas.

Make no mistake, Gordon Paving was a successful company before Brandon and Brian became owners. But growth in the past four years has been well beyond expectations.

"We've grown 25 to 30 percent per year and are now twice the size we were before Brandon and I got involved," said Brian Hansen, who, as President, takes care of the administrative and office side of the business. "We thought it might be a slow year but were surprised with another year of growth."

"We now have a work force of about 125 people," said Brandon Hansen, who serves as Vice President of Gordon Paving and oversees field work. "We have an excellent management team and an excellent group of employees, which have enabled us to be aggressive in our bids. We're able to do jobs very efficiently, and because of that, we've gained the confidence to go after jobs that might not have been in our scope in previous years."

Jobs large and small

Gordon Paving is a "full-phase" construction company that does site work, including grading, utilities, mass excavation, and concrete, in addition to asphalt paving. The company also owns and operates seven aggregate pits as Northwest Sand & Gravel, and has a branch in St. George, Utah, which does pavement maintenance at military bases across the country and airports in many western states. Sid Morris manages Gordon Paving operations while Tony Traveller heads up the Northwest Sand & Gravel



This operator uses a Komatsu WA450 to feed an asphalt grinder at Gordon Paving's yard in Twin Falls.





Gordon Paving has merged with its sand and gravel properties to this new location on Addison Ave.

side of things. “Both managers are huge assets in helping Brandon accomplish what’s needed,” stated Brian.

The company does DOT work and projects of all sizes in the private sector. Gordon Paving is the largest paving firm in Twin Falls and the surrounding “Magic Valley.”

“We have seen national and international companies move into our local market, which has been good for us. We have expanded to become more competitive with what has come into the market. Brandon and I realized that if we weren’t going to expand, somebody else was going to. We have had no problem and are looking forward to having the competition in our market,” Brian noted.

“We do a lot of work for dairies throughout the region, including work on the largest dairy heifer ranch in the nation, which is currently under construction in Malta, Idaho,” said Brian. “The facility is called East Valley Cattle. We’re moving 5 million yards of dirt and laying more than 20 miles of pipe. We expect to complete the three-year project at the end of this season.”

In addition to its dairy work, Gordon Paving has done the dirt, pipe work and paving for many new hotels and commercial projects that are being, or recently have been, built in Twin Falls. The company also started a \$4 million civil/site project with St. Luke’s Hospital.

“In recent years, we’ve begun taking on large, multimillion dollar jobs like East Valley Cattle and the hospital, but we haven’t forgotten our roots,” said Brandon. “We still pride ourselves in being the local favorite for any size of job.”

Equipment upgrade

One of the main things Brian and Brandon have done since taking over the reins at Gordon Paving is to substantially upgrade the company’s equipment fleet.

“In the beginning, Brandon and I argued about it,” admitted Brian. “He was the field guy who wanted new equipment. I was the office guy who favored fixing the old stuff because I thought it would be more cost-effective. In the end, we decided to replace some of our oldest machines



Gordon Paving typically uses its Komatsu D155 dozer (above) and WA500 wheel loader (below) in tandem at one of Northwest Sand & Gravel’s seven aggregate pits located throughout the Magic Valley. Here they are at work at the Baseline Pit near Twin Falls. “The D155 is providing 99 percent availability and I’d say the WA500 has a similar track record. They’ve been bulletproof,” said Vice President and co-owner Brandon Hansen.



with new equipment and closely monitor how it performed compared to the older pieces. After doing that, I had to admit, I was wrong. The difference was night and day. The productivity and efficiency of the new equipment more than offset the cost of it.”

“With the old stuff that Gordon Paving had used, there was lots of downtime,” explained Brandon. “I want and need equipment I can count on to work because when I tell somebody we’re going to be done on Monday night — we want to be done on Monday night. When I look at what causes stress in my life, broken-down equipment is No. 1 on the list. With a newer fleet, my stress is less because my machines are working more.”

“Bulletproof” equipment and a dealer “partner”

In updating its equipment fleet, Gordon Paving has turned largely to Komatsu machines from Modern Machinery. The company has six Komatsu wheel loaders (a WA500-6, two WA480-6s, a WA480-5, a WA450-6 and a WA200-5); a D155 dozer; three GD655 motor graders; a PC220LC-8 hydraulic excavator; a WB146 backhoe loader; and an SK815 skid steer loader. The company also has several Hamm rollers from Modern.

“Our Komatsu machines have been rock-solid — very productive and unbelievably reliable,”

Continued . . .

Gordon Paving is still in growth mode

... continued

said Brandon. "For example, we pair the D155 dozer with the WA500 wheel loader in our pits. We've had both machines for about a year and a half, and we run them basically 24 hours a day. The D155 is providing 99 percent availability, which is remarkable, and I'd say the WA500 has a similar track record. They've been bulletproof."

"I think Komatsu is a fabulous product, but the service we get from Modern Machinery is equally important to us," added Brian. "We view Modern as our partner. From Territory Manager Doug Johnson, to Boise Branch Manager Paul Sandretto, right up to President Brian Sheridan in Missoula, we know everybody at Modern and we know they're going to help us, whatever that takes. The support we get from Modern is really hard to beat."

"The service is truly a step above," added Brandon. "If we call them, they're on it right away. If they can't fix it immediately, they bring

us something else to use. We also have used Modern as a great resource in looking at how to increase our aggregate production and become more cost effective. If our local sales manager didn't have a solution, he would put us in contact with a contractor/customer to solve our problems. Modern's willingness to help out with any problem, whether it is with equipment or industry complications, is why we are so loyal to them."

"Developing mutually beneficial relationships with people like Brian and Brandon is one of the best things about being an equipment distributor," said Modern President Brian Sheridan. "It's easy to feel good about the construction industry when smart, hardworking young people like those two are involved in it."

Customer-first attitude

Both Brian and Brandon say their plans are to continue to aggressively pursue a growth strategy.

"I don't think we expected to grow as fast as we have, but we're going to try to continue along that path. I guess what I'm trying to say is we'll examine all our options for growth, then we'll proceed cautiously. But we are young and we plan to keep pushing hard, and with that attitude, we can't really help but grow," commented Brian. "We're already highly diversified, we currently own three asphalt plants and are searching out other areas and opportunities to expand into."

Both brothers say the long-term key to success for Gordon Paving will be to continue to provide value for their customers.

"I like it when the people who work for us have solutions, not excuses," said Brandon. "I try to live by that philosophy and our guys do too. We have built a solid foundation on doing what others said couldn't be done. I know we have one of the most competent and professional crews in the valley and that shows in the quality of work they produce."

"We're local boys and we're a local company," added Brian. "We've been here since 1945. People know we're not going anywhere, and if there are any issues, they know we're going to make them right. As long as we maintain our reputation as a company that puts its customers first, I know we'll continue to be successful." ■

Modern Machinery's Boise Branch Manager Paul Sandretto (left) and Territory Manager Doug Johnson (right) work closely with Gordon Paving owners Brandon (left center) and Brian Hansen. "We know everybody at Modern and we know they're going to help us, whatever that takes," said Brian. "The support we get from Modern is really hard to beat."



These Gordon Paving operators use the company's Komatsu PC220LC-8 and a WA200-5 wheel loader to clean up following demolition to prepare this Twin Falls site for a strip mall.



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INFRASTRUCTURE ASSESSMENT

Wear and tear on nation's infrastructure are obvious — funding sources for improvements are less so

Here's a comprehensive outlook for the future based on comments of key industry leaders

In March of 2009, a report card is coming out from the American Society of Civil Engineers on the state of infrastructure in the United States — and it isn't expected to be glowing.

That's because when the ASCE issued its last report in 2005, it included an overall grade of D, and ASCE President David Mongan, P.E., F. ASCE, said he's seen little improvement in terms of infrastructure funding in that time.

"Although there are some isolated circumstances, there hasn't been anything significant," he confirmed. "For example, some states have raised user fees or done other things to increase spending on infrastructure, and Congress passed a water bill last year. But overall, there hasn't been any significant ratcheting up of our state, local and federal spending."

Mongan is hopeful that recent events and dialogue signify a change in that pattern, but certain facts remain: the 2005 report estimated

that the United States needed to spend \$1.6 trillion over five years on infrastructure needs, but Mongan estimates total spending will barely reach half that total.

"The level of infrastructure investment as a percentage of GDP has gone down," Mongan said. "It's one-tenth of what it used to be 30 to 40 years ago and we can simply look around to what some of our world competitors are doing with their investment in infrastructure, not just emerging or developing countries, but France and England and others are making major investments in infrastructure. We need to make this investment to remain competitive."

Funding shortfall

Infrastructure can cover a broad range of technical structures that are vital to supporting our society, including roads, water supply, wastewater, power grids and flood management systems. The National Surface Transportation Policy and Revenue Study Commission recently found that the U.S. needs to invest \$225 billion a year at all levels of government simply to maintain current levels of surface transportation. Investment today stands at less than 40 percent of that figure.

Gridlock costs the economy more than \$78 billion per year and it's estimated there are 13,000 fatalities on highways each year as the result of inadequate maintenance, design, or capacity of roadways. According to the ASCE, the Federal Highway Administration estimates it would cost \$9.4 billion a year for 20 years to eliminate all bridge deficiencies in the U.S.

A 2008 study from the Environmental Protection Agency reports \$202.5 billion is needed in capital investment to control wastewater pollution for up to the next 20

The I-35 bridge in Minneapolis is now open after being rebuilt following the disaster in 2007. However, numerous other bridges and roads across the nation are in need of attention.



years. That estimate includes \$134.4 billion for wastewater and collection systems, \$54.8 billion for combined sewer overflow corrections and \$9 billion for stormwater management.

“We have an aging infrastructure,” said Susie Bruninga, Director of Legislative and Public Affairs with the National Association of Clean Water Agencies. “Many pipes are 100 or more years old. We have a growing population; we have more regulatory requirements; we have new challenges confronting us, including climate changes; and at the same time, we’re seeing federal funding for clean water decreasing.”

Concerns about complacency

While the scope and extent of infrastructure deficiencies may vary from region to region, most of the nation has seen some impact. Janet Kavinoky, Director of Transportation Infrastructure at the U.S. Chamber of Commerce, suggests decades of familiarity have helped lead to our current level of complacency.

“People today take our infrastructure for granted because so much of it was a gift to us from our parents and our grandparents,” she said. “They started with nothing and knew they had to have it. Now that we’ve got it, the challenge is thinking about maintaining what we have and then modernizing and expanding its capacity. But because we already have the infrastructure, it’s too easy to take for granted.”

Mongan said competing interests for dollars are the main culprit, but he also attributes a serious lack of forethought at every level of government. “I think it’s a lack of vision on the part of our leadership at the local, state and federal level,” he said. “There are clearly exceptions to that statement, but overall there’s a lack of leadership and understanding — and I’m not talking about simply spending tax dollars. I’m talking about user fees and other sources of revenue that will make an investment in America’s future.”

Wake-up calls

Recent disasters like Midwest flooding in 2008 and the Minneapolis bridge collapse in 2007 have raised public awareness of infrastructure needs for brief periods of time,



but Kavinoky said the focus created by those events has not been sustained.

“I certainly think there’s greater interest, in particular in bridges and roads, and we see that reflected in national news stories,” she said. “But in other respects, such catastrophic events are a wake-up call for about three weeks and then people start saying that’s not going to happen in my community or that the answer is to just reprogram the money we have — that we actually don’t need more money. Even though organizations like the U.S. Chamber have tried to educate people about the need for more investment and for prioritization, that message didn’t get through or it didn’t stick.”

Most agree, however, that the issue of infrastructure needs has shown more staying power during the 2008 presidential campaign than in campaigns of the past. Still, Mongan said it isn’t nearly enough.

Pipe work is a constant need as our nation’s infrastructure continues to age. “Many pipes are 100 or more years old,” said Susie Bruninga, Director of Legislative and Public Affairs with the National Association of Clean Water Agencies.

Continued . . .

Groups and individuals work to increase awareness

... continued

"I think there needs to be a greater debate and a greater realization that this simply isn't spending tax dollars," he said. "This is an investment in America's future. We're hammering away, trying to get people to understand that and recognize the importance of an investment in America's infrastructure."

The impact of action

Such an investment, Mongan contends, can have a longlasting impact. "A billion dollars spent on highway construction typically supports more than 30,000 jobs," Mongan said. "It's not insignificant."

"There are studies in different communities that show investment in public transportation returns \$6 for every \$1 that's put into infrastructure in transit systems," Kavinoky added. "We know that transportation investment, in particular, really pays dividends, and not just immediately, but in the long run."

The cost of inaction can be equally as dramatic. "That's the 'patch-and-pray' mentality," Mongan described. "We'll patch things as they break and we'll keep things running together as best we can. But infrastructure will continue to deteriorate and we will be simply putting off a bill that we ought to be paying today."

The National Surface Transportation Policy and Revenue Study Commission recently found that the U.S. needs to invest \$225 billion a year at all levels of government simply to maintain current levels of surface transportation. Investment today stands at less than 40 percent of that figure.

"It's like taking care of your house," Kavinoky explained. "If you don't take care of your roof, if you just keep putting buckets under the leaks, eventually it's going to cost you a lot more than what it would have cost to make repairs and replace things when you first needed to."

"It's easier to maintain than it is to rebuild," agreed Brian Deery, Senior Director/Highway and Transportation Division with the Associated General Contractors of America. "If we have to go out and rebuild many of our pavements, we're talking about huge investments and huge time delays for people as we do that kind of work. So it's better to do it now than to wait."

Signs of progress

There are signs that these pleas for action are being heard. Congress has discussed creating a National Infrastructure Bank that would issue bonds to raise funds for select infrastructure projects that meet certain criteria.

Additionally, California Governor Arnold Schwarzenegger, Pennsylvania Governor Edward Rendell and New York City Mayor Michael Bloomberg recently announced an initiative to expand the Building America's Future Infrastructure Coalition to include state legislative leaders. That coalition is attempting to build support in pushing the federal government to play a larger role in the funding of America's infrastructure.

"I think there is an increased concern and awareness," Mongan said. "Is it at the level that we would like to see it? No. But there are clearly indications that it is a step in the right direction, including the coalitions that we see being developed all across the country."

Mongan added individuals can have an impact in these funding decisions, either by working through various associations or contacting their legislators.

"There may not be a crisis right now in terms of things literally falling down beneath our feet," Kavinoky said. "But if we actually make the investments we need, we can certainly avert a crisis 10 or 20 years from now." ■



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CONSTRUCTION INDUSTRY PRIORITIES

Associated General Contractors calls on Congress to act on six specific issues



Stephen E. Sandherr,
AGC Chief Executive
Officer

The Associated General Contractors of America (AGC) recently called on members of the U.S. House and Senate to focus on six priority areas — those that will most impact the ability of AGC members to hire, manage their businesses and pay taxes into the future.

“The construction industry is suffering a drop in employment, especially in highway and transportation construction, which has seen employment drop more than 5 percent in the past year,” said Stephen E. Sandherr, Chief Executive Officer of AGC. “We have also seen significant volatility in diesel/energy prices over the last five years; for instance, No. 2 diesel fuel is up 341 percent.”

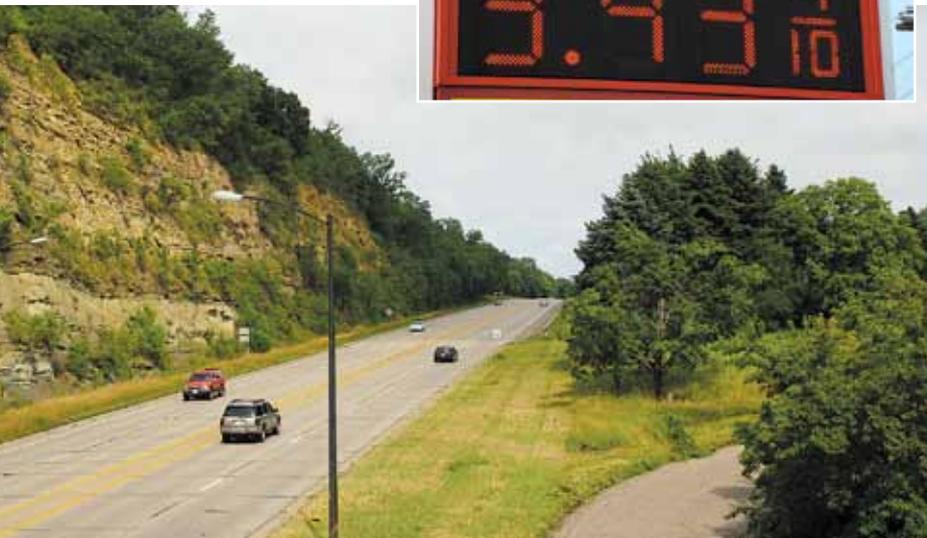
AGC urged Congress to focus on the following top six priorities:

AGC is urging Congress to focus on six priorities, including fixing a shortfall in the Highway Trust Fund and shoring up domestic energy security as volatility is seen in such areas as diesel fuel prices, which are up 341 percent in the past five years.



- 1. Fixing the shortfall in the Highway Trust Fund.** The administration has admitted that the situation is dire and that earlier than expected, the balance in the Highway Account of the Highway Trust Fund is insufficient to pay its bills on time and in full. Congress must fix this shortfall immediately so that states and private industry are not left holding the bag.
- 2. Extending authorization for the Airport Improvement Program (AIP) in the 111th Congress.** Congress needs to give the FAA programs the authorization they need to modernize and improve safety at America’s congested airports and air space.
- 3. Finalizing appropriations for FY 2009 and providing economic stimulus that creates jobs.** Making decisions on the full FY 2009 program will help contractors and the federal government work together to ensure that about \$100 billion in federal funds is spent wisely.
- 4. Improving domestic energy security.** Congress must act now to lay a solid energy foundation for the safety and security of the country.
- 5. Extending tax provisions.** Each year, Congress grapples with the decisions on extending tax provisions, including halting the effects of the alternative minimum tax.
- 6. Reauthorizing E-Verify.** The simple, straightforward reauthorization of E-Verify gives employers across the country the confidence they need to deal with the mounting pressures of hiring a competent, legal work force.

“In the legislative days that remain, we urge Congress to address these construction industry priorities,” said Sandherr. ■



IMPROVING EFFICIENCY

Customers throughout U.S. praise Komatsu's D155 dozer with revolutionary "Sigma blade"

As soon as Lou Anders, Vice President of Nighthawk Oilfield Services, demo'd a Komatsu D155AX-6 dozer with the Sigma blade, he was convinced it was the machine he needed. The Little Rock, Ark.-based company builds oil field locations throughout Arkansas, Texas, Louisiana, Oklahoma and New Mexico and needs to cut and level massive amounts of dirt quickly and efficiently.

"I've always been a loyal user of a competitive brand, so when my Komatsu sales representative approached me about trying the D155, I told him he'd have to convince me it would do everything the other brand would do, and then some," he recalled. "It didn't take long to figure out it would be one of our key machines. The Sigma design on the blade helps us push dirt farther. The old-style blade — what I call a straight blade — loses too much dirt as you're pushing. This dozer allows us to roll into a cut, load up and just keep pushing and cutting at the same time without losing power or stalling. Compared to the competitive brand in its size class, we're moving between 20 percent and 25 percent more material. It's a significant difference."

That's been a common finding for users of the D155AX-6 since Komatsu introduced it in 2006. Komatsu designed the 44-ton, 354-horsepower dozer to push more material than ever before. With its patented dozer blade — shaped like the Greek letter Sigma (Σ) — the results are impressive. It carries 15 percent more material than the previous Komatsu model and 20 percent more than the leading competitor. The 12.3-cubic-yard Sigma blade has dual pitch and tilt, and a hydraulic control system that is easier on the operator. Komatsu introduced a Sigma blade to its new D275 dozers in April.

Rave reviews

Because of its ease of operation and more material push, Cherokee Builders General Superintendent Bobby Burns said the need for additional dozers on a jobsite is decreased. Based in Tulsa, Okla., Cherokee Builders does general dirt work, utility installation and concrete work for residential, commercial and highway construction.

"The material doesn't roll out, like it does with other blade styles; instead, it rolls in," Burns explained. "That equates to more material being pushed at any one time, and allows us to move more material over a longer distance. Instead of having two or three smaller dozers on a job, we're able to do the same work with the D155. It's also fuel-efficient, so our cost per yard is very good."

Continued . . .

Komatsu's patented Sigma dozer blade is designed to promote rolling of material and to keep it from spilling around the sides. It allows the D155AX-6 to push and carry 15 percent more material than the previous Komatsu model and 20 percent more than the leading competitor.



Sigma dozer boosts productivity, lowers costs

... continued

Orlando Ruiz, Owner of Orlando Excavations in Chaplin, Conn., said his cost per yard is greatly improved since he bought a D155 about a year ago. The excavation contractor uses the dozer for all types of projects.

"It's really sped up production because the Sigma blade will push so much more material," Ruiz said. "Specifications say the blade capacity is a little more than 12 yards, but since the material rolls to the middle, we've found that it will push more than 20 yards in the right conditions. If the conditions are less-than-ideal, it won't push that much, but it will go beyond the 12 yards and significantly outperforms any competitive dozer we've used. It has good balance, and the fuel economy is great."

Gary Schmidt, North Central Iowa Regional Solid Waste Authority Director, was one of the first to use the D155AX-6 with the Sigma blade. Schmidt has used it in cell construction at the Fort Dodge landfill since NCIRSA purchased a dozer right when they came on the market.

"It didn't take long to notice that we were burning far less fuel than we were with our old dozer," Schmidt said, who noted that the machine now has more than 2,000 hours on it. "That's still the case. Most of the time it's around 10 gallons an hour, which is very good. Couple that with the amount of material we can move, and our cost to move dirt is lower than before. Compared to a traditional U-shape blade, the Sigma blade holds the material much better. It doesn't leave windrows like traditional dozing does. It's a great machine."

Anders feels the same way. In fact, because his D155AX-6 with the Sigma blade has been so efficient, he said it's likely he'll add more to his fleet.

"We have several yards across the mid-South and we have several dozers at those locations. Quite a number of them are competitive brands, but based on the performance of our Komatsu D155, that's going to change." ■

Super-slant design earns IDEA award

Komatsu's innovative D51EX-22/D51PX-22 model dozers received a Silver Award from the International Design Excellence Awards (IDEA) competition for the unique design that provides outstanding operator visibility of the top blade edge and the area in front of the blade at all times.



Komatsu's D51 dozer received a Silver Award from IDEA for its super-slant nose design that offers operators better blade and area visibility in all grading applications. The design is also part of Komatsu's new D31, D37 and D39 dozers.

That's accomplished with the unique super-slant nose design. "It allows the operator to see objects that are very close to the blade, dramatically increasing safety and efficiency on the jobsite. This new design assures an improvement in fundamental dozer work parameters," according to the IDEA award citation. The IDEA program is an international competition honoring design excellence. The sides and back of the D51 cab are also slanted to give the operator better views all around the machine.

"Last year, the D51 was named among the Top 100 construction equipment machines by *Construction Equipment* magazine, so the accolades keep coming," said Bruce Boebel, Product Marketing Manager, Crawler Dozers. "What we find most gratifying about the IDEA award is that it reflects the feedback we get from our customers about the D51: that they're more productive because of better visibility, as well as other productive features of the machine."



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NEW PZ TOOL CARRIER

WA320PZ-6 offers benefits to help users in a wide range of applications

Whether you're in construction, utility, waste or agriculture, the WA320PZ-6 offers benefits that can make your application more productive, including a new parallel Z-Bar linkage that offers parallel movements in both fork and bucket applications. The recently introduced WA320PZ-6 replaces the WA320PT parallel tool carrier in Komatsu's wheel loader lineup.

"The parallel Z-Bar linkage has two advantages," said Mike Gidaspow, Product Manager Wheel Loaders, who notes the versatility of the WA320PZ-6 makes it excellent in fork and logging applications. "Buckets and forks stay more level than with regular wheel loaders, so the operator doesn't have to adjust the load to keep it from tipping forward. Also, users will be able to clearly see the load, and even the end of the tine in fork applications, because of the better visibility the WA320PZ-6 offers throughout a cycle."

The parallel Z-Bar linkage also offers large tilt force at all heights, large dump angle at maximum boom height and a two-mode bucket leveler. Long lift arms give high dumping clearances and maximum dumping reach so the operator can level loads on the body of a dump truck.

Like other PZ models (WA200PZ-6 and WA250PZ-6), the WA320PZ-6 has an electronically controlled hydrostatic transmission that provides quick travel response and aggressive drive into the pile. An inching pedal gives the operator simultaneous control of travel and hydraulic speeds. The new variable traction control system with its unique S-Mode allows the operator to adjust the tractive effort to the job conditions and reduce tire slippage, even in slippery road conditions during such applications as snow removal.

Valuable addition

The WA320PZ-6 got a boost in horsepower compared to the previous PT model, and is powered by Komatsu's high-torque, ecot3, Tier 3 engine with high performance, less fuel consumption and lower emissions as main features. Keeping track of the machine's performance is easier with Komatsu's KOMTRAX monitoring system, which comes standard and sends information such as hours, location and maintenance alerts wirelessly to a secure Web site.

"Along with other great benefits, such as improved operator comfort with a roomier cab and easier maintenance and serviceability, KOMTRAX is a fantastic tool for keeping track of the machine's productivity and maintenance schedule," said Gidaspow. ■



Mike Gidaspow,
Product Manager
Wheel Loaders

Brief Specs on Komatsu WA320PZ-6 Parallel Tool Carrier

Model	Net hp	Operating weight	Bucket capacity	Breakout force
WA320PZ-6	167 hp	32,480-33,900 lbs.	3.25-3.5 cu. yd.	31,810 lbs.

The WA320PZ-6 has a new parallel Z-Bar linkage for parallel movements in both fork and bucket applications. In addition, the Z-Bar linkage provides excellent digging ability and better visibility throughout the cycle.





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PC88MR-8 HYDRAULIC EXCAVATORS

These machines deliver big-excavator features in a utility-size package

Komatsu's new PC88MR-8 sets the standard for large utility-size excavators in the eight-ton class. It features a new look that includes a redesigned counterweight and new paint scheme like Komatsu's construction-size machines. But, that's just the beginning. These full-featured machines are designed to provide the ultimate in compact excavator comfort, value, productivity, service and maintenance access, and peace of mind.

Well-placed handholds and a wide-opening, upper-rail sliding door allow the operator to easily enter and exit the machine. Operators will find that the cab on the PC88MR-8 is an extremely spacious platform from which to work. After all, it is the same cab found on the larger PC138USLC-8 and includes standard air conditioner, seven-inch color monitor panel, AM/FM radio, power outlets and cup holder. The fully adjustable, cloth, high-back suspension seat with arm rests is designed to lessen fatigue, and the pilot proportional joystick controls enable the operator to work comfortably for long periods of time.

The short tail swing of these machines allows the operator to concentrate on the work in front of him, instead of worrying about rear-swing impacts. The result is a more relaxed and more productive operator, even when working in a confined area.

Value

The new PC88MR-8 is equipped with the KOMTRAX machine-monitoring system as standard equipment — nothing to install and no monthly fees for at least five years. With KOMTRAX, the owner can access: hour-meter reading, fuel level, travel notification, machine location, cautions, maintenance replacement notifications, and high water-temperature mark.

Komatsu continues to focus on providing high-strength work equipment. The PC88MR-8 features a new, single boom-swing pin that places extra strength in a high-stress component, and has an extended lubrication interval of up to 500 hours.

Another high-strength element is the X-track frame. This is the same type of track frame featured on larger Komatsu excavators. The X-frame design is very rigid and transfers shock evenly throughout the frame. The sloped design of the track frame deters the buildup of dirt and debris, helping to minimize the time required to clean the machine for transport.

Komatsu's proven Road-Liner track system provides a reliable and longer-lasting alternative to rubber track. It is mounted directly to the rail like a steel grouser, but unlike steel, it is surface-friendly.

Continued . . .

Komatsu's new PC88MR-8 replaces the PC78 model and features a new look that includes a redesigned counterweight and new paint scheme like Komatsu's larger machines. These full-featured machines are designed to provide the ultimate in compact excavator comfort, value, productivity, service and maintenance access, and peace of mind.



Features add value to new utility excavator

... continued

To further enhance the value of the PC88MR-8, Komatsu has made single/bidirectional-flow auxiliary hydraulics standard equipment. This allows the operator to use a variety of attachments, such as hydraulic hammers, hydraulic thumbs, tilting/grading/ditching buckets, grapples etc.

Productivity

Automatic load-sensing, two-speed travel enhances the productivity of the PC88MR-8 by automatically shifting from high speed to low speed when under load, and then from low speed to high speed when the load on the machine is reduced.

Standard pilot proportional joysticks with proportional thumb control for auxiliary hydraulics allow the operator to use hydraulic attachments efficiently and easily. Furthermore, five working modes allow the operator to choose the mode that best matches the job he is trying to perform.

Other enhancements that will improve productivity include a 65-horsepower, turbocharged and aftercooled Komatsu engine that provides 17 percent more horsepower than the PC78MR-6, 10 percent greater arm-crowd force and travel speed, and more

pushing power with a 3.5 percent increase in drawbar pull than the machine it replaces.

The PC88MR-8 is equipped with several fuel-management features. The "eco gauge" provides the operator with a visual indicator on the monitor panel that enables the operator to maximize fuel efficiency by working in the "green" range as much as possible.

Auto idle helps to conserve fuel by reducing throttle to low idle after the joysticks and travel levers are left in the neutral position for four seconds. Once a machine function is activated, the machine returns to the preset throttle position.

If the machine is left to idle for more than five minutes, an excessive idle warning provides the operator with both a visual alert on the monitor panel and an audible warning. The operator can then determine whether to shut the machine down to conserve fuel.

Serviceability

Wide-opening covers and panels provide outstanding access to daily checkpoints, and the fuel tank and hydraulic tank are side-by-side for easy inspection and access. The radiator and oil cooler are side-by-side, making both easy to inspect and clean, ensuring clean, fresh air reaches each component.

Maintenance and lubrication intervals for engine oil and filter, fuel filter, and lubrication of arm, boom, and boom swing are now 500 hours, making it easy to schedule machine maintenance.

Finally, Komatsu provides a standard three-year, 3,000-hour warranty on the PC88MR-8, demonstrating Komatsu's commitment to total customer satisfaction and peace of mind.

"The PC88MR-8 is loaded with features that will enhance operator comfort, value, productivity, and peace of mind. By providing a larger operator station with many standard features (air conditioner, seven-inch color monitor panel, 12-volt and 24-volt outlets, and PPC joysticks with thumb-controlled auxiliary hydraulic function), standard auxiliary hydraulics, and a larger, more powerful Komatsu engine, Komatsu engineers took the best and made it better," said David Caldwell, Product Manager. ■

The new PC88MR-8 has a 65-horsepower, turbocharged and aftercooled Komatsu engine that provides 17 percent more horsepower than the PC78MR-6, 10 percent greater arm-crowd force and travel speed, and more pushing power with a 3.5 percent increase in drawbar pull than the machine it replaces.



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STICKING TO THE FUNDAMENTALS

Listening to the customer is vital says VP/GM of Construction Division



Ed Powers
Vice President and General Manager,
Construction Equipment Division

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

Ed Powers has been with Komatsu 20 years. He began his career in April 1988 with the Finance Division. He has worked in various capacities within the company, most recently as Vice President and General Manager, Construction Equipment Division.

"During my career, I've worn many hats with Komatsu. The things I have found that are universal in determining success throughout all facets of this business are ongoing communication and the philosophy that the customer always comes first. We can manufacture the most technologically innovative machines in the world, but if they are not what the customer needs, they are useless. Today, the customer determines value, not the manufacturer. As a manufacturer, it is important to listen and establish ongoing communication, not only with the customer (end user), but also with our distributors. This provides us a better understanding of how Komatsu can build and service equipment to fit our customers' needs. In the end, it is all about the relationship and providing the appropriate solution."

Ed oversees all activities associated with planning, operations, selling and servicing Komatsu's construction-size equipment line. The construction line consists of D31 to D275 dozers; PC128 to PC1250 excavators; WA150 to WA700 wheel loaders; GD555 to GD675 motor graders; articulated trucks and rigid-frame trucks less than 715 horsepower. "I'm very excited about my new responsibilities, which now allow me to work closely with our manufacturing plants. My 20-year career with Komatsu has given me the opportunity to cross-functionally develop the necessary relationships, so I was able to hit the ground running in my new position.

"Today, it's just as important knowing your customer, as it is knowing your product."

QUESTION: You have been with Komatsu in various capacities throughout your career as it has grown into one of the top two equipment manufacturers in the world. How has Komatsu been able to achieve such a position?

ANSWER: Primarily by adhering to the fundamentals. First and foremost, how well we listen will ultimately determine how successful we will be. Today, in many instances, customers know as much about our product as we do. They have all the readily available resources at their fingertips. We must not be threatened by this, but embrace it, listen and be prepared to support their unique value proposition. With the ever-escalating cost of materials and fuel, many customers are now applying dollars and cents to "value," and the cost of owning and operating is one of today's key differentiators. The question is no longer, "What can you do for me on the front end?" but rather, what can we offer during their entire owning and operating experience, including a return on the back end? Believe me, Komatsu is ahead of the game. Through our life-cycle analysis with our mining and construction equipment, we have proven our return-on-asset (ROA) is one of the industry's most profitable.

I have often been asked, "Why doesn't Komatsu advertise more?" in publications, etc. My reply is that Komatsu has one of the largest advertising departments in the industry; it comes in the form of engineers. In the past, I may have said Komatsu isn't a marketing company, it's an engineering company. But we understand the importance of establishing a universal brand identity, and globally, we're making progress. As our technological world continues to evolve at a tremendous rate, so does the rate of change. There is no other manufacturer in the industry that embraces and keeps up with today's rate

of change better than Komatsu. We and our distributors take extreme pride with the level of Komatsu's global sophistication and engineering capabilities. Komatsu is the leader in research and development. Much of Komatsu's technological engineering focuses on preventive maintenance and innovation.

For example, within the past three years, we have either updated or introduced new model changes for more than 90 percent of our North America product offering. And, of course, all as a result of listening and delivering a better value to our customers.

As for being an industry innovator in terms of technology and design, we continue to raise the bar, with the launch of our latest line of HST dozers, such as our D51 model with the unique super-slant-nose design, which provides better operator visibility and safety and recently won the silver award in the IDEA (International Design Excellence Awards) competition. The IDEA program is the premier international competition honoring design excellence in products and is sponsored by BusinessWeek magazine. In addition, Construction Equipment magazine named the D51 one of the "Top 100 Products of 2007."

Another example of our innovation can be found with our telemetric (GPS) devices, such as our KOMTRAX remote machine-monitoring system.

QUESTION: How is this technology beneficial? And what distinguishes Komatsu from the others?

ANSWER: KOMTRAX is a very powerful tool that has evolved beyond a device that simply tracks a machine's location and hours. It provides real-time data that can help our customers and distributors better manage their overall businesses. From an operational standpoint, KOMTRAX provides priceless information, such as idle time, fuel efficiency/consumption, operational performance, load factors and maintenance reminders. It empowers our dealers to provide proactive support. The KOMTRAX Web application is tied into our Service Support tools, so when a machine generates a fault code, instantaneously the local distributor and customer are notified. With the click of a button, our distributor can find the solution, required



parts, tools and time it should take to replace or repair the affected component, preventing any catastrophic problems. No matter the department — service, sales, parts or finance — telemetrics transforms the business.

Globally and domestically, Komatsu leads the way in telemetrics technology and functionality. More than 16,000 machines in North America and more than 120,000 units globally are presently equipped with KOMTRAX. No other heavy equipment manufacturer comes close, and we are just scratching the surface. Would you expect less from an engineering company?

QUESTION: In what other ways is Komatsu adding value, especially under today's challenging economic times?

ANSWER: One way is by providing our distributors a more economically efficient supply chain, without sacrificing quality. Typically, in the past, depending on the machine spec, it could take between 60 and 90 days from the time a machine is ordered until it is delivered to the customer. Today, we have reduced (improved) delivery lead times for a significant portion of our products to a four-week or same-month delivery, minimizing our distributors' inventory-related expenses. We want our distributors to rely on Komatsu for their delivery needs so they can focus on what they do best — selling and supporting the product.

QUESTION: What else is on the horizon?

ANSWER: It is obvious Komatsu is innovation-driven. We are always looking for ways to stay ahead of the curve. As we speak, we are fully engaged in Tier 4 engineering. As with Tier 3, this emission regulation requirement also provides opportunity. Komatsu looks forward not only to meeting the emission standards, but elevating our existing innovation to suit our ever-evolving customer needs. It's clear where we are now and the direction Komatsu is going. ■

Many new features of Komatsu equipment are the direct result of not only new governmental standards but also of listening to what customers need for better production.



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Intelligent drivetrain

Komatsu's electronically controlled hydrostatic transmission (HST) transmits engine power hydraulically to a transfer case then mechanically out to the differentials. The pump drives separate low and high speed motors while the system automatically applies the most efficient motor or both.

Selectable power modes

Many Komatsu machines have multiple selectable working modes to match engine speed, pump flow, and system pressure to the job, maximizing efficiency and economy.

Online data acquisition

Track machine performance with Komatsu's standard KOMTRAX™ monitoring system. A wealth of data including machine utilization, load factors and fuel consumption reads out on a secure Web site, helping you manage production and maintenance factors.

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INCREASE PROFITS WITH KOMTRAX

How Komatsu's fleet-monitoring system can save money and make money

If you're a Komatsu equipment user, you're probably already somewhat familiar with KOMTRAX, Komatsu's industry-leading, satellite-based, fleet-monitoring system — which (in stark contrast to other manufacturers' comparable systems) comes standard and with free communication on almost all new Komatsu machines.

For example, you may already be using it to track service-meter readings and schedule maintenance services; to find where a particular machine is located; and perhaps even to monitor load frequency and machine operating information. There's also a good chance you've been contacted by your Komatsu distributor about a machine caution, possibly even before your operator noticed anything was wrong.

All of those are important, worthwhile features that make your Komatsu machine more valuable. But the real key to a successful fleet-monitoring system is whether it makes the owner more profitable. Here's a prime example of how KOMTRAX can do just that by helping reduce machine idle time.

Fuel savings and increased resale value

According to Komatsu, throughout the life of a machine, idle time typically accounts for nearly 20 percent of that machine's total fuel burn. As an owner, if you can eliminate even 50 percent of non-productive idle time, your fuel costs can be cut by 10 percent. In today's world of high diesel fuel prices, that's a significant savings in and of itself, but the benefits of reducing idle time don't stop there. Less idling also means higher machine trade-in value.

Let's say you have two PC200 excavators that actually work 600 hours per year doing identical work, but one idles 40 percent of the time whereas the other idles just 20 percent of the time. After five years, the machine that idles 40 percent of the time will register 5,000 hours on the service meter, while the machine that idles 20 percent of the time will register fewer than 4,000 hours. Not only is the machine with fewer hours worth more, it will also have had two fewer maintenance intervals, which means increased availability and lower operating expense.

By measuring and giving you an accurate picture of machine idle time versus work time, KOMTRAX can help you alter operator tendencies to achieve substantial fuel savings, improved owning and operating costs and greater residual machine value.

KOMTRAX can be installed on almost any piece of equipment. It's available as a retrofit both for older Komatsu machines and for non-Komatsu equipment. ■

KOMTRAX can actually make equipment owners more profitable by identifying wasteful idle time, tracking usage patterns and monitoring maintenance needs.



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THE 'PLUS' ADVANTAGE

Tests show Komatsu's revolutionary new undercarriage design significantly reduces costs

Komatsu's new PLUS (Parallel Link Undercarriage System) has proven it's possible to extend the life of a dozer undercarriage through a revolutionary design that limits wear and the need for pin and bushing turns. With PLUS, that means less costly undercarriage repairs and replacements, which have proven to be as much as 50 percent of per-hour operating costs throughout the life of a dozer.

Extensive testing shows Komatsu's PLUS undercarriage — available on D65EX/PX/WX, D61EX/PX and D51EX/PX models — as much as doubled the life of a crawler track compared to conventional types used in both sand and clay.

The PLUS Undercarriage features a rotary bushing design that eliminates the need for bushing turns, which eliminates the costs associated with the turn. Two additional internal spacers help maintain bushing alignment, extending durability and overall bushing and seal life.

"Unlike a conventional undercarriage, PLUS uses a parallel bushing that freely rotates, so it doesn't slide up against the sprocket," explained Les Scott, Crawler Dozer Product Manager. "That reduces wear and tear and extends the life of the bushing, resulting in longer undercarriage life and in lower operating costs throughout the life of the machine."

Links have 45 percent more wear material, increased depth hardness that extends wear life, and a strutted design for added strength. All link assembly components can be field replaced one at a time, as opposed to replacing an entire undercarriage system. Additionally, sprockets are segmented for simple replacement and designed to minimize material packing.

Changing conventional thinking

Another key enhancement of the PLUS system is track roller-flange height that's increased 33 percent over conventional tracks, with the flange profile matched to the new link shape. It has alternating single/double flange rollers for improved alignment.

"Komatsu tested PLUS under several conditions and in each it showed significant reduction in repair and maintenance costs, including 40 percent in an extremely abrasive application," said Scott. "In general soil conditions with a general application, the cost reduction was 32 percent, and in rock, 10 percent. So PLUS can benefit just about everyone who uses a mid-size dozer." ■



The PLUS undercarriage system is available for several mid-size dozer models.

Komatsu's PLUS undercarriage system as much as doubles the life of a crawler track compared to conventional types used in both sand and clay.





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ADDING VALUE

Making biomass is easier with new line of Precision Husky products that Modern now carries

Biomass is closely associated as a byproduct of the logging process, where limbs and other small parts of trees are chipped or ground into smaller pieces that can be used for a variety of purposes, including fuel. Formerly, much of the material used to make biomass was left in the woods, sometimes creating a hazardous situation as it acted as fuel for wildfires. Under a federal energy act, grants are being made available to find more cost-effective ways to remove woody biomass from the forests.

That's prompted several contractors to add biomass production and shipping to their logging efforts or as a stand-alone business. Now, Modern Machinery makes it easier to do that with its latest equipment product line addition — Precision Husky machinery. Modern will carry Precision Husky's full lineup of equipment, which includes sawmill, timber-harvesting and recycling machinery and knuckle-boom loaders.

"This rounds out our lineup of forestry products and makes us more of a one-stop shop," said Forestry Sales Manager Mike Ployhar. "Modern has carried an extensive lineup of forestry equipment such as feller-bunchers, forwarders, processors and log loaders, and now customers can turn to us for their grinding and chipping needs as well. Precision Husky products have been around a long time, so they're well-known in the forestry industry.

"Before, customers bought them directly from the manufacturer," Ployhar added. "With Modern Machinery taking on the line, they can look forward to even better parts and service support. We've already ramped up for this line by training our personnel to sell and service the Precision Husky machines."

More than 70 well-known products

The 44-year-old Precision Husky company makes more than 70 products, including 10 models of tub and horizontal grinders to produce biomass materials. Its sawmill products include roundwood chippers and waste-wood chippers, screens, debarkers and disc scalpers.

"Precision Husky has a good track record; in fact, we've talked with several contractors who already own its products and they're excited about Modern Machinery taking on the line," said Ployhar. "We've also had numerous inquiries about Precision Husky products. The company has a solid reputation for quality products that produce biomass materials quickly and efficiently. The product line allows us to not only work with the individual contractor looking for a grinder, but also with mills that are looking at chipping machines. We're very excited about the possibilities Precision Husky offers." ■

Modern Machinery now carries the full line of Precision Husky products, including tub and horizontal grinders used to turn wood materials into biomass that can be used as a fuel source in a variety of applications.



EXTENDING BENEFITS

AED-NUCA report shows positive effects of ESA, urges an extension through 2009

Results of the depreciation bonus and Sec. 179 expensing levels have been positive, according to a study by the Associated Equipment Distributors (AED) and National Utility Contractors Association (NUCA). Now the AED is pushing for an extension of the benefits through 2009.

Part of the Economic Stimulus Act passed earlier this year, depreciation bonus and additional expensing allow companies buying new and used equipment to see significant tax advantages. The catch is that the equipment has to have been purchased this year and put into service before January 1, 2009. One-third of respondents to the AED-NUCA study said they purchased equipment to take advantage of the depreciation bonus and/or the increased Sec. 179 expensing levels. A quarter said they plan to purchase additional equipment before the end of the year, but many respondents said they were reluctant to buy machinery due to the slow housing market and other economic factors.

More than three-quarters of respondents said that if the ESA's capital investment incentives were extended, they would be more likely to purchase additional equipment next year, with 77 percent saying the same about the increased expensing levels. "Extending the depreciation bonus and increased Sec. 179 expensing levels through the end of 2009 would provide additional economic stimulus next year," according to the report.

Urging more investment

The joint organizations sent a letter to President Bush, House Speaker Nancy Pelosi and the House and Senate majority and minority leaders, showing the positive impact the depreciation bonus and increased expensing have had for contractors and urging them to extend the benefits.

The organizations are also urging additional investment in several key areas, such as water infrastructure, that will have an impact on the economy. ■

An AED-NUCA study shows the depreciation bonus and additional expensing under the Economic Stimulus Act are having a positive effect as companies see significant tax advantages to buying additional equipment.

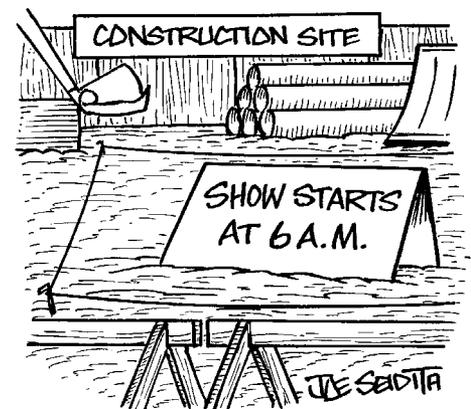
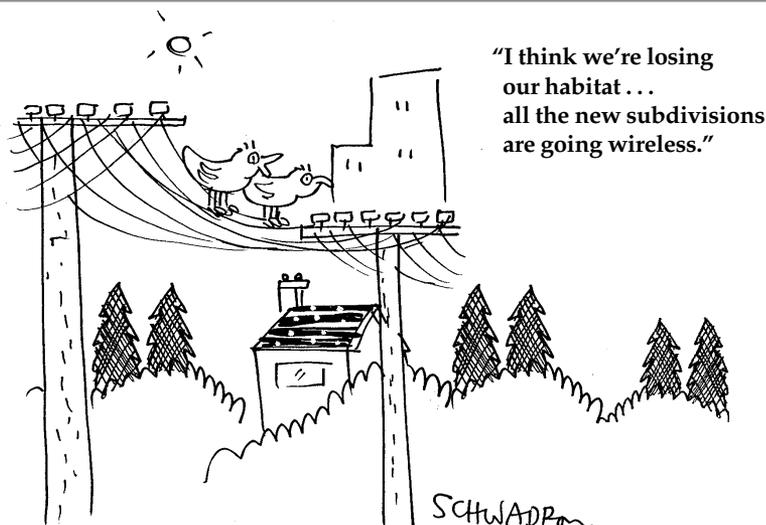
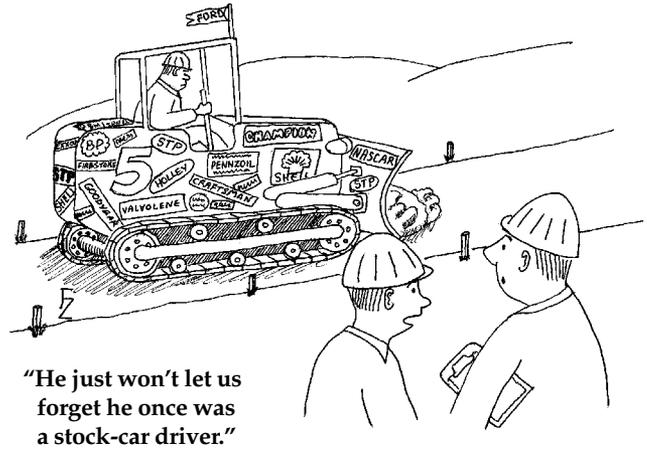


Organizations such as AED and NUCA are urging lawmakers and the President to extend the equipment-buying benefits of the Economic Stimulus Act through 2009, and encouraging investment in such areas as water infrastructure.



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World of Asphalt, ARTBA and AGG1 come to Orlando

The 2009 World of Asphalt Show & Conference is scheduled for March 9-12 in Orlando, Fla., and will be held in conjunction with two other shows, including The American Road and Transportation Builders Association Transportation Development Foundation's (ARTBA-TDF) "National Traffic Management and Work Zone Safety Conference."

The World of Asphalt is the asphalt industry's leading exposition and educational resource with educational programs and exhibits that showcase the latest technologies

in asphalt products and services. The National Traffic Management and Work Zone Safety Conference will also include educational opportunities.

Also co-located is AGG1: Aggregates Forum and Expo 2009, which features exhibits and education focused on the latest technologies in aggregate-related equipment.

To find out more about these upcoming events, you can visit their Web sites — www.worldofasphalt.com and www.agg1.org. ■

AGC urges repeal of 3-percent withholding

The Associated General Contractors (AGC) is urging contractors and organizations to contact their senators and representatives in an effort to repeal a law that requires federal, state and local governments to withhold 3 percent from all payments for goods and services under governmental contracts. The law takes effect in 2011, and the withholding applies to the total contract, not to the revenue generated from the project.

AGC points out that most construction contracts average less than 3 percent profit, and the law will tighten cashflow that will restrict bonding capacity. The law places an undue burden on S corporations and joint ventures, says the AGC.

On its Web site, AGC has a letter that can be filled out and sent to representatives and senators. ■

H20-XPO joins ICUEE at 2009 utility equipment exhibition

The 2009 International Construction and Utility Equipment Exposition (ICUEE) will again be held at the Kentucky Exposition Center in Louisville, with dates set for October 6-8. In addition to the ICUEE event, the H20-XPO will run simultaneously. Sponsored by the National Rural Water Association (NRWA), H20-XPO is an exhibition that features water and wastewater utility equipment and products.

The co-location comes from a partnership between the NRWA and Association of Equipment Manufacturers (AEM), which owns

and produces ICUEE. It will provide expanded educational and networking opportunities, and attendees will have access to a broader spectrum of companies and products. The joint effort is expected to attract 25,000 attendees who will see more than 1 million square feet of outdoor and indoor exhibit space.

One of the features of the event will be the chance to operate and test equipment, such as all-terrain carriers, attachments, components, earthmoving, environmental, material-handling and utility materials/supplies. ■

MODERN MACHINERY

USED EQUIPMENT PRICED TO SELL

(Prices subject to change without notice)

Manufacturer/Model	Description	Serial No.	Year	Hours	Price
CRAWLER DOZERS 					
KOMATSU D375A-5E0	U BLADE, MS RIPPER	50030	2007	1,994	POR
KOMATSU D375A-5	SU BLADE, SS RIPPER	18080	2003	6,108	POR
KOMATSU D375A-5	SU BLADE, GIANT RIPPER	18137	2003	13,932	\$375,000
KOMATSU D65WX-15E0	PAT BLD, A/C, RIPPER	69043	2007	525	POR
KOMATSU D65PX-15	ST BLD, OROPS	67659	2006	2,887	POR
KOMATSU D61PX-15	PAT BLD, A/C	B40550	2006	1,441	POR
KOMATSU D51PX-22	PAT BLD, A/C	B10093	2007	613	POR
KOMATSU D39PX-21A	PAT BLD, OROPS	1727	2005	2,054	\$72,500
KOMATSU D39EX-21A	PAT BLD, AC, RIPPER, FD'D	1928	2006	609	POR
DEERE 700H XLT	PAT, CAB, RIPPER	T0700HX93028	2004	3,783	\$87,500
WHEEL LOADERS 					
KOMATSU WA500-6	7.5 YD, STIKSTR, RDLS, SCALE,	A92489	2008	936	POR
KOMATSU WA500-3LK	7.2 YD, BIAS L5, ECSS, STIKSTR	A72202	2004	7,708	\$185,000
KOMATSU WA450-5L	5.25 YD, QC,	A36114	2003	7,172	\$150,000
KOMATSU WA430-6	RDLS, QC, 75200, 75196	65167	2007	2,239	POR
KOMATSU WA200L-5	3VLV, QC, BKT76650	65153	2004	5,951	\$85,000
CAT 938G	QC, GP BKT	HCRD01906	2006	2,789	\$130,000
CAT 928G	GP BKT	DJ002249	2006	7,092	\$92,500
HYDRAULIC EXCAVATORS 					
KOMATSU PC800LC-8	15' A	50036	2006	2,518	POR
KOMATSU PC600LC-8	14' A	55098	2008	264	POR
KOMATSU PC400LC-7E0	13' A, QC	65103	2007	1,171	POR
KOMATSU PC308USLC-3	11'6" A, QC-74420	20366	2006	1,813	POR
KOMATSU PC300HD-7E0	13' A, BKT 75638	A86067	2007	1,808	POR
KOMATSU PC228USLC-3E0	9'6" A, QC, 74712, 75624	41376	2008	441	POR
KOMATSU PC158USLC-2	8'2" A, RDLNR, QC, THM, 72462, 76865	10105	2005	1,115	POR
KOMATSU PC158USLC-2	8'2" A, QC, THM	10125	2005	2,054	\$105,000
KOMATSU PC138USLC-2	8' A, QC, THM, 74765	2175	2007	822	POR
KOMATSU PC128US-2	QC, BKT	6772	2001	3,309	POR
KOMATSU PC120LC-6	8'2" A, QC, THM, BKT 90637	73809	2007	1,043	POR
KOMATSU PC120-6	33", BKT & THB PIN-ON	70239	2003	2,251	\$75,000
KOBELCO SK135SRLC1	BKT, THM, QC	YH0302195	2004	3,912	\$59,000
DEERE 200CLC	NO ATTACHMENTS, THMPIPES	FF0200CX5082	2006	2,778	\$110,000
DEERE 135C	BKT, THM	300205	1995	2,325	\$92,000
MOTOR GRADERS 					
CAT 14H	GRADER	7WJ00347	1996	14,213	\$195,000
KOMATSU GD655-3C	14' BLADE, A/C, MS RIPR	B20036	2006	1,416	POR

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BACKHOES 					
KOMATSU WB140-2N	4WD, OROPS, EXTD. ARM, AUX HYD, LSS	A20546	2003	1,395	\$35,000
KOMATSU WB140-2N	4WD, OROPS, EXTD. ARM, AUX HYD	A21934	2005	320	POR
KOMATSU WB140-2N	4WD, OROPS, EXTD. ARM, AUX HYD	A21935	2005	352	POR
FORESTRY EQUIPMENT 					
TIMBCO 475EXL	395VTSN902	CW4C22240829	2003	4,003	\$350,000
VALMET 500T	965 HEAD, SN 333	500T0111	1993	4,659	\$135,000
VALMET 500T	SQRT. BOOM, 965SN452	500T0168	2000	7,312	\$197,500
VALMET 500T		AT4C18250802	2000		POR
VALMET 911.3	370.2SN211851 SEE 63232	311275	2006	3,707	\$367,000
VALMET 911C	HARVESTER, 965SN381	911C4025	1997	8,581	\$100,000
TIMBCO T445B	BUNCHER, QUADCO 20-40	FT4C08380222	1996	9,705	\$115,000
TIMBCO T445C	BUNCHER W/QUADCO	FT4C14431116	1998	9,696	\$75,000
TIMBCO 445FXL	BUNCHER, 22B40, SN QFH22B988	FT4C29421029	2007	1,244	POR
TIMBER PRO TF830	FORWARDER	830F01470301	2006	2,733	\$315,000
VALMET 890.3	FORWARDER W/TRACKS	310209	2007	1,700	POR
VALMET 892	FORWARDER W/TRACKS, CHAINS	892281	1995		\$100,000
VALMET 892	FORWARDER	892277	1995	13,760	\$100,000
VALMET 892	FORWARDER	892237	1996	15,248	\$80,000
KOMATSU PC220LL-8	LOG LOADER	A87001	2008	174	POR
KOMATSU PC270LL-7L	LOG LOADER	A86004	2005	2,184	POR
KOMATSU PC270LL-7L	LOG LOADER	A86010	2007	178	POR
HAUL TRUCKS 					
KOMATSU HD325-7	31-YD TRK, LINED BED, RDLS	7207	2007	1,541	POR
KOMATSU HD325-7	31-YD TRK, LINED BED, RDLS	7208	2007	259	POR
KOMATSU HM400-1	ARTIC TRK, TGATE, FD'D	1168	2004	5,158	POR
KOMATSU HM400-1	ARTIC TRK	1257	2005	6,744	\$167,500
KOMATSU HM400-1L	ARTIC TRK, TGATE	A10014	2005	6,784	\$167,500
MOXY MT31X	A/C, TGATE	710658	2006	2,064	POR
MOXY MT31X	A/C, TGATE	710659	2006	1,658	POR
MOXY MT31X	A/C, TGATE	710675	2006	1,762	POR
VOLVO A25C	ARTIC TRK	5350V60360	1992	10,013	\$35,000
AGGREGATE EQUIPMENT					
PIONEER FT2650	TRACK-MOUNT JAW	408164	2008	2	POR
JCI FT300	TRACK-MOUNT CONE CRUSHER	P060365	2007	17	POR
JCI K400	CONE PLANT	P070456	2007		POR
JCI FT6203CC	TRACK-MOUNT SCREEN PLANT	P060369	2007		POR
FABTEC 6X20-3	SCREEN PLANT	P620317698	1998		POR
MISCELLANEOUS 					
IR DD130	84" ASPHALT ROLLER	171655	2003	3,300	POR
SAKAI SW800	67" ASPHALT ROLLER SK033	10107	1999	1,451	\$68,000
IR SD160DX	84" SMOOTH SINGLE	181528	2005	2,140	POR
IR ECM590	DRILL 3"-4"	R21155LF	1999	1,907	\$79,000
AC CM780D	DRILL	78343	2007	978	POR

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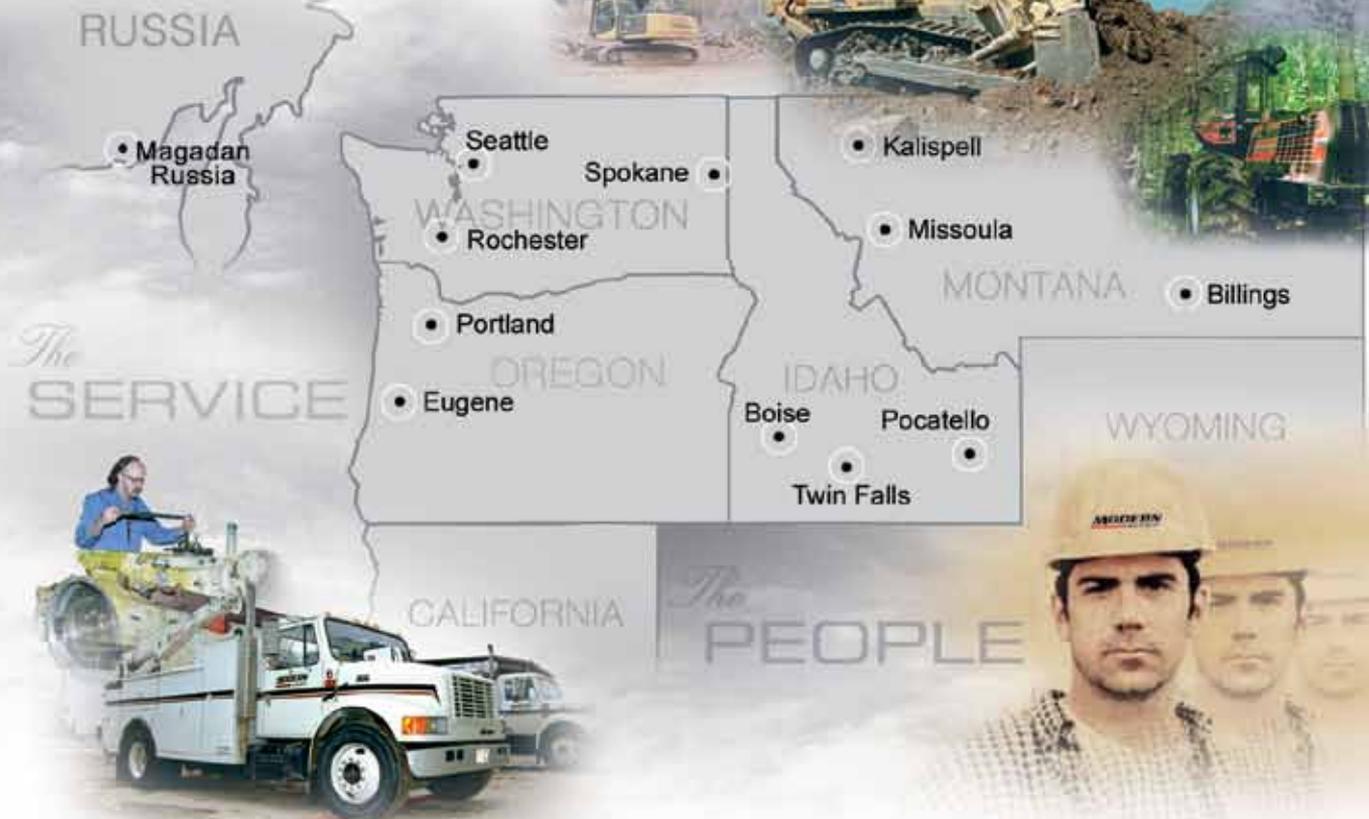
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