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INSIDE

HEARD IN THE DIRT™

Tier 4 Drives Evolution in Construction Market

Study investigates how emissions regulations will change how equipment is purchased and sold.

Manfredi & Associates, Mundelein, IL, recently conducted an in-depth, 117-page study on the impact of emissions regulations on equipment sales and prices – titled Quarantined Markets. While the author, Frank Manfredi, acknowledges that the term 'quarantined' sounds alarmist, it was used to bring attention to the changes resulting from EPA emissions regulations.

Manufacturers have spent billions to meet EPA emissions targets for diesel engines, which has driven up the initial price of the engines. But the higher costs are not only for the engines themselves, but also for the redesign of the engine compartment to make room for the aftertreatment devices and for more cooling capacity. Many equipment manufacturers have also taken the opportunity to redesign models from the ground up and upgrade performance features as well. The net result is Tier 4 equipped machines are approximately 15% to 20% more expensive to purchase.

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Manfredi & Associates, 20934 Lakeview Parkway, Mundelein, IL 60060, **phone** (847) 949-9080, **fax** (847) 949-9910 **www.machineryoutlook.com**

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The higher retail prices impact life-cycle cost calculations. New equipment prices are important because they directly impact the ROI. Prices have an even greater importance on equipment rental companies because they affect their ROI throughout the useful life of the product. The residual value of the product is almost of equal importance when the rental company sells the product. Equipment rental companies must be able to offset the higher machine prices with higher rental rates in order to make economic sense. Prices of used machines have risen steadily for the past three years as equipment owners, including the major rental companies, scrambled to buy up low-hour units equipped with Tier III engines.

uLSD changes the game

In addition to the emissions regulations on the equipment, the U.S. Federal government mandated that petroleum refineries produce diesel fuel that contains far less sulfur than in the past (known as ultra Low Sulfur Diesel – uLSD). New emission-compliant engines are designed to use uLSD. Using high sulfur fuel will cause severe problems with the emission devices and may even damage them. uLSD is only available in 'developed' countries and is available in some urban markets in Latin America, but is not likely to be available outside those urban markets in the near future.

A significant amount of North American used equipment is sold to overseas customers in less developed countries where uLSD is not readily available and is not likely to be available in the foreseeable future. If those markets are no longer available then the supply of used equipment will increase and equipment prices will be adversely affected.

The U.S. equipment market for new equipment requires a reliable outlet for used equipment that is taken in on trade for new machines. Exports provide the U.S. market with an outlet to make way for new equipment purchases. Without an outlet, the system will become clogged with used equipment.
This could result in declining residual values, which will impact the whole lifecycle of a machine. It will have the greatest impact on residual values that are used to establish machine rental rates, equipment finance payments, bonding capacity for contractors, collateral for equipment loans and for bonds that are collateralized with machines.

Removing emissions equipment through de-tiering kits is possible, and the kits are available, although it is illegal to do so for machines which will be operated in the U.S. Using lower grades of fuel in Tier IV engines is possible by replacing injectors, lowering the injector pressure and readjusting the engine's computer. When engines are modified in this manner the horsepower is reduced so the machine may not have the same performance characteristics as the original machine.

Undoubtedly specialists will emerge who will remove the emission devices for a fee when they are sold into less developed countries. If the devices are removed, it will result in an added expense to machines that are already 15% to 25% more than machines without emission devices.

Export markets impact residual values

In industrialized countries it has been typical for new equipment buyers to dispose of their used machines by trading them when they purchase new ones. For example, Manfredi & Associates believes that the U.S. has a working population of approximately three million units and that 20% to 30% of those are sold annually as trade-ins or otherwise disposed of, a total of between 600,000 and 900,000 units.

Many used machines end up in overseas markets through several channels. There are international brokers who have developed a clientele in other countries and take orders for certain brands of used machines, buy them in the U.S. and then ship them to their clients. Some equipment dealers, especially those located on the East coast and the West Coast, also engage in brokering machines for overseas customers either from their trade-in inventory or by actively searching for machines for specific overseas customers.

In the past 15 years equipment auctioneers such as Ritchie Bros., Alex Lyons, Yoder & Frye, as well as online auctioneers such as IronPlanet have attracted many overseas buyers, especially from Latin America. Of the 600,000 to 900,000 machines that change ownership annually, Manfredi & Associates believe 180,000 to 270,000 are sold annually at auctions.

Manfredi & Associates has also determined that an average of 10% of all of the machines sold at all auctions and 15% to 20% of all machines sold at the Florida auctions are sold to purchasers from Latin America. In total, 18,000 to 27,000 used machines are sold annually to Latin America.

Industry evolves as regulations take hold

Given the higher purchase price and questions regarding residual values, the regulations are creating distortions in the marketplace as users learn to cope with them. Some equipment owners are rebuilding the engines of older machines that are not equipped with the new emission devices. Contractors that own large fleets and other large fleet owners such as equipment rental companies are purchasing low-hour used machines that are not equipped with emission devices and are rebuilding the old engines when necessary. Manufacturers are de-rating machines in their smaller products in order to fit them into lower horsepower categories where the regulations are less strict (under 75 hp). Several engine manufacturers have succeeded in developing engines that require no particulate filters.

It is a learning environment for all parties involved in the machinery business. For example, used equipment buyers must be much better informed about the emission devices on the various brands and models of machines they are considering. This is especially true for buyers who attend auctions. Manfredi & Associates estimate the U.S. EPA regulations will result in a reduction in the quantity of used machines exported and sold to less developed countries. A reduction in the quantity in exports will result in an increase in the supply of used machines in the North American marketplace of between 15% and 20%. There is a direct relationship between equipment supply and prices. It has also concluded that a surplus of used machines will result in a decline of between 15% and 20% in the prices of North American used machines equipped with emission compliant engines.

If used Tier IV Final machines are to be sold in Latin America, they will require uLSD to operate properly. There are some who say the U.S. emission devises can be disabled by a simple change to the engine computer and by removing the SCR and particulate filter, making them salable in those markets. According to Manfredi & Associates this could still be a challenge because the initial purchase price of U.S. machines equipped with Tier IV Interim and Tier IV Final is considerably higher than used Tier II machines from the U.S. or new Tier II and Tier III machines that are being imported into Latin America and sold by Chinese manufacturers. The only way to compete in a competitive market like that is to reduce the used selling prices. Lower prices will result in lower residual values.

Manfredi & Associates believe the U.S. EPA regulations will disrupt the traditional flow of used machines to Latin America and other markets where Tier III machines are acceptable. The interrupted flow will lower used equipment prices and thus increase the cost of ownership to North American users of the vehicles by 15% to 20%.

Adjusting to the pricing structure

North American equipment owners will begin cost-shifting to offset the rising expenses. An equipment survey by Manfredi & Associates indicated equipment owners must mitigate the higher initial price of Tier IV machines and higher cost of fuel and maintenance. More than half of the respondents indicated that the new machines must be 20% or more productive to offset the higher prices. Some respondents said they will shift the risk of lower residual values to others by leasing and renting more and by hiring more specialty subcontractors to do work their companies normally have performed in the past. And equipment rental companies indicated they will increase their rental rates to offset their higher costs.

Tier IV regulations may impact new sales as well. Equipment users told Manfredi & Associates they will extend the life of their existing Tier III machines by rebuilding them for as long as possible. In addition, they will search for 'good' used Tier III machines and add them to their fleet. They will also seek out remanufactured Tier III machines

A large percentage of equipment user respondents told Manfredi & Associates they plan to avoid purchasing Tier IV Interim machines and wait for the Tier IV Final versions to arrive on the market. Overall, it appears the strategies employed by equipment users to mitigate the impact of Tier IV regulations will result in 2013 and 2014 new machine sales that are below trend.

EPA horsepower break points in the emission regulations could have a profound impact on equipment sales. Gasoline powered machines may become more popular, especially in under 50-hp applications and in certain markets such as the small contractor and the independent rental company market. Also expect equipment manufacturers to sell more machines than previously in the less than 75-hp category because the Tier IV emission regulations are not as onerous below that horsepower. Manfredi & Associates is already seeing some manufacturer de-rate engine on existing models so they fit in under the 75-hp category.

A copy of this report is available for purchase at a rate of $500. Please contact Frank Manfredi at **frank@manfredi.com**.

Cummins Offers Sulfur Tolerance Kit For Tier 4 Engines From 49 hp To 675 hp

Cummins Inc. announced that the company will offer a Sulfur Tolerance Kit, allowing export of used Tier 4 Interim and Tier 4 Final equipment into regions where Ultra-Low Sulfur Diesel (ULSD) is not available. The kit allows an engine to be operated on fuels containing far more sulfur than ULSD. This enables a second life for the engine outside of North America and Europe.

The Cummins Sulfur Tolerance Kit is intended to provide options to operators and dealers who may ultimately sell Tier 4 powered equipment in the used market, offering flexibility in the regions into which they deliver the equipment.

The Sulfur Tolerance Kit protects the engine and exhaust after-treatment from the harmful effects of high-sulfur fuel. Tier 4 Interim and Tier 4 Final engines require the use of ULSD to reduce particulate matter, soot and sulfur dioxide in order to meet emissions regulations in North America and Europe. ULSD is not widely available outside of those regions. The Sulfur Tolerance Kit includes new engine calibrations and hardware. The kit is intended for used engines that are exported into non-regulated regions.

Deere Announces FT4 Package Of DEF And Related Products For Tier IV Engines

Deere dealers are ready to be the one-stop resource for fluids and handling equipment customers will need for keeping their selective catalytic reduction (SCR) equipment up and running. The company is offering a line of pump kits and portable dispensing units that make it easy to handle large volumes of Diesel Exhaust Fluid (DEF), in addition to its Cool-Gard II Heavy Duty Engine Coolant, Plus-50 II Premium Engine Oil and Diesel Exhaust Fluid, developed and manufactured to meet the specifications for use in John Deere SCR engines. John Deere Diesel Exhaust Fluid and supporting handling equipment can be used on all John Deere SCR-equipped machines, as well as other makes of SCR-equipped machines that require DEF.

Ex-Im Bank Approves $694 Million To Finance U.S. Built Mining And Rail Equipment For Australia
The Export-Import Bank of the United States (Ex-Im Bank) has authorized a $694.4 million loan to Roy Hill Holdings of Australia, contingent upon the purchase of U.S. mining and rail equipment from Caterpillar Inc., GE, and Atlas Copco. According to Bank estimates derived from Departments of Commerce and Labor data and methodology, the credit will support 3,400 U.S. jobs across America.

Furthermore, an estimated 20% of the job support will benefit small business jobs. Export credit agencies of several other countries have obtained preliminary or final approvals for the Roy Hill transaction as well. The exported equipment will contribute to the development of the Roy Hill iron ore mine, an open-pit surface mine in the Pilbara region of northwestern Australia. The mine sits approximately 280 kilometers south of Port Hedland.

Ex-Im Bank's loan increases the likelihood that Caterpillar will supply surface mining equipment for the project. The financing also increases the likelihood that GE will furnish locomotives to transport the iron ore to a port in Australia.

Ex-Im Bank performed a detailed economic impact analysis and found that the transaction will likely have a significant positive effect on the U.S. economy. Additionally, Ex-Im Bank obtained a market based supplemental analysis prepared by a third party that also yielded a positive finding.

Ex-Im Bank is an independent federal agency that creates and maintains U.S. jobs by filling gaps in private export financing at no cost to American taxpayers. The bank provides a variety of financing mechanisms, including working-capital guarantees, export-credit insurance and financing to help foreign buyers purchase U.S. goods and services. In the past fiscal year, Ex-Im Bank earned for U.S. taxpayers more than $1 billion above the cost of operations.

United Rentals Opens 6 Specialty U.S. And Canadian Rental Operations

United Rentals, Inc. announced the further expansion of its specialty branch network with the addition of three new U.S. locations and three in Canada. United Rentals Power & HVAC branches in Midland, Texas; Calgary, Alberta; and Moncton, New Brunswick; will provide engineered power, heating, cooling and ventilation solutions for commercial, industrial and governmental customers, and disaster recovery services. United Rentals Trench Safety branches in Lubbock, Texas; Calgary, Alberta; and Saskatoon, Saskatchewan; will provide engineered excavation support and confined space entry systems, along with worker training. The openings complete the Company's 2013 target for 18 strategic openings, with more planned for 2014.

Brazil Farm Equipment Boom Fades

Deere & Company and Agco Corporation expect demand in Brazil's $10 billion farm equipment market to drop in 2014 as rising borrowing costs and slumping crop prices stop a boom that lifted sales to a record in 2013. The Brazilian farm-equipment boom in the past two years was fueled by a decline in borrowing costs to a record low before central bankers started raising rates. All-time-high soybean and corn prices at the end of 2012 increased farmers' revenue. Brazil's central bankers increased interest rates to curtail inflation. Rising costs to finance farm machinery purchases in 2014 follows a 40% plunge in international corn prices in the past year and an 18% decline for soybeans.

Deere and Agco both forecast sales in Brazil falling as much as 10% in 2014. Brazil is the biggest exporter in the world of soybeans and sugar. Deere and Agco have a combined market share of approximately 68% of the Brazilian market. Agco is the biggest supplier in the country (with their Massey Ferguson brand) with approximately 47% of the market, while Deere has a 21% share. CNH Industrial NV, with its Iveco trucks and New Holland farm equipment brands, supplied approximately 25% of the tractors sold in 2013.

Ahern Rentals Acquires Alliance Rental

Ahern Rentals announced that it has acquired Alliance Rental in Dahlonega, Georgia. Russ Stear and Rusty Kaylor, former owners of Alliance, will stay on in new roles with Ahern Rentals. Ahern averted bankruptcy just last year. Don Ahern also recently purchased Snorkel, the AWP manufacturer. The sale includes virtually all the company assets including the Dahlonega location, along with all on-site project locations.

Alliance Rental specializes in being an onsite aerial rental company, setting up trailers on construction sites and having a highly trained full-time service technician present on each job. Kaylor is an industry veteran who began in the aerial industry in 1977, becoming the JLG distributor for Georgia, East Tennessee and Florida. He was president and CEO at Reach Atlanta, later adding Reach Tennessee and Reach Florida, and manufactured more than 5,000 scissor-lifts under the Alpha Lift brand beginning in 1986.

SITECH Technology Dealer Established in Colorado and New Mexico

Trimble announced that a SITECH Technology Dealer has been established in Colorado, New Mexico and El Paso county in Texas. SITECH Rocky Mountain joins the network of SITECH dealerships. SITECH Technology Dealers represent Trimble and Caterpillar machine control systems for the contractor's entire fleet of heavy equipment regardless of machine brand, along with Trimble's portfolio of Connected Site solutions--site positioning systems, construction asset management services, software and wireless and Internet-based site communications infrastructure. SITECH Rocky Mountain is now a part of the worldwide SITECH distribution network, which offers consultative advice on construction technology solutions, customized training, data services, installation, service and technical support.

ESCO Picks Jon Owens As COO

ESCO Corporation announced that Jon Owens has been appointed Chief Operating Officer in addition to his current title of executive vice president. The appointment became effective January 1, 2014. Owens now oversees the company's three divisions: Mining, Construction & Industrial, and Oil & Gas. Owens joined ESCO in 1986 and has held several senior positions with the company. He has been recently serving as executive vice president over the Mining and Construction & Industrial divisions. Previous to that, he was senior vice president and president of the Engineered Products Group. The Mining and Construction & Industrial divisions replaced the Engineered Products Group in May of 2013.

Kleine Sells John Deere Implement Dealership

Kleine Equipment, a John Deere implement dealership based in Aledo, Illinois, has been sold to Martin Sullivan Inc., headquartered in Galesburg, Illinois. The sale of the Deere dealership, established in 1994, had been in the works for approximately 10 months. Martin Sullivan Inc., a fourth-generation company, became an ideal opportunity to ensure longevity for Kleine Equipment and its customers. The facilities now being utilized by Kleine Equipment will remain intact as Martin Sullivan plans to buy the real estate. The acquisition is also allowing Martin Sullivan to merge with Martin Brothers Implement after a long-standing history. Martin Brothers, which was founded in 1926, accounts for three locations east of the Illinois River, while Martin Sullivan has four locations in western Illinois, Rogers explained. The two were kept separate because the territories were so far apart, but with the purchase of Kleine Equipment, the two companies can combine into one under the Martin Sullivan name. The combined company will be comprised of approximately 300 employees. It will have 13 different locations throughout the western and central Illinois areas, six of which will be previous Kleine locations.

Liebherr 2013 Revenues Flat Despite Weak Economic Climate

In view of only moderate overall economic development this year, the Liebherr Group, based in Bulle, Switzerland, expects its total revenues to reach $12.5 billion, which equals the previous year's figure. The overall economic situation did not improve in 2013 compared with 2012. According to current forecasts, the global economy will grow by just under 3% and global production probably by 3.1 %. In this year the volume of worldwide trade will, according to World Trade Organisation (WTO) forecasts, increase by 2.5 %.
A slight downturn is anticipated in the construction machinery and mining area, where turnover according to current forecasts will be in the region of $7.75 billion, just $343.4 million or about 4% lower than in 2012. The Liebherr Group's construction machinery and mining area includes the earthmoving, mobile cranes, tower cranes, concrete technology and mining divisions.

Outside the construction machinery and mining area, on the other hand, growth is anticipated. The Group expects turnover in this business area to reach $4.8 billion an increase of $338 million or 8%. The area comprises the maritime cranes, aerospace and transportation systems, machine tools and automation systems and domestic appliances divisions, together with miscellaneous products and services that include the components division.

The Liebherr Group has invested in modernization and expansion of its worldwide production network, and also in further strengthening of its sales and service organization. The Group's total investments in the 2013 business year are expected to reach slightly more than $1.1 billion, a figure below the previous year's total.

Construction of a new logistics centre for Liebherr-Logistics GmbH near Kirchdorf an der Iller, Germany, deserves special mention. It will be used initially to supply spare parts for Liebherr earthmoving machinery worldwide. In the long term it is planned to transfer spare part logistics for further construction machinery divisions to this location. After the first construction phase the building will cover an area of more than 47,000 m^2 and will go into operation in the first quarter of 2015. Investment volume for the first phase amounts to more than $138 million. When the centre is completed, Liebherr will have a 360,000 m^2 site boasting its production space by approximately 170,000 m^2 and office space by approximately 4,500 m^2. Another major project is investment in extending the premises of Liebherr-Australia Pty. Ltd. at its Adelaide location, to which will be added a warehouse building, a logistics center and a component remanufacturing center. The aim is to offer the region's mining customers still more comprehensive support.

The aerospace and transportation systems division is currently extending its production facilities at Liebherr-Aerospace Lindenberg GmbH (Germany) for aircraft landing gear systems as well as flight control and actuation systems. This investment is intended to provide a distinct long-term increase in production capacity.

Within the components division, Liebherr-Components Biberach GmbH began construction work in August 2013 on an additional factory near Biberach an der Riss, Germany. It is intended to accommodate the development and production of switchgear, electric motors and generators. In Colmar, France, a new factory covering an area of 50,000 m^2 has been built. The components division will operate it as a research and development centre and for the production of mining components.

A new production building with adjacent administrative building has been added to the Liebherr production plant for hydraulic excavators, wheel loaders, material handling machines and transmissions in Dalian (China). It is intended to increase the production capacity of Liebherr Machinery (Dalian) Co., Ltd. for the Chinese market and for various other threshold countries.

The Group's workforce increased by 1,870 in 2013, to a total of 39,670.

Outlook for 2014

Despite gradual recovery in the highly developed national economies, only moderate global economic growth is anticipated: the International Monetary Fund assumes that growth will be 3.6%. The Liebherr Group views the coming business year with restrained optimism. In its initial forecast for 2014 it expects total turnover to reach a volume similar to that achieved in the previous year. The workforce will increase slightly in size.

Caterpillar, Shell Canada Sign LNG Mining Agreement

Caterpillar and Shell Canada have signed an agreement to test a new engine and fuel mix using liquefied natural gas (LNG) that the companies said could reduce operating costs and lead to reduced emissions from oil sands mining in northern Alberta. Caterpillar will leverage its experience with LNG in other applications, and will continue development work to design and build a fully integrated dual fuel mining truck where LNG displaces most of the diesel. Through this agreement, Caterpillar will test the design at Shell's oil sands operations located near Fort McMurray.

In addition to the new truck Caterpillar is developing, Shell will also retrofit existing trucks from its fleet with the new engine for the trial, as well as provide fuelling infrastructure, at its Shell Albian Sands operation near Fort McMurray. This trial follows a trend for Shell in looking at options to use Canada's abundant natural gas as a fuel in marine and road transportation, and other industrial situations. Field testing of dual fuel powered mining trucks at Shell's oil sands operations is expected to begin in 2016, with the trial expected to last up to one year.

Alamo Group Ends Negotiations To Acquire Bandit Industries

Alamo Group Inc. announced that negotiations relating to the proposed acquisition of Bandit Industries, Inc. have been terminated. The proposed transaction with Bandit had previously been announced on November 19, 2013 based on the letter of intent entered between the parties and as a result of the public disclosure that the transaction had been approved under the Hart-Scott-Rodino antitrust review. As announced at that time, the transaction was subject to completion of an acquisition agreement and certain other conditions and, as of now, the parties have been unable to reach an agreement on a basis for going forward.

Seven Group To Buy Caterpillar Assets In China

Seven Group Holdings Ltd. announced that it will buy Caterpillar Inc.'s mining-product distribution and support business in northeastern China in a deal worth $130 million. The acquisition will give Seven Group's heavy-machinery unit WesTrac China Ltd. the right to sell Caterpillar mining products in the country's northeast provinces as well as support services and maintenance. China produces almost half of the world's coal, with a forecast to grow. The deal is expected to be finalized by the end of June and will be funded through a new five-year debt facility, Seven Group said. Seven Group forecast revenues of $210 million to $250 million from the business in the fiscal year through June 2015.

Sany America Appoints Mike Rhoda As CEO

Sany America announced that it has appointed Mike Rhoda as the company's new CEO. Rhoda replaces Tim Frank, who resigned as chairman and CEO in October. Rhoda will be responsible for manufacturing, sales, marketing and support for all Sany equipment products in the U.S., Canada, Mexico and Central America. Rhoda, a construction and industrial equipment executive, has international experience in marketing, operations, product development and sales. Prior to joining Sany America, Rhoda served as chief technology officer with Doosan Infracore Construction Equipment. He has worked as vice president of product development at Volvo Construction Equipment (CE), as well as president and

CEO of the excavator business line of Volvo CE. He has also held various senior management positions at Ingersoll Rand.

Kubota Planning European Ag Tractor Facility

Kubota has announced its plan to build its first European agricultural tractor facility. Work on the site near Dunkerque, France, is scheduled to begin in December of 2014, with production to commence by April 2015. Kubota is investing $55 million on the development and capacity of the site will be approximately 3000 units per year. The facility will build mostly 130 to 170 hp tractors.

J. Ffrench, Plant Hirer, Buys 20 Chinese Machines

Plant hirer J. Ffrench has signed a deal for 20 LiuGong machines including UK's first Dressta. The order is one of the largest for Chinese construction machines in the U.K. LiuGong is represented in the U.K. by Dealer Construction Plant & Machinery Sales based in Portsmouth, U.K. Construction Plant & Machinery Sales has also recently secured an order to supply seven LiuGong wheeled loaders to West Sussex-based Dudman Group. The first five units to be delivered to Ffrench include one 14-ton, two 22-ton and one 36-ton excavator as well as a Dressta model TD15M Extra dozer. The total deal includes 19 excavators from the Chinese manufacturers and one bulldozer made by Dressta in Poland, which was acquired by LiuGong in 2011.

Manitex International Completes Acquisition of Valla, SpA

Manitex International, Inc., based in Bridgeville, Illinois, announced that it has completed it acquisition of Valla, SpA, of Piacenza, Italy. The acquisition closed on November 30, 2013, for a total potential consideration of up to $1.2 million, principally based on an earn-out provision. Valla is expected to be accretive to Manitex International's earnings in 2014. Valla reported 2012 annual revenues of approximately $7.5 million and EBITDA of $0.7 million. Since its founding in 1945, Valla has developed a full range of mobile cranes from 2 to 90 tons, using electric, diesel, and hybrid power options.

Holt Cat Purchases Part of Expanded Cat Mining Distribution Business from Caterpillar

HOLT CAT, based in San Antonio, Texas, announced the acquisition of the expanded Cat mining equipment distribution and support business for its respective territory. As a result of the acquisition, HOLT CAT has created a new Mining Solutions Division. HOLT CAT's Mining Solutions Group will be led by General Manager Scott Perlet. The acquisition is part of an $80 million commitment HOLT CAT is making in facility upgrades, new buildings, and business expansion across the state of Texas. Forty-seven employees will move from Caterpillar and join HOLT's 2,000-plus workforce.

Caterpillar continues to hold discussions with other Cat dealers that have mining activity in their territories and will continue to operate the former Bucyrus distribution business until the transitions have occurred in a given territory.

Kobelco Opens European Headquarters In The Netherlands

Kobelco Construction Machinery Europe has opened a new European headquarters in Almere, The Netherlands. The 5,300 m2 facility will serve as Kobelco's sales and marketing center, technical support, and spare parts distribution center, covering Europe, the Middle-East, Africa and CIS. Since the ending of its agreement with CNH in December 2012, Kobelco has already sold excavators and has appointed a small number of dealers in Europe. Early customers have been located in the Benelux and Scandinavia countries. The company's range covers models in the 1 ton to 50 ton sizes. In the compact equipment segment Kobelco is producing two short-tailswing minis - 1 ton and 1.7 ton sizes - and next year will see the launch of 2.7 ton, 3.0 ton, 3.5 ton and 5.5 ton short tailswing machines.

Deere Irish Dealer Change

John Deere announced the family-owned Meath Farm Machinery and Agri-Power as its new dealers for the areas in Ireland previously covered by Johnston Farm Equipment and Eamonn Tinney & Sons. Established by dealer principal Peter Timmons at Kilberry near Navan in County Meath in 1979, Meath Farm Machinery has two additional outlets at Bailieborough in Cavan, and Kilcock in Kildare. The dealership has relocated the Bailieborough outlet to Poles, Dublin Road, Cavan, to provide a more central location covering Longford and Leitrim within the newly expanded territory.

Based near Omagh in County Tyrone, Northern Ireland, Agri-Power is opening an additional outlet at Rossgier Business Park, Lifford in County Donegal within the next month to provide local parts, service and sales to customers in Donegal and the surrounding area. In the meantime, the dealership will also be offering parts, service and warranty support from its existing branch near Omagh, with local parts delivery and on-farm service support available in the Donegal area.

Blimps To Transport Equipment

Amur Minerals Corporation, a developing mineral exploration company focused on base metal projects in the far east of Russia, intends to dig for nickel and copper in Siberia where forbidding winters and poor roads make it tough to haul in equipment. To do so, the company is considering flying it in with blimps (dirigibles). The alternative is to spend about $150 million building a 350 kilometer (218 miles) road to truck in heavy construction gear.

Worldwide Aeros Corporation and Hybrid Air Vehicles, both based in the U.K., announced they're negotiating their first sales to complement truck and rail transport. Hybrid Air plans to develop its 50 ton capacity blimp with a price tag of approximately $30 million to $40 million each and to follow this about two years later with 200 ton capacity airships. Worldwide Aeros, which is testing its 66 ton capacity airship, is seeking to raise $3 billion to build a fleet of 24, with 20 of them having a capacity of 250 tons. Both Hybrid Air and Worldwide Aeros need to pass flight tests to get authority to fly their airships. Hybrid Air is expecting to get its certification within two to three years. Hybrid Air of Cranfield, England, has developed and tested its non-rigid craft capable of performing in storm winds and conditions typical of Siberia and the Canadian tundra, which are the most likely regions where a lighter-than-air vehicle might get used. Hybrid Air is in talks with two companies that supply transport services to mining companies in Canada and expects to sign orders for delivery as early as 2016. The airship will contain a rigid structure underneath the inflated canopy to carry 48 passengers and the cargo.

CARB Expands Compliance Options for Owner Operators

Owner operators in California were told by the California Air Resources Board (CARB) to conform to emission compliance deadlines by the end of 2013 or take advantage of "Good Faith" options. Most of the truck drivers in California that own a diesel vehicle over 26,000 Gross Vehicle Weight Rating (GVWR) faced compliance requirements at the end of 2013 under the Statewide Truck & Bus regulation. The deadline for installing a diesel retrofit, replacing or scrapping the equipment was December 31st, 2013. CARB released an option for Owner Operators who showed Good Faith action by December 31st that allows additional time to complete the compliance action by July 1st, 2014, an additional six months for upgrading the vehicle. The Good Faith action consists of entering into agreement with an authorized vendor for a diesel retrofit or replacement truck. Alternatively, if the vehicle owner proves financing has been approved or even denied by December 31st, this too will count towards Good Faith action.
The final and most important action to complete this was to report into the CARB's reporting database known as TRUCRS by January 31st, 2014, otherwise the vehicle were deemed out of compliance and subject to penalties and/or possible DMV registration holds.

CNH Industrial Resumes Southeast Asia Marketing Efforts

CNH Industrial said it is ready to resume marketing and distributing its construction equipment brands in Southeast Asia and Taiwan through its affiliate CNHI International, taking over from Kobelco. The effort follows changes in the agreement between CNH Industrial and Kobelco Construction Machinery.
The companies signed the agreement transferring direct control and full management of the Case Construction Equipment and New Holland Construction distribution networks in these markets to the newly formed CNH Industrial. Through its established networks of 20 dealers and more than 160 outlets, CNH Industrial will offer the full Case Construction Equipment and New Holland Construction light and heavy equipment lines. CNH Industrial also opened a new regional hub in Singapore to provide services and support. The company named Michele Lombardi head of construction equipment business for Southeast Asia and Taiwan.

Tat Hong Reports Revenue Decline In its Fiscal 2nd Quarter

Tat Hong Holdings Ltd., Asia Pacific's largest crane rental company, reported a 14% year over-year decline in its revenues to approximately $148.6 million for the fiscal second quarter of 2014. Of its four business divisions – Crane Rental, Tower Crane Rental, General Equipment Rental and Distribution – only the tower crane division posted a year-over-year increase.

Profits for Tat Hong were S$8.2 million ($6.6 million), a 53% decrease compared to the same period last year. The company attributed the decline to a decline in profit contribution from wholly-owned subsidiaries in Australia and from foreign exchange losses from its Indonesia operations. For the first half of fiscal 2014, revenue declined 16% to S$ 360.8 million and profits plunged 52% to S$16.5 million. "Our results this quarter were impacted by unrealized foreign exchange losses, most of which arose from inter-company loans and payables in relation to our Indonesian operations," said Roland Ng, Tat Hong managing director and group CEO. "While profit contributions from Australia are still below last year's level, it has improved quarter-on-quarter as the cranes which were being relocated in the first quarter started generating income and as cost containment measures yielded results."

Nixon Hire Adding Two Saudi Arabia Branches

Nixon Hire, a UK-based construction equipment rental and retail business, announced a joint venture agreement with Sheikh Hizam Zidan Al-Qahtani, who is chairman of the Al Jeri Transportation Group, to launch two equipment rental branches in Saudi Arabia. A branch in Jeddah will open immediately, with an additional location in Riyadh in the near future. The parties have agreed to raise more than £12 million in new rental assets. Nixon Hire opened its first Middle East depot in Doha, Qatar in 2009.

"The Middle East is presenting many additional opportunities for Nixon Hire at the moment, most notably the infrastructure development associated with the 2022 World Cup. We have high hopes that this success will continue in our new locations and look forward to opening the doors on the new depots soon." said joint managing director Graham Nixon. Nixon Hire is based in Newcastle-upon-Tyne, U.K. It has more than 20 branches in the U.K.

Vp Posts Improved Results

Vp, a Harrowgate, North Yorkshire, U.K.-based rental company, posted a 17% increase in profits at £12.8 million ($20.7 million) for the six months ended Sept. 30, up from £11 million a year ago. Revenues were £91.3 million ($148 million), up 9% year-over-year. Vp stated that although uncertainties and challenges remain, the company has seen a notable improvement in sentiment in key market sectors in the U.K., particularly residential and infrastructure investment, contributing to improved performance in the company's Groundforce, UK Forks and Hire Station divisions. "The scale of opportunities is reflected in the capital investment in rental fleet, which was over 46% higher than the prior year at £18.3 million."

HSS Hire Services Acquires TecServ

HSS Hire Services based in Heathrow, U.K, has acquired TecServ, a specialist provider of maintenance services for cleaning machines, from Premiere Products Group. TecServ provides maintenance services in contract cleaning for local authorities and specialist food facilities throughout the U.S. as well as to major contract-cleaning contractors. TecServ's capabilities will complement and broaden the footprint of Reintec, HSS' fully outsourced cleaning equipment service, which launched in 2011.

LiuGong Machinery Names Yu Chuanfen Its New President

The board of Guangxi LiuGong Machinery Co. Ltd. recently announced that Yu Chuanfen will succeed Zeng Guang'an as the president of LiuGong Machinery. Yu has been with LiuGong since he received his bachelor's degree in Welding Technology & Equipment from Wuhan Huazhong University of Science & Technology in 1994. During his 19 years with LiuGong, he has served in a number of different management positions. Before being promoted to his current role, he held the position of vice president of LiuGong Machinery, responsible for the wheel loader division, driveline division, foundry division, LiuGong India Pvt Ltd. and Liuzhou ZF Company.

Separately LiuGong announced that Zeng Guang'an has been promoted to the position of president of the group company Guangxi LiuGong Group Company, in charge of the group's overall operation. Zeng is still the vice chairman of LiuGong Machinery. Zeng started his career at LiuGong as an engineer in 1985. During his 28 years with LiuGong, he has served in a number of different management positions. Previously, he held the position of vice chairman and president of Guangxi LiuGong Machinery Co., Ltd. since 1999.

Finning International Announces Board Of Directors Appointment

Finning International announced the appointment of Kevin A. Neveu as the newest member of the company's Board of Directors. Mr. Neveu has over 25 years of experience in the oil and gas industry. He is currently chief executive officer of Precision Drilling Corporation, a Calgary-based service provider to the oil and gas industry. Under Mr. Neveu's leadership, Precision has grown to become one of the largest oil field service providers in North America, as well as expanded and diversified its operating presence into growth markets internationally. Previously, he held senior management roles with National Oilwell Varco and its predecessor companies in London, Moscow, Houston, Edmonton and Calgary.

Caterpillar Subpoenaed In Investigation Into Rail Repair Fraud

A report in The Wall Street Journal indicated that a unit of Caterpillar Inc. is being probed by federal investigators to determine if it had dumped train parts into the ocean off California as part of a scam to charge customers for parts they didn't need. Investigators are probing whether Progress Rail was dumping brake parts and other items into the ocean near the Port of Long Beach, California, to conceal evidence that it was charging owners of rail equipment for replacing parts that were still in good condition. Progress Rail, which was acquired by Caterpillar in 2006 for about $800 million, repairs locomotives and railcars. Union Pacific Corporation was one customer believed to have been affected by the alleged activities. The grand jury investigation is being conducted by the U.S. Attorney for the Central District of California because of suspicions that Progress Rail was breaking environmental laws.

Volvo CE Names Martin Weissburg President

Volvo Construction Equipment announced that Martin Weissburg has been appointed as the new resident of Volvo Construction Equipment. Weissburg is currently president of the Volvo Group's customer finance company, Volvo Financial Services, VFS, and a member of the Group Executive Team. He assumed his new position on January 1, 2014, and replaced Pat Olney. Martin Weissburg has been the president of VFS since 2010, and prior to that he served as president of Volvo Financial Services Americas from 2005 to 2010. Weissburg has worked in close relationship with Volvo CE dealers for many years and has extensive and in-depth knowledge of the Volvo CE business. Prior to joining the Volvo Group, Weissburg has many years of global leadership experience tied to distribution and sales of heavy equipment.

LiuGong Poland Acquires ZZN

LiuGong Poland Machinery Company, Ltd. (LiuGong Poland) and the asset trustee of ZZN Transmission Plant in Stalowa Wola, Poland, held a signing ceremony of a conditional acquisition agreement. Wu Yindeng, President Assistant, Board Director and Deputy General Manager of LiuGong Poland, signed the agreement with ZZN asset trustee Adam Jozef Pilicki.

The ZZN factory is adjacent to LiuGong Poland's plant and has been supplying key parts such as axles and gears for bulldozers, pipe-layers and loaders for many years. ZZN is a major transmission parts supplier for many well-known international companies including GE Rails (US) and STK (Singapore).

Doosan Opens Parts Center In Dubai

Doosan Infracore has opened a new parts distribution center in Dubai, UAE. The company says the facility will help to reduce the delivery times of stock orders from 27 countries across the Middle East and Africa. Historically, Doosan used an air cargo service to fulfil urgent orders across the region. However, parts delivered via this method of transportation typically took five to seven days to arrive. The company claims that its new parts distribution center will allow components to be delivered to customers within 24 hours of when an order is placed. As the construction equipment market across the Middle East and Africa continues to grow, Doosan intends to use its Dubai facility to drive sales and improve customer support.

Finning South America Announces Significant Contract With Codelco

Finning International Inc., headquartered in Vancouver, British Columbia, Canada, announced that its South American operation has been awarded a contract valued at $190 million with Codelco, Chile's state owned copper mining company.

Under this contract, Finning will supply 10 Caterpillar 797F trucks to Codelco's Ministro Hales mine in Calama, Chile. Finning will begin delivering this equipment in 2013. In addition, Finning has been awarded a ten-year maintenance services contract for the trucks. The equipment will complement Ministro Hales' existing Caterpillar fleet.

"We are extremely pleased to build on our relationship with Codelco to further support their Ministro Hales project," said Marcello Marchese , president of Finning South America. "The mining sector continues to represent a great long-term opportunity for Finning."

Caterpillar Adapts Tier 4 Diesels to Work in Less-Regulated Countries

Caterpillar Inc. announced that only its tier 4 engines smaller than 7 liters (< 130 kW) require modification to perform in regions where ultra-low-sulfur diesel fuel is available. The company has created authorized modification processes to remove aftertreatment and decertify engines that will be available in 2014 exclusively through Cat dealers in countries with less-stringent diesel emissions regulations. Through testing, Caterpillar has determined that Cat Tier 4 Interim engine systems between 7 and 32 liters (156kW to 895 kW) will not require any modification to operate in lesser-regulated countries.

Cat's experience with diesel particulate filters and selective catalytic reduction technology on engines – more than 82,000 engines and nearly 42 million operating hours since engines in these categories were required to comply with U.S. EPA's Tier 4 Interim regulations in 2011 – convinced the company that active-regenerating systems used on engines in the larger category burn hot enough to handle the extra fuel sulfur prevalent in global regions that do not require ULSD.

Exhaust filters on Cat's 6.6-liter and smaller engines, in EPA's less-than-130 kW category, regenerate passively at lower temperatures, and must be removed for the engines to perform properly on higher-sulfur fuel. Caterpillar anticipates both the modified less-than-130-kW engine systems and unmodified 130- to 895-kW engine systems will meet used equipment customer expectations for operation in the vast majority of potential lesser regulated export destinations.

Transfer of Tier 4 equipment from the highly regulated countries of North America, Europe and Japan to the rest of the world through the used-equipment market is a complex issue, according to Ramin Younessi, vice president of Caterpillar's Industrial Power Systems Division.

Beginning with Cat dealers in less-regulated locations Caterpillar has identified as higher-probability recipients of used Tier 4 equipment, the company is preparing dealers to support the migration. Highly regulated countries have made de-tiering machines illegal, so the process will have to take place in receiving countries. Dealers there will have access to service training, parts stock, service tooling and product information, including detailed information on specific product availability.

Caterpillar's Tier 4 engines above 175 hp won't have to be modified for sale in lower regulated countries Cat will use two main strategies in its approach to supporting Tier 4 Cat machines sold in lower regulated counties. Tier 4 machines, whether Interim or Final, require ultra low sulfur diesel, which complicates the sale of used Tier 4 machines into countries that do not sell ULSD. For machines in the 75-175 horsepower range, Cat is training and tooling their dealers in lower regulated countries to take off the emissions aftertreatment. Removal will decertify the machine for sale in highly regulated countries such as the United States. But for machines above 175 horsepower, Cat says the machine's regeneration system uses a combination of chemicals and heat to take care of the higher levels of sulfur in the fuel, and thus, no modification is needed.

Machines in the higher horsepower size classification cannot be sold back into the North American market and other highly regulated areas. Cat's current Tier 4 machine population is 82,000-plus machines, and many of those have more than 9,000 hours, making them candidates for the used market. Cat dealers in a lower regulated country will take off the aftertreatment systems, since federal regulations prevent U.S. dealers from doing this procedure. The decertification process will be available from these non-U.S. Cat dealers next year; the cost of this process has not yet been announced. Because of the high integration of fuel management and electronics with the aftertreatment system, Cat says this process will have to be done by a Cat dealer.

Buyers in lower regulated countries will need to be educated about the extra cost of taking off the aftertreatment system on used Tier 4 machines. Tier 4 Final SCR engine strategy Cat also reviewed its strategy for Tier 4 Final engines.

Tier 4 Final regulations, aimed at reducing oxides of nitrogen coming out of the exhaust, start to go into effect this January. Cat says it has 82,000 Tier 4 Interim powered products in the field with 42 million-plus operating hours in North America, Europe, Australia and New Zealand, as tracked by ProductLink, Caterpillar's GPS equipment tracking network.

Cold weather experiments are especially critical in learning how to deal with DEF, which is 67.5 % de-ionzed water, and freezes at -12 degrees Fahrenheit. Using a Selective Catalytic Reduction aftertreatment exhaust system that requires the used of Diesel Emission Fluid, or DEF, Caterpillar machines in this experiment have logged more than 300,000 hours, some operating in minus 55 degree Fahrenheit temperatures at high altitudes plowing snow. The heavy DEF tank contains a heating element and heated fuel lines. Emissions regulations require that the DEF be converted from a solid block of ice to usable fluid within 70 minutes, which Cat says can easily be met.

Cat is recommending contractors make topping up the DEF tank—which they've located near the fuel tank fill on many machines—a regular part of fueling. To help prevent a fluid going into the wrong tank, the fill necks of the diesel fill and DEF fill are different sizes, and the DEF fill has a blue cap, plus carries a warning not to fill with anything other than DEF. If diesel does get into the DEF tank, it may have to be drained, depending on the level of contamination. New Final engine maintenance practices revolve primarily around the storage of DEF, which will be available for Cat machines from Cat dealers and other suppliers, including truck stops and automotive parts stores. DEF needs to be stored in a cool, dry, well-ventilated area away from direct sunlight. DEF will degrade over time, depending on how long it is exposed to high temperatures and shelf life. Another maintenance concern is keeping the DEF clean of debris.

A warning system will issue progressive alerts if the DEF tank needs refilling. If the DEF level is too low, the engine will derate until the DEF tank is refilled. On Final machines, after a machine is turned off, an electric system purges DEF from all lines back into the tank, an operation invisible to the operator. In the unlikely event of a high-temperature shut down, the machine will automatically continue to idle in order to cool down the DEF to an acceptable shutdown temperature

Hertz Equipment Rental Opens New Iowa Facility

The Hertz Equipment Rental Corporation has launched in Iowa with a new location in Cedar Rapids to serve the industrial, heavy construction and do-it-yourself markets. The facility provides equipment for rent or sale including aerial, compaction and paving, earth moving, generators, forklifts and other material handling equipment, trucks, trailers and small tools.

S.E. INTERMAT And HANLEY WOOD To Develop 'World of Concrete Europe'

S.E. INTERMAT, owner and organiser of the INTERMAT trade shows, and HANLEY WOOD, LLC owner and organizer of the World of Concrete trade shows, signed a Memorandum of Understanding to develop a new event, "World of Concrete Europe". This partnership gives S.E. INTERMAT and HANLEY WOOD, LLC a position on the concrete industry market in Europe. World of Concrete Europe will be operated by Comexposium, a European leader in event management and organizer of INTERMAT trade shows. The next INTERMAT shows to be held will be INTERMAT Middle East in Abu Dhabi from 14 to 16 January 2014, and INTERMAT Paris from 20 to 25 April 2015.

INTERMAT Exhibition Director Maryvonne Lanoë welcomed the agreement: "Comexposium's Construction business unit is delighted to have started up this international partnership which will contribute to the global reach of INTERMAT through one of its headline sectors, the Concrete industry." The trade associations CISMA and SEIMAT, members of the S.E INTERMAT Board of Directors, support this move and are contributing their expertise and full involvement.

Shandong Lingong Opens California Dealership

China-based Shandong Lingong Construction Machinery Company Ltd. (SDLG) has celebrated the opening of its first store in Turlock, California. SDLG is operating the 10,000-square-foot store under the brand name VCES, and says the Turlock location is its first dedicated distributor in the region. SDLG is a brand owned by Volvo Construction equipment. The products are produced in the SDLG facility in Sandong, Province, China, and are being introduced to selected markets around the world. Although the products are manufactured by Volvo, the features and benefits are much different than the regular Volvo machines. The two wheel loaders SDLG has available in North America are the LG938L, with a rated load of 3 tons, and the LG959, with a rated load of 5 tons.

The SDLG dealer network in North America is now comprised of seven companies in 12 locations. The dealerships are selling the company's wheel loaders and other construction equipment, as well as providing parts and maintenance support. In addition, a central parts depot in the Atlanta area supplies parts to dealers.

Suncor Begins Testing Automated Trucks

The Suncor Energy surface mine north of Fort McMurray, Canada, has begun testing fully equipped robotic trucks that are hauling dirt and bitumen, part of a pilot project. At least one truck has replaced its human driver to haul bitumen and drive through the company's Steepbank mine in the trial run. Suncor, Canada's largest oilsands company, is the first mining company to experiment with the technology. The company says the technology has proven to save costs on fuel and maintenance. Additionally efficiency has improved in other tests, with stoppages and malfunctions on the decline. In Fort McMurray, Suncor says they are aware automated systems could help the oilsands meet staffing challenges, but there are currently no plans to replace their drivers with robots.

Coal India Restrained By Tire Dilemma

Coal India Ltd's (CIL) plans to introduce high-capacity opencast equipment are being hampered by tire maintenance agreements. CIL is looking to buy 190 240-ton trucks that include tire maintenance and replacement in the sale, but American and Japanese truck makers are against providing any tire maintenance and repair costs.

Manufactured by a small group of companies including Caterpillar, Komatsu, Belaz, and Liebherr, each truck costs nearly \$3.275 million. Inclusive of the long-term maintenance and repair contract, the cost of each machine could go as high as \$8.2 million

CIL previously bought trucks without a tire maintenance plan, and the outcome was disastrous. In 2009-10, the company acquired 22 Caterpillar 240 ton trucks for its wholly-owned subsidiary South Eastern Coalfields Ltd (SECL). Each truck, including an 11-year maintenance contract, cost CIL nearly \$6.5 million. The contract did not include tires. Once the original tires wore out after approximately 5,000 hours, CIL started the usual rounds of tendering. But as the order quantity was small by global standards, there was no interest in the tender. After a few attempts, CIL did award the contract last year but the tires wore out quickly. As a result, the trucks have remained idle for much of the past three years for lack of tires. Annual usage of the trucks were approximately 2,500 hours compared with the original expected use of 6,000 hours. SECL is paying for the machines whether they are used 2,500 hours or 6,000 hours per year. The loss to the CIL is compounded by the fact that the equipment purchased to to load the trucks is also being under utilized.

To avoid future problems, CIL decided to include tires in the maintenance and repair contract, beginning 2010. Yet there was still a problem because the manufacturer that won the tender backed out from delivering the trucks. In 2012 both Caterpillar and Komatsu, the primary bidders, objected to the inclusion of tires in the maintenance contract, saying this was against global practice.

The 2012 tender received only one bid, from Belarus' state-owned Belaz. The company was backed by its original equipment tire supplier Belshina, also owned by the Belarusian government. But the CIL board decided against awarding the contract to the lone bidder.

The issue came up again at a pre-bid meeting for the purchase of 190 240-ton trucks. During the meeting, L&T (the Komatsu dealer in India) and Gemco (the Caterpillar dealer in India) objected to the inclusion of tires in the maintenance cover. Belaz representatives did not raise the issue.

Considering that there is huge volatility in tire prices, it is difficult for equipment manufacturers to predict the long-term financial impact of tires on a maintenance contract. As a result, they either quote a high price for maintenance or withdraw from the bidding process, resulting in cancellation of tenders. Management of CIL is discussing various possibilities. One option is scheduling delivery of tires over the life of the truck. But until a deal is reached, the trucks remain idle.

Caterpillar To Close Highwall Miner Plant

Caterpillar Inc. is closing a highwall miner plant in southern West Virginia and moving production to a facility in Pennsylvania. Caterpillar says its plant in Beckley will close by mid-2014. Production will be shifted to the company's plant in Houston, Pennsylvania. The Beckley plant employs about 40 workers. Caterpillar says the workers will be offered a severance package and transitional support. Highwall miners are used in underground coal mines.

John Deere Sued By Lightsquared

The bankrupt wireless company LightSquared filed a lawsuit against John Deere and GPS companies Garmin and Trimble. LightSquared's lawsuit contends that Deere, Garmin and Trimble knew that the company's wireless network would interfere with GPS devices but kept quiet about it until it was too late. LightSquared put $4 billion into the failed network until it was blocked by the government from fully building it out over the FCC's concerns with GPS interference. In its lawsuit, LightSquared says that Deere, Garmin and Trimble led it to believe that the network would, in fact, not cause interference before speaking up against it later.

The wireless company's suit follows a similar one filed in August by Harbinger Capital Partners, a New York-based private hedge fund. Harbinger is suing the same companies for damages of $1.9 billion. LightSquared was given permission by a judge to pause its ongoing Chapter 11 bankruptcy trial to decide whether it wanted to join Harbinger's lawsuit or file one of its own. In its bankruptcy trial, LightSquared is fighting to keep control of its valuable chunk of wireless spectrum.

Terex Warns About Counterfeit Cranes

Terex Cranes announced that it is tracking recent reports of counterfeit Terex crawler crane models originating from China. Similar to the incident reports of 2011, the Terex CC 2500-1 lattice boom crawler crane is the crane model of choice for the copycat manufacturers.

The units are assembled, branded and sold as used Terex cranes well under market value. Also, a majority of the counterfeit crane models reported to Terex Cranes tend to be commonly painted red, the color used by Terex's legacy Demag brand. The primary markets of concern in this most recent wave of crane pirating are the Asian countries of China, South Korea, Singapore, India and Pakistan.

"We are aware of three different 'designs ' of the CC 2500-1 crane on the market, and there are at least 9 or 10 fake cranes that have been sold, all originating from China," says Klaus Meissner, director of product integrity for Terex Cranes. "This is a serious situation, and, not only because this infringes on our intellectual property but, more importantly, it poses a serious safety risk for our customers. The use of these inferior, counterfeit cranes can result in deadly consequences."

While made to look like Terex units, these pirated cranes are often assembled with a blend of older and newer technology and components that were not designed to work together. These counterfeit cranes frequently exhibit poor weld quality, inferior steel structures and improperly fitted tracks. Additionally, many of the safety components designed into a genuine Terex crane are missing.

"Unfortunately going by serial number alone will not determine with certainty if the purchaser is buying a genuine Terex crane, as these plates can be fake as well," adds Meissner. "Many of the counterfeit cranes were purchased either without an on-site inspection or through an inspection conducted by an unqualified person."

Terex stresses the importance of conducting a thorough inspection of the used crane by a qualified individual prior to purchasing the machine, especially in the markets of concern. The safety of the company's workers as well as individuals who happen to be in the area where the crane is operating depends on it.

Doosan Names Scott Park As Next CEO Of DICE

Doosan announced that Scott Park is replacing Tony Helsham as the president and CEO of Doosan Infracore Construction Equipment (DICE). Helsham retired in February. Since early last year, Park has held the position of Global Vice President of Strategy, Manufacturing Strategy and Total Quality Management (TQM) for DICE. The company says Park has 25 years of experience and an in-depth knowledge of strategy development, manufacturing, TQM and information technology.
As president and CEO of DICE, Park will head the Bobcat brand in North America, Oceania, Europe, Middle East and Africa regions, and in Russia and other members of the Commonwealth of Independent States. He'll also head up the Doosan brand in North America, Oceania and Europe as well as the global businesses related to Doosan Infracore Portable Power, and Montabert and Geith attachments.

The company says it has been "expanding its product portfolio and manufacturing footprint, and growing the dealer channels, across its heavy and compact equipment brands," and Doosan executives believe that "Park can help maintain the positive momentum."

Cummins Announces Results for 2013

Cummins Inc. reported its fourth quarter revenues were$4.6 billion, an increase of 7% compared with the same quarter in 2012. The increase year-over-year was driven by higher revenues in North America, China and Brazil, partially offset by weaker sales in Mexico, India and Australia. Earnings before interest and taxes (EBIT) were $566 million for the fourth quarter or 12.3% of sales. This compares to $532 million or 12.4% of sales a year ago, excluding restructuring costs. Cummins profits in the fourth quarter were $432 million compared to $404 million in the fourth quarter of 2012 excluding restructuring charges. The effective tax rate in the fourth quarter of 2013 was 15.7%.

Revenues for the full year were $17.3 billion, flat with 2012. Revenues in North America increased 3% but were offset by international sales which declined by 4%. International market declines in Mexico, India, Australia and Europe offset growth in China and Brazil. EBIT for the year was $2.16 billion or 12.5% of sales compared to $2.35 billion or 13.6% of sales in 2012, excluding special items. Cummins' full year profits were$1.48 billion, down from $1.68 billion in 2012, excluding special items.

Based on the current forecast, Cummins expects full year 2014 revenues to grow between 4% and 8%, with EBIT in the range of 12.75% to 13.25% of sales.

"We faced weak demand in important regions and end markets in 2013," said Tom Linebarger, Chairman and CEO. "Revenues for the year ended flat with 2012 as strong growth in the Components business, market share gains in the North American medium-duty truck market and distributor acquisitions offset weakness in global mining markets, international power generation and the North American heavy-duty truck market. I am pleased that in this environment of weak global growth, we were able to generate record cash flow from operations that allowed us to continue to invest in the business and increase the cash returned to shareholders by 34% in 2013. We expect revenues to grow between 4% and 8% in 2014, with earnings projected to grow faster than revenues and we expect to return to shareholders an amount of at least 50 % of cash from operations."

Caterpillar lays off, Estimated 100 People Lose in TexasEmployment

One East Texas branch of Caterpillar, Inc. in Kilgore, Texas, moved operations to Kansas and Wisconsin, resulting in the lay off of about one hundred people.

Caterpillar notified employees in its Kilgore, Texas, plant that following an extensive strategic review of its mining operations in Kilgore, ,that it will close the facility. Production of dippers made in Kilgore will shift to another Caterpillar facility in Wamego, Kansas, and ballast box production will shift to its South Milwaukee, Wisconsin, facility. Caterpillar will offer eligible full-time employees a severance package and transitional support.

Tire Recycling Taylor Touts Titan Entering Tire Recycling Venture

Titan International Inc. is reportedly entering into the tire reclaiming business with a venture that Titan CEO Maurice Taylor Jr. claims can generate $250 million or more a year in revenues from the sale of reclaimed oil, carbon black and steel reclaimed from off-highway tires and conveyor belting..

Titan's Titan Mining Services business has started Titan Tire Reclamation Corporation. (TTRC), a partnership partnership venture with Green Carbon L.L.C., which is part of Rome, Georgiaa.-based OTR Wheel Engineering Ltd. whichOTR Wheel is headed up by Fred Taylor, Maurice Taylor's brother, heads up OTR Wheel.

Green Carbon has developed a reclamation process that Titan claims is capable of handling mining tires and conveyor belting.

Maurice Taylor said the TTRC system can accommodate tires in sizes up to 59R63, and each of these size tires yields 450 to 500 gallons of oil, approximately 4,000 pounds of carbon black and approximately 2,000 lbs.one ton of steel, all of which can be sold.

Fred Taylor, Maurice Taylor's brother, heads up OTR Wheel.

Taylor claims this business could generate EBTDA earnings before interest, tax, depreciation and debt of $75 million to $100 million gross.

In addition, Titan and/or OTR Wheel can accrue carbon credits, depending on the country where the reclaimed tires are processed, allowing Titan to market its products as green carbon certified.
A key to the system is its portability, since the recycling needs to be brought to the mining company sites

where the used tires accumulate. To this end, Titan plans to set up recycling units in Alberta and British Columbia, Canada, initially, and then in Elko, Nevada; Gillette, Wyoming; and sites in Chile and Australia. .

Titan Mining services plans to find an equity owner or owners for each operating facility.

Green Carbon/OTR Wheel President Fred Taylor describes Green Carbon's technology as distinct from pyrolysis in that it creates carbon black that can be incorporated into tire manufacturing.

The Green Carbon recycling process also creates a gas from scrap tires that generates 88 % of the energy the process needs, Taylor said at the 2012 Rubber Recycling Symposium in Toronto. Including the carbon black and oil, the process creates eight times more energy than it consumess, he said.

Volvo CE President Going To TRW

Pat Olney, former president of Volvo Construction Equipment, assumed the role of chief operating officer of TRW Automotive on January 1, 2014. TRW is a $16.4 billion supplier of a broad range of automotive components including integrated vehicle control and driver assist systems, braking systems, steering systems, suspension systems, occupant safety systems, electronics, engine components, fastening systems and aftermarket replacement parts and services. Olney, 44, joined Volvo CE in 1996 and has held a number of top management positions in finance, operations and general management before becoming president of Volvo CE in May of 2011.

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