Total Cost of Ownership

Torque Wedge™ pins used in the Whisler Plus™ adapter system.
ESCO Corporation, founded in 1913 in Portland, Oregon, USA, is a global group of companies that manufactures technically-rich metal wearparts and components for industrial applications. ESCO is comprised of two operating groups:

**Engineered Products Group**
Innovation leader for metal wear parts, components and earthmoving products used in global mining, construction, dredging and other challenging industrial applications.

**Turbine Technologies Group**
Responsive manufacturing partner for precision investment cast components in aerospace and industrial gas turbine applications.

ESCO MISSION
ESCO is a leading manufacturer of technically-rich metal wearparts and components for industrial applications.

The EDGE: Solutions from ESCO
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EDGE MISSION
- Show the strengths and problem-solving capabilities of ESCO's business groups
- Spotlight ESCO's successes in the diverse markets it serves
- Communicate the values and traditions that make ESCO unique
- Help build lasting and mutually beneficial relationships with customers

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WAITING FOR THE TURNING POINT

What a difference six months make. Last summer the biggest concern for many of us was the high price of gasoline. Crude oil had spiked at over $140 a barrel and pump prices were sky high. Here in the United States, we grumbled that it cost $60 to $100 to fill the gas tank. But beyond the surge in fuel costs, the economy seemed to be doing okay. China was still booming. Steel, copper, lumber and other commodities were in great demand and commanding high prices around the globe. Construction was slowing but the mining industry still seemed to be in good shape.

Then, the bottom began to fall out in September. Fannie Mae and Freddie Mac had to be taken over, and the huge insurance firm AIG needed a massive infusion of money from the government to keep from collapsing. A number of investment banks were in serious trouble and commercial banks began to fail due in large measure to years of irresponsibly easy credit. Home prices tumbled, foreclosures rose, consumer spending seized-up, and the financial and commercial fabric of the nation began to unravel. Yikes!

Six months of failed businesses, plant closures, layoffs and unthinkable amounts of taxpayer money being thrown at the problem, and I bet you’re as tired as I am of all the negative news. There’s nothing good about millions losing their jobs and everyone losing the value of their homes, savings and investments.

I’m no economist, but it stands to reason that spending hundreds of billions of dollars on sorely needed infrastructure improvements is bound to help create good jobs and spur demand for steel, concrete, lumber and construction equipment. It’s a start. Other aspects of the stimulus package are less clear to me, but it makes sense that financial markets need to be set right so that individuals can get loans for homes and cars, and companies can finance equipment and make capital improvements.

Bailouts and giant-sized federal spending programs may partially help us out of this mess. But there is another potent remedy that won’t cost a federal dime. It rests with every individual who hasn’t lost his or her home or job – and that’s still about 80 percent of all Americans. Despite the grim news, despite the depreciated retirement accounts, individuals can help the nation and the world by showing some confidence with their pocketbooks. Even if it is just a decision to go out to dinner, shop for clothes, or buy a piece of furniture, when you multiply even modest expenditures by millions, it can have a big impact.

It is human nature to hunker down in unsettled financial times like this, but paralysis will only compound the problem. As Franklin Roosevelt famously said, “We have nothing to fear but fear itself.” When the American consumer reaches that turning point when he or she feels confident enough to upgrade the kitchen, take the vacation, buy the new car, or invest again in the stock market, we will be on the road to recovery.

– John R. Howard, editor
These are very cost-conscious times for ESCO and our customers. As the demand for many commodities, goods and services weakens in a recessionary economy, our customers are trimming costs wherever possible. In many cases, mines, quarries, and construction contractors are operating with fewer personnel, delaying capital expenditures, and squeezing every last productive hour out of machinery, buckets, lips and teeth before replacement. Non-essential spending is being eliminated and purchasing agents are tougher than ever on price.

These market conditions are challenging for everybody – manufacturer, dealer and end user alike. Operating lean and smart is the best way to counter this down cycle, and one of the smartest things we can do is to seek value in the tools we use to run our businesses.

**Price vs. True Cost and Value**

ESCO’s business model has always been to offer outstanding value in the products and services it provides. In exchange for that value ESCO charges a fair price.

“Our pricing reflects the value received,” noted Tim Elbel, general sales manager. ESCO is not the lowest priced supplier, but when true value and the total cost of ownership are weighed, the customer greatly benefits when doing business with ESCO.

“Initial price is only a part of the customer’s cost,” he continued. “There are costs associated with every step in the process, from the moment the customer imagines they need a product to the day they dispose of it.” Bidding, negotiating, purchasing, delivery, inventory, handling, use, maintenance, removal and disposal all have associated costs. “ESCO not only offers tremendous performance from the value-added products themselves, we offer a business process that lowers the cost to our customers of all the other activities as well.”

Production guarantees, innovative rental programs, product safety, and the support and availability of knowledgeable local dealer personnel, district managers and the ESCO Technical Services Group are examples of the extra value received from ESCO.

Steve Herbert, business manager for Mining & Industrial Products, noted, “ESCO spends millions of dollars each year developing products that provide better value to our customers. We have moved a lot of value to the customer’s side of the ledger – less breakage, less maintenance, longer wear, fewer injuries. As a result, we can guarantee less total cost of ownership.”

“Total cost of ownership takes into account the customer’s business objectives,” added Mark Mallory, ESCO’s vice president for North American Sales. “Buying the lowest price product is not necessarily a good way to put more money on the bottom line. When a customer buys a set of ESCO crusher cones, for example, he’s getting a product that is targeted to his operation, designed for maximum wear life and production, and backed by ESCO. A competitor’s parts might be priced lower but they will probably wear our more quickly. When the crusher is stopped for a day or two to replace the manganese, the customer isn’t making any money.

“Our commitment to Low Cost of Ownership means we need to understand, from start to finish, how our customers make money and then find as many ways as possible to help them reduce their cost,” Mark concluded.

Steve, Tim and Mark mentioned four new earthmoving products: the award-winning Ultralok® construction tooth system, Whisler Plus™ adapter system, ProFill™ dragline bucket, and the SV2* mining tooth system as examples of products that provide great value to the customer. “These mining products are definitely reducing their cost per ton and lowering their total cost of ownership,” Steve said. ✯
Eighteen months ago, a team was formed within ESCO to focus on new wear technologies to enhance the performance of ESCO® products and help drive down customers’ total cost of ownership. The cross-functional group adopted the name: NEWS Team, standing for New ESCO Wear Solutions.

A key objective of the team is to develop an offensive strategy regarding hardfacing materials. Applied correctly to the surface of earthmoving wear parts, carbide particles of chromium or tungsten can greatly extend the life of ground engaging tools. In certain applications such as the notoriously abrasive oil sands of Alberta, Canada, hardfacing is essential in prolonging the service life of buckets, teeth, adapters and shrouds.

“We have to be the best at providing wear solutions,” said John Dillon, ESCO’s vice president for Engineering and Technical Services. “We’re looking at alternate materials to increase wear life and productivity. And we’re developing expertise in where to put the overlay for best results.”

Success stories abound about customers who get tremendous wear life improvements from ESCO wear parts enhanced with E3® or another of a growing family of targeted hardfacing materials. E3 is ESCO’s proprietary process that integrates design, materials and manufacturing to optimize the performance of parts treated with overlay. One customer in the oil sands reported a 700 percent increase in wear life – seven days vs. one day – using SV2® teeth with E3XP overlay! While such an improvement is exceptional, there is no question that ESCO parts wear much longer when augmented with overlay.

Hardfacing is generally applied to steel alloy wear parts by manual or robotic welding. Currently, ESCO uses four types of hardfacing: E3, E3X, E3XP, and E3CX. Each type has a unique recipe and application method. Most products are heat treated after the hardfacing is applied to “set” the overlay and prevent cracking in the heat affected weld area. ESCO applies hardfacing in facilities in Oregon, Mississippi, Ohio, Montana, Nevada, Alberta and Brazil.

ESCO applies E3 overlay to hammers, chain links, points, adapters, wear shrouds, grader blades, dozer edges, and snow plow blades – wear parts that are generally used in highly abrasive applications.

The cross-functional NEWS team, led by Ermanno Simonutti and Craig Wihtol, includes members from Manufacturing (US and Canada), the Metallurgical Lab, Product Test Lab, Industrial Products, Engineered Products, Engineering and other areas.

“Our mission is to create tools and to educate the engineering community,” said Craig. A well-attended launch was held in February to familiarize ESCO product engineers with overlay and to move thinking toward using the right overlay in the right application, specific to the needs of end users.

The NEWS Team is currently developing an E3 Overlay Selection Tool, designed to help dealers, district managers and customers choose the right ESCO hardfacing type for specific applications. ★
LeTourneau loaders are among the mining industry’s most innovative, productive and inexpensive to operate. Designed and manufactured in Longview, Texas, these highly regarded, electric-drive loaders are used in mines and projects throughout the world. In fact, the LeTourneau L-2350 loader is the largest in the world, capable of wielding a 53 cubic yard rock bucket or gigantic 70 cubic yard coal bucket!

ESCO’s high-performing ground engaging tools, teamed with LeTourneau’s uniquely productive loaders make a value-added package that mining customers prize for durability, reliability and lower cost of ownership.

“We value the ESCO product and its reliability,” said Dan Eckermann, president and chief executive officer of LeTourneau Technologies”, Inc. (LTI). “There are many parallels between LeTourneau Technologies and ESCO; we both practice a product leadership business model.”

LTI traces its product leadership and culture of innovation to founder Robert G. LeTourneau (1888-1969) – a true engineering genius. A self-taught welder and machinist with a brilliant mind for solving earthmoving challenges, he invented the first self-propelled scraper and founded his contracting and earthmoving equipment manufacturing company in 1929. Despite the Great Depression, his company landed big earthmoving contracts in the 1930s. His scrapers and other machines were so efficient and in high demand, he opened manufacturing plants in Illinois, Georgia, Mississippi and Texas, in addition to an overseas plant in Australia. LeTourneau equipment played an important role in support of Allied Forces during World War II.

The company continued to develop and manufacture earthmoving equipment in the post-war era utilizing technologies that were years if not decades ahead of their time. The two-wheeled tractor unit, electric wheel drive, and the use of rubber tires on earthmoving equipment were just a few breakthrough LeTourneau innovations.

In 1953, the entire LeTourneau earthmoving equipment line was sold to Westinghouse Air Brake Company (WABCO). For five years, the LeTourneau team focused on new ventures, markets and technologies including large-scale projects in Liberia and Peru. They developed logging equipment, ice road haulers, and an enormous Jungle Crusher machine to clear land for roads, airstrips and development. Another very successful venture was the development of mobile offshore platforms for oil drilling.

When LeTourneau reentered the earthmoving equipment market in the late 1950s, the company introduced a line of all-wheel electric-drive earthmovers. Far more efficient and

by John R. Howard
versatile than traditional mechanical drive-train mechanisms, electric wheel drives were engineered into scrapers, tractors, compactors, shovels, lift trucks, haul trucks, log haulers and stackers. LeTourneau Electric Diggers, Pacemaker tractors, and LeTro loaders were sold to customers around the globe, from the Arctic to the Middle East to the jungles of South America and everywhere that demanding earthmoving, mining and logging projects were underway.

The remarkable R.G. LeTourneau had his personal imprint on nearly every innovative product the company produced. He was a “can do” engineering problem-solver if ever there was one. When his close friend the Reverend Billy Graham, for example, expressed a wish for a moveable covered stadium to facilitate his evangelical crusades in Europe, LeTourneau promptly invented the Semisphere, an enormous collapsible aluminum dome capable of accommodating 12,000 people. Although the 85-foot-tall Semisphere was never used for Graham’s touring ministry, it proved to be an excellent covered structure for manufacturing huge earthmoving equipment. Eventually five of the unusual Semispheres were erected, providing shelter to this day for much of the firm’s manufacturing operations in Longview, Texas.

R.G. LeTourneau passed away in 1969 at the age of 81. After 40 years as president and chief engineer of perhaps America’s most innovative and capable firm in the earthmoving equipment and material handling field, his passing was a huge loss. Tributes flooded in from all over the world in honor of this engineering wizard who earned 300 patents over his lifetime.

Marathon Manufacturing Co. acquired LeTourneau, Inc. in 1970. Challenging market conditions over the following two decades compelled the company to drop unprofitable lines and focus on log stackers, large rubber-tired loaders, and its Titan haul truck line. It focused additionally on offshore “jack-up rigs”, drilling systems and other products for the oil and gas industry.

ESCO® Wear Parts Featured on LeTourneau Loaders

Marathon LeTourneau developed a very successful market niche with electric-drive rubber-tired loaders. In 1982, its popular L-800 was eclipsed by the L-1000, a state-of-the-art machine with a 17 cubic yard bucket capable of moving 25 tons of material in a single load. As the economy of scale principle drove mining operations toward ever larger equipment, LeTourneau responded with larger and more efficient loaders. The L-1100 (22 cu. yd. bucket) was the first to use solid-state controls and diagnostics. It was followed by the L-1350 in 1999, a mighty workhorse with a 28 cubic yard bucket and 40-ton payload capacity.
ESCO lips and teeth have been standard on LeTourneau loader buckets for over 30 years. A majority of the popular L-1100 loaders, released in the mid-1980s, were equipped with ESCO Zipper Lips® and the Helilok® tooth system. Customers demanded reliable ESCO ground engaging tools and LeTourneau was happy to comply.

“We’ve had real good success with ESCO,” recalled product development manager Paul Kelsey, who has been designing LeTourneau mining equipment for over 43 years. “In the early days we tried other brands on our machines, but ESCO came out with a much better mouse trap. They put the wear metal where it needed to be. ESCO had the best products.”

Reflecting the evolution of ESCO systems, LeTourneau has fitted its loader buckets with Vertalok®, Super V® and now the hammerless SV2® mining tooth system. It has beefed-up its rock buckets with Kwik-Lok® and Kwik-Lok II wear protection for years, and currently ships many of its buckets with Loadmaster® II lips with SV2 teeth and Toplok® wear shrouds. For the last 30 years, ESCO’s Jeff Ratkowski, senior district manager, has called on LeTourneau to support their needs and assure timely delivery of our ground engaging tools. In addition, ESCO’s product engineers have worked closely with LTI’s engineering staff to assure that the lip, tooth and shroud systems provided by ESCO satisfy LeTourneau’s customers’ needs.

“Our customers have real good experience with the ESCO product,” said Collin Cox, LeTourneau’s United States area manager. “With ESCO’s long history, proven product designs, high standard of reliability in the field, along with service after the sale – the choice is clear to go with ESCO for both LeTourneau and our end users. ESCO’s worldwide presence is further comfort to LTI and customers around the world. Because of the consistency and reliability of ESCO’s products, mines are able to plan hardware changeouts during PMs or scheduled downtime. Other ground engaging tool suppliers might offer a lower initial cost, but premature failures and unscheduled downtime cause lost production and dollars off the bottom line.”
LeTourneau currently offers five models of loaders, including the L-950 (18 cu. yd. bucket), new L-1150 (25 yd.), L-1350 (28 yd.), L-1850 (33 yd.) and the gigantic L-2350 (53 yd.)

There is nothing else on the market comparable in size to the L-2350 loader, which has twice the capacity of the popular Cat® 994 loader.

**LTI Loaders are Efficient Hybrids**

In this era of volatile fuel costs, it is notable that LeTourneau loaders are all fuel-efficient hybrids since they use both diesel and electric power. The new L-1150 front-end loader introduced at MINExpo 2008 is the first to use a switched reluctance (SR) generator. This advancement allows the machine to capture nearly 90 percent of braking energy and put it back into the system. The result is 40 percent less fuel consumption – or even better.

“Our customers can recover the total cost of the machine in eight to ten years in fuel savings alone,” noted Collin Cox. He listed other key advantages of LeTourneau loaders as outstanding quality, the lower operating cost of electric drive, the safety and stability of a low center of gravity, the longevity that comes from constant RPMs and no mechanical drivetrain, longer tire life due to independent wheel drive, and the advantage of industry-leading ESCO teeth and wear parts where the metal meets the ground.

It is notable that LeTourneau operates its own on-site steel mill adjacent to its Longview manufacturing plant. Capable of producing 120,000 tons of steel per year, the mill provides virtually all of the steel required to build its earthmoving machines, jack-up rigs, and other products. The captive steel mill and guaranteed source was a distinct advantage over the last few years when global steel prices soared, deliveries were delayed, and mill capacity lagged behind demand.

Since 1994, LeTourneau Technologies™ Inc. has been a subsidiary of the Rowan Companies of Houston, Texas. With approximately 2,000 employees, LTI operates four major business units: Drilling, Mining, Offshore, and Steel.

“The greatest strengths of our company are number one – people, number two – people, and number three – people,” concluded President Dan Eckermann. “We’re a classic heavy manufacturing company with a well-established business model based on innovation and product leadership. Our greatest strength is embodied in the dedicated employees who are committed to delivering sophisticated products, projects and services that meet or exceed our customers’ expectations.”

ESCO is proud to supply value-added wear parts that enable LeTourneau’s Mining Products Group to achieve its goals of customer satisfaction, strong growth and return on invested capital. ★
John Dillon earned a master’s degree in material science from the University of California at Berkeley. He joined ESCO in 1979 as a metallurgist and has held positions as senior metallurgist and technical director. Today, he is vice president for Engineering & Technical Services, responsible for the Metallurgical and Product Test Labs, Technical Services Group, New Product Development, Technology Development and Engineering Support Services.

This conversation with John Howard, editor of the EDGE, took place in early February, 2009.

A theme of this issue of the magazine is the value that customers get from ESCO – not just in product performance but the entire relationship. What are your thoughts on this, John?

A key first step to providing value is the Voice of the Customer process where we visit and interview a variety of users of our products and sometimes the competition’s products to understand how our products and support services affect the customer’s bottom line. We develop a list of the customer’s root needs and find out what factors are driving their cost. We also ask the customer to rank those needs.

Where the factors are related to product performance, we use a tool called Quality Function Deployment to translate customer needs into engineering targets. When a customer tells us they want more predictable wear life so that they can manage their maintenance cycle better, we target predictability. When they rank penetration high, we focus our engineering on tooth designs that deliver excellent penetration.

Why wouldn’t a customer want excellent everything – penetration, long wear life, ease of use, etc.?

Unfortunately, design is often about tradeoffs. Longer wear life generally requires more metal and a heavier tooth system. It lasts longer but may not dig as well as a tooth designed for penetration. That’s why we develop a selection of products and tooth shapes. We offer something that fits the customer’s specific needs.

Hasn’t safety been ranked very high in Voice of the Customer interviews?

Very much so. In recent years we’ve focused on safety as an overriding requirement for new products. Swinging a heavy sledge hammer to drive a locking pin is not as accepted from a safety standpoint as it once was, so we have developed locking systems that are reliable, require less force, and are quick and easy to secure. Look at our hammerless SV2® tooth and Whisler Plus™ adapter systems for mining and the Ultralok® tooth system for construction. These are extremely innovative and far safer to install and remove because no hammer-swinging is required.

You mentioned that ESCO provides economic value in ways that go beyond the design of the product.

Sometimes our customers raise issues that are not product performance related, but concern delivery, inventory, warehousing, handling, after-sale service and so on. An example of non-product value is our Technical Services Group. ESCO’s TSG team is comprised of individuals who are resourceful and experienced – who live and die to solve customer problems. There’s not a more dedicated group, giving up weekends and flying off at a moment’s notice to assure the reliability of our products and help lower the customer’s cost of operation. It is very expensive to maintain this team – they fly all over the world – but it is part of the value that customers get from ESCO.

Would you say our district managers and dealer network also provide customer value?

Absolutely! Our dealers and district managers provide a critical link in both directions. They advise the customer on how to select the right product for the performance they seek, and provide ongoing feedback to the engineering group. Our dealers, ESCOSUPPLY personnel and DMs are in the field, monitoring product performance and listening all the time to the needs of the customer.

Internally, ESCO has spent a lot of time and energy focused on process improvement, Lean, and QVS (quality, value and speed). How has this focus benefited customers?
As we bring lead times down, our response to changing customer demands improves. Being a leaner, more responsive organization means that our dealers and customers don’t have to carry as much inventory. We’re moving toward a Consume-One-Make-One business model where there is very little waste or work-in-process. Being lean also speeds up our product development cycle and brings innovations to the customer more quickly.

Our plants do an excellent job. Consistent manufacturing is a critical element of providing value to the customer. Through process controls in melting, heat treating, gaging, tooling and finishing, we assure consistent quality, fit and performance from our products in the field. When the customer knows our parts will fit right and provide reliable wear and performance, they can operate more efficiently and keep their costs down.

**Speaking of product development again, can we keep improving our products indefinitely?**

The engineering community loves a challenge. When you have the leading product – and we do – and you keep raising the bar higher and higher, the customer is the beneficiary. The integral lock in our new Ultralok tooth system, for example, brings a whole new level of convenience to the customer – safer and easier to use with fewer parts to stock. In fact, it recently earned a Top 100 Products Award from the editors of Construction Equipment Magazine.

The market will continue to demand safety, convenience, reliability and better performance from our products. We keep experimenting with alloys, designs and new overlay materials to deliver greater wear performance and reliability. A tooth system that can help make a bucket more productive, with faster cycle times and more up-time helps the customer move more dirt and make money. That’s economic value.

**And providing economic value is how we help drive down our customers’ total cost of ownership?**

Exactly. We’re taking a cradle to the grave approach, looking at every aspect of our role as a supplier of engineered products. We’re not only trying to be the best at providing products with great wear life and productivity, we’re also helping the customer deal with the worn-out teeth by buying them back. We’re trying to close the loop and operate sustainably. This benefits the customer and us. Our customers are going through a difficult time now, so we have to help them lower their costs. And I believe with innovative products that provide economic value, coupled with great customer service, we’re doing a good job of reducing our customers’ total cost of ownership. *
ESCO’s Ultralok® tooth system was selected by Construction Equipment magazine as one of the Top 100 Products introduced in 2008. ESCO introduced the innovative tooth system at CONEXPO-CON/AGG in March 2008. It features a hammerless lock that is integrated into the point, eliminating the need for separate pins or locks.

“Our editors made the selections independently, drawing upon input from readers and our own experience with equipment technology,” said Rod Sutton, editor-in-chief of Construction Equipment. To win the recognition, products had to represent a true advancement in technology offering significant improvements over existing products. Approximately 700 products were evaluated, leading to the selection of the Ultralok tooth system and 99 other award winners.

The Ultralok system benefits the customer in a number of ways. Its hammerless locking system is an integral part of the point offering greater safety and reduced inventory issues.

Point change-outs in the field are quick and easy. The system’s low point and adapter profile results in excellent penetration, excellent machine productivity and fuel savings. Designed with extra wear metal where it is needed, the durable points provide extended wear life, reduced maintenance, and shortened downtime.

ESCO plans to launch the system globally at the Intermat Exposition in Paris, France this April. At that time, the Ultralok system will be available in eight construction sizes and a variety of point shapes to maximize excavator or wheel loader performance in all applications.

To be selected as one of the Top 100 new products is a feather in ESCO’s cap. More importantly, it is good news for customers in the construction and aggregate industries who are looking for a safe, durable, reliable and highly efficient tooth system that delivers excellent customer value and low total cost of ownership.
ESCO’s joint venture in Brazil, ESCO Soldering, was twice honored recently by Vale, the leading mining company in Brazil. In December, ESCO Soldering was named Best Supplier to Vale’s operations in the State of Minas Gerais. The award was based on considerations of quality, punctuality, price competitiveness and overall service. A short time later, Vale announced that ESCO Soldering was chosen Best Supplier for all of Brazil – a high honor indeed!

Vale is the world’s second largest mining company. Founded in 1942 and formerly known as Compania Vale de Rio Doce (CVRD), the multinational firm headquartered in Rio de Janeiro today operates in 16 Brazilian states and on six continents. With over 50,000 employees worldwide and annual sales in excess of $36 billion in 2007, this Brazilian company has emerged as a very important player in the global mining industry. CVRD formally changed its name to Vale in 2007. Vale has the double meaning of “valley” and “value” in Portuguese.

Beginning as primarily an iron ore mining and exporting company, Vale began diversifying over the last decade. It now also mines manganese, copper, coal, potash, kaolin, bauxite and other minerals. In 2006, the company acquired Inco of Canada, becoming a notable global producer of nickel as Vale Inco. Vale is invested in steel production and operates railroads, port facilities, pelletizing plants, and power generation facilities. It is Brazil’s leading exporter and generator of foreign exchange.

The joint venture ESCO Soldering was established in May 2007. Soldering was founded in 1969 by Romeu Scarioli, Sr. as a supplier to the Brazilian mining, construction, cement and sugar industries. Headquartered in Betim, Minas Gerais, the firm has grown to about 450 employees. Its reputation for excellent engineering and fabrication work, plus a strong presence in the Brazilian market provided a potent alliance with ESCO’s metallurgical expertise, value-added product line, and global reach.

Vale is ESCO Soldering’s largest customer. ESCO Soldering fabricates and rebuilds mining buckets, dozers, truck bodies and truck beds for Vale using advanced wear steels. It custom fabricates process equipment for the mines and provides the full range of ESCO® wear parts and solutions – mining lips, tooth systems, cutting edges and wear protection.

“We work in partnership with Vale,” explained Romeu Scarioli, Jr., president of ESCO Soldering. “We meet every week at each of Vale’s mines and other operations to listen to their needs and to offer solutions. Our engineers are constantly proposing better products and methods to improve performance and reduce Vale’s cost of operation. When problems occur, our first priority is to fix the problem and worry about who is responsible later. We are committed to their success.”

The Best Supplier awards from Vale are validation for the hard work and commitment that the entire ESCO Soldering team has shown toward this major customer for many years. Jose Wilson Batista, in his 18th year with ESCO Soldering, was singled-out by President Romeu Scarioli for the excellent job he has done coordinating the work for Vale, including engineering, fabrication, and on-time delivery. About 30 percent of ESCO Soldering’s service to Vale is provided through long term contracts; the rest is negotiated as needs arise at Vale’s 20 mines, port facilities, pelletizing plants and other industrial operations throughout Brazil.

“These awards from our largest customer make it feel that all the hard work and challenges have been worth it,” concluded Romeu. ESCO Soldering is committed to improving its service and product quality in order to stay at the top of Vale’s list as a high-performing supplier. ★
Copper Mines are High on ESCO’s Hammerless Whisler Plus™ Adapters & SV2® Tooth System
Copper mining is very big business in the United States and around the world. Chile, Peru and the US – the world’s top three copper-producing countries – together produced over eight million metric tons of copper last year to feed global demand for this key metal. Copper is essential for construction, electronics, transportation equipment, industrial machinery and other applications.
Before the current slowdown, nearly 1.2 million metric tons of copper were produced annually in the US, worth over $8 billion. More than 90 percent of that domestic copper production came from mines in the states of Arizona, Utah, New Mexico and Nevada. From Freeport McMoRan’s giant Morenci Mine in eastern Arizona to the huge Kennecott Bingham Canyon Mine (owned by Rio Tinto) in Utah, there are dozens of large open pit mining operations throughout the copper-rich American Southwest.

ESCO® mining wear parts have long been favored by the copper mining industry for their durability, reliability and outstanding performance. ESCO buckets, lip systems, tooth systems, wear shrouds, dozer blades, ripper shanks and other products are used at a majority of the mines in the Southwest, as are our crusher wear parts and special wear steel liners for buckets, truck beds, chutes, etc. ESCO SUPPLY and our independent dealer network have had great success penetrating the copper mining market.

Two new ESCO products have earned special kudos from copper mines throughout the American Southwest and South America. As word has spread about the benefits of the Whisler Plus adapter system and the SV2 mining tooth system, mines have been converting shovels to these systems in large numbers.

Tough SV2 mining teeth are secured with a hammerless, pry-out locking pin. Lower in profile than previous systems, the teeth penetrate very well and last longer. Designed for optimum performance, there is less throwaway metal left when the time comes to replace worn teeth.

In side-by-side trials in typical digging conditions at one prominent Arizona mine, SV2 teeth are typically lasting seven days compared to 4-5 days for the competition. Furthermore, the SV2 teeth are extremely easy to remove and replace. The mine proudly claims that three men were able to change out all nine teeth in just 12 minutes – a record.

**Whisler Plus System: A Safety “Godsend” with Tremendous Wear Life**

The Whisler Plus adapter system eliminates the need to use a large sledge hammer to lock the adapter to the lip with c-clamps and wedges. Instead, the new hammerless system is designed with a Torque Wedge™ spool that drops into place and a threaded Torque Wedge pin that is secured with a 7/8 inch hex bit. Conveniently accessed from the top side of the lip, this system is quick and easy to install and remove, and the screw-on Torque Wedge locking system generates no ‘fly metal’ which can pose hazards.

In view of the improved safety, a senior shovel supervisor at a major copper mine said, “This hammerless system is a godsend. The safety aspect was the biggest selling point of the Whisler Plus system, but then we began to see how long the adapters lasted – and how the system protects the lip. One set of [Whisler Plus] adapters lasted over two years on a P&H 2800 shovel and we never lost one. What amazed me was when we finally took the adapters off, we didn’t have to do any repairs on the lip!”

ESCO alloys and an ingenious new design are credited for the extended wear and nearly non-existent breakage. Forward and rear bosses, plus the Torque Wedge locking system,
hold the adapter securely in place with very little side-to-side movement – a common cause of bucket lip wear. The extra-long wear life of the Whisler Plus system itself, coupled with the great protection it provides to the underlying lip is raising eyebrows throughout the copper mining industry.

“We redesigned the adapter portion to be about 50 percent stronger and made the locking device hammerless without adding any weight,” said ESCO senior design engineer Terry Briscoe. “Now you can wear the top and bottom legs very thin and the adapter still functions. The mines aren’t experiencing adapter parts going through the crushers due to premature leg failures. Using the Torque Wedge locking system they can now install and remove the adapter with an air impact wrench instead of a sledge hammer. It has been a great success.”

“I know the guys in the field are really happy with the [SV2] teeth and [Whisler Plus] adapters,” said a buyer for another prominent copper mine in the Southwest. “We have the numbers to show that it is cost effective to go with these products. And there is much less wear on the lip. ESCO’s always been good to work with and open to our suggestions. We have no complaints.”

While every mine is different and each will experience unique results from ESCO wear parts, the evidence is mounting that Whisler Plus adapters and the SV2 mining tooth system are truly outstanding products in terms of safety, wear life and productivity. One mine reported loading 23 million tons on one set of Whisler Plus adapters on their P&H 4100 shovel. The mine is getting up to 50 tooth changeouts per Whisler Plus adapter compared to just 10 to 15 tooth changes on c-clamp and wedge type adapters.

John Dillon, ESCO’s vice president for Engineering & Technical Services has gone so far as to call Whisler Plus the “poster boy for economic value”. It is allowing mines in the Southwest to significantly drive down their cost per ton of production.

Copper mining has entered a period of slowing demand, rising inventories and reduced prices for the end product. Copper topped $4 a pound last June but by February 2009 had dropped to under $1.50 per pound. In this challenging market, utilizing value-added products that deliver the lowest total cost of ownership is essential.

“**The safety aspect was the biggest selling point of the Whisler Plus system, but then we began to see how long the adapters lasted.**”

Senior shovel supervisor of a major copper mine

Dan Tulloch and Dow Waite of ESCOSUPPLY Phoenix pose with an ESCO® Whisler Plus® lip.
“Time to Sell” was the theme of the 52nd annual Dealer Executive Policy Meeting. This year’s meeting between dealer principals and ESCO’s management team was held on January 15th in the ballroom of the Manchester Grand Hyatt Hotel in San Diego, California. The breakfast meeting was held in conjunction with the annual AED convention.

ESCO’s Grant Kleckner welcomed the dealer representatives and recognized the Top Dealers in sales for 2008. Key dealer anniversaries were announced, including R.C. Moffatt Supply Ltd. which celebrated its 50th year as an ESCO dealer in 2008. Grant also recognized the members of the ESCO Dealer Council and thanked them for their work to optimize communication between the manufacturer and the North American network of dealers that serve end users of ESCO® products.

Mark Mallory updated the dealers on a host of new products, including the EverSharp™ cast lip system, Whisler Plus™ adapter system, ProFill™ dragline buckets, and Posilok® Plus mining tooth system. Doug Pierce reported on the safety and productivity benefits of the new Ultralok® construction tooth system. Pat Fonner provided a summary and overview of ESCO Engineered Products, emphasizing economic value and the sales opportunities that our dealers have despite the challenging market conditions.

Attendance at the meeting as well as AED in general was down due to cost containment measures at many dealerships. Construction dealers voiced concern about the nationwide downturn in construction, and most mining dealers said they were starting to feel the effects.

“The two most compelling topics discussed were when will the economy turn around and how much of the economic stimulus money will be spent on infrastructure?” Grant Kleckner noted.

Cormier Wins Leake Award

Grant had the pleasure of announcing that Willie Cormier, owner of LSW Wear Parts Ltd., had been chosen this year’s winner of the Gerry Leake Award. The award is bestowed annually on an individual in ESCO’s dealer network who shows exceptional enthusiasm and success in promoting ESCO products, and Willie was an excellent choice.

Willie began as a welder with ESCO’s dealer serving the Canadian Maritime Provinces. He rose to branch manager then district manager for the company. When the dealership became available, Willie and his wife Linda mortgaged their future to buy the business, renaming it LSW Wear Parts, Ltd.

Through hard work and good customer service, the small business grew. LSW was awarded the ESCO® construction products line in 1995 and added ESCO crushing wear parts in 2004. Now, with new offices in New Brunswick and Nova Scotia, they are consistently among ESCO’s top performing dealers.

“Since the early 1980s, I recognized the respect that customers had for the quality of ESCO products as well as the sincerity and integrity of ESCO people. I knew then that I wanted to be a part of that,” Willie recalled.

“This is the type of story that we don’t grow tired of hearing,” Grant said. “It is a story of family commitment, hope, and good old fashioned hard work. Willie is most deserving of this award.” ★
### Years of Service

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<th>Years</th>
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<tr>
<td>50</td>
<td>R.C. Moffatt Supply, Ltd.</td>
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<td>Kimball Equipment Co.</td>
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<td>Allied Machinery</td>
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<td>Cotterino Supply &amp; Equipment</td>
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<td>METRAC, Inc.</td>
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<td>Diesel Machinery</td>
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<td>LSW Wear Parts, Ltd.</td>
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### Top North American Dealers in 2008

- Bucyrus Field Services, Inc.
- Carriere Industrial Supply Limited
- Construction Machinery Industrial, LLC.
- Cutting Edge Supply Co.
- Equipment Sales & Service Ltd.
- GW Van Keppel Co.
- Interstate Equipment Co.
- Langer Equipment
- Linder Industrial Machinery Co.
- Logan Corporation
- LSW Wear Parts Ltd.
- Modern Machinery Co. Inc.
- Norx Inc.
- Roland Machinery Co.
- Rudd Equipment Co.
- Sawtooth Supply Co.
- SMS Equipment Inc.
- Strong Co Inc.
- Tractor & Equipment Co. (Al)
- Trans Equipment & Supply Co.
ESCO Turbine Technologies (TT) makes high specification components for turbine engines used in both aerospace and industrial gas turbine applications. Like their counterparts on the ESCO Engineered Products side of the business, the Turbine Technologies team has devoted a great deal of time and energy on process control, optimizing customer service and providing the utmost in economic value from the parts it manufactures.

When an order comes in, a thorough contract review is undertaken by the engineering, product quality and manufacturing teams. Key characteristics of the project are identified and internal methods sheets are generated. Work instructions are written to control each step in the process and assure consistency in manufacturing.

For example, specific temperature ranges for pre-heating are set and optimum pouring temperatures are determined to assure defect-free metallurgy. Non-destructive testing is scheduled at multiple stages to catch and correct flaws early.

“There are times when we go through a customer’s blueprint and we might see where tolerances might be adjusted slightly – with their approval – for better manufacturability without compromising the integrity or quality of the part,” noted John Bulson, coordinator of Quality Systems, QVS, and Export Compliance for TT Syracuse. “Process control is key. The customer benefits when we have the processes in place to produce their parts efficiently, consistently, and with little or no rework or scrap.”

Quality-Value-Speed (QVS) training over the last few years has reaped benefits in terms of reduced cycle times and less rework. When controls are in place and problems are detected and fixed early in the process, parts move more quickly through the plants, there is less work-in-process, and scrap rates plummet.

Using Training Within Industry (TWI) techniques, ESCO Turbine Technologies has minimized the variability that can occur between operators and shifts. They have identified and implemented best practices in each operation. “We’re much more consistent than we were six or seven years ago,” John noted. “The improvement has required training, commitment and a cultural shift on the part of our manufacturing people. We’ve also made technological improvements, like CMMs and robotic mold dipping, which have contributed to greater consistency.”

ESCO’s no-nonsense commitment to consistent quality, value and speed is setting Turbine Technologies apart from the competition. Currently, TT is working hard to provide all customers with 100 percent on-time delivery and zero defects – a lofty goal, but one that it is achieving for a number of key customers. ★
Mike Bouwens
45 • ESCO Portland

Mike is an x-ray technician in Lower Finishing. He was born in Bukittinggi, Indonesia and began his ESCO career at Plant 3 in Pour and Shakeout. He has also worked in Pattern Storage. Mike has three children and 11 grandchildren and enjoys bowling in his leisure time.

Leroy Pagaduan
45 • ESCO Portland

Leroy was born in Hawaii and attended Kaibua High School. Before ESCO, he worked at a service station. Leroy initially worked for ESCO Hawaii as a mechanic’s helper and has also held jobs as a stand grinder and welder in Portland. Today, he works in Upper Finishing. Leroy and his wife Nancy live in Aloha. They have two children and four grandchildren.

Glen Scott
45 • ESCO Port Coquitlam

Glen is the site manager at ESCO Port Coquitlam. He was born in Carnduff, Saskatchewan and graduated from North Surrey High. Glen’s first job at ESCO was as a molder’s helper, and he has held numerous other positions. Glen appreciates “the fact that anyone, regardless of education or background can have a very successful career at ESCO.” He lives in Port Coquitlam with his wife, Doreen. They have two children and six grandchildren. Glen enjoys fishing, camping and being a grandfather.

Judy Charbonneau
40 • ESCO Portland

Judy was born in Sayre, Oklahoma and graduated from Beaverton High School. She worked at an insurance company and a log scaling bureau before joining ESCO as a traffic clerk. Today, Judy is an International Logistics coordinator. Judy’s brother-in-law, Gary, also works at ESCO in the Lab. She has made many ESCO friends over the years. Judy and her husband Don live in Milwaukee, OR. They have three children and one grandson with one granddaughter on the way. Judy enjoys golfing and wine tasting.

Marcellous Fambrough
40 • ESCO Portland

Marcellous “Bo” Fambrough was born in Watkinsville, GA and graduated from Aconee High School. He started at ESCO as a flogger and has also worked as a floor grinder. Today, Bo works in Welding. His favorite things about working at ESCO are the people. Bo lives in NE Portland with his wife Linda. They have five children and seven grandchildren. Outside of work, Bo enjoys watching sports.

Gene Hofhine
40 • ESCO Portland

Gene was born and raised on a farm in Pocatello, ID. He attended American Falls High School and served in the US Air Force in the Strategic Air Command before joining ESCO in April of 1969. While at ESCO, Gene has worked as a grinder, sandblaster and burner. In his free time Gene enjoys camping, specifically at Tumalo State Park and Hells Canyon. Gene and his wife, Carol, live in Portland, OR. They have three daughters and two grandchildren.

Clifford Mattson
40 • ESCO Port Coquitlam

Clifford was born in New Westminster, B.C. He worked in construction before joining ESCO Port Coquitlam. He has been a forklift operator, grinder and pourer and today works as a Molding team leader. Both Clifford’s brother Ray and son Cliff Mattson, Jr. work at ESCO. Clifford and his wife, Anne, live in Aldergrove, B.C. They have four children and eight grandchildren. In his leisure time, Clifford enjoys gardening and camping.

Johnnie Whitehorn
40 • ESCO Portland

Johnnie was born in Tennessee and attended trade school before joining ESCO as a fitter. He has worked as a welder and crane operator and today is a lab technician at ESCO Portland. Johnnie and his wife live in North Portland and they have four children and five grandchildren. In his leisure time, Johnnie enjoys fishing.

Eric Stuckless
40 • ESCO Port Hope

Eric was born in Bishop’s Falls, Newfoundland. He graduated from high school in Stephenville and worked at General Wire and Cable before joining ESCO as a bucket finisher. Eric has worked as an assembly welder, field tech representative, fabrication supervisor, and today works in Maintenance. Eric lives in Port Hope with his wife Diane. They have four children and two grandchildren. In his free time, Eric enjoys hunting, fishing, golf and woodworking.

Don Ward
40 • ESCO Port Hope

Don was born in Cobourg, Ontario. He worked at a leather tannery before joining ESCO as a press operator trainee. He has also held positions in Grindering and Heat Treating and today works in Shipping. Don lives in Cobourg and enjoys watching the Belleville Bulls play hockey. He has four children, eight grandchildren and two great-grandchildren.

Peter Adams
35 • ESCO Portland

Pete was born in Portland, OR and graduated from Madison High School. He received a psychology degree from Portland State University and worked as a restaurant and retail merchandise manager before joining ESCO. Pete’s first job at ESCO was in Inside Sales and today he is senior district manager for National Accounts. Pete and his wife Marilyn live in Portland. They have three children and five grandchildren. He enjoys boating, motorcycle touring, snow skiing and cooking in his free time.

Al Azar
35 • ESCO Portland

Al was born in Syria and received an engineering degree from West Virginia University. He joined ESCO as an engineer and has also worked as a fit control supervisor. Today, Al is the manager of Office Services. Both of Al’s children received ESCO scholarships and worked at ESCO as interns. Al and his wife Nada live in southeast Portland. In his leisure time, he enjoys reading and gardening.
Roy was born in Newton County and graduated from Beulah Hubbard High School. He worked for an electric motor company before joining ESCO as a repair welder. Roy has also worked as a crane operator and today works in the Refractory Department. He lives in Little Rock, MS with his wife Judy.

William was born in Ponty Pool, Ontario and worked at Davidson Rubber Company before joining ESCO. He started his career as a grinder and has also worked as a welder. Today, William is an arc furnace/AOD operator. William lives in Peterborough with his wife Sandy. They have two children and one grandchild.

Donna was born in Lyons, NY and graduated from Cazanovia High School. Her first job at ESCO was in Shelling and she has also worked in the Wax Room, Production Control and Customer Service. Today, Donna is an engineering technician. She has two children and in her free time enjoys golfing, working around the house and spending time with her children.

David was born in Oneida, NY and served in the US Army before joining ESCO Syracuse. David has worked in Maintenance, Finishing and as a group leader. When asked what he liked best about his job, David replied, “The great people that I work with.” His best friend Wanda Tedford and cousin Mary Beth Weismore also work at ESCO. David has four children and three grandchildren. He enjoys playing cards, fishing, motorcycle riding and spending time with his grandchildren.

Jerry was born in Spokane, WA. He graduated from Lake Oswego High School and attended Oregon State, Portland State and ITT Technical Institute. Jerry started at ESCO in Maintenance as a summer intern. He became a full-time employee and has worked in jobs from pouring to electrical maintenance. Presently, Jerry is the plant engineering manager, and he enjoys the change, challenge and variability of his position. In his free time, Jerry enjoys woodworking, remodeling and restoring antique trucks. Jerry and wife Karen live in Gresham, OR. They have five sons.

Gary is a senior financial analyst in Portland. He was born in Medford, OR and graduated from George Fox University (BS) and Portland State University (MBA). Gary began as an intern, winning an ESCO scholarship, and has worked in a variety of financial-related positions ever since. Gary’s son, Caleb, worked as an ESCO intern in 2008. Gary and his wife Marie live in Vancouver, WA and they have two children. In his free time, Gary enjoys volunteering and spending time with his family.

Gary was born in Bucyrus, OH and graduated from Buckeye Central High School. His first job at ESCO was in Painting, and he has held numerous other jobs throughout his career. Today, Keith is a team leader in Light Construction and Commodity. His son, Kyle, also works at ESCO in Heat Treat. Keith and his wife Pam, live in Chatfield Township and they have two children and four grandchildren. Outside of ESCO, Keith volunteers with the local fire department and enjoys dining out.

Kevin is a sandblaster at ESCO Syracuse. He was born in Syracuse, NY and attended Fayetteville-Manlius High School. Robert’s first job at ESCO was in the Casting Department, and he has also worked in Patch and Wrap, Injection and Molding/Pouring. Randy lives in Cazenovia and has two children and two grandchildren. In his free time, he enjoys bowling and working in the yard.

Don is a team leader in Portland. He was born in Gary, IN and graduated from Franklin High School. Before joining ESCO, he worked at Fred Meyer. Throughout his career, Don has also worked as a ladleman and a refractory person. Don appreciates the great people he works with. Don and his wife Tonya live in Vancouver, WA. They have four children and eight grandchildren. Outside of work, Don enjoys traveling, outdoor activities and spending time with his family.

Gary was born in Bucyrus, OH and graduated with an education degree from Ohio State University. He was a teacher before joining ESCO. Gary has worked as a punch operator, shear operator, customer service representative, bid manager, and today is a buyer at ESCO Bucyrus. Gary’s brother, Bob, also works at ESCO. Gary lives in Bucyrus with his wife, Teresa. They have two children. Outside of work, Gary volunteers at his church and enjoys visiting family and friends and attending flea markets.
Gary is a master mechanic at ESCO Newton. He graduated from Decatur High School and attended East Central Community College before starting at ESCO in Maintenance. Gary’s brother, Rickey also works at ESCO in Optimization. Gary lives in Decatur with his wife Gloria. They have two children.

Rickey was born in Union, MS. He graduated from Decatur High School and attended East Central Community College. Rickey’s first job at ESCO was as a flogger, and he has also worked in Maintenance. Today, he is a product performance analyst. Rickey’s brother Gary also works at ESCO. Rickey lives in Little Rock, MS with his wife Dianne. They have one child and one grandchild. Rickey enjoys spending time with his family, grilling on the weekends, riding his tractor and watching NASCAR.

William works at ESCO Newton as a third shift finishing team leader. He was born in Decatur, MS and graduated from Decatur High School. William began his career at ESCO as a flogger and has also worked as a bucket builder and inspector. William’s wife Hazel, also works at ESCO in the Core Department. They live in Decatur and have four children and five grandchildren. Outside of work, William loves spending time with his family - especially his grandchildren.

Dean was born in Port Hope, Ontario. He graduated from Port Hope High School and received a degree from Durham College. Before ESCO, Dean worked on a farm and at Davidson Rubber Company. Dean began as a grinder and has worked in other departments, including Painting, Flogging, Shakeout and Heat Treat. Today, Dean is a millwright. Dean lives in Hope township and in his free time enjoys spending time with his horses and farming.

Wayne was born in Richmond, NY and graduated from Canastota High School. He worked in landscaping before joining ESCO as a shell puller. He has also worked as a sandblaster and waterblaster and today is a vacuum caster. Wayne enjoys “the people and learning new things.” Wayne and his wife Kelly live in Clockville, NY. They have three children and one grandchild. In his leisure time, Wayne enjoys fishing, hunting, lawn work and barbequing.

Dan is a senior district manager, based in Lexington, KY. He was born in Portsmouth, VA, served in the US Air Force, and held numerous other jobs before joining ESCO Danville in Inside Sales. Dan truly appreciates the professionalism and work ethic of his coworkers and is very thankful for the years he has spent working at ESCO. Dan and his wife Kay live in Lawrenceburg and they have five children. Dan enjoys working on the farm and playing “crazy grandpa” with his seven grandkids.

Don is an Electronics technician at ESCO Newton. He was born in Atmore, AL and graduated from East Central Community College. He served in the US Marine Corps before joining ESCO as a flogger. Don has held many jobs throughout his ESCO career, including bench grinder, arc air operator, Hyster driver, pours and bucket builder. Don lives in Stratton, MS with his wife Pam. They have two children and two grandchildren. Outside of work, Don enjoys being a grandfather, father and husband.

John was born in Richland, WA. He received his BS and MS degrees from The University of California – Berkeley. John began as a welding metallurgist and has worked as a supervisor of physical metallurgy and chief metallurgist. Today, John is the vice president of Engineering and Technical Services. John’s daughter, Anna Thames, also works at ESCO. John and his wife, Jacqulie live in Beaverton. They have two children and one grandchild on the way. In his free time, John enjoys skiing, bicycling, cooking and reading.

Mark was born in Bucyrus, OH and graduated from Marion Technical College before joining ESCO. Mark began as a punch press operator and has also worked as a Customer Service manager, Marketing manager and Shipping manager. Today, he works in Customer Service. Mark’s brother-in-law, Bill Kirgis, also works at ESCO. Mark lives in rural Bucyrus with his wife, Patti. They have three children and four grandchildren. Outside of work, Mark enjoys improving his 141 year-old farm and volunteering.

Craig was born in Wabash, IN, graduated from Wabash High and received his undergraduate and graduate degrees from Indiana University. Before ESCO, Craig served in the US Army and also worked as a production manager at GBCO Diagnostics. Craig’s first job with ESCO was in Danville as an inventory control supervisor. Today, Craig is a manufacturing process leader. He and his wife Jane live in Oregon City. Outside of work, Craig enjoys antique auto work, travel, photography and reading.

Fred was born in Oneida, NY and graduated from Chittenango High School. He started as a finisher at ESCO Syracuse and has worked in several other areas of the plant throughout his career. Today, Fred works in Visual Salvage in the Large Vane line. Fred and his wife, Laura live in Chittenango and they have four children. When not working, Fred enjoys staying home, relaxing and having free time.
Richard Butler
25 • ESCO Bucyrus

Rich was born in Lewis County, KY and graduated from Bucyrus Senior High School. He was a sheet metal worker for a Komatsu dresser before joining ESCO Bucyrus. Rich has worked as a straighten press operator, maintenance worker, and today works in Heat Treat. He likes “the steady work”. Rich’s nephew, Fienmon, also works at ESCO. Rich lives in Bucyrus and has three children and three grandchildren. When not working, he enjoys camping and having a good time.

Gulliver Chapman
25 • ESCO Bucyrus

Gulliver was born in Newton, MS. He graduated from Manual High School in Denver, CO and worked for American Express in Denver, before joining ESCO Newton as a flogger. He has also worked as a shot blast operator and a truck driver - today Gulliver is an order clerk. He and his wife Verneria live in Newton and have three children and three grandchildren. Gulliver enjoys reading and traveling in his free time.

Robert Cox
25 • ESCO Bucyrus

Bob was born in Charleston, WV and graduated from Bucyrus High School. He received a degree in Business Management from Marion Technical College. Bob’s first job at ESCO was in the Heat Treat Department, and he has held numerous jobs, including Manufacturing supervisor, Quality manager and Shipping manager. Today, Bob is a Procurement specialist. He and his wife Verneria live in Newton and have three children and three grandchildren. Gulliver enjoys reading and traveling in his free time.

Ray Gray
25 • ESCO Newton

Ray was born in Newton, MS and graduated from Lake Attendance Center. He served in the Army and Air National Guard before joining ESCO as a flogger. Today, Ray is a Warehouse clerk. When asked about his job at ESCO, Ray replied, “it has allowed me to make a decent quality of life for my family.” Ray and his wife Nickie live in Lake, MS. They have three children and two grandchildren. In his free time, Ray enjoys riding horses and spending quality time with his wife and family.

Raimo Majuri
25 • ESCO Port Coquitlam

Raimo was born in Sudbury, Ontario and graduated from Sheridan Technical School. He received a degree from B.C. Institute of Technology and worked in industrial sales before joining ESCO. Raimo started as a district manager and today is a manager of Crushing Products. He and his wife Elin live in Coquitlam and they have two children. In his leisure time, Raimo enjoys exercising, playing hockey and golfing.

Francis Rancier
25 • ESCO Syracuse

Fran is Manufacturing manager for the Cut, Clean and Grind Department in Syracuse. He was born in Syracuse and graduated from Canastota High School. Fran worked for Oneida Heater before joining ESCO as a sandblaster. Fran has also worked as a caustic operator and his favorite thing is that “There are new challenges every day.” Fran’s wife Robin, works in the Wax department. They live in Canastota and have one child. In his leisure time, Fran likes fishing and hunting.
Philippe Kaskarian 20 • ESCO EP Belgium

Philippe is Sales manager for the Balkan, African, Middle East region, based in Belgium. He was born in Oullins, France and received degrees from INSA Lyon and EDHEC Lille. Philippe began his career at ESCO as a Quality engineer and has held numerous other positions based out of Portland, France and Belgium. Philippe and his wife Corinne live in Valenciennes, France. They have two children. Outside of work, Philippe enjoys a variety of outdoor activities, including jogging and hiking.

Donald Woodward 25 • ESCO Syracuse

Donald “Woody” was born in Syracuse, NY. He graduated from Chittenango High School and worked in a restaurant before joining ESCO. Donald’s first job at ESCO was in Finishing/Die Grinding and he has also worked in Production Control and as floor leader in Finishing. Today, Donald is a metallographer. He and his wife Patricia live in Chittenango and they have a son, Brandon. Outside of work, Donald enjoys camping, bowling and golfing with his father and son.

Steve McCall 20 • ESCO Portland

Steve was born in Portland, OR and graduated from Grant High School. He received a Bachelor’s degree from Portland State University and an MBA from Willamette University. Before joining ESCO, Steve worked as a land use planner. Steve has held numerous jobs throughout his ESCO career, and today he is a business planning manager. Steve and his wife Melissa live in Lake Oswego, and they have four children. When not working, Steve enjoys traveling, reading and home improvement projects.

Richard Gross 20 • ESCO EP Belgium

Frank is an Inside Sales administrator in Moenchengladbach, Germany. He was born in Korschenbroich and graduated from the Gymnasium Rheindahlen. Before joining ESCO, Frank worked for Mercedes Benz and Deutsche Fibrit. Frank enjoys “the good teamwork and selling first class products together with a top and highly motivated sales team.” Frank and his wife Susanne live in Moenchengladbach and in his free time he enjoys reading, going to the cinema and cheering on his favorite soccer team.

Marvin Paulson 20 • ESCO Portland

Marvin is a mechanic at Portland Plant 3. Before joining ESCO, he was a heavy equipment operator, a line cook, as well as a mechanic at a truck shop. At ESCO, Marvin has also worked in Upper Finishing as a fitter and grinder. His favorite thing about his job is the problem solving. Marvin lives in St. Johns and has one child. In his free time, he enjoys riding his ATV, traveling, gardening fishing, camping and elk hunting.

Charles Phillips 20 • ESCO Syracuse

Charles was born in Penn Yan, NY and graduated from Chittenango High School. He served in the US Army before joining ESCO as a sandblaster. Today, Charles works as a chopsaw operator at ESCO Syracuse. His mother, Mary Phillips is an ESCO retiree. Charles lives in Chittenango and he has two children. Outside of work, Charles enjoys watching NFL football and NASCAR, auto racing and playing video games.

John Raggers 20 • ESCO Port Hope

John was born in Cobourg, Ontario and received a degree in mechanical engineering from Ryerson and Durham College. He was employed as a process engineer at Unilever before joining ESCO. John has worked as a product administrator and a district manager and today is a sales and marketing manager for Industrial Products. John enjoys the “great people, great company and variety”. He lives in Cobourg with his wife Jennifer. John enjoys golfing, cottaging, curling and walking his two dogs.
The six ESCO members of the Solution Motorcycle Club and two of their friends were honored recently with the 2008 ESCO Volunteer of the Year Award. Director Hank Swigert presented the award to club members at a dinner on February 3rd. The eight honored employees include Jim Friese, Jay Graham, Pat Knight, Rick Munson, Robert Pugh, Tony Sadelmyer, Rick Shaffer and Bryce Timmen – all of whom work at ESCO’s plants in Portland, Oregon.

The Solution Motorcycle Club has about 45 members including the six ESCOites. Nearly all of the club members ride big, brawny Harley Davidson bikes. The members are all recovered alcoholics and/or drug abusers. Established about 15 years ago, the club is an offshoot of Alcoholics Anonymous and Narcotics Anonymous. It is centered on a 12-step recovery program to stay sober and drug free while helping others to do the same.

The EDGE met with welders Rick Shaffer and Jay Graham (pictured above) to learn more about the program. They explained that the Solution Motorcycle Club was formed about 15 years ago as an auxiliary activity of Alcoholics Anonymous. Membership in the club is limited to about 45
members, and it is challenging for newcomers to qualify for admission into the elite club. Club members include men from all walks of life—school board members, company managers, manufacturing workers.

“We’re sort of like a fraternity,” Jay explained. “Someone interested in joining the club has to prospect for a year. Then he needs to get 100 percent of the vote of the members to be accepted.” As members they can wear the Solution Motorcycle Club patch and participate in all club activities.

The club members, who identify themselves as “patch holders”, meet twice monthly. Their prime mission is to reach out to substance abusers and to encourage them to get clean and lead better lives. Club members ride as a group to jails, prisons, halfway houses, and youth correctional institutions where they urge abusers to do the right thing, hang-out with the right people, and say no to drugs. The powerful bikes and the camaraderie of the club members are powerful magnets to the inmates. In some cases, even the guards sit-in and benefit from the club’s message.

“We’re well-received when we visit the jails and other institutions,” said Rick. “The guys there admire our motorcycles and ask a lot of questions. When we hold the meetings, everybody shares their experiences. Our message is that everybody has the ability to resist drugs and alcohol if they take it one day at a time and follow the 12 steps. There is hope for a brighter future.”

The club’s visits always have a positive effect, and the riders are eagerly welcomed back. “Our reputation precedes us,” Jay added. The club’s outreach has helped many hundreds of individuals.

When not reaching out to abusers in institutions, the Solution Motorcycle Club finds time for social events and other good deeds. They get together for camp-outs and holiday gatherings. They distribute blankets to the homeless and teddy bears to needy children. Every activity is an opportunity to reinforce the positive message, build self esteem, and help members avoid slipping back into destructive behavior.

Reflecting on his journey to sobriety, Jay said he needed two meetings a day at first to resist the urge. That eventually became three meetings a week. “It’s very tough to kick an addiction. I’ve been clean and sober and ‘off paper’ [no police contact] for five years now. I’ve got balance in my life.”

Good jobs at ESCO plus membership in the club have helped all six ESCO members lead productive lives. By taking the message of hope and self-discipline to substance abusers in various institutions, the ESCOites are giving others strength, encouragement and a path to a positive future. Congratulations to these ESCOites for their voluntary work to help others and build a better world. ★
IN AN UPCOMING ISSUE – Mining coal in Europe with giant wheel bucket excavators. © Photo courtesy of RWE.