

WOOD WORKS

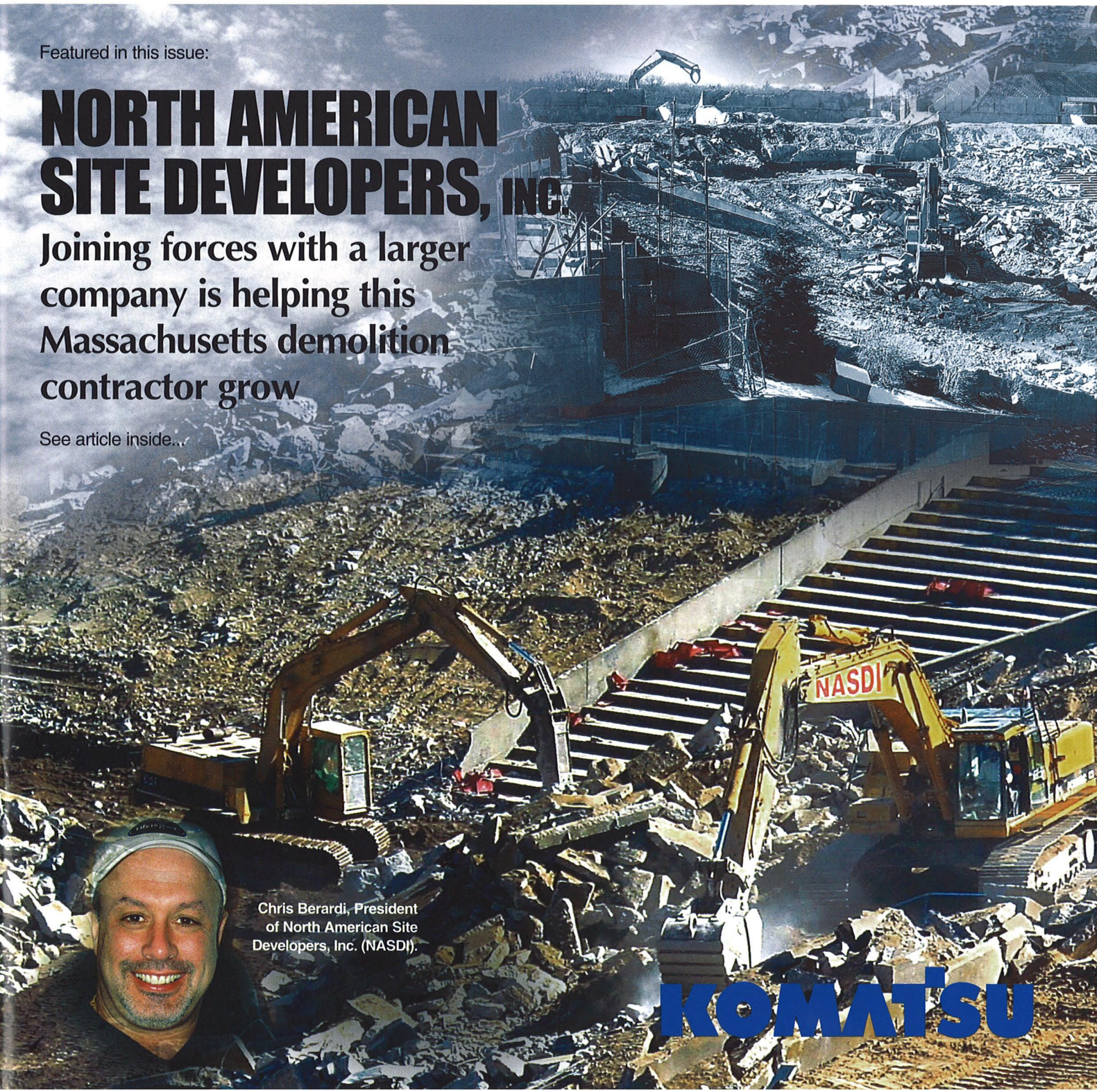
A PUBLICATION "FOR AND ABOUT" C.N. WOOD CO., INC. CUSTOMERS

Featured in this issue:

NORTH AMERICAN SITE DEVELOPERS, INC.

Joining forces with a larger
company is helping this
Massachusetts demolition
contractor grow

See article inside...



Chris Berardi, President
of North American Site
Developers, Inc. (NASDI).

KOMATSU

A MESSAGE FROM C.N. Wood Co., Inc.



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Dear Equipment User:

If the experts are right, 2003 will be much like 2002 in terms of total construction activity. F.W. Dodge projects a slight decline in total construction of less than one percent, while the U.S. Commerce Department forecasts a drop of slightly more than one percent.

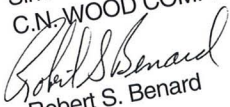
We hope their figures prove to be overly pessimistic. But even if they're right on target, we can live with it. The overall construction "pie" will remain very large, with almost \$685 billion dollars of "Put-in-Place," according to the Commerce Department.

So what do the figures mean to you? Basically, they mean business as usual. You're going to need to be aggressive, productive and efficient in order to be successful, but that's nothing new. Bid situations have been very competitive for many years now. And on negotiated work, you've always had to give a good price and perform well to get a call back. If you're a good contractor who does quality, on-time work for a fair price, you're probably going to continue to win business and win friends in 2003.

The situation is similar for those of us in the construction equipment business. If we do what we're supposed to do — provide the products and the support that you need to be successful — then 2003 should be just fine for us as well.

At C.N. Wood Company, we're taking steps to help ensure that we're able to meet your needs throughout the year. These steps include enlarging our equipment inventory and upgrading our parts and service offerings. We also know you're going to be looking for value. And on that front, I can assure you that we'll be price-competitive and our quality will be second to none.

We invite you to stop in early and often this year at any of our branch locations. We are committed to your success, and we hope you'll give us the opportunity to prove it to you.

Sincerely,
C.N. WOOD COMPANY, INC.

Robert S. Benard
President

**Near record
construction
forecast
means
"business
as usual"**



WOOD WORKS

THE PRODUCTS

PLUS THE PEOPLE TO SERVE YOU

In this issue . . .

NORTH AMERICAN SITE DEVELOPERS, INC.

How this Allston, Massachusetts, demolition company has poised itself for future growth.

GUEST OPINION

Defending diesel: Contrary to some public opinion, off-road emissions have improved, according to Anthony J. Obadal and Christian A. Klein, AED Washington counsels.

IDEAS OF INTEREST

Can a "Behavior-Based" program improve safety at your jobsites? This article tells why you may want to incorporate some new ideas into your company's safety program.

PRODUCT UPDATE

Operators are discovering productivity and safety are improved with Komatsu's tight-tail-swing excavators.

NEW PRODUCTS

Komatsu skid steer loaders may be new to the U.S. market, but they are proven machines. Find out how they increase efficiency.

MORE NEW PRODUCTS

Introducing the PC1250-7, Komatsu's largest construction-class excavator that is seven percent more productive than the PC1100-6.

KOMATSU AND YOU

Interview with Randy Baker, Vice President/General Manager of Komatsu's Global Mining Marketing Division, who says Komatsu's mission is to help mines operate at the lowest cost per ton.

SERVING YOU BETTER

How a systematic undercarriage track program can help you reduce costs and increase uptime.

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NORTH AMERICAN SITE DEVELOPERS, INC.

Joining forces with larger company is helping this Massachusetts demolition contractor grow



Chris Berardi, President
of North American Site
Developers, Inc. (NASDI).

Several years ago, brothers Chris and Joe Berardi looked to the future of their demolition business, North American Site Developers, Inc., and decided they wanted to expand. But in order to do that in a managed way, they needed an experienced "partner." The company they found was Great Lakes Dredge & Dock Company of Oakbrook, Illinois.

In April 2000, the Berardis sold 80 percent of their Allston, Massachusetts, business to Great Lakes, a move that Chris Berardi said has been excellent for both businesses.

"It's working out great," he said. "Great Lakes is a very similar company to us in that they really know how to treat their employees. They have a lot of respect for the individuals who work for them, and the transition has been very good."

Largest dredging company in U.S.

North American Site Developers, Inc. (NASDI) is now a subsidiary of Great Lakes Dredge & Dock, a

\$300 million company owned by Citicorp. Great Lakes was founded in the early 1900s and is the largest dredging company in the United States, while NASDI is one of the three largest providers of commercial and industrial demolition services in the U.S., according to *Engineering News Record*.

The Berardi brothers are members of the second generation to lead NASDI. The business was started in 1976 by their parents, Joseph and Joan Berardi, as a demolition, remediation and asbestos removal business in the Boston metro area.

"Today we still do site work, hazardous waste, remediation, asbestos and demolition," said Chris, who is President of the business. Joe is General Manager of the firm that employs over 150 people.

According to the brothers, very little has changed since the buyout two years ago. "Joe and I are still in charge," said Chris. "We still have 20 percent of the business and we run the company just like we always have."

Merger brings more time to work

What has changed is the additional time they gained to do their work. With Great Lakes taking over some of NASDI's administrative functions, including contract cost and performance tracking, contract administration and risk management, the merger has freed up the Berardis to focus on exploiting new business opportunities.

"Now we can concentrate on building the business instead of worrying about management issues," said Chris. "We can concentrate on what we do best, which is estimating and getting the work and making sure it's done right. It means we can bid a lot more work, because the weight of payroll systems and all the legal paperwork has been taken away from this office. We can work on expanding our sales."



NASDI crews started demolishing the old Foxboro Stadium in Foxboro, Massachusetts, in mid-February last year to make way for a new parking lot. That phase of the job, which involved demolishing the stadium bowl, took about six weeks to complete.



NASDI crews used two Komatsu excavators from C.N. Wood — a PC600 and PC750 — to make short work of the Foxboro demolition job.

The concrete was broken up and used by the site contractor as fill to bring up the grade for the new parking lot.

Another advantage of joining forces with a large corporation is NASDI's ability to receive unlimited bonding. "That enables us to bid just about any job we want and travel anywhere," said Chris. "If we did want to go out of state, we now have an infrastructure to support that."

Continued involvement in day-to-day work

Chris Berardi admitted that he still oversees just about everything. "I interact with the controller, I do the estimating, I deal with the project managers, I go to the project meetings for each job and I still do a lot of sales," he said. "I interact with the whole office on a daily basis and deal with all the problems associated with the jobs, as well as interacting with Great Lakes."

Joe is basically the field supervisor for NASDI. "He makes sure the jobs are being done right and on time, and he coordinates all the equipment and men," explained Chris. "He makes sure everything runs smoothly."

Chris is also "teaching the ropes" to Vice President Rich Johnson, who came to NASDI from Great Lakes. "He ran \$30 to \$50 million jobs for Great Lakes," noted Chris. "He's learning all aspects of the business right now and is definitely the right man for the job."

Other key employees at NASDI, according to Chris, include Jim Falco, who is second-in-command in the field; John Cibien, who plays a critical role in making sure that the internals of the project get done

to the customer's satisfaction; and Dennis Quereux, who heads up the environmental side.

"Phenomenally" busy

Business was "phenomenal" in 2002 for NASDI, according to Chris. "Last year it was just like it was three years ago," he said.

Most of NASDI's customers are from the private sector, a contrast with Great Lakes. "The majority of their work is dealing with the Corps of Engineers, because they control the waterways," explained Chris. "We deal with government agencies, but we also deal a lot with the private sector. They've picked up a lot of insight from us about dealing with private-sector clients, and I think we've picked up some pointers from them as far as the government side goes."

Stadium demo job

One of the projects that contributed to NASDI's busy year was the demolition of Foxboro Stadium in Foxboro, Massachusetts, to make way for a parking lot for the new stadium. "We started February 15 and finished the first phase up at the end of March," recalled Berardi. "We finished the rest by early June."

The first phase involved demolishing the stadium bowl; the second was taking down the souvenir shop and another small building. "What kept us from completing the back end zone where the stadium offices were was that the new offices weren't ready for the Patriots," Berardi explained. "We had to come back and finish."

Continued . . .

Foxboro Stadium big demo job for NASDI

... continued

The NASDI crew relied on its huge Komatsu PC600 and PC750 hydraulic excavators to make short work of the concrete stadium. "Our big machines went through the stadium pretty easy," said Chris. "We munched the concrete with the concrete pulverizers and put it back into the middle of the stadium where the site contractor used it as fill to bring up the grade of the property for the parking lot."

NASDI crews took down the old stadium while the new stadium was being built. "It became a more difficult project since it was so close to the new stadium," noted Chris.

Chris noted that having experienced employees is a big plus for the company. "The nice thing about North American is that we have a lot of people who work for us in the field who have been with us for a long time," he noted. "They have so much experience under their belts that it's really played a big role in the projects that we do."

Big jobs require big equipment

Having the right equipment also helps NASDI employees do their job safely and on schedule. Chris and Joe rely on heavy-duty Komatsu equipment from C.N. Wood Company to handle large demolition projects like the Foxboro Stadium. NASDI's fleet

includes a Komatsu PC750 excavator, two PC600 excavators and several PC400 excavators. Sales Representative Jim Kidd services the NASDI account.

"C.N. Wood has been a great provider of the Komatsu equipment we've needed to get the job done," said Chris. "The bigger machines are better for the bigger jobs. We have a 750 and two 600s, and there's just no downtime associated with them. They're really quality machines."

Attachments play a big role in the demolition business. "The Komatsus take attachments very well," Chris observed. "We have 7,500- to 10,000-pound hammers and we have a 12,000-pound hammer. A lot of other machines couldn't handle the big hammers. Our Komatsus can."

Chris and Joe say they are both pleased with C.N. Wood's support and service. "C.N. Wood has treated us great," said Chris. "They've always worked things out to both our benefit. And Jim Kidd has bent over backwards to see that we get the equipment we need and that we're satisfied."

Successful philosophy

Chris Berardi credits the success of the company he and Joe built to the same thing that made NASDI attractive to a company like Great Lakes. "We know how to treat our customers," he said. "We know what it takes to make customers happy, get repeat business, and provide the quality of work customers require — headache-free and free of all the things they don't want to deal with."

"We've also developed a niche and our own philosophies of how to do things," he continued. "I think that was one of the reasons why Great Lakes bought us — they wanted to pick up on those philosophies and see how we do business because we have been very successful."

Joe and Chris are both enjoying this new chapter in NASDI's history and anticipate expanding their company's territory. "We'd like to spread our wings a little bit and get out into New England, outside of Massachusetts," said Chris.

To do that, the brothers are taking advantage of the end of the Big Dig to hire a few more experienced, talented people. "We're building an infrastructure here in Boston so we can make sure we have good people to provide good service to our customers," said Chris. "Right now all my good people are tied up here in Boston. When we build that infrastructure, we'll spread our wings."



Demolition work on the old Foxboro Stadium took place while the new stadium was being built. "It was a little more difficult since it was so close to the new stadium," said Chris Berardi. But the entire project was completed by early June of last year.



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DEFENDING DIESEL

Contrary to some public opinion, off-road emissions have improved



The authors of this article argue it's unfair to compare the level of diesel emissions between off-road equipment and on-road vehicles.

By Anthony J. Obadal &
Christian A. Klein, AED
Washington Counsels

Tony Obadal and Christian Klein, partners in the Alexandria, Virginia, law firm of Obadal, Filler, MacLeod & Klein, P.L.C., serve as Washington counsels for the Associated Equipment Distributors. AED is the trade association representing independent, authorized distributors of construction, mining, forestry and agricultural equipment.

This column originally appeared in the December 2002 issue of AED's Construction Equipment Distributor magazine. The authors can be contacted at caklein@potomac-law.com.

Kids love Thomas the Tank Engine, the TV show featuring friendly trains that roam the mythical island of Sodor. Friendly, that is, except for Diesel 10, a scowling villain who hates steam engines and wants to replace them with diesel machines.

Unfortunately, Sodor isn't the only place where diesel gets a bad rap. Several groups in Washington have recently stepped up their assault on diesel engines, particularly those used off-road.

This summer a group representing pollution control officials issued a report entitled "The Dangers of the Dirtiest Diesels: The Health and Welfare Impacts of Nonroad Heavy-Duty Diesel Engines and Fuels." The group wants the Environmental Protection Agency to more quickly implement tougher standards for off-road diesel. In October, the U.S. Public Interest Research Group issued a report that also called for stricter regulation of off-road diesel engines.

Construction industry relies on diesel

Diesel powers the construction industry, which employs almost six million people nationwide and contributes an estimated \$850 billion to the U.S. economy. But the reports make no mention of the societal benefits of diesel, nor do they say anything about the development of better and cleaner diesel engines. The reports also don't recognize crucial differences in on-road and off-road diesel technology.

Diesel engines can respond to changing load demands better than regular gas engines. A diesel engine's efficient combustion process gains 45 to 60 percent better fuel economy than a gas engine. Diesel fuel also is less volatile than gasoline and has a higher flash point.

Over the last 20 years, diesel emissions have fallen even as the reliability and fuel economy of diesel engines have improved. Particulate emissions (PM) from off-road diesel engines have decreased by 25 percent over the last 25 years. More than a million

new off-road diesels enter service annually, but overall nitrogen oxide (NOx) emissions from off-road diesel have continued constant over the past 15 years.

More improvements are on the way. Reducing sulfur content of off-road diesel fuels will further reduce PM and NOx levels. New engine controls and fuel injection systems will help diesel fuel to burn even more efficiently and minimize the temperature spikes that cause NOx emissions. Better intake and exhaust systems will improve combustion. And improved after-treatment technology, including catalysts and particulate traps, will better convert and capture emissions.

PM and NOx emissions decreasing

All this means that from 1996 to 2003, particulate emissions from the typical bulldozer will decrease by 63 percent and NOx emissions will decrease 28 percent. By 2006, NOx emissions from the average piece of equipment will have fallen another 29 percent.

On-road diesel engines are getting cleaner, faster. From 1989 to 1997, on-road diesel dropped 25 percent in NOx emissions, 76 percent in sulfur dioxide (SO₂) emissions, 37 percent in PM-10 emissions, and 35 percent in PM 2.5 emissions.

Groups that call for the exact same standards to be applied to on- and off-road diesel at the exact same time miss the point: High travel speeds make on-road diesel engines more efficient and make it easier to more rapidly improve the technology. Rest assured, environmental advances in on-road diesel will quickly find their way off-road.

Oh, and guess who played the leading role in the Thomas movie that introduced the evil Diesel 10 character? Actor/environmental activist Alec Baldwin. Didn't he promise us he'd leave the country if Bush won the election? Hey Alec, we hear Sodor's beautiful this time of the year.



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MAKING CONSTRUCTION SAFER

Can a "Behavior-Based" program improve safety at your jobsites?



This article was written by George Kennedy, NUCA Vice President of Safety. It is reprinted with permission from the March/April 2002 *NUCA SAFETY NEWS*, a bimonthly newsletter of the National Utility Contractors Association.

Successful safety programs require a team effort. Do your crews work as teams and do the members of each team watch out for each other? If not, it may be time to research and develop new ideas to refresh your company's safety program. Many companies are looking at so-called Behavior-Based Safety programs, but are they the answer?

Behavior-Based Safety (BBS), which focuses on improving individuals' work habits on the job as a way to make the workplace safer, is often a subject of discussion when safety professionals get together. But does it really work? More importantly, does it work for construction companies, considering the mobility of operations and worker turnover?

Volumes of information have been written on the subject. Many companies have implemented a successful BBS program, and many others have failed to make it work. The most important thing to remember is that when BBS is implemented

effectively, it should not replace the traditional hierarchy of safety and health controls. In other words, focusing on behavior is important, but not enough.

Traditional safety controls

Even if you decide to try BBS, it's critically important that you also continue to focus on the widely accepted practice of eliminating and controlling hazards. There is a hierarchy of practices, which includes:

1. Eliminating the hazard or substituting a safe material for a hazardous one. For example, using equipment to lift and move pipe instead of handling it by hand eliminates or reduces employee exposure to muscle strains. Or substituting a safer solvent for a more dangerous material in the parts cleaning tank in the shop reduces employee exposure.

2. Engineering controls to control hazards wherever possible. For example, using ventilators to eliminate a potentially hazardous atmosphere in a confined space is safer and generally more reliable than requiring workers to use respirators. Machine guarding is an example of an engineering control that is used to keep employees from making contact with hazardous components.

3. Warnings such as signs, labels and backup alarms to remind employees that there is a hazard present. Workers should be especially careful when vehicles are backing up. Remind workers that when a horn or backup alarm sounds, they should look around to see where the equipment is in relation to them.

4. Administrative controls to reduce employee exposure by reducing the time a worker is exposed to a potential hazard. This is generally accomplished by rotating workers from one job to another. For example, instead of assigning one worker to operate the jackhammer all day, two workers could be assigned and take turns for one- or two-hour periods, thereby reducing each employee's vibration exposure to a reasonable level that will not lead to injury.



Behavior-Based Safety programs (BBS), which focus on improving individual workers' on-the-job safety behavior, can be effective when combined with traditional jobsite safety controls. Some opponents of Behavior-Based Safety programs don't like them, however, because they say BBS is the company's way of blaming accidents and injuries on the workers themselves.



Traditional safety controls include: A good training program, the enforced use of appropriate Personal Protective Equipment and the elimination of hazards.

This photo shows not only the use of hard hats, reflective vests and steel-toed boots, but also proper sloping — which eliminates the hazard posed by workers going into a trench. It is a good example of traditional safety controls being used to create a safe jobsite.

5. Training to ensure that each and every worker knows how to do the job they have been assigned and how to do it safely. In addition, all workers should be informed of potential hazards and how to protect themselves. In order for training to be effective, it must be ongoing and repetitive to ensure that all workers understand and remember the information.

6. Personal protective equipment (PPE) that is sometimes the only option on a jobsite. Employees should be provided with all appropriate PPE (hard hats, safety glasses, hearing protection, gloves, boots, etc.), and they should be instructed when they are required to use it, why it is necessary, and how to use it properly. Only quality PPE should be provided, and it is a good practice to give employees a selection to choose from to ensure proper fit.

Overview of BBS

What is BBS and how does it work? BBS is a concept of safe behavior reinforcement. The concept itself is not new. It was merely borrowed from the field of psychology and applied to safety.

BBS focuses on safe worker behavior and team effort. After all the traditional methods of preventing accidents have been exhausted, BBS can be implemented to achieve management and employee buy-in to the safety program.

Over the years, safety practitioners have examined behavior as part of the safety problem, based on the idea that most accidents are caused by unsafe acts performed by workers. This led to the idea that management must focus more on behavior in order to control accidents. Although many safety professionals agree that unsafe acts are a problem, few ever take any action to change poor behavior other than training, which is always important, and disciplinary action, which is actually a negative consequence.

Let's examine how BBS programs are typically implemented. First, meetings are held to educate managers, supervisors and workers about the program. Next, a set of observable safety-related behaviors are identified by a group of workers. Observers are trained to make observations as workers perform their tasks. The observers record what they see and provide verbal feedback to those workers based on their observations.

The results of all the observations are compiled and the information is used to identify the behavior and conditions that need to be changed to reduce employee exposure and risk. Training sessions and meetings are held with managers, supervisors and workers to address the at-risk behavior and to eliminate any unsafe conditions or conditions that contribute to unsafe behavior.

Continued . . .

Pros and cons of “Behavior-Based Safety”

... continued

Each day, workers have hundreds of opportunities to choose between safe and unsafe behavior. Although the concept of observing worker behavior and discussing safety with the worker is valid, having observers follow other workers around is not practical on most construction sites. Therefore, only a fraction of the workers' behavior will be observed.

Because behaviorism relies on someone (a foreman or other observer) delivering positive reinforcement such as praise to reinforce behavior, it stands to reason that the behavior-based approach will only be effective when the behavior is easy to observe and the person delivering the praise can do so in a timely and consistent manner.

Companies can show workers new ways to give and receive feedback and to communicate the safety message. All workers should be encouraged to become more involved in safety and to take ownership of it as their personal value for safety increases.

Even if BBS does not work for a company, employees must learn more effective means of communicating with management and interacting across all levels of the company. They must also learn to identify unsafe behaviors at their jobsites and ways to intervene with fellow workers who place themselves at risk.

It all boils down to increased awareness, more positive attitudes toward safety, and people caring

about safety and their co-workers. If a safety professional can get people to work safely, their attitudes will change to favor working safely.

Opposition to BBS

Opponents of BBS claim that most BBS programs are designed primarily as a way to blame accidents and injuries on workers. They also claim that BBS programs appeal to many companies because they make health and safety seem simple, do not require management changes, focus on workers, and seem cheaper than correcting health and safety hazards.

They state that exposure is most effectively reduced through the use of engineering controls such as guards, safety devices, shields and ventilation systems. I agree with this concept, but how do we keep a worker from going outside a trench box or jumping into an unprotected trench if we don't address worker behavior, too?

Opponents also claim that using BBS programs can turn the safety hierarchy upside down. Most BBS programs begin with the identification of critical worker behaviors. These include wearing personal protective equipment and following safety procedures instead of eliminating or controlling the hazard. In addition, opponents believe the behavior-based programs are set up to check, inspect, observe, coach, reward and discipline workers instead of taking an unbiased view of the workplace.

Safety in general

Over the years, I have reviewed and studied many different safety concepts, such as system safety, total quality management, job safety analysis and now BBS. Each has a place and purpose, and they have all helped to improve safety in the workplace. However, it is my opinion that there is no one sure-shot method to ensure safety. It never hurts to take a look at something new, because it will probably contain some fresh ideas, which may be helpful, as does BBS.

Something that always stands out in any effective safety program is management involvement and management's sincere commitment to preventing accidents. Equally important is that employees buy into the program and actively participate.

Wherever there is “team” involvement and genuine caring for others, safety performance will be improved. In the long haul, money will be saved and OSHA penalties and litigation will be avoided when accidents do not occur. Most important, the workers are not injured or killed.



Using a parallel tool carrier to lift and carry pipe is a traditional safety control that reduces employee exposure to muscle strain. It's also a much more efficient way to get the pipe in place.



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PERFORMANCE IN A “TIGHT-TAIL” PACKAGE:

Operators discover productivity and safety are improved when you “tighten up”

Good ideas don't remain a secret for very long. It wasn't too many years ago that seeing a zero- or tight-tail-swing excavator would cause people in the construction industry to stop and stare. Now the machines are commonplace on highway jobs and many other work sites where space is at a premium.

As a pioneer in the field of excavators featuring zero and near-zero track overhang, Komatsu has consistently led the way in making the machines more productive and more comfortable. Today, Komatsu's series of tight-tail-swing machines (the US series) includes the PC128US-2, the new PC138USLC-2 (which is the long-undercarriage version of the PC128) and the state-of-the-art PC228USLC-3.

The PC128/138USLC machines are equivalent in size and production to Komatsu's standard PC120LC, while the PC228USLC-3 is the equal of the standard PC200LC-7. “In head-to-head production, our tight-tail-swing machines perform right with their standard machine counterparts,” said Erik Wilde, Komatsu Product Manager for hydraulic excavators.

“For example, in certain applications, like trenching, we've found that the PC200 is about 1.5 percent more effective than the PC228,” he added. “But in truck loading, due to the work equipment geometry and smooth operation combined with heavier weight, the PC228 is about three percent more productive than the PC200. In all applications, the differences are negligible.”

According to Wilde, that's a claim competitors simply can't make. “Nobody else even comes close,” he said. “Their tight-tail-swing machines are at least 10 percent less productive than their standard units. And when we compare ours to theirs, the disparity is even greater. Our tight-tail-swing PC228USLC-3 not only outproduces their tight-tail-swing counterpart (by about 20 percent), it also outproduces their standard machine (by about 10 percent).”

What others are saying

If you've been thinking about trying a Komatsu tight-tail-swing excavator, you might be interested in what other contractors are saying about the machines.

In Des Moines, Iowa, three well-known bridge-building contractors are working on a high-profile reconstruction of Interstate 235 through the heart of Iowa's capital city. Four Komatsu PC228USLC-3 excavators are on the job.

“The PC228 has been the perfect machine for us because it allows us to work in the confined and narrow spaces we have on this job,” said Randy Freel, General Superintendent for Jensen Construction. “We fell in love with our first 228 and added a second one to help us with the amount of work we have.”

“It (the PC228) has performed much better than we ever anticipated when we first saw it,” said Dan Cramer, Chief



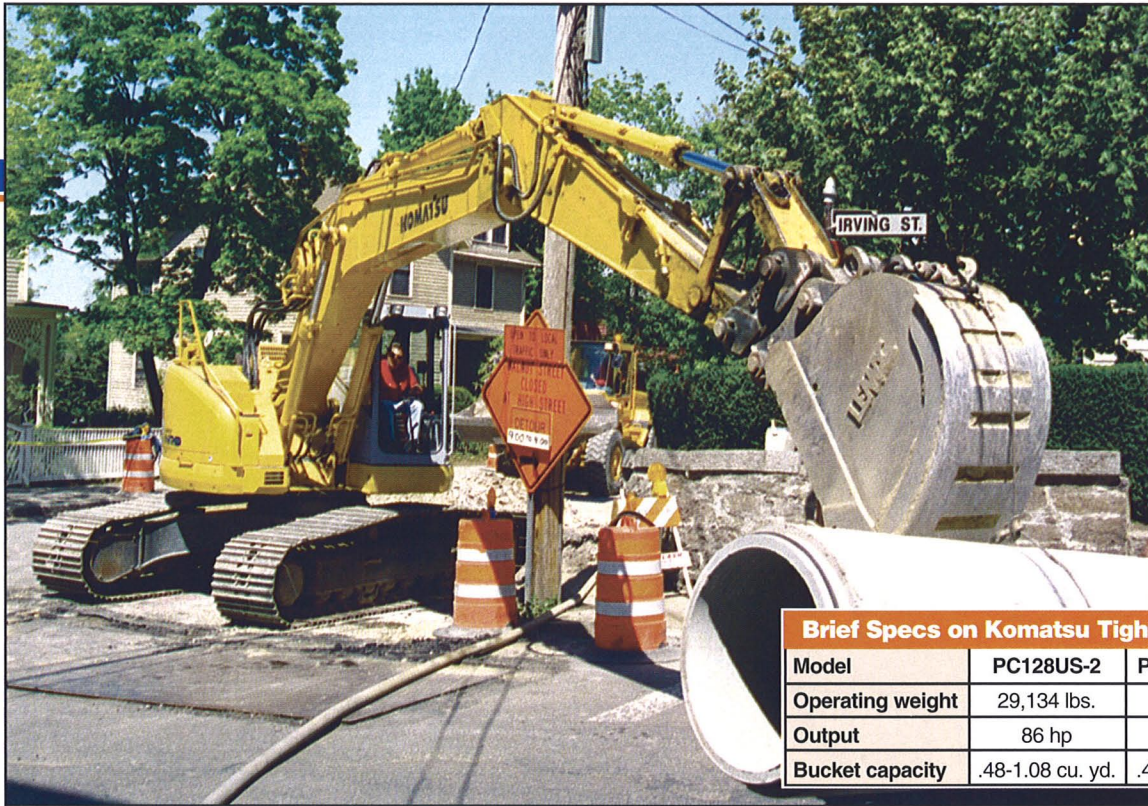
Randy Freel



Dan Cramer

Komatsu tight-tail-swing machines, including this PC128US-2, are ideal in truck-loading applications where space is at a premium.





The PC228USLC-3 is ideal in congested urban areas. At more than 50,000 pounds, it's big enough to place heavy concrete pipe or do substantial digging, but with its near-zero track overhang, it can fit into tight spaces.

Brief Specs on Komatsu Tight-Tail-Swing Excavators

Model	PC128US-2	PC138USLC-2	PC228USLC-3
Operating weight	29,134 lbs.	30,865 lbs.	51,765 lbs.
Output	86 hp	86 hp	143 hp
Bucket capacity	.48-1.08 cu. yd.	.48-1.08 cu. yd.	.55-2.0 cu. yd.

Operations Officer for Cramer & Associates. "On this particular job, we're right up against a barrier or a wall or very close to a truck. It has worked well, not only from a production standpoint, but also it enables us to work more safely."

"We use the heck out of our PC228," said Jon Allen, Project Manager for United Contractors, Inc. "Our foremen are always arguing over who gets to run it, so we know it must be doing a good job."



Jon Allen

In Randolph, Massachusetts, just south of Boston, J. D'Amico Inc. uses a PC228 in its underground utility work. "We've found that our tight-tail-swing PC228 will fit into the same area that a standard PC120 will fit into," said Jim D'Amico, Construction Supervisor for the family-owned firm. "That means we're getting twice the machine into that confined space. Not only is production much greater, but with the PC228, we don't have to cut down as many trees to enable us to work, and we don't have to do as much restoration after we're done."



Jim D'Amico

"We had a job in Brookline along a street with a very high stone retaining wall that we weren't allowed to touch because of its age and historic value," D'Amico recalled. "With the PC228, we were able to get right alongside the wall and lay 36-inch drain. In many applications like that, the machine makes us more competitive for our customers." The company has been so pleased with its PC228 that it recently also added a new PC138 to its fleet.

For V.J. Strand, President of V.J. Strand Construction in Southlake, Texas, the PC128 is ideal for the swimming pool work his company is known for.



V.J. Strand

"We have to work in people's backyards, which means there's no room for a big machine," Strand noted.

"We used to use skid steers to dig the pools, but we've found that the PC128 is much more efficient. It will fit into the same space and do the work a lot faster, which is what our clients are looking for."

"It's also much safer for our men on the job, and substantially lessens the likelihood of bumping into the house or a fence," he added. "We have three PC128s, and I'd say they're the best machines I've ever owned."

Is it for you?

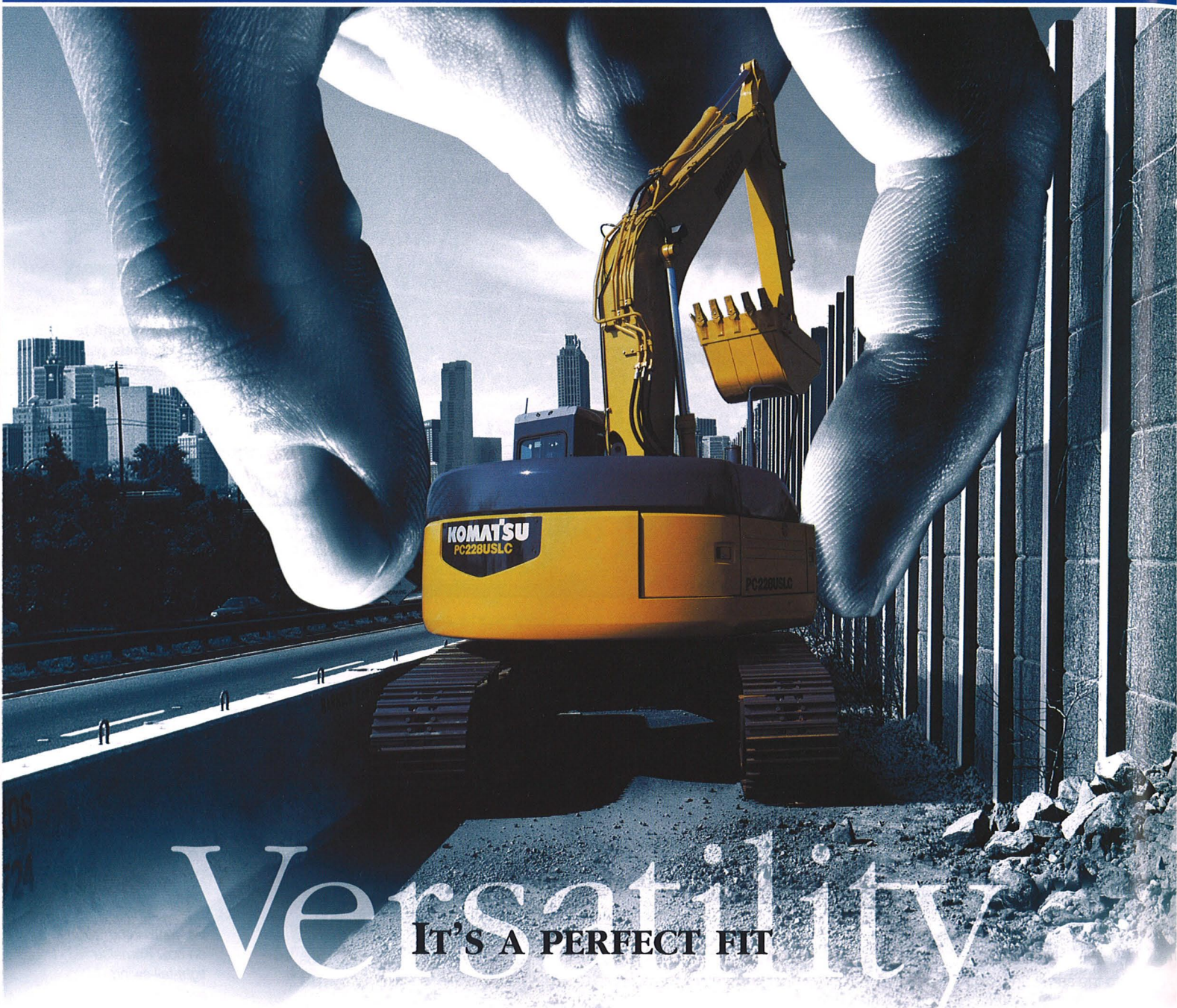
Would a tight-tail-swing machine benefit your operation? According to Komatsu's Wilde, it depends on how you're going to use it. "If you compare our PC200LC-7 to the PC228USLC-3, the comfort level in the 200 is somewhat greater because of the Dash-7 cab, which is huge," he said. "Serviceability is also slightly more convenient on the standard machine."

"If the vast majority of your work is in open areas, like site preparation for residential subdivisions, there's probably no reason to spend the extra money for a tight-tail-swing machine," he continued. "But if you do a lot of confined space work, a tight-tail-swing excavator more than pays for itself by increasing productivity, reducing wear and tear on the machine, and improving jobsite safety."

For more information on how Komatsu tight-tail-swing excavators can benefit your jobsite productivity, contact your sales representative or our nearest branch office.



Quality you can rely on



Tight, congested job sites constricting your success? Then it's time to get your hands on Komatsu's range of short-tail swing hydraulic excavators (18.7 hp-143 hp). Designed to increase productivity, these power-packed machines are the perfect fit for any application. Add the same reliable performance to their short-tail swing design and these powerhouses deliver the same efficiency of our standard machines. A broad selection of attachments give you the versatility to tackle the job at hand. While rent or own options make it easy to get the biggest return on your investment.

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KOMATSU SKID STEER LOADERS

New to the U.S., these proven units provide contractors with maximum productivity

Komatsu technology and performance in a skid steer loader — in years past, this could only have been on your wish list. But now, with the introduction of the 5,565-pound SK714-5 and 5,785-pound SK815-5, Komatsu has entered the market in the U.S. with two highly productive units.

Both loaders feature Komatsu's exclusive HydrauMind system for precise, powerful hydraulic control. Another distinctive feature is a two-speed hydrostatic transmission that allows maximum ground speed of 10 mph, or about 25 percent faster than competitive units.

"No other machine in this mid-size class range offers two travel speeds," said Komatsu Utility Division's Product Manager Bob Lessner. "It enhances productivity in two ways: It gets a contractor from one jobsite to another more quickly; and in a load-and-carry application, it lets an operator load out in work range, then shift on the go to the higher travel speed to deliver the load in less time."

While new to the U.S., Komatsu skid steer loaders have been used in Europe for about 20 years. "We may be the 'new kids on the block' when it comes to skid steer loaders in the U.S., but that doesn't mean we're novices in manufacturing them," said Lessner. "These are proven units. The current version is the fourth generation. We've designed them from the ground up with features designed specifically for the North American market."

Key features, Lessner noted, are:

- **The best rear visibility** in the industry.
- **Most advanced joystick control** in the skid steer industry.
- **250-hour pin greasing interval**, which minimizes daily downtime and reduces O & O costs.

Automatic Power Control

The SK815-5 also features one of the longest wheel bases in its class and offers Automatic Power Control (APC). This is a patented Komatsu engine

anti-stall feature that enables an operator to work at maximum power on the toughest job without worrying about engine stall-outs.

Komatsu is developing more than 40 attachments that will be readily available for both the SK714-5 and SK815-5. In addition, universal front couplers will enable the units to accept almost any brand of attachment.

Lessner says the SK714 and SK815 are the first — but won't be the last — skid steer loaders that Komatsu offers to U.S. customers. Two additional larger models are expected to be available before the end of this year.

For more information on how Komatsu skid steer loaders can benefit your jobsite productivity, contact your sales representative or our nearest branch office.



Brief Specs on Komatsu Skid Steer Loaders

Model	SK714-5	SK815-5
Output	47 hp	47 hp
Operating Weight	5,565 lbs.	5,785 lbs.
Operating Capacity	1,350 lbs.	1,550 lbs.

Komatsu design engineers say the Komatsu SK815-5 is the only skid steer loader with Automatic Power Control (APC), which eliminates engine stall-out.



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PRODUCTS**



C.N. WOOD CO., INC.

INTRODUCING THE PC1250-7

Komatsu's largest construction-class excavator is more productive and versatile

When it comes to big jobs, big equipment often helps maximize efficiency. With its introduction of the PC1250-7, Komatsu has significantly enlarged what was previously its largest construction class of excavator and, according to the company, has taken productivity and efficiency to industry-leading levels.

Komatsu says the PC1250-7 improves upon its predecessor, the PC1100-6, as well as competitive units, at almost every turn. The all-new machine, which weighs in at approximately 125 tons, features the largest bucket digging force, arm crowd force and bucket capacity in its class. Flywheel horsepower has been increased significantly (from 611 horsepower to 651 horsepower), leading to faster hydraulic cycle times and a corresponding seven percent increase in productivity. And despite the increased power, the PC1250 is actually 13 percent more fuel efficient than the PC1100 when operated in Economy Mode.

"It's a true industry leader," said Lee Haak, Komatsu Product Manager for large hydraulic excavators. "One of the significant differences between our machine and others in this class size is that the PC1250 is available in either a standard track or a long undercarriage (LC) track. That makes it much more versatile than competitors' similarly sized units.

"With a short boom and arm, the standard track is ideal for maximum production, whether it's on a large construction site or in a mine or quarry," he explained. "But the LC version, outfitted with a long boom and arm, makes the PC1250LC-7 a valuable machine for civil contractors doing deep or heavy sewer and water work. The extra reach and stability from the LC version also make it an effective material handler in applications like barge unloading."

Improved comfort and serviceability

In addition to its wide range of applications, the Dash-7 operating station is a real plus for operators, according to Haak. It has a larger, more comfortable cab with damper mounting to reduce noise and vibration. Larger glass area improves all-around visibility while a powerful automatic air conditioner with bi-level venting keeps the operator cool throughout his shift.

Wide walkways and large service doors provide easy access for inspection or servicing of engine compartments. Engine oil, engine oil filter and hydraulic oil filter replacement intervals have been extended to 500 hours, while the hydraulic oil replacement interval has been extended to 5,000 hours — all helping to reduce maintenance costs.

Available as an option on the PC1250-7 is Komatsu's exclusive Vehicle Health Monitoring System (VHMS). This state-of-the-art data storage and reporting system helps an operator track machine performance. It also provides information that enables Komatsu service technicians to quickly and accurately diagnose problems and make repairs.

Other improvements to the PC1250-7 include: greater plate thickness in both the revolving and center frames to improve durability; increased cross section and plate thickness in the boom and arm; extra guarding to protect piping and travel motors; a strengthened undercarriage; and the most extensive filtration system available.

For more information on the Komatsu PC1250-7 or PC1250LC-7, contact your sales representative or our nearest branch location.



The new PC1250-7, which Komatsu says has the largest bucket digging force and arm crowd force in its class, is seven percent more productive than the PC1100-6 it replaces.

Brief Specs on Komatsu PC1250-7 excavator

Operating Weight	235,270 - 249,560 lbs.
Flywheel Horsepower	651 hp @ 1800 rpm
Backhoe	4.4 - 8.8 yd ³
Loading Shovel	8.5 yd ³

VP/GM of Mining says Komatsu's mission is to help mines operate at the lowest cost per ton

QUESTION: By necessity, mining equipment is very large, and Komatsu makes some of the largest machines in the world. But is bigger always better when it comes to mining equipment?

ANSWER: No. We do make the largest crawler dozer (D575) and the largest mechanical wheel loader (WA1200) in the world. We also have a 4,000-horsepower loading shovel (PC8000) and a 320-ton

haul truck (930E) that are among the largest in their respective product lines. But our product development strategy is not based on having the largest machine in any particular category.

Our focus is on productivity gains and, even more important, helping our mining customers produce at the lowest cost per ton. Sometimes that can be achieved by having the largest machine, but it depends on how the machine fits into a company's overall operation. Our emphasis is on each individual mining company's needs, and helping them come up with equipment that will work most effectively for them.

QUESTION: How do you accomplish that?

ANSWER: First of all, by offering the products they need. Komatsu has the most comprehensive line of mining equipment of any manufacturer. Although that might surprise some people, it's a fact. Line us up side by side with the competition and you'll find, as I mentioned, that we have the largest dozer and loader. You'll also find we have a much broader range of shovels and that our truck line matches up very well. We also design and engineer all of our machines for maximum productivity, safety and reliability.

But that's still only part of the answer. The rest of it lies in our ability to help the customer maximize his investment by offering equipment life-cycle programs, and through the effective use of new technologies like GPS control, satellite link systems and mine communication systems.

QUESTION: What do you mean by equipment life-cycle programs?

ANSWER: It's helping a customer get the most out of his equipment for the longest period of time by providing support after the sale through programs like repair and maintenance contracts. Komatsu distributor technicians are trained on our equipment. They know how to take care of it to make it productive and reliable and to make it last. They also know how to fix it quickly and efficiently if something does go wrong.

This life-cycle emphasis ensures maximum equipment availability. And if mining companies hire us to provide it, we're willing to stand behind our machines. We'll guarantee uptime or take almost any other steps a customer wants us to take to limit his risk. We're definitely willing to show our commitment.



Randy Baker,
Vice President/General Manager,
Komatsu Global Mining
Marketing 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.

RANDY BAKER

As vice president/general manager of Komatsu's Global Mining Division, Randy Baker is responsible for the manufacturer's mining efforts, not just in the United States, but around the world.

A native of Golden, Colorado, Randy earned a bachelor of science degree in mining engineering from the South Dakota School of Mines. In 1986 he went to work for Tamrock, an underground drilling manufacturer. After Tamrock acquired Driltech, Randy joined the surface drilling side of the company and eventually ended up marketing for the division. In the late 1990s, he left Tamrock to head up the Rock Drill Division of Ingersoll-Rand as vice president of marketing.

About two years ago, Randy was recruited by current Komatsu America Corp. Chairman Dave Grzelak to be vice president of sales and marketing for Komatsu Mining Systems. "I had spent all my professional life in drilling equipment, so to get the chance to work with trucks, dozers, loaders and shovels was pretty exciting to me," recalled Randy. When Komatsu realigned its business structure in April of this year, Randy was promoted to his present position.

"I've always worked for companies that were the best at what they did, and I don't like being number two," he stated. "My goal is to make Komatsu the number one supplier of mining equipment in every product category. That obviously won't happen overnight, but we feel that we're taking the steps that will eventually get us there."



Komatsu offers the most comprehensive line of mining products of any manufacturer along with full-service support programs and technological innovations designed to help mining operations improve productivity and reduce costs.

QUESTION: You also mentioned new technologies. Give me an example of the technological advancements you're talking about.

ANSWER: Thanks to our Modular Mining Systems subsidiary, Komatsu is probably at least five years ahead of the competition in the development of autonomous (driverless) trucks. These are trucks that will literally be driven by computers. It's a revolutionary concept and we've already proved that it works. In fact, we're pre-producing prototype trucks that will be tested this summer.

Autonomous operation will obviously reduce overhead and will boost productivity through much faster cycle times. Equally important, since the computer will always find the optimum engine load and rpm, there will be much less wear and tear on the truck's main components, which means they will run better and last longer. Our objective is to have two autonomous 10-truck fleets operational within the next two years.

QUESTION: What about this year? Are there any new products or updates to talk about?

ANSWER: We'll have a brand-new bulldozer, the Dash-5 version of the D475. We upgraded our D375 to a Dash-5 last year to great success and we expect similar reviews for the new D475. We're launching a new version (Dash-3) of the 930E haul truck, which includes a larger engine and other enhancements. We've also upgraded our PC3000 hydraulic shovel. In addition to those product improvements, we're also introducing a program called "Mine Care," which will be the first fully integrated maintenance management system.



QUESTION: If you were a mining company executive, why would you choose Komatsu equipment for your operation?

ANSWER: It comes down to total cost of ownership. Mines are in business to make money, and if Komatsu helps me do that better than the other brand, then it's an easy decision. I also know that Komatsu will bend over backwards for me, not just to get my business, but to keep it. They have the support infrastructure, and if I have a problem, I feel confident that I can reach people at the top very quickly.



Quality you can rely on



Dozers

Loaders



Backhoes/Shovels

Smart Choice

Quarry and coal mining operations across the globe have discovered the smart money is on equipment from Komatsu. Komatsu offers the most complete line of backhoes/shovels, loaders, dozers and trucks in the industry — productive and reliable machines that can help you dig, push, haul and lift your way to more profitability.

It all adds up to Komatsu as the smart choice for all your quarry and coal mining equipment needs. Plus, through the power of Komatsu, we offer flexible financing and superior product support. To learn more, call or stop by your Komatsu distributor today.



Trucks

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TRACK MANAGEMENT

How a systematic undercarriage program can help you reduce costs and increase uptime

Undercarriage maintenance and repair is one of the largest costs associated with owning and operating a track machine — especially a crawler dozer. Innovative contractors have found one way to help control those costs is through a comprehensive Track Management System (TMS).

"A lot of people measure their undercarriage or have it measured," said Bill Gosse, Manager, Support Programs for Komatsu America Corp. "But if your goal is to maximize your business profits, you need to be managing undercarriage, not just measuring it."

Komatsu offers a TMS program that involves regular machine inspections by a product support sales representative (PSSR) or service technician. During those visits he will measure the thickness of undercarriage components, including those in hard-to-reach locations. He'll accurately determine the wear that's taken place, and will let you know the optimal time to turn pins and bushings or replace components.

"Knowing this information ahead of time saves a contractor a tremendous amount of time and money," said Gosse. "It ensures that the dealership has all the needed replacement parts in stock. Repair before failure also ensures that no additional damage is done to other components. And most important, it lets a contractor schedule the repair rather than have a dozer break down during the middle of a busy job, creating unexpected and costly downtime."

More than just measurement

As part of the TMS visit, the PSSR or technician will also check track tension and alignment to make sure that it hasn't become too loose or that it wasn't installed too tight. In addition, he'll report any unusual wear patterns. He may also be able to provide tips that will help you avoid accelerated wear, thereby extending the life of your undercarriage. Some of these tips include:

- Minimize reverse operation.
- Avoid continual high-speed operation (especially in reverse).

- Balance your turning (don't favor one side over the other).

- Avoid impact conditions.

- Clean the track frequently.

- Use the smallest track pad that provides the flotation you need. (Large pads are resistant to turning and cause unnecessary side wear.)

Komatsu OEM undercarriages are ideal for your Komatsu machines. The undercarriage comes with a standard six-month/1,500-hour warranty with an optional three-year/4,000-hour warranty. Komatsu also provides an excellent All-Makes undercarriage for competitive track machines.

According to Gosse, TMS will benefit any contractor, whether he has one dozer or a fleet of them. "Track management is about planning and scheduling rather than just reacting," he said. "The question a contractor needs to ask himself is, 'How much does unexpected downtime and additional repair costs affect my operation?' It just may be time for him to consider using TMS."

For more information on track management, contact your product support sales representative or the service department at our nearest branch location.



Undercarriage measurement using sophisticated equipment like this ultrasonic tool is more precise and easier to accomplish.

As part of a Track Management System (TMS), a trained service technician or PSSR will regularly visit your jobsite to not only measure undercarriage, but also to check tension and alignment to ensure that you get maximum wear and avoid unnecessary emergency downtime caused by a failed undercarriage.

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AVAILABLE THROUGH C.N. WOOD CO., INC.

CAUTIOUS OPTIMISM

Construction industry may be poised to begin turnaround in 2003

Two separate economic forecasts indicate that construction activity should be better in 2003 than it was in 2002.

For the first time since 1998, the Construction Industry Forecast from CIT Group Inc. shows industry executives expecting improvement over the previous year's level of business activity. The Forecast's key benchmark — known as the Optimism Quotient (OQ) — improved slightly to 89 from an OQ of 88 last year, which is the first time in five years that the main indicator for U.S. construction activity has increased year-over-year.

The number is still relatively weak, but many view it as an encouraging sign that the worst is over and that the industry can now begin to swing back up. The Forecast surveys 1,200 contractors and equipment distributors from all parts of the country.

"Cautiously optimistic" is the term being used to describe the outlook for 2003. Both contractors (38 percent) and distributors (42 percent) surveyed for the Forecast expected their net income to be up this year. That compares with 15 percent of the contractors and 12 percent of the distributors who expected their net income would be lower.

A huge majority of contractors and distributors alike cited rising insurance costs as one of the industry's most pressing problems.

Highway construction

Despite budget problems in many states, the domestic highway construction market should grow two to three percent in 2003, according to an economist for the American Road & Transportation Builders Association (ARTBA).

Dr. William Buechner, ARTBA's Vice President of Economics and Research, says record investment levels resulting from the Transportation Equity Act for the 21st Century (TEA-21) will drive the 2003 market, following a modest performance in 2002.

Through the first 10 months of 2002, the value of highway and bridge construction work totaled about \$46.5 billion, up only one-tenth of one percent compared to the first 10 months of 2001. But Buechner says the pace of highway construction accelerated sharply in September and October and he expected that to continue through the end of the year.

Buechner cautions, however, that the 2003 forecasted growth of two to three percent is dependent on state budget and contract letting decisions. An ARTBA survey of state transportation departments found most expecting no disruptions or cuts in their highway construction programs during 2003.



Road building activity is expected to grow by about two to three percent in 2003, according to the American Road & Transportation Builders Association. A separate nationwide survey of construction professionals indicates greater optimism regarding net income than existed a year ago.



Industry opposition to equipment tax

Numerous construction industry groups have filed comments with the Internal Revenue Service (IRS) stating opposition to a recently proposed regulation that would extend highway vehicle excise taxes to off-road machinery. The proposed fee would affect construction machinery like mobile cranes, mobile drilling units, concrete pumpers and aerial lift trucks.

Among the groups expressing opposition are the Association of Equipment Manufacturers (AEM), the Specialized Crane & Rigging Association (SC&RA)

and the American Road & Transportation Builders Association (ARTBA).

The IRS excise tax proposal would subject machinery to motor vehicle taxes on fuel, tires, truck and trailer purchases, as well as annual heavy vehicle taxes. This equipment was previously exempt as it uses the highway only for transportation to and from jobsites.

The IRS has scheduled a hearing on the proposed rule in the first quarter of 2003.

Terrorism insurance could unlock billions of dollars

Late last year, President Bush signed into law what was known as terrorism insurance legislation. It was legislation widely hailed throughout the construction industry as much needed and long overdue.

"This new law has the potential to unlock \$15.5 billion or more in construction spending that was slowed or canceled, and jeopardized thousands of construction-related jobs," said Stephen Sandherr, Chief Executive Officer of the Associated General

Contractors of America (AGC). "With the signing of this legislation, the construction industry will be poised to aid in the nation's economic recovery, providing jobs and securing America's future."

The lack of affordable terrorism insurance left too many of the nation's buildings and public places uninsured from potentially devastating losses in the wake of the September 11 attack. AGC and other construction groups worked closely with the Bush Administration on the issue.

"World of Asphalt"

The World of Asphalt 2003 Show and Conference will be held March 18-20, 2003, at the Nashville Convention Center in Nashville, Tennessee. World of Asphalt is the asphalt industry's leading exposition and education resource.

Building on the success of the inaugural event held in 2001, World of Asphalt 2003 will feature exhibits that showcase the latest asphalt-related equipment, products and services. The event also offers greatly

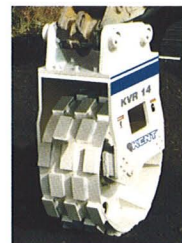
expanded educational programs and a live paving demonstration to provide increased learning opportunities for attendees.

More than 100 exhibitors will be at the show, which surpasses the size of the inaugural event held in 2001. Products that range from pavers and compactors to milling machines and recycling equipment will be on display. You may register on line at www.worldofasphalt.com.

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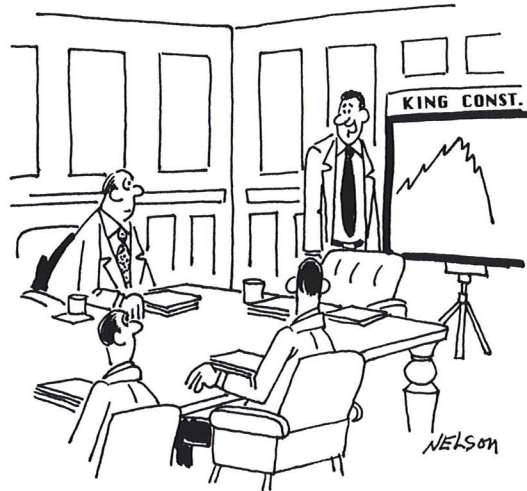
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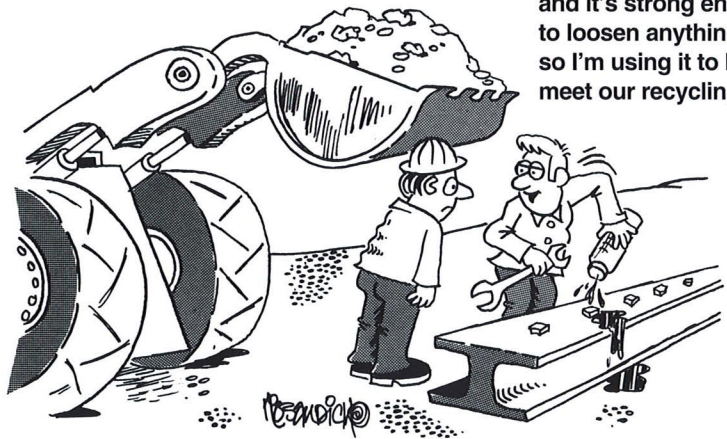
"I know you'll guarantee the machine will do the job . . . Now help me find a way to guarantee I'll have a job to do with it."



"Seems the project was going too well . . . We got ahead of the developer's ability to pay us."



"They say every business has hidden assets that make it work . . . Well, your job is to find ours and take them to the bank."



"It's last week's coffee and it's strong enough to loosen anything . . . so I'm using it to help meet our recycling goal!"



"Something is wrong here . . . Everything is on schedule."



"At least the younger generation has imagination . . . They're using new excuses for old mistakes."

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BARGAIN RATES ON QUALITY USED EQUIPMENT

Komatsu ReMarketing and Financial team up to make used machines even more affordable

A used equipment buyer is no different from someone who is buying new. They both want the best machine they can get at the lowest price. But traditionally, there's been one big difference between the contractor buying used and the one buying new: The contractor buying new got better financial terms.

"As the financial arm of Komatsu America Corp., our ultimate goal is to facilitate the sale of new Komatsu equipment," said Bill Fruland, Vice President, Credit and Administration at Komatsu Financial. "To do that, we routinely offer special low financing rates to new-equipment buyers to make the purchase more affordable for them.

"But we also recognize that not everybody needs or can afford new equipment," he added. "That's why we've teamed up with Komatsu ReMarketing to provide below-market rates to buyers of Komatsu Distributor Qualified used equipment, similar to the deals we offer to purchasers of new equipment. It's part of our 'one-stop-shop' philosophy. Our thought is that if we can help these contractors be successful with their used equipment purchase, they'll come back to Komatsu when they want to buy a new machine."

The main advantage of the subsidized financing, of course, is that it lowers a customer's monthly payments. But a side benefit, according to Fruland, is that borrowing from Komatsu Financial preserves a contractor's other lines of credit.

An "added" bonus

"From our point of view, the lower rates are an added bonus for the contractor who buys Distributor Qualified used equipment," said Steve McCondichie, Director of Komatsu ReMarketing. "Not only does he get a machine that's been inspected and evaluated, he also gets below-market financing, which he's not going to get from an auction company or an independent broker. It lowers his payments and therefore lowers his overall costs of doing business."

The advantage of the lower rates, and the added value they bring to Komatsu Distributor Qualified used equipment, has not gone unnoticed by contractors.

"In 2001, for the full 12-month period, 'ReMarketed' machines represented only 2.2 percent of the total number of deals we transacted at Komatsu Financial," said Fruland. "Through the first 11 months of 2002, that figure had grown to 20 percent. That type of growth in one year tells us that contractors recognize a good deal when they see it."

In addition to the "good deal," McCondichie says there's one other good reason for a contractor to turn to Komatsu Distributor Qualified used equipment financed through Komatsu Financial.

"As fellow construction professionals, we understand the industry, and therefore we're all on the same page," he noted. "We try to make the transaction as quick and easy as possible for the customer. Most important, we understand what a contractor is trying to accomplish by purchasing the machine. He has goals for his company. We want to help him reach those goals."

For more information about Distributor Qualified used equipment and our special low-rate Komatsu financing, contact your sales representative or our nearest branch location today.

A good deal just got better. Distributor Qualified used equipment is now available at below-market rates through Komatsu Financial.



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