INTERCONTINENTAL STATISTICS COMMITTEE MEETING
The Plaza Hotel, Orchid Hall
Seoul, Korea
Thursday, April 12, 2018, 9:00 am - 1:30 pm

Draft Minutes

Chairman: Jongwoo Choi, Doosan Infracore
Secretariat: Jooyeon Sohn, KOCEMA

Larry Buzecky  AEM
Rex Sprietsma  AEM
Melissa Cline  Caterpillar
Nicolas Clerc  Caterpillar
Sebastian Popp  CECE
Fumiya Asebo  CEMA
Noriyuki Kobayashi  CEMA
Todd Snell  Deere & Company
Hee-chul Lee  Doosan Infracore
Jongwoo Choi  Doosan Infracore
Jongho Chun  Hyundai Construction Equipment
Jongmyung Kim  Hyundai Construction Equipment
Youngeun Choi  Hyundai Construction Equipment
Michael Adams  Komatsu America
Adelheid Bousard  Volvo
Marie-Helene Dumail  Volvo
Jooyeon Sohn  KOCEMA
Taeho Moon  KOCEMA
Claire Hargrove  Hargrove & Associates, Inc.
Stan Hargrove  Hargrove & Associates, Inc.

I. Call to Order and Introductions
Chair called the meeting to order at 9:00 am. The attendees introduced themselves.

II. Approval of Agenda
Upon request by CECE, a discussion about upper size class of EXHC was added to Agenda item V.C.

III. Approval of Draft Minutes (September 14, 2017 Meeting)
The minutes of the ISC Meeting on September 14, 2017 were approved by all the associations.
IV. Unfinished Business

A. ISC Policy and Procedure Manual Updates Review
Associations discussed Appendix 4, proposed and written by AEM. It is an Agreement regarding acknowledgement of confidentiality with respect to ISC associations and their members; the signing parties being the four associations. Associations approved the updated ISC PPM which included this Acknowledgement of Confidentiality as Appendix 4.

Action Item #1: KOCEMA to finalize the updates of the ISC PPM and distribute it to the four associations.

Action Item #2: All the associations to sign the Acknowledgement of Confidentiality (Appendix 4) and return it to the acting ISC Secretariat (KOCEMA) via electronic file.

B. Product Definition Review
The association members discussed reclassifying the reporting classification from metric tons to kilograms for Vibratory Tampers (CEM0). AEM put off answer at the last meeting, will discuss this issue at the Road Machinery Group meeting on May 23rd, and will report back to ISC members.

Action Item #3#: AEM will discuss this topic at their committee meeting and report back to ISC members.

C. CECE ICEMA Report on joining the ISC
During the last meeting CECE had suggested a phased-in approach for ICEMA joining the ISC and had asked the associations to get in touch with their member companies to get their feedback. CECE stated they had discussed this topic in their October statistical commission meeting and the members had a positive reaction to the idea, and will be providing any further feedback by next meeting. AEM will discuss this issue at their CWE-FEE meeting in May.

CEMA and KOCEMA approved the proposed phased-in approach. KOCEMA mentioned they hope the first programs ICEMA would join would be Crawler Excavators and Loaders Backhoe and then other programs like Wheel Loaders or Skid Steer Loaders would be added gradually. The association members agreed that the ultimate goal would be for ICEMA member companies to join ISC worldwide shipment and retails programs. CECE will prepare a draft plan on how the ISC might integrate ICEMA, after further discussion and consensus within ISC Committee.

Action Item #4: AEM to discuss ICEMA joining the ISC in a phased-in approach at the CWE-FEE meeting and report back to ISC members.

D. CECE Harmonization of Asphalt Paver Program
AEM discussed this issue at the Road Machinery group meeting and they were in favor with moving forward with it. They noted that they will discuss more internally at the next committee meeting in May and report back to ISC members.

Action Item #5: AEM to discuss this topic with member companies further and report back to ISC members after their committee meeting in May.

E. AEM Articulated Hauler Size Class Change
CECE said that they like the general idea of splitting the upper size class in the ADT program but disagree with this proposal at this moment for the reason of disclosure issue caused by the current scope of reporters and geographical restrictions. CECE feels the market needs to evolve further
and while respecting consistency in global model charts, would like to revisit this topic in the near future. Due to CECE’s position, the proposal to harmonize the EM58 N (North America) model chart with the W (Worldwide) or G (Germany) model charts was not approved. AEM wants to keep this topic on the agenda, acknowledging that CECE is concerned about EU competition law.

F. **CECE Telescopic Wheel Loader Program Proposal Update**
AEM stated that this agenda item will be brought up at their CWE-FEE meeting in May and will provide the ISC with a response following discussion and any action by the committee.

*Action Item #6: AEM to discuss this issue at their upcoming CWE-FEE meeting and provide ISC members with results.*

G. **AEM Wheel Loader Competitive Market Proposal Update**
All the associations agreed that the reporting by new classification will be started in January 2019. CECE newly proposed the new classification replace not the Horsepower but the Full Turn Tipping Load weight, in order to reduce the risk of model chart disclosure easily and effectively. A Task Force team was formed. The wheel loader product specialists of the four ISC associations were assigned to serve on the task group. Caterpillar, Deere, Komatsu America and Caterpillar Europe also volunteered to join this Wheel Loader Competitive Class Task Force (TF). CEMA and KOCEMA will recommend their member companies who may also wish to join, after internal discussions. AEM agreed with taking the role of a coordinator of the TF. Attendees discussed the timeline and steps for the systematic preparation of the new classification implementation and finalized the objective as followings.

<table>
<thead>
<tr>
<th>EM04 New CLASS Dimension Implementation Objective</th>
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<tbody>
<tr>
<td>1) Definition of measurement – Hinge Pin Height, Operating Weight, Full Turn Tipping Load / May 31st 2018 (with agreement that which dimension between HP and Tipping Load Weight is replaced)</td>
</tr>
<tr>
<td>2) Submit mission of task force to KOCEMA / May 31st</td>
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<tr>
<td>3) Gather models from all the member companies / June 30th 2018</td>
</tr>
<tr>
<td>4) Use the current formula to create model chart / September 1st 2018</td>
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<tr>
<td>5) Refine the formula to generate new model chart and repeat as many times</td>
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</tbody>
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The back reporting of the new classification will be published from the data of January 2013 so that all the manufacturers are required to input information of their models effective on the year of 2013 in iSTAT. ISC Committee will check out the model chart created by the new formula and the overall reporting preparation status at the next ISC meeting.

*Action Item #7: CEMA and KOCEMA to recommend member companies can join the TF after internal discussion and report back to ISC members.*

*Action Item #8: KOCEMA to update the specialist list and share with ISC association members.*

*Action Item #9: All the associations and members to carry out the Objective item within the period.*

V. **New Proposals**

A. **CECE Telescopic Handler Size Class Change - Lift Height**
CECE explained this agenda item proposed by Manitou is the proposal of size split into two classes; 0-5(inclusive of 5 meters) and >5<6 meters from the current under 6 meters. CECE explained this agenda item proposed by Manitou is the proposal of size split into two classes; 0-5(inclusive of 5 meters) and >5<6 meters from the current under 6 meters. AEM who is the only other association relevant to this program will have this agenda discussed and voted upon at their committee meeting in May and then report back to ISC members.

**Action Item #10**: AEM to discuss and vote on this topic at their committee meeting in May and get back to ISC members with the results.

**B. CECE EXHC Size Class Investigation – 6<8, 8<10**

There are some cases where CECE came across some models of EXHC that should be placed in the 8<10 tons class, but seems like it is deliberately or out of mistake into the 6<8 tons class. CECE wanted to understand its background from the relevant companies. On request, Doosan Infracore noted that they had found some mistake on some model information in the model chart and modified it correctly. CEMA noted that they need to discuss this issue more clearly with Komatsu and Kubota who are the ones having the models that CECE pointed out. Regarding revision of model information, HAI advised that a reporter can create a new model instead of changing the old one in the model chart, because the size change will change all its history. Chair requested that all the associations discuss this topic with their member companies and encourage them to make it clear.

**Action Item #11**: All the associations to discuss this agenda item with their members and present their status at the next meeting.

**C. CECE EXHC Size Class - > 500**

CECE presented some of the concerns on the upper class size of 500<700 tons which was split into 500<550 and 550<700 in 2017. But the latter class collapsed and has not been published since 2018 because only two manufacturers are left while one model was phased out. As CECE noted this was not a new proposal but wanted to get some thoughts on data disclosure issue caused by more subdivided size class split. They feel it can sometimes conflict with European Competition Law.

**D. AEM Underground Haulers & Underground Loaders – New WW Shipment**

Michael Adams (Komatsu America) introduced these two products that are currently reported in North America to determine if there is interest from the members of the other ISC associations in starting worldwide shipment programs. The associations were asked to discuss this topic with their relevant members and report each stance at the next ISC meeting.

**Action Item #12**: All the associations to discuss internally with their relevant member companies whether they are manufacturing these products and interested in joining these programs.

**VI. Other Business**

**A. Implications of HAI acquisition by AEM**

Larry Buzeccky (AEM), Stan and Claire Hargrove (HAI) presented the background of the acquisition of HAI by AEM and what to look forward to, in terms of ongoing business. It was pointed out that essentially, HAI remains an independent company and that the firewalls remain in place, to ensure no AEM employee has access to any member data. HAI has its own Board of
Directors and functions as an independent business entity. It was also pointed out the HAI continues to provide data collection and processing services for another association.

CECE presented strong concerns from member companies that this acquisition can impair the independence of the data processor role. The major concern is an emerging imbalance between the four ISC associations when one of them becomes the owner of the data processor and gains much stronger leverage in statistics work. CECE added that in the past, ISC made progress whenever the four associations acted in a spirit of joint ownership. This principle is at severe risk with the new scenario.

KOCEMA shared similar concerns regarding independence issue and suggested putting in place a contract between ISC and Hargrove going forward.

CEMA presented that the important thing is how to check HAI keep the independence of the 3rd party. Chair stressed this topic should be discussed further in the future and asked the association members to discuss it with their members and provide feedback at the next ISC meeting.

Action Item #13: Associations to discuss this topic with member companies and bring it up at the next ISC meeting.

VII. News from ISC Associations

News were provided by each Association. KOCEMA reported that Doosan Bobcat, a KOCEMA member, started to join the Backhoe Loaders program since January of this year. AEM introduced their new member companies and their reporting status. Mecalac started to report Crawler Excavators, Wheel Excavators, Backhoe Loaders and Wheel Loaders in North America. ASV joined Skid Steers Loaders and Compact Track Loaders program. Wacker Neuson is reporting into the AEM North America road machinery equipment programs. Also, Liugong joined retail programs in Latin America which is outside of ISC auspices.

VIII. Next Meeting

The next ISC meeting will be held in Rome, Italy, on October 17. Further details will be provided by KOCEMA.

IX. Adjournment

The meeting adjourned at 1:30 pm.