Globalization
ESCO MISSION
To be the premier provider of highly engineered, technically rich metal components and solutions 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

ESCO Corporation, founded in 1913 in Portland, Oregon, USA, is a global group of companies that manufactures engineered metal parts 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.

FROM THE EDITOR

THE WORLD IS GETTING SMALLER

When I was just 17, a buddy and I rode a Greek freighter across the Pacific Ocean from Portland, Oregon to a small port in Japan. After we said our good-byes to the ship’s crew, we put out our thumbs, the driver of a truck carrying sacks of rice pulled over, and we began a hitchhiking journey that would eventually take us clear around the world. We traveled through 40 countries during that wonderful year in the mid-1960s—receiving rides, meals and lodging from countless kind strangers of every nationality.

The world was far “bigger” in those days. Electronic technology as we know it was in its infancy. There were no cell phones, personal computers or satellite-aided international communications then. No e-mail or Internet cafés. My only contact with home was via handwritten letters that often took weeks to make it around the globe. (How my parents must have worried during the long spells without news of their son!)

The world was culturally far more diverse then, too. Countries like Malaysia, Nepal and Afghanistan were truly unique in food, dress, architecture and custom. The streets of Hong Kong, Kuala Lumpur and Kathmandu were rich with exotic smells, sounds and sights. English was spoken by very few natives; we struggled to communicate with pantomime and hand signals. Most shops were family-owned and goods were locally produced. Meals cost just pennies. McDonalds, Coca Cola, Sony, Toyota, and Nestlé had only just begun to penetrate markets in South Asia and the Middle East. Water buffaloes, donkeys, horses and camels were still widely used for transportation. In much of Europe, bicycles were still more numerous than cars.

How much the world has changed in 42 years! The economic gap that existed then between the USA and most other countries has all but disappeared. Today, Osaka, Singapore and Dublin (to name a few) are every bit as developed and sophisticated as Chicago or Seattle—maybe more so. We have also become more culturally homogenized around the world. People dress more alike, eat more alike, and are influenced by many of the same books and films. The media and Internet bring us much the same news—instantly. Whereas most folks were more focused on their own village or region in 1965, today our horizons have broadened greatly. Issues like terrorism, global warming, AIDS and the Iraq war are in nearly everyone’s consciousness. We’re much more of a global community than ever before in history.
ESCO’s global business has evolved greatly over the years, as well. Foreign markets were more protected 40 years ago. To sell ESCO® products in France or Brazil, for example, our company needed to set-up subsidiaries and/or licensees in those countries to gain access to their markets. At one point, ESCO had over a dozen licensees around the world (steel foundries licensed to make our products), plus a number of foreign subsidiaries and sales offices.

As trade and investment barriers have fallen worldwide, however, ESCO has changed its approach to overseas markets. Over the last 15 years, the company has acquired or built its own manufacturing plants in England, Slovakia, Mexico and—most recently—China. According to CEO Steve Pratt, ESCO will continue to invest in markets outside of the US because that is where the greatest growth is taking place. (See interview on page 16-17.) Brazil, Russia, India, China, and the continent of Africa are of particular interest to ESCO because of double-digit economic growth, tremendous natural resource development, or both.

In this issue we take a look at ESCO’s growing global footprint, and we profile a very successful international customer, Barrick, the world’s largest gold mining company. We also introduce ESCO’s newest steel foundry in Xuzhou, China—beginning to play an important role in meeting rising global demand for ESCO products.

* * *

That round-the-world trek while I was just a teenager in the mid-1960s enriched me. The good, generous, interesting people I meet in every country along the way gave me an appreciation for different customs, cultures and religions. Similarly, the ESCO “family” has been enriched and strengthened by its increasingly international makeup. Though still an America-based corporation, ESCO is made up of Canadians, Belgians, Britons, Mexicans, Chinese and many more nationalities. On a personal level, these multinational friendships have been tremendously rewarding. And on a corporate level, the global blood in ESCO’s veins makes for a very strong, multifaceted and savvy team that should reach great heights around the world in the years ahead.

— John Howard, editor
GRAND OPENING of ESCO Xuzhou
December 1, 2006 dawned crisp and clear. The brilliant blue sky was a dazzling backdrop for the Grand Opening Ceremony at ESCO Xuzhou. Over one hundred uniformed employees hustled around the state-of-the-art manufacturing facility in preparation for the numerous dignitaries that would soon arrive. People exuded confidence. The plant sits on a good piece of land with good Feng Shui. A beautiful Yinshan (Silver Hill) is at its back as for support, just as the local government stands behind ESCO; a moving water channel in the front represents the flow between business partners.
Over twenty dignitaries attended the ceremony including:

- **Mr. Liu Zhongda**: The Vice Party Secretary of Xuzhou City
- **Ms. Zhu Meihua**: The Vice Mayor of Xuzhou City
- **Mr. Zhou Baocun**: The Party Secretary of Tongshan County
- **Mr. Yang Hongqi**: Honorary Chairman of China Construction Machinery Association
- **Mr. Gao Zhijun**: President of Taiyuan Heavy Machinery Group
- **Mr. Pat Fonner**: Vice President of ESCO Corporation
- **Mr. Mark Mallory**: General Manager of Asia/Pacific sales and Global Construction Products

More than fifty domestic and overseas guests representing the commercial community of vendors, contractors, customers and media came to the event. Also in attendance were over one hundred locally hired professional, responsible, ESCO employees committed to supporting the Xuzhou foundry operations and delivering excellent products and services.

"Speed is one aspect of China’s economic growth that has captured the whole world’s attention."

– Pat Fonner, VP Engineered Products

Rousing band music, cannons shooting confetti, ceremonial ribbon cutting, and the glass light ball all combined to create a festive atmosphere. All who gathered spoke of the inevitable prosperity of the ESCO Xuzhou operation. Employees celebrated with a feast the night prior to the ceremony, and honored guests were treated to a banquet of local specialties at the ceremony’s close.

Following are some excerpts from the Grand Opening Ceremony speeches:

President of Taiyuan Heavy Machinery Group Co., Mr. Gao Zhi Jun:

Since 1998, ESCO Corporation has had a joint venture, SCW with Taiyuan Heavy Machinery. Sales income has grown exponentially and the net profit increased every year. This is the result of faithful, win-win cooperation, working together and mutual support. It is a wonderful example of international cooperation and alliance. I can say in all sincerity that the ESCO Corporation is a reliable multinational company. ESCO is not only the most faithful friend to Taiyuan Heavy, but also the most devoted friend to the people of Xuzhou.

Honorary Chairman of China Construction Machinery Association, Mr. Yang Hongqi:

The United States ESCO is a multinational large corporation, and a leader within the global casting and wear parts industry. The company owns advanced technology, performs world-class enterprise control, serves customers worldwide and invests in its facilities. We call this a “Four Components Enterprise” and especially welcome this kind of enterprise to come to China and invest in the Construction Machinery Industry. China’s construction machinery industry is rapid developing. Its total production amount is 3rd place worldwide, after the United States and Japan. China’s wheel loader production quantity is more than 50% of the world total, and we produce more than 20% of the world’s hydraulic excavators. These statistics show that ESCO (Xuzhou) Wearparts Co. has a very good development environment and favorable market conditions for selling their excellent products.
Xuzhou – phonetically pronounced “shoe joe” – is located between Beijing and Shanghai in the northwest of China’s eastern Jiangsu province and has a population of approx. 1.5 million. The city is a major transport center, and China’s two most important rail routes meet at Xuzhou – the Beijing-Shanghai and the Lianyungang-Ürümqi lines. The city also has a major airport.

The ESCO Xuzhou facility is located in Tongshan County, which is under administration of Xuzhou city and Tongshan Industrial Zone is located 15 km south of Xuzhou City center.

The total area of Tongshan County is 1900 square kilometers, with a population of 1.2 million. Tongshan County governs 20 subordinate towns as well as a provincial level economic development zone. As a prosperous county with economic influence in China, Tongshan ranks the "Annual Top-100 Counties in China".

Xuzhou’s economic significance can be found in mineral excavation and processing, as well as in the manufacture of construction machinery, textile production and engineering. There are several iron and coal mines nearby, and the city has a small integrated steel complex. Xuzhou has reliable, installed power generation capacity, ideal for manufacturing operations. Research and training also play an important role in Xuzhou’s development, and the city is a key educational center and home to the China University of Mining and Technology.

Two-thousand years ago, Xiang Yu crowned himself king of the Western Chu kingdom and made Xuzhou his capital, making it an important archaeological region. Traces of the Qin and Han dynasties are found throughout the area – most famously the terracotta warriors and horses of the Western Han Dynasty (unearthed in 1984), a jade suit sewn with silver thread, and the ruins of an underground city. Xuzhou was known as Dongshan from 1912 to 1945.

Other tourist attractions include Yunlong Mountain, several museums, Yunlong Lake, the tombs of the Han Dynasty in Dongshan Mountain, and the Quanshan Mountain Forest Nature Reserve. International visitors can enjoy many local dishes. Donpo pork and “What Soup” (a spicy soup) are two regional specialties.

Vice President ESCO Engineered Products, Pat Fonner:

2007 is an exciting year for ESCO Corporation. Nine decades ago, ESCO’s founder, Mr. Swigert, built the company’s first foundry in Portland, Oregon, United States in 1913. The Grand Opening of ESCO Xuzhou unveils the company’s most modern foundry to date. ESCO is committed to being the customers’ choice for quality, value and speed. Speed is one aspect of China’s economic growth that has captured the whole world’s attention. A focus on speed to market is reflected in the establishment of the ESCO Xuzhou foundry. Since our team started the construction in February 2006, the foundation has been set, ground has been leveled, the steel structure has been erected, the roof is on, the walls are up, equipment is installed, and only ten months later, we are sitting in the plant holding this special event. Our contracted vendors, SIP, BYG, Fujian General Contractor, BlueScope, ABB, BOC, LOI, Webb, Jier, China Petroleum, Xian Chengda, and many others put forth great effort in building this beautiful facility. Most importantly, the Tongshan Economic Development Zone commission, along with Tongshan County and Xuzhou City bureaus, provided the support and coordination that allowed us to set up the operation with admirable speed. We sincerely thank you all.
Designing a foundry from the ground up is a daunting and fun challenge. Years of experience with facilities around the world helped Jerry Gillis tackle the project with gusto and confidence. The Xuzhou plant design draws on the successes ESCO has had using techniques of manufacturing flow and pull. The facility set-up minimizes wasted motion and the design incorporates lean manufacturing principles for maximum efficiency.

The actual foundry process is the same in China as that used at ESCO facilities worldwide. Because ESCO produces premium, non-commodity products it is essential that processes in China meet rigorous standards. The plant is furnished with equipment from around the world to ensure that the highly engineered, technically rich products customers expect from ESCO are indeed what they get, regardless of manufacturing site.

ESCO Xuzhou's 100,000 square foot steel casting foundry is built around one 5-ton electric arc furnace and matched AOD unit, with a no-bake sand system for molding. At full production levels the plant will employ approximately 200-250 people. The foundry produces ground engaging wear parts in a focus weight range of 10 to 75 kilograms (20-150 lbs). ESCO Xuzhou estimates production will reach a capacity of 30 tons per day within two years, or 500,000 pieces of GET tooth or similar high-value castings. The plant is designed to be easily expandable to 50 tons per day with the addition of capital equipment. It will make construction, mining and dredging teeth and adapters.

“While there will be a constant ongoing presence of Americans and ESCO employees of other nationalities at Xuzhou, the philosophy has been to localize management,” claims Mark Mallory, General Manager of Asia/Pacific Sales and Global Construction Products. “We stay in very close ongoing contact with our overseas operations, but there will not be any permanently stationed Americans there. Many employees are very heavily involved in the facility start-up, sharing their knowledge and expertise. It takes a tremendous team effort to launch a new plant and we have employees from virtually every discipline participating in the effort. There are plant engineers, design engineers, tooling engineers, manufacturing experts, metallurgists, finance experts, lawyers, salespeople, marketers – you name it, they all have a role to play in the outcome.”

ESCO Xuzhou complies with all local environmental and labor regulations. Quality, safety and environmental consciousness are equal to that of all existing ESCO facilities, and warranties for product made in Xuzhou are identical with those of any ESCO manufacturing site.

The world-class ESCO Xuzhou manufacturing facility provides a local base for supplying the burgeoning China construction and mining markets. ESCO intends to supply ground engaging tools (GET) appropriate for the Chinese market to global brand name and China domestic original equipment manufacturers (OEMs) and end users. Initially, some of the product produced in Xuzhou will be exported to customers in North America, Europe and other key geographies.

In addition to the foundry operation, ESCO plans to open ten wholly-owned Chinese retail stores. These dealerships, called ESCOSUPPLY, are already operational in Chengdu and Guangzhou, with more stores opening in China as production is increased. ESCO also maintains an Asian sales office in Singapore.

ESCO’s global expansion strategy involves manufacturing around the world. “We want to be close to our customers,” explains Pat Fonner, Vice President of ESCO Engineered Products. “Numerous construction machinery companies operate neighboring manufacturing facilities in Xuzhou. It is our intention to significantly grow our sales and market share in China and to do that, we need to have local manufacturing capability on the ground in the market.”

“The Xuzhou foundry project started for me in 2004, challenging creativity, cultural, and all others skills as well. Now as the project nears completion and the young foundry learns to stand on its own, I am rewarded with an abundance of close friendships and a deep sense of pride in what we have accomplished.”

–Jerry Gillis
Engineered Products Plant Engineering
(Designer of ESCO Xuzhou foundry)
Retail Operations Unified Under the Name: ESCOSUPPLY™

In February, a reorganization was announced in which the customer-facing retail stores of our former High Desert Supply and Heflin Steel Divisions will now be identified as ESCOSUPPLY. The stores will give mining and construction customers easy access to the full range of ESCO® and Bucyrus Blades™ wear parts and services, plus other products unique to each market.

“We wanted a more integrated and unified approach to our retail business, and an important part of that is branding,” explained Jon Owens, general manager of ESCO’s Mining Division. Jon announced the creation of ESCOSUPPLY in January at the recent ESCO Dealer Executive Policy Meeting in Las Vegas.

The ESCOSUPPLY brand has now been applied to the former HDS stores in Reno and Elko, Nevada; Billings, Montana; and Bismarck, North Dakota.

In addition, the recently announced joint venture of ESCO Corporation and Equipment Sales and Service (1968) Ltd., in Fort McMurray, Alberta, will be identified as ESCOSUPPLY Ltd. (This new store, focused on sales and service to customers the important Alberta oil sands mining district, will be featured in detail in your next EDGE Magazine.)

“Each ESCOSUPPLY store is tailored to the local customer,” explained Tim Elbel, general sales manager for mining. “Anchored by the ESCO product line, the stores are stocked to suit the needs of the local customer base, offering the convenience of a one-stop shop.”

ESCOSUPPLY Goes Global

In addition to the eight stores in North America, the ESCOSUPPLY brand name is also being used in China. Retail stores in Chengdu and Guangzhou have been opened to sell and service ESCO wear parts in the booming Chinese market.

“The ESCOSUPPLY retail store concept is something we plan to carry out globally,” said Mark Mallory, general manager of ESCO’s Construction Division and Asia-Pacific Sales. “We’ve opened the two stores in China and more are contemplated.”

ESCOSUPPLY
Parts - Service - Solutions

High Desert Supply
Heflin Steel
For the first 30 years of ESCO's existence, the company was largely a regional supplier to the logging, construction and pulp & paper industries of the Pacific Northwest. Founded in Portland, Oregon in 1913, the company didn't seriously penetrate markets in Canada and the eastern USA until the 1940s when dealerships were appointed in West Virginia and North Carolina. When ESCO opened a plant in 1947 in Danville, Illinois to finish, fabricate and distribute products, the company was positioned to become a major wear parts and bucket supplier to the surface coal and iron mining industries of the Great Lakes, Midwest and Appalachia.

**Foreign Licensee Network**

Virtually all of ESCO's business was confined to North America until 1948 when a license agreement was signed with Hadfields of Leeds, England to produce a limited number of ESCO® buckets and parts for the English coal industry. A second steel foundry, Bradford Kendall Ltd. of Australia, was licensed in 1954 to make and sell ESCO products Down Under. FAEF of Feurs, France was licensed in 1958, followed by Elecmetal in Chile in 1960, Standard Brass in South Africa in 1962 and Mitsubishi Steel Manufacturing in Japan in 1964. A division called ESCO International was created to cultivate business overseas, supplied mostly by parts made to ESCO specifications by the network of licensed foundries. Foreign licensees would later be added in Brazil, Spain, Mexico, China and Turkey.

**ESCO Invests Outside the USA**

ESCO built its first foundry outside the US in 1958 in Port Coquitlam, BC, Canada. A second Canadian plant was opened in Port Hope, Ontario, in 1963. It wasn't until 1997 that ESCO opened its first wholly-owned foundry on European soil in the village of Guisborough, North Yorkshire, England. The following year, in 1998, ESCO and TZ formed a joint venture in Taiyuan, China called Shanxi Changfeng Wearparts, Ltd. (SCW). In less than 10 years, SCW has developed into a top-notch manufacturer of crushing and earthmoving wearparts for both export and the booming Chinese domestic market.

ESCO purchased Gray-Syracuse of Chittenango, New York in 1987, and bought Concorde Castings of Eastlake, Ohio the following year. These manufacturers of high specification investment castings for jet engines and industrial gas turbines formed the foundation of ESCO Turbine Technologies (TT). Like ESCO Engineered Products, this business unit also grew beyond its traditional North American base. In 2000, ESCO Turbine Technologies purchased Fonderie Formétal SA of Herstal, Belgium and its subsidiary AR of the Slovak Republic. These additions gave ESCO Turbine Technologies greater capacity, versatility and access to the European aerospace and industrial turbine markets.

In August 2000, ESCO Turbine Technologies broke ground on an additional facility in Guaymas, Mexico. This “greenfield” plant began making locomotive turbocharger blades and aircraft damper seals, and today pours and finishes a wide variety of investment castings, specializing in equiax aircraft turbine blades. The Mexican plant and AR in Slovakia allow Turbine Technologies to offer customers competitive pricing on select castings.

ESCO acquired Bucyrus Blades, Inc. in 1989. The specialty manufacturer of blades for snow plows and earthmoving equipment had plants in Ohio and Manitoba, plus a facility in Atlacomulco, Mexico, about 70 miles northwest of Mexico City. The ESCO Atlacomulco plant represents the company’s second facility in the Mexican market and a low cost source for select cutting edge products.

**ESCO Builds in Xuzhou, China**

The current world boom in mining and construction, driven in part by the economic emergence of China and India, has translated into very strong worldwide demand for ESCO® products. Customer demand for crusher wear parts, dragline and excavator buckets, and ESCO’s industry-leading tooth systems reached unprecedented levels in 2004 through 2006, which put tremendous pressure on our foundries to keep abreast of orders. Even investments in new technologies and the great gains in production efficiency that resulted from a corporate-wide commitment to lean manufacturing and continual improvement could not erase the backlog. More manufacturing capacity was needed. After considering a number of locations, ESCO elected to build in Xuzhou, China, located about midway between Beijing and Shanghai. Xuzhou is a manufacturing hub for the Chinese construction industry where a number of equipment manufacturers (OEMs) have plants. It was a logical choice—close to our present and future Chinese customers, and at the same time close to modern port facilities to facilitate exports. Read about the grand opening of ESCO Xuzhou on pages 4-6.

Since its first forays beyond North America following World War II, ESCO has steadily increased its business presence overseas. Through license agreements with select foundries, strategic acquisitions of non-American firms, joint ventures, and greenfield construction of wholly-owned manufacturing plants in key foreign markets, ESCO’s footprint outside
America’s borders has grown considerably. Some of this growth has been in search of low cost sourcing, but much of it has been motivated by the desire and necessity to be close to our customers. As mining and construction have boomed overseas, ESCO has taken steps to locate manufacturing plants in key regions and make our products readily available to customers throughout the world.

What follows is a brief description of each of ESCO’s operations and licensees. On pages 14-15 is a world map identifying each of these locations. Feel free to remove this map spread from the magazine and keep it as a reference.

**ESCO Engineered Products**

**ESCO Guisborough**  
**Guisborough, England**  
ESCO established the Guisborough (pronounced giz-burra) plant in 1997. Today, the plant employs about 85 individuals. The foundry is focused on the production of construction-size teeth and adapters. In addition to ESCO® Super V® teeth, the plant produces Bucyrus Blades™, MaxDRP™ and Cat® teeth and adapters, as well as some dredge parts. The finished and painted castings are shipped from Guisborough to over 20 locations worldwide, including ESCO's distribution centers in Belgium and Mississippi. Paul Bird is operations manager.

**ESCO Xuzhou**  
**Xuzhou, China**  
ESCO Xuzhou is the first wholly owned foundry in Asia. Located in the northern Jiangsu province, Xuzhou is halfway between Beijing and Shanghai. The plant opened in December, 2006 making low alloy earthmoving and dredge parts up to 150 lbs. Current employment is about 120 and Percy Chang is the Manager of China Operations.

**SCW (Joint Venture)**  
**Taiyuan, China**  
Shanxi Changfeng Wearparts Co. Ltd. (SCW) is a cooperative joint venture of ESCO Corporation of the USA and Taiyuan Heavy Machinery Group (TZ) of China. The joint venture was created in July, 1998. The ISO 9001-certified foundry pours castings for crushing, earthmoving, recycling and dredging. Some of SCW’s output is consumed in the domestic Chinese market, and about 70 percent is exported as a vital contribution to ESCO’s global supply chain. Wei Yu is general manager of SCW.

**ESCO Port Coquitlam**  
**Port Coquitlam, British Columbia, Canada**  
ESCO’s first steel foundry outside the United States was opened in this small city near Vancouver, BC in 1958. Today, the plant is focused on the production of manganese alloy parts—crushing wear parts, scrap recycling wearparts, railroad frogs, etc. Current employment is 195. Glen Scott is site manager.

**ESCO Port Hope**  
**Port Hope, Ontario, Canada**  
First opened as a fabrication plant and distribution center in 1963, Port Hope added foundry capability in 1977. The plant makes wear parts for construction, mining and recycling: structural sockets for stadiums and suspension bridges; and parts for locomotive engines. Current employment is about 200 and Brad Wannamaker is plant manager.

**ESCO Portland (Main Plant & Corporate Headquarters)**  
**Portland, Oregon**  
ESCO’s original foundry, started in 1913, today produces low- to medium-volume non-stock parts, some as heavy as 100,000 lbs. Using green sand, no-bake and vacuum molding processes, the plant makes ESCO® products for mining, construction, forestry, dredging, conveying and mineral processing. Current employment is around 350 and Paul Pope is site manager.

**ESCO Portland (Plant 3)**  
**Portland, Oregon**  
Plant 3, a shellcast foundry, was added in 1952. The plant specializes in high-volume, low alloy and stainless stock parts up to 50 lbs. Its output is mostly construction-size tooth systems, dredge points, forestry fittings and conveying products. Employment stands at 160. Aaron Koehler is site manager.

**ESCO Edmonton**  
**Edmonton, Alberta, Canada**  
ESCO manufactures highly wear-resistant overlay products in this facility for use in oil sands mining and coal processing plants. Twenty employees work at the Edmonton plant and Donavon Glober is production manager.

**ESCO Nisku**  
**Nisku, Alberta, Canada**  
This facility (formerly Quality Steel Foundries, Ltd. - QSF) was acquired by ESCO in 2005. Located near Edmonton, ESCO Nisku now focuses on the manufacture of ESCO and OEM mining wearparts. Principal customers are firms mining the oil sands in northern Alberta. Current employment is about 70. Randy Green is site manager.

**ESCO Saskatoon**  
**Saskatoon, Saskatchewan, Canada**  
This plant, also a former QSF facility, was acquired by ESCO in 2005. The operation makes custom castings for ESCO’s Industrial Products Division. Current employment is about 50 and Sean Wilson is the plant manager.

**ESCO Bucyrus**  
**Bucyrus, Ohio**  
ESCO purchased Bucyrus Blades, Inc. in 1989. This facility is the corporate headquarters of Bucyrus Blades and a manufacturing plant for Bucyrus Blades™ cutting edges for construction, mining and snow removal. Approximately 215 work at this site. Randy Bourquein is plant manager.
ESCO Belgium (ESCO European Headquarters)
Frameries, Belgium

ESCO located a casting finishing operation on the Frameries site beginning in 1972. In 1997, ESCO established its European Headquarters and Distribution Center in Frameries. Today, EP Europe employs 60 persons with sales offices in Frameries, Belgium, Monchengladbach, Germany and Paris, France and a Representative Office in St. Petersburg, Russia. EP Europe is responsible for Sales/Marketing/Distribution for Europe, Africa, Middle East and The Commonwealth of Independent States (including Russia). Jeff Kershaw is Managing Director.

ESCO Atlacomulco
Atlacomulco, Mexico

Approximately 35 employees work at this plant, located northwest of Mexico City. Bucyrus Blades™ construction, mining and curved grader blades are manufactured in this plant. Alberto Mendoza is general manager.

ESCO Steinbach
Steinbach, Manitoba, Canada

Approximate 50 employees manufacture curved Bucyrus Blades™ grader blades at this Canadian plant. Bruce Orbanski is site manager.

ESCO West Jordan
West Jordan, Utah

Bucyrus Blades™ construction and mining blades are manufactured at this Utah plant. Approximately 60 employees work here under site manager Clint Rhea.

ESCO Phoenix
Phoenix, Arizona

This facility is a steel service center and heavy fabrication shop, specializing in high alloy wear plate. About 45 employees work here. Dean Heaney is site manager.

ESCO Covington
Covington, Kentucky

Opened in 1990, ESCO Covington is a fabrication and assembly facility for excavator buckets, thumbs and mechanized forest products. John Thomas is site manager. Employment is currently about 85.

ESCO Newton
Newton, Mississippi

This “green field” manufacturing plant was built in 1971. Today, this key facility is where most ESCO® mining wear parts are cast and finished. Newton also serves as a distribution center for much of North America. Current employment is about 360. Andy Rowzee is site manager.

ESCO Turbine Technologies

ESCO Turbine Technologies - Syracuse
Syracuse, New York

The largest of ESCO’s investment foundries, TT Syracuse makes small and medium sized aircraft engine structural parts, and various cast components for industrial gas turbine applications. Current employment is about 385. Joe Weber was recently named president of TT-Syracuse.

ESCO Turbine Technologies - Cleveland
Cleveland, Ohio

This investment foundry specializes in making equiax and single crystal castings for turbine engines, as well as equiax and directionally solidified castings for industrial gas turbine applications. TT Cleveland currently employs about 285. Brian Hoover is president.

Steel Treaters
Oriskany, New York

This facility specializes in the vacuum heat treating of metal parts for the aerospace and industrial gas turbine industries. Employment stands at 30 and Carl Bratt is the site manager.

ESCO Turbine Technologies - Tempe
Tempe, Arizona

This facility specializes in stem drilling, creep feed grinding and precision machining of industrial gas turbine blades. The current number of employees is 14. Bruce Schreiner is site manager.

ESCO Turbine Technologies - Belgium
Herstal, Belgium

This foundry (formerly Fonderie Formetal) specializes in making investment castings for aerospace and industrial gas turbines. Current employment is about 200. Paul Verhaegen is managing director.

ESCO Turbine Technologies - Mexico
Guaymas, Mexico

This modern plant, built in 2000, makes small turbocharger blades, damper seals and blades for aero turbine engines. Ramses Valdez is plant manager and employment is about 130.

AR
Považská Bystrica, Slovakia

This subsidiary of ESCO Turbine Technologies - Belgium pours and finishes small investment castings for aerospace and other applications. Employment is now about 125. Juraj Almasi is the general manager.
Today, there are four highly-capable foundries licensed to manufacture and sell ESCO® products in specific markets outside the United States. Strategically located in Asia, Africa, Australia and South America, these licensees play an important role in satisfying worldwide customer demand for ESCO products.

Compania Electro Metalugica, S.A. (Elecmetal) has its head office and manufacturing plant in Santiago, Chile. Elecmetal became an ESCO licensee in October, 1959. The firm makes mining and construction ground engaging tools, shovel dipper parts, and both jaw and cone crusher wear parts. Most of these ESCO products are used by Chile’s vigorous mining industry. BHP, Codelco, Phelps Dodge, Barrick, Newmont and other global mining companies are very active in Chile, plus a number of locally owned mining concerns. OEM Komatsu also buys ESCO ground engaging parts from Elecmetal.

Bradken Mining is headquartered in Newcastle, New South Wales, Australia. The firm became a licensee in October, 1954, and for over half a century it has manufactured ESCO earthmoving products for the robust Australian mining and heavy construction industries.

Virtually all of the large international mining firms (BHP, Rio Tinto, Barrick, AngloGold, Newmont, Xstrata, etc.) have operations in Australia, and—thanks in no small measure to Bradken—ESCO has earned a large share of the mining wear parts market Down Under. In addition, ESCO ground engaging tools are sold by Bradken to construction contractors throughout the country.

Mitsubishi Steel Manufacturing Co., Ltd. (MSM) is a subsidiary of Mitsubishi Corporation, one of the largest companies in the world. Headquartered in Tokyo, MSM became an ESCO licensee in June, 1964.

At its plants in Hirota and Utsunomiya, MSM manufactures ESCO mining and construction ground engaging tools. These are sold to a large number of Japanese original equipment manufacturers (OEMs) including Hitachi, Komatsu, Shin Caterpillar Mitsubishi, Kobelco, Sumitomo, Takeuchi, Kato and Kubota. Many of these machines are exported and some remain in the Japanese domestic market. In addition, the ESCO products made by MSM are sold to quarries, contractors and machine rental companies throughout Japan.

Scaw Metals has its headquarters and manufacturing plant in Johannesburg, South Africa. It became an ESCO licensee in July, 1962. Scaw makes mining and construction ground engaging tools which are sold to the South African plants of OEMs Komatsu, Terex and Liebherr. In addition, the ESCO mining products it makes are sold to the mining operations of Rio Tinto, BHP, Kumba Resources and others actively mining in the region. Construction-size teeth and adapters are sold through dealers to the country’s quarries and construction contractors.
ESCO Global Locations

- SCW (EP joint venture)
- Mitsubishi Steel (EP licensee)
- ESCO Xuzhou (EP)
- SCAW Metals (EP licensee)
- Bradken Mining (EP licensee)

ESCO Sales Offices

- Mönchengladbach (Germany), Paris (France), Shanghai (China), Singapore, Lima (Peru)
Steve Pratt joined ESCO in 1972 after earning a degree in mechanical engineering from the University of Washington and an MBA from the Wharton School of Finance & Commerce at the University of Pennsylvania. Within ESCO he held a number of positions including manager of ESCO’s Newton, Mississippi plant; vice president of Manufacturing; president of the Products Group; executive vice president; chief operating officer; president and chief executive officer. In 2003, he became chairman of the board of directors.

Steve met with EDGE editor John Howard in January to discuss ESCO’s increasingly global business, the theme of this issue.

Over the last 15 years or so, a large proportion of ESCO’s investment has been outside of the United States particularly in Europe, Mexico, China and Canada. Do you foresee this trend continuing?

Yes, we will continue to invest offshore and become even more of a truly global company. Roughly 25 percent of our revenue now comes from outside North America, and I expect that figure to grow. Markets are expanding in Asia, Latin America and Africa, and we plan to be there, participating in that growth.

I want to emphasize, though, that we’ve done a lot of investing within North America during that same time period, as well. We bought Heflin Steel and Pacal Blades and now Quality Steel, and we upgraded and expanded our capacity at all of our foundries, and dramatically so at Newton.

If ESCO had focused solely on North American markets and not invested overseas, how would we be different today? Could we have become as large, capable and profitable?

We would be a lot smaller, obviously. The thing about globalization is that so many of our biggest customers are operating globally now. The big mining companies like Rio Tinto, BHP, Phelps-Dodge, Barrick and the big aerospace firms of GE, Pratt-Whitney, Rolls Royce and Snecma they’re all global companies. If we are not prepared to provide service to them throughout the world, then our competitors will be, and we’ll stagnate or worse yet, grow smaller.

Demand for our engineered products has been exceptionally strong for the last three or four years. Could we have satisfied our mining and construction customers around the world without the manufacturing capacity that Guisborough (England) and SCW (China) have provided?

Actually, our earthmoving business really started to take off in the fall of 2003. Without the Guisborough plant and SCW, coupled with the expanded capacity of our North American plants, we certainly couldn’t have kept up with demand. Our recent acquisition of Quality Steel in Canada and the new plant in Xuzhou, China give us additional capacity to satisfy our customers.

Our licensees also have helped meet the increased demand, especially MSM in Japan and Bradken in Australia. In our industry none of our competitors comes even close to having the global footprint that ESCO does to serve customers in the Northern and Southern Hemispheres.

ESCO’s Turbine Technologies Group acquired Fonderie Formetal (Belgium) and AR (Slovakia) in 2000. How did this affect ESCO’s position as supplier to the global aerospace and industrial gas turbine industries?

First of all, Formetal was supplying castings to the independent providers of maintenance, repair and overhaul (MRO) services for utilities and merchant power producers. That was our entree into the MRO sector of the industrial gas turbine market. We found that to be a very attractive niche market for us, and eventually several of our other Turbine Technologies foundries began making MRO parts. Formetal also brought us important relationships with OEMs in the European aerospace market.
Tell us about the decision to build the new foundry in Xuzhou, China. Why there? Were other countries considered?

Again, the important thing is for us to be close to the customer. There is an incredible amount of infrastructure being developed to support the growth of the middle class in China, and we need to be present. The specific choice of Xuzhou was because of the availability of electric power, raw materials including scrap, proximity to transportation, and some incentives from the local government. Xuzhou has a cluster of machine manufacturing companies, so it is a good location for our plant.

Doing business on five continents has lots of challenges—languages, time zones, currencies, customs and regulations, etc. What do you feel is the biggest challenge to being successful as a global company?

The biggest challenge is getting all your employees aligned. It is the people that make it happen, and it is crucial to get everyone on the same page regarding the vision, mission, strategies and objectives. As they say, we need to think globally but perform locally.

In another article in this issue we focus on patents and ESCO’s long tradition of developing value-added proprietary products to solve problems for our customers, particularly in earthmoving, crushing and dredging. Do you feel that the business model of being a leader in product development has been important to ESCO’s success?

Very much so, but it isn’t just product development, it is also our metallurgy and technology development. During ESCO’s first 30 years or so the company focused on developing metallurgical expertise. Then shortly after World War II we began to develop unique products like a two-part tooth system and other impact- and wear-resistant parts for earthmoving. We chose not to make commodity products. We got our feet on the ground with the end user to come up with solutions to his problems. That’s really the ESCO story being a leader in developing technically-rich products, alloys and technologies to solve customer problems is the heart of what ESCO is.

ESCO acquired three high-tech companies to form our Integrated Manufacturing Group (IM). After about five years of building that business, we sold IM in part, to redirect the capital to ESCO’s core Engineered Products and Turbine Technologies businesses. Was the ownership of IM a “good chapter” in ESCO’s history, would you say?

It was a good chapter. We learned a lot from an industry that is very competitive, fast-moving and cyclical. We learned about managing cash flow and the value of diversifying our product mix. We learned about managing and measuring quality and the importance of flexibility and speed. ESCO Integrated Manufacturing was a successful business despite very challenging times in the high-tech industry.

“...and we sold our Engineered Metals business to Samuel, Son and Company of Mississauga, Ontario. ESCO Engineered Metals (formerly the Steel Distribution Division and before that the Industrial Service Center Division) had been an integral part of ESCO for over 70 years. Was it difficult to sell off this business and part ways with so many good people?

Yes and no. It was difficult because it had been a part of ESCO for so long and there were a lot of people with 25 or 30 years who thought they were going to be with ESCO until they retired. On the other hand, I’m comfortable with the decision from both a business and people viewpoint. We didn’t feel that we were going to grow the steel distribution business. It is a industry that is consolidating. We felt the employees would be better off with a company that focuses on metals distribution and that would want to grow the business.

In an interview in 2003, you envisioned that ESCO would become even more global, with a larger presence in Asia and Europe a vision that has certainly come true. Do you foresee ESCO continuing to grow globally in the years ahead?

When I joined the company in 1972, our domestic economy was nearing the end of a long period of growth that extended back to World War II. Through the 1950s and 60s there was a tremendous amount of infrastructure being built: highways, dams, the power grid. ESCO grew organically during that long period of demand, and most of our business was right here in North America. Now what we’re seeing is a more mature economy in North America and the great demand for infrastructure is happening in China. They’re building dams, highways, airports, hospitals and housing at a magnitude that is hard to envision. The population in the USA was, what, about 100 million during our post-war boom China has a population of about 1.4 billion, and coming right behind them is India. The raw materials needed for the development of China, India and other emerging countries is coming largely from Africa, South America, Russia and Australia. So that’s why ESCO needs to have a presence in those markets. If we’re going to thrive, there is no question we will have to continue to grow globally.
BARRICK — A GLOBAL LEADER IN GOLD

by John Howard
Barrick is a leading international gold mining company with a portfolio of 27 operating mines and an unrivalled pipeline of exploration and development projects. The company produced 8.64 million ounces of gold in 2006, and its net income was a record $1.51 billion. It has reserves in excess of 123 million ounces – the largest in the industry – and has an active exploration program around the world.
The company was founded in Toronto, Canada in 1983. In 1994, Barrick first expanded beyond its North American base when it acquired Lac Minerals, Ltd., a company with mining interests in Chile and Argentina. Over the last 20 years, the firm acquired or merged with mining companies with operations in Australia, Peru, Tanzania and other countries. It acquired Pangea Goldfields in 2000, Homestake Mining Company in 2001, and Placer Dome Inc. in 2006. Barrick also formed strategic partnerships in Russia and Central Asia.

Through a strategy of acquisitions, mergers, exploration and district development in some of the world's most highly prospective gold belts, Barrick now holds the position of the world's largest gold mining company. Its flagship Goldstrike property (open pit and underground mines) located northwest of Elko, Nevada, is the company's largest producer, contributing about two million ounces of gold annually.

ESCO's® mining and crushing wear parts are used at Goldstrike and many of Barrick's other open-pit mining operations around the world.

To find and develop a profitable mine is very challenging and expensive, requiring technical expertise, patience, and a lot of capital. The permitting process, infrastructure development, and environmental safeguards are increasingly demanding. Only the largest, most capable companies can afford to mine gold on a global scale.

“Barrick has grown dramatically, effectively doubling in size with the Placer Dome acquisition in 2006,” said Dave Young, Vice President Supply Chain Management. “There has been a trend toward consolidation in our industry but, for us, it's not about being the biggest. Barrick's vision is to be the world's best gold mining company.”

To that end, Barrick goes to great lengths to operate efficiently, adopt best practices, and operate safely and responsibly in every country where it has mining operations.

Supplier Advisory Council

In terms of supply chain management, Barrick has set a goal to become the most preferred customer in the mining industry. In September 2004, Dave Young invited 16 select vendors, including ESCO, to participate in a Supplier Advisory Council (SAC). Meeting twice a year, the group's mandate is to share information and best practices to address common business issues for the benefit of all participants.

“It is an excellent way to communicate with our suppliers, learn from each other and find ways to improve,” said Dave. “It’s mutually beneficial for Barrick and for suppliers who participate.

ESCO's Tim Elbel, general sales manager for mining for the Americas, is a member of the advisory council, and Dave has complimented Tim's participation. “We were looking for people who not only are knowledgeable, but who communicate well. Tim has shared some valuable information about ESCO's successes in lean manufacturing, metrics, safety and other programs. He has helped us improve the supply chain—and I'd like to think ESCO has benefited from ideas coming from us and the other Council members.”

Tim agrees that all members of Barrick's supplier advisory council have benefited. “Barrick is a world class organization, and being on their advisory council has been a tremendous learning experience. They've looked at our business and have shown great interest in our experience with Oracle and lean manufacturing. And we've learned some ways in which we can be an even better supplier of mining wear parts and capital products to their mining operations around the world.”
Las Vegas, Nevada was the location of the 2007 ESCO Dealer Executive Policy Meeting, held on January 15. This 50th annual meeting between the management team of ESCO Engineered Products and representatives from ESCO’s North American dealer network was held just prior to the annual Associated Equipment Distributors’ convention.

Grant Kleckner, general sales manager - North America, welcomed the dealers to the breakfast meeting and introduced the 20 top dealers in sales of ESCO® products for 2006. Pat Fonner, vice president of ESCO Engineered Products, presented an update on ESCO’s mining, construction and affiliated businesses. Jon Owens, ESCO’s general manager for North & South American Sales & Global Mining Products, introduced and described the new ESCOSUPPLY™ retail store concept to the dealers.

After the ESCO Dealer Council was recognized, the Gerry Leake Award for promotion of ESCO products was presented by Grant Kleckner to Willie DeLoach of Logan Corporation.

“Willie’s been with Logan Corporation for 21 years,” said Grant. “Prior to that he used ESCO products when he worked for Arch Coal in Alabama. Willie’s current position with Logan is ground engaging tool product manager where he’s helped lead Logan to five record sales years in a row. He is an outspoken supporter of ESCO products and a very deserving recipient of the Gerry Leake Award.”

Dealer service award plaques were presented by Pat Fonner to a dozen dealerships, including a 55-year award to Bill Gex of Anderson Equipment Company of Buffalo, New York, one of ESCO’s oldest dealerships.

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Pat Fonner presents a 55-year service award plaque to Bill Gex of Anderson Equipment Company, one of ESCO’s longest running dealerships.

Frank Chulick, of Stewart-Amos Equipment Company, receives a 25-year service award plaque from Pat Fonner.
Problem-solving, innovation and customer service are the legs that ESCO stands on, and unique products are what set ESCO apart from its competitors. As early as the 1930s, ESCO (then called Electric Steel Foundry) opted for a business strategy of serving customers largely with high-performing proprietary products rather than the “me too” commodity offerings of a jobbing foundry.

When ESCO engineers invent a unique product with market potential, the company may seek to protect the design from being copied by competitors by applying for a patent from the United States Patent and Trademark Office (USPTO). Steve Schad, ESCO’s patent counsel, meets with the engineers and business managers to work-up a detailed description of the design and function of the new product. The paperwork, usually 10 to 30 pages in length, is mailed in to USPTO, along with an application fee of $1,000.

“It usually takes about nine months before we hear back from the patent office,” said Steve, “and they almost always reject some of our claims.” Then, through a process of negotiation, clarification and rewriting, it may take another several months before the patent is issued. Once granted, a U.S. patent protects the holder for up to 20 years from the original application date, provided the holder pays periodic maintenance fees to keep the patent in effect. To maintain a U.S. patent for the full term will cost over $12,000 in government fees alone, plus legal and administrative costs. In some cases, ESCO will elect to abandon a patent rather than continue paying the fees.

Many ESCO® products are used globally, of course. To protect its proprietary products against being copied outside the United States, ESCO customarily makes application under the Patent Cooperation Treaty (PCT) office at the same time it applies to the USPTO. Most foreign governments have joined the PCT. ESCO will apply for a similar patent in each country where it wants protection. As patent application procedures and fees vary greatly from country to country, it is challenging—but important—for a global company like ESCO to protect its product designs around the world. Records show that ESCO’s first patent was granted in 1916. Since then, ESCO engineers have been awarded nearly 300 U.S. patents—with additional applications pending. Some of the patents were for major breakthrough products, like the Kwik-Lok® wear runner (1988) and the Super V® excavator tooth system (1995). A number were for more subtle design variations, like the shape of a locking pin or a link of dragline bucket chain.

As part of their employment contract with ESCO, engineers are required to assign patent rights to the company—a common practice in industry. The engineers’ names are immortalized, however, on the patent documentation as the primary or secondary “inventors”. ESCO gives a token silver dollar, a framed copy of the patent certificate, and its sincere appreciation to each engineer whose work receives a U.S. patent. Ceremonies are held periodically where the certificates and silver dollars are presented to our engineers by top management.

Some ESCO engineers have been unusually prolific in the number of patentable designs they have authored. Just this quarter, Terry Briscoe earned the distinction of being the engineer with the most patents to his credit—26—surpassing the late Les Ehmann, who had 24 patents related to ESCO. (See opposite article on Terry Briscoe.) Other engineers who distinguished themselves with over a dozen patented inventions include Fred Hahn (22), Larren Jones (18), Paul Larsen (17), Lew Youni (13) and Bob Emrich (13). Some ESCO patents have as many as five inventors’ names on them.

“Patents are one of the essential contributors to our success,” noted Fritz Goeth, Engineering Process leader. “We specifically hire creative people with great problem-solving skills, then give them the time, support and tools to develop the best products in our industry. Our customers recognize the value of ESCO’s products and favor us with their business. It takes a lot of effort to be a product innovator, but it is well worth it. Being the best in the business is fun.”

The value to ESCO of a continuing pipeline of unique, patentable products is enormous, and the company owes a debt of gratitude to the engineers whose ideas have built this company’s reputation as the industry’s leading innovator and problem-solver. ★
Veteran ESCO engineer Terry Briscoe received word early this year that two of his recent Torque Wedge™ assembly designs had been granted patents by the U.S. Patent and Trademark Office. These represented the 25th and 26th inventions of his to be patented over a 37-year career, and gave Terry the distinction of being the engineer with the most ESCO patents to his credit—and more may be on the way.

“It has been a nice ride,” he said of his work as a design engineer. “It has been fun to come up with something nobody else has, solutions that help the customer as well as the company.” In the twilight of his engineering career, Terry is currently transitioning toward retirement.

Terry joined ESCO in 1970 after earning a degree in mechanical engineering from the University of Portland. His first boss was Fred Hahn, an inventor himself and a demanding taskmaster.

“I believe my first invention was a mechanical lock for a 115-yard dragline bucket at the Sarpy Creek Mine,” Terry recalled. “Fred said he wanted a patentable lock in just three weeks! I was under a lot of pressure.”

He says that the inventions he is most proud of include the Production Master® dragline bucket design and the Reverse Spade Lip® concept for dragline lips. “The Reverse Spade Lip resulted in about a 10 percent increase in productivity, which is a big deal in mining operations. And the Production Master bucket design was so well-liked by customers, it helped ESCO increase market share,” he said.

Terry noted that ESCO has always been committed to patented products to help find solutions for customers. “There is naturally some market resistance to a patented product”, he said. “It must significantly outperform an existing product. And it must be simple to use. If it is too complicated, the market won’t accept it.”

Internally, ESCO has continued to improve the process by which new products are developed, beginning with an exhaustive “voice of the customer” survey procedure to determine the market’s wants and needs. ESCO’s engineering community strives to come up with ideas that can be used in a variety of applications and markets, not just one.

“We are the industry leader in product development,” Terry concluded. “We’re the one out front, the one that others emulate and copy. There’s an expression: ‘Unless you’re the lead dog, the view never changes.’ Well, ESCO has always been the lead dog.”

ESCO values the inventiveness that Terry Briscoe and his engineering colleagues have brought to the company. His commitment to solve problems with clever, fresh, simple and effective solutions is representative of what sets ESCO apart from the competition. When Terry elects to retire altogether, his inventiveness will be missed.
Baril Named President of ESCO Turbine Technologies

François Baril has been promoted to president of the ESCO Turbine Technologies Group, reporting to Larry Huget, president and chief operating officer of ESCO Corporation.

François earned a bachelor of commerce degree from McGill University and an MBA from York University. After joining ESCO in 1997, he has served as business leader for the Industrial Casting Division, site manager for ESCO Port Hope, and managing director for ESCO Engineered Products - Europe. His most recent position has been group vice president for ESCO Turbine Technologies.

O’Neill Named Vice President of Administration - Turbine Technologies

John O’Neill has been named to the new position of vice president of administration for the ESCO Turbine Technologies Group, reporting to François Baril. In this role, John will have supply chain, finance and accounting responsibilities.

John earned a degree in business administration and finance from Carroll College in Montana. After joining ESCO in 1986, he has served as managing director of ESCO Engineered Products - Europe, and most recently, president of ESCO Turbine Technologies - Syracuse.

Weber Named President of Turbine Technologies - Syracuse

Joe Weber has been named president of ESCO Turbine Technologies - Syracuse, reporting to François Baril.

Joe earned a degree in industrial engineering from Oregon State University and an MBA from Case Western Reserve University. After joining ESCO in 1983 as an industrial engineer, he has served as engineering liaison with licensee Mitsubishi Steel Manufacturing, president of Turbine Technologies - Cleveland, and most recently general manager for ESCO Integrated Manufacturing in Tempe, Arizona.

Wihtol Named General Sales Manager for Latin America

Craig Wihtol has been named general sales manager for Latin America, reporting to Jon Owens, general manager for global mining products. Craig is now responsible for the sale of mining and construction products throughout Latin America—a region of significant growth for ESCO.

A graduate of Oregon State University, Craig joined ESCO in 1993. He has held positions in Human Resources, Training & Development, Production Control, Manufacturing, Sales and Engineering. His most recent position was general manager of Heflin Steel in Phoenix, Arizona.

Pizzuto Named Director of Marketing

Dan Pizzuto has been named director of marketing for ESCO Engineered Products (EP), reporting to Pat Fonner, vice president. As leader of the EP marketing group, Dan’s role is to support strategies to grow revenue, expand global presence, assess customer needs and satisfaction, and enhance the product promotional efforts in the mining, construction and industrial markets.

A graduate of Humboldt State University, Dan joined ESCO in 1987. He has been a product supervisor, district manager, marketing manager for mining, and team leader for hydraulic machine products, mining expendables and capital products. His most recent position was business manager for the mining products group.
ESCO recently established a Charitable Giving & Community Involvement Committee (CGCI), charged with more formally managing the company’s financial support of charitable agencies and encouraging volunteerism among employees. One of the first decisions of the committee was to establish the Swigert Family Volunteer of the Year Award to recognize one employee or retiree each year who distinguishes herself or himself in service to the community.

The unanimous pick for the first such award was retiree Nick Santangelo. Throughout his 40 year ESCO career, Nick was perceived as “Mr. Volunteer” for not only his personal volunteerism but for the energy he put into organizing and motivating others to help the less fortunate.

“For me, volunteer work started at an early age,” Nick recalled. “I went to a Catholic grade school where we had paper drives and food drives for the poor. I learned early in life that we all need to do something for our fellow man. It gives you a good feeling to help others.”

Nick joined ESCO in 1959. By the mid-1970s, he had risen to the position of manager of Traffic, Shipping and Mobile Equipment. In 1975, ESCO management approached Nick and asked if he would be willing to wear yet another “hat” as manager of ESCO’s Involvement Corps. His role would be to organize employees to do volunteer work with non-profit organizations in the area.

Naturally, Nick accepted the additional role—volunteerism was right down his alley!

“We formed an ESCO Involvement Corps committee and selected Friendly House as the organization we would focus our attention on,” he said. “Friendly House was chosen because it is close by and has programs that affect pre-schoolers through seniors. Their wide variety of programs—and their need of our help—made Friendly House the best choice.”

Nick was a wizard at recruiting and mobilizing ESCO employees. Almost immediately, volunteer work parties descended upon Friendly House to tackle their wish list of projects. “We painted the gym and put in new lighting. We did yard work and built a play structure for the children,” he recalled. Nick persuaded members of ESCO’s Maintenance Department and Carpenter Shop to lend their skills to make sorely needed improvements in the agency’s plumbing, wiring and structure. ESCOites helped build and equip a weight room and a darkroom for photography.

At the same time, the Involvement Corps became active in Friendly House programs. ESCO departments adopted needy families and provided food, clothing and transportation. Frozen turkeys and other treats were given out at Christmas time. Nick and his team organized hot dog sales, bake sales and other money-raising events to help fund ESCO’s support.

“The most fun project was the Harvest Party where we provide a hot Thanksgiving-style meal to about 250 seniors,” he said. Very popular with Northwest Portland senior citizens as well as the ESCO volunteers who serve the meals and provide entertainment, the Harvest Party has been held the last Saturday in October for the last 31 years! In addition to being chief organizer, Nick almost always serves as master of ceremonies. He is quick to give credit to people such as Clara Hartman, Frank Vanek, DeeDee Weber, Amy Lian and many other employees for the success of ESCO’s long and mutually beneficial relationship with Friendly House.

“I found that ESCO employees were a very generous group of people,” he said. “Some of them had never done volunteer work before, but when they were asked they never turned us down. I never had any trouble recruiting. The company was very supportive, too. There’s much more to ESCO than just making and selling a product.”

ESCO’s Volunteer of the Year

Nick Santangelo

by John Howard
Nick’s volunteerism was not limited to the ESCO Involvement Corps. He co-chaired the company’s first “Pacesetter” United Way campaign as well as ESCO’s 75th Anniversary celebration in 1988. He’s donated literally gallons of his own blood to the Red Cross during their annual mobile blood drive visits to the plant.

Away from work, he has for many years delivered meals to shut-ins through the Loaves & Fishes organization. And to support the charitable work of his Holy Redeemer Catholic Church, he raised in excess of $1,000,000 over 22 years by running church’s bingo games! Nick managed 100 volunteers and staged countless games. In fact, he ran the biggest bingo game in the state once. Drawn by the prize of a $750 game, hundreds of people showed up—so many they filled two halls.

Nick retired from ESCO in 1999 after 40 years. Retirement hasn’t dampened his enthusiasm for volunteer work, however. He puts in 30 hours a week with the local council of the St. Vincent De Paul Society, which provides food, housing, and other aid to low income and disadvantaged people. And he is still involved with Friendly House’s annual Harvest Party.

“I guess volunteer work is a big part of who I am,” he concluded. “There are lots of folks who need help. A little volunteer effort—a few hours a week—can have a big impact. I enjoy it, and I try to set an example for our kids and others.”

ESCO thanks Nick Santangelo for his lifetime of service to the needy. No one is more deserving to be the first to have his name inscribed on the Swigert Family Volunteer of the Year Award plaque. ★

Nick as master of ceremonies at a Harvest Party for seniors

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Del was born in Forest Grove, OR. He began at EP Portland in 1967 as a molder helper and currently works as a hot metal crane operator. Del has thoroughly enjoyed the people he has worked with throughout the years. He and his wife, Judie, live in Hillsboro, OR. They have two children and six grandchildren. Del enjoys photography, riding his motorcycle, and volunteering for the Christian Motorcyclist Association.

Ron is the son of Chuck, who also works at ESCO Syracuse as a 100-ton press operator. Ron and his wife, Noreen, live in Cazenovia and they have four children and seven grandchildren. Ron volunteers with the fire department, Red Cross and Veterans of Foreign Wars.

Patrick was born in Danville, IL and attended Westville High School. He received a B.A. from Chapman University and served in the U.S. Air Force for four years before joining ESCO in 1972. Patrick started at ESCO Danville as a staff accountant, then moved to ESCO Danville as an accountant and office manager. Richard and his wife, Patti, live in Newton. They have two children, Stephen and Michael and two grandchildren. Patrick’s hobbies include traveling, golfing and attending sporting events at Mississippi State University.

Jim was born in Portland, OR. He graduated from Jesuit High School and from Columbia University (B.A.) and the University of Southern California (M.A.). Jim joined ESCO in 1972 and has held many positions throughout his career, including product supervisor, sales director for Europe, vice president of worldwide sales and vice president of the mining division. Today, Jim is vice president of strategic business development. He and his wife, Nanette live in Northwest Portland.

Gerald was born in Danville, IL. He graduated from Westville High School, Danville Community College and served in the U.S. Marine Corps. Gerald joined ESCO Newton in 1972 and has held numerous jobs, including draftsman, design engineer, fabrication foreman and team leader for the mining expendables optimization team. Today he is a lead engineer. Gerald’s son also works in Maintenance. Gerald and his wife, Christine, live in Newton and they have two children and three grandchildren. Gerald enjoys car restoration and travel in his free time.

Glenn was born in Vancouver, British Columbia. He graduated from New Westminster High School and from British Columbia Institute of Technology. Glenn worked for Research Industries before coming to ESCO in 1972. He has worked on the foundry cleanup crew and in production control at EP Coquitlam, and currently works as a key account administrator in Sales. Glenn and his wife, Sandra, live in Langley, B.C. They have four children, Jay, Briana, Jordie and Brooke. Glenn enjoys playing various racket sports and the piano.
Kent was born in Newton County, MS and graduated from Decatur High School, then from East Central Junior College. Before joining EP Newton in 1977, he worked at a local chair manufacturer. Kent started as a bucket builder at ESCO and is currently a mechanic. He has also worked in Core Utility as a repair welder. Kent and his wife, Tanya, live in Decatur, MS and they have two children, Hailey and Heather.

Jim was born in La Porte, IN and attended Bucyrus High School. He attended Ohio State University and worked as a carpenter before joining ESCO Bucyrus in 1977. Jim currently works as an operator in the bar cell. Jim and his wife, Barb, live in Bucyrus. They have two children, Ty and Megan and one grandson. Outside of work Jim enjoys woodworking, making furniture and fishing. Jim is also a visitation pastor for WAYSIDE Chapel, is active with Word of Life Mission Organization, and occasionally volunteers his time building in foreign countries.

Dave was born in Bucyrus, OH and attended Bucyrus High School. He joined ESCO Bucyrus in 1977 as a punch press operator and currently works as a furnace operator. Dave lives in Galion, OH with his wife Nora. They have two children, Dorinda and Dave, Jr. and one grandchild. Outside of work Dave enjoys fixing old tractors.

Frankie was born in Newton, MS and graduated from Newton High School. He worked at a local factory before joining ESCO in 1977. Frankie began at EP Newton as a flogger and currently works as a shot blast operator. Frankie lives in Newton with his wife Cynthia.

Richard was born in Pilot Rock, OR and attended Beaverton High School. He received a degree in Business Administration from the University of Phoenix through ESCO’s Tuition Reimbursement Program. Richard attended Portland State University for two years before joining ESCO in 1977. Richard is currently a new product administrator and technical service group coordinator for EP Portland. Richard and his wife, Debby, live in Northwest Portland. Outside of work, Richard’s hobbies include golf, photography and beer tasting.

Carolyn “Kay” was born in Bucyrus, OH and attended Bucyrus High School. She joined ESCO Bucyrus in 1977 as a data processor and currently works in the Shipping Department. Kay has one daughter, Heather and three grandchildren. She lives in Bucyrus and enjoys spending time with her family in her free time.

Mike was born in Meridian, MS and attended Beulah Hubbard High School and East Central Community College. Before joining EP Newton in 1982, he worked in the construction industry. Mike started as a melting utility at ESCO and is currently a leadman in the melting department. Mike and his wife, Glenda, live in Union, MS and they have six children.

Ron was born in Portland, OR, graduated from David Douglas High School and then earned an A.A.S. degree in Mechanical Engineering Technology from Portland Community College. He also attended Oregon Institute of Technology and Portland State University. Before joining ESCO Portland in 1981, Ron worked for Kalt Manufacturing Company. He started as an engineering draftsman and currently works as a design engineer in Dragline and Cable Shovel products. Ron has three children and three grandchildren. He lives in Beaverton, OR and enjoys hiking, camping and reading in his free time.

Robert “Bob” was born in Astoria, OR. He graduated from Phoenix High School and earned a B.S. in Mechanical Engineering from the Oregon Institute of Technology. Before joining ESCO Bob worked at Arcata Lumber Company as an equipment designer. He began at EP Portland in 1982 as a draftsman for the cable shovel design group and currently works as a new product development engineer. Bob enjoys the opportunity to advance and improve within the company. Bob and his wife, Marcia, live in Milwaukee, OR and they have two children, Chris and Ryan.

Ken was born in Seattle, WA. He received a B.A. in Business with a Minor in English from the University of Puget Sound. Ken worked for a short time in the insurance industry and also worked three summers in the doghouse during college before officially joining EP Portland full time in 1982. Ken’s numerous jobs have included Inside Sales for Western sales, marketing manager, inside sales manager and regional sales manager. He is currently business manager, Construction Division. Ken and his wife, Nancy, live in Sherwood, OR. They have two children and six grandchildren. Outside of work, Ken enjoys playing pool and watching wildlife.

Bruce was born in Winchester, IN. Before joining EP Portland in 1982, Bruce worked in the construction industry. He started as a service person at ESCO on the side floor and has also worked as a jack puller, skimmer and sand mill operator. Today he is a molder in the Portland Main Plant. Bruce and his wife, Nancy, live in Sherwood, OR. They have two children and six grandchildren. Outside of work, Bruce enjoys playing pool and watching wildlife.

Eddie was born in Clarke County, MS. He graduated from North East Meridian High School and worked at a local manufacturing company before joining ESCO in 1982. Eddie began at EP Newton as a flogger and currently works as a bench grinder. Eddie’s son also works at EP Newton as a wheelabrator operator. Eddie lives with his wife Lillie.
IN THE NEXT ISSUE – The theme of the August ESCO EDGE will be ENERGY. In that issue we will feature coal and oil sands mining, industrial gas turbine technology, and other energy-related topics. Photo of an electric transmission tower in the Columbia Gorge by John Howard.

In keeping with ESCO Corporation’s renewed commitment to Earth-friendly, sustainable practices, we have begun printing the EDGE on recycled paper. Although less glossy and a little more expensive than virgin paper, we feel better that the copies of this issue and future magazines will be printed on a renewable resource. In the same spirit, we hope that each reader will consider recycling your copy when through with it. Thank you. – Editor