Association of Equipment Manufacturers
MEETING MINUTES
Construction Equipment Latin America Statistics Task Force (CE LA STF)
Volvo Brazil Regional Office - Curitiba, Brazil
August 22, 2019

Deb Juehring-Thomson, Deere & Company, 2019 Chair (presiding via phone)

Participants
Melissa Cline Caterpillar
Joan Schollmeier Caterpillar
Giovanni Borgonovo CNH Industrial
Lucas Sanchez Deere & Company
Deb Juehring-Thomson Deere & Company*
Pedro Medeiros Doosan Bobcat
Seungjoo Rhee Doosan Bobcat Asia/LA
Joao Luis Oliveira Kobelco
Guilherme Borghi LBX do Brazil
Anna Pinheiro LBX do Brazil
Diogo Fontes LiuGong
Bruno Rosa LiuGong
Claudemir Beneli Volvo Brazil
Mauro Gil Volvo Brazil
Anderson Oliveira Yanmar
Juliana Santos Yanmar

AEM/HAI Staff
Arnold Huerta AEM
Rex Sprietsma AEM
Mike Lietke AEM
Chuck Wesenberg HAI*

Members Absent
Carlos Mori Komatsu Brasil
Esteban Gonzalez JCB

*Participated via WebEx/Conference call
Quorum: Quorum met (six required; nine companies were present).

1. Call to Order – Deb Juehring-Thomson, Chair of the CE LA STF, called the meeting to order at 9:15 am Brasilia time and reviewed the items on the agenda, adding two additional items: 9.2. EM04 4 Wheel Drive Competitive Class Proposal, and 9.3. EM08 Rigid Frame Hauler Size Class Proposal.

2. Member Introductions – Attendees introduced themselves, provided a brief history of their career, basic responsibility, and time with their company.

3. Anti-Trust Policy – Arnold Huerta briefly reviewed the Anti-Trust Policy, which was included with the meeting material and is available on the AEM Website at http://www.AEM.org
4. Approval of Past Meeting Minutes – Minutes of the last three meetings reviewed by Chair and approved by committee:
   A. Motion to approve the CE LA STF Minutes of October 8, 2018 by Caterpillar; seconded by Kobelco. **Unanimously Approved.**
   B. Motion to approve the CE LA STF Minutes of November 30, 2018 by Caterpillar; seconded by CNH. **Unanimously Approved.**
   C. Motion to approve the CE LA STF Minutes of March 28, 2019 by Kobelco; seconded by Caterpillar. **Unanimously Approved.**

5. Review of Product Specialists – The Chair reviewed the role and responsibilities of the Product Specialist, before checking with each of the assigned Product Specialists for Motor Graders, Wheeled Excavators, and Rigid Frame Haulers. Caterpillar, Deere, Doosan, LBX, and Volvo all agreed to continue with their respective Product Specialist responsibilities.

6. Unfinished Business:
   A. Data Integrity - Each company provided a brief update on steps taken to share the market information within their organization, identify individuals responsible for providing data, review the monthly reporting process and, improve where necessary to provide accurate data.

   HAI encouraged companies to download market share info by country, review with their representatives to validate the numbers are correct and, receive their feedback, making any required corrections. Companies with fragmented reporting within their organization are encouraged to contact HAI for their assistance in improving the reporting process.

   B. Update on Development Cost of Dashboard – HAI did not have any update on this. However, Mike Lietke explained that AEM and HAI are working on a process to simplify communications and improve the method for having information available to members prior to meetings for review, discussion, and voting. This will be accomplished by adhering to the proposal process stated in the Policy and Procedure Manual.

   C. Update on Tool to Identify Latin America CE Companies Needing Assistance Due to Volume of Revisions – HAI stated this may be an HAI function, rather than an AEM staff responsibility, although this still requires discussion. While HAI can answer questions, they may not share any confidential information regarding any specific companies.

   D. New Wheel Loader Classification Update for LAM Programs – A proposal by Caterpillar sent to HAI regarding activation of this classification in Latin America included back reporting to the start of the Wheel Loader program in the various Latin America regions. HAI is putting together the final cost structure to collect the data, and run disclosure analysis. Publication of data depends largely upon the model charts used (existing worldwide model charts or specific regional charts created).

   E. LA Annual Reporting Survey Revision for CE STF – To be more useful, the annual survey sent out to the statistics reporting community in North America by HAI would have to revised for use in Latin America.

   **Action #1:** Caterpillar and Deere along with AEM and HAI, will to put together a revised survey for LA CE committee review.
F. State Level Retail Reporting in Mexico and Other Regions – Volvo stated they are now collecting data from customers in Mexico by state. Within two months, Volvo will be able to review and should be able to give a final estimate on reporting in another month whether they are able to report by January 2020 and will coordinate with HAI.

Responding to a question about any opportunities to report in the other regions outside Brazil, CNH acknowledged the difficulty in validating the quality of the retail data in areas they are not currently reporting and said they could not guarantee their ability to expand reporting into any other region in 2020.

G. AEM Statistics Policy & Procedure Manual (P&P) Changes – The Chair summarized all changes added to a draft of the current P&P that pertained specifically to Latin America. The document as presented at the meeting is included below:

In reviewing the list of construction equipment for Latin America being added to the P&P, it was noted that Telehandlers was missing.

**Action #2:** AEM to add Telehandlers to the list of construction equipment for Latin America in the AEM Statistics Policy & Procedure Manual, which is to be presented for approval at the next SEC meeting in September, 2019.

**Motion** by Caterpillar to approve all Latin America changes and additions to the AEM Statistics Policy & Procedure Manual, seconded. Unanimous approval of all companies present. *Passed.*

7. Educational Topic on the Data Input Process – To gauge the effectiveness of providing information regarding the reporting process, including data input and submission, Caterpillar, Deere, LiuGong, Volvo, and Yanmar indicated at least one representative attending the meeting was involved in the input process.

Chuck Wesenberg gave a PowerPoint presentation to review the data entry and submission process using iSTAT, including several key issues that reporters in Latin America have experienced and of how to resolve them. Also referenced were audits, when a company feels the monthly industry data is not correct. See attached copy of PowerPoint presentation for your reference.

8. Establishing Policy For Reporting Revisions Consistently – The Chair tabled discussion of this topic to the next meeting, to allow time to cover new proposals.
9. New Proposals:

A. EM01 Crawler Tractor Size Class Change – Discussion and agreement among committee members on the importance of aligning Latin America size classes with North America and Worldwide Programs for Crawler Tractors. The proposed horsepower size classes being proposed are 0<85; 85 < 100; 100 < 115; 115 < 140; 140 < 180; 180 < 230; 230 < 300; 300<380; 380<520; and, 520&Over. **Motion** by Deere to align Latin America size classes with North America and Worldwide Programs for Crawler Tractors (EM01), beginning in 2020, contingent upon ISC passing a similar motion. Unanimous approval of all eligible companies present. *Passed.*

If approved by the ISC, any geographic disclosure issues discovered during implementation will need resolved at that time.

B. EM04 Wheel Loader Proposal – It was noted that AEM agreed to pay the $11,000 cost to make all system changes for the alignment of Wheel Loader metrics in Latin American CE regions with the rest of the world. Following discussion concerning the alignment of Latin America with North America and worldwide size class changes, **Motion** by Caterpillar, seconded by Deere, to adopt the horsepower reporting classifications for EM04 as approved by previous resolution for Brazil, Mexico, Latin America Expandable (ER), and Other Latin America (OLA) regions. There is a size change proposal pending in the ISC and this proposal is amended and contingent upon the approval by the Intercontinental Statistics Committee (ISC). Unanimous approval of all eligible companies present. *Passed.*

C. M08 Rigid Frame Haulers Size Class Change Proposal – Only three eligible companies currently this product in Mexico and the Latin America Expandable Region: Cat, Deere, and Komatsu. **Motion** by Deere, seconded by Caterpillar to split the 275 horsepower & Over size class into two horsepower size classes: 275<350 and 350 & Over, with the restatement of data for 2019, and contingent upon ISC passing a similar motion. The cost estimate to re-publish 2019 is $1,000. Although Komatsu was not present, both Caterpillar and Deere voted in favor. Simple majority rule met. *Passed.*

D. IF26 Telehandlers – Program facing possible suspension due to not meeting a requirement stated in original proposal which placed a limit on the percentage of the market, by any individual company. In addition, there is currently a low unit volume reported into the program, which will result in disclosure for the markets being reported for Latin America. The committee agreed to revisit this proposal at the next meeting.

9. Recruitment Update – AEM staff provided an update on recruitment efforts, noting the following recent activity:

➢ Yanmar Construction Products representatives attended the meeting, and the company will begin reporting in January 2020 Crawler Excavators for Brazil only.
➢ Hyundai (Mexico, expandable region) confirmed they would begin reporting 4WD Loaders, Crawler Excavators, and Loader Backhoes next year in Mexico and the Latin America Expandable Region.
➢ Sany indicated they would report crawler excavators and motor graders, in 2020, for Brazil only.
➢ AEM still working with XCMG and met with the new General Manager, providing information on the CE Latin America Statistics Program.
11. New Business:
   A. **Proposed Language for other Potential Fees in P&P Manual** – AEM staff presented an additional section on language for other potential fees, for the committee to review for approval to be included along with the other changes and additional being presented at the Statistics Executive Committee this Fall. Motion by Deere, seconded by Caterpillar to include the presented language in the P&P Manual. See attached copy of language for your reference.

   [Proposed language for other fees for P8]

   **B. Disclosure Analysis** – If worldwide model charts are replaced by regional model charts, it will be necessary for HAI to run test to determine and eliminate any disclosure.

   **Action Item #3**: Deere and Caterpillar agreed to meet with AEM and HAI to discuss and come up with recommendations for the Latin America statistics committees to review.

   **C. Receive Full Numbers of Industry for Trend Analysis** – LBX asked the committee to consider making total values for equipment available to members, even if they do not report all the products. AEM staff offered to provide a sample of the Market Coverage exercise conducted annually by several equipment committees in North America.

   **Action Item #3**: AEM staff will send a sample with instructions for LBX to review, which may provide the information they are looking for.

12. **Next meeting** – Date of next CE LA STF meeting will be the week of February 10-14, 2020, in Curitiba potentially hosted by CNH, at their facility in Curitiba, Brazil.

13. **Adjournment** – Motion to adjourn was seconded, the meeting adjourned at 2:45 pm Brasilia time.

Respectfully submitted by
AEM Statistics Staff