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**UNITED STATES SENATE HEARING
“A WORLD OF OPPORTUNITY: PROMOTING
EXPORT SUCCESS FOR SMALL AND
MEDIUM-SIZED BUSINESSES”**

MATTRACKS®
WORLDWIDE TRACK TECHNOLOGY



MOBILITY AND TRACTION SOLUTIONS
FOR MUD, SAND, SNOW, SWAMP AND TUNDRA CONDITIONS





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**United States Senate Hearing
"A World of Opportunity: Promoting Export Success for
Small and Medium-Sized Businesses"**

October 6, 2009

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Thank you for the opportunity to join in this discussion regarding the opportunities available for "Promoting Export Success for Small and Medium-Sized Businesses". I am Tom Wollin. I have been involved in International and Governmental Sales at MatTracks since June of 2000.

MatTracks was started by entrepreneur Glen Brazier, but the idea for the MatTracks product came from a drawing by his 11 year old son, Matt. The first rubber track conversion system was manufactured in 1992. The "MatTracks Rubber Track Conversion Systems" are rubber tracked "corners" that can replace the tire and wheel combination on four wheel drive vehicles and other machines. MatTracks provides extra traction, floatation, and year-round mobility in all types of off road conditions and terrain. MatTracks, Inc. is located in the community of Karlstad, in northwest Minnesota.

MatTracks, Inc. was incorporated in 1995. At that time, the company employed six people, manufacturing and marketing the original model of the MatTracks rubber track conversion system. Currently, MatTracks employs over 40 people and offers over 40 models of track conversion systems for vehicles as small as All Terrain Vehicles (ATV's) to vehicles exceeding 20,000 pounds.

MatTracks innovative track conversion system caught the attention of media in the early 1990s and the 2000's, featured in magazine stories, on the news and on television programs such as "The History Channel", "The Discovery Channel", CNN, and even movies.

MatTracks use of the internet in marketing has proven to reach North American markets, as well as exposing MatTracks to an international market. The MatTracks web site has had visitors from 155 countries; the LiteFoot ATV Product web site

has had visitors from 134 countries. Global exposure through media and the internet has produced significant international market growth over the years.

In 2000 when I started with Mattracks approximately 15% of sales were outside of the United States and Canada. Currently, Mattracks' international business comprises over 50% of sales, experiencing sales growth into over 55 international markets, with track systems in use on all 7 continents.

So, how does a small manufacturing company with a very "unique" product get to this point? Can our success be replicated by other companies looking for growth internationally? We think it can. Here is the path we took.

We were introduced to the U.S. Commercial Service's Minneapolis Office in late 1990's as international interest and requests for the Mattracks Product were becoming more frequent. But Mattracks didn't take advantage of all the services that were available.

But later, we became even more aware of the international exposure of the U.S. Commercial Services as we and our Dealers became involved in international shows and exhibitions. Some examples:

- Turkey 2005. Ihsan Muderrisoglu, from the Commercial Services Office in Ankara, Turkey worked with our Turkish Dealer at a military defense exhibit, and then with Mattracks during our visit to the U.S. Embassy with our dealer that same year.
- Chile 2006. While attending a defense exhibit in Santiago, Chile with our representative, we visited with the Commercial Services personnel at the show. This experience helped us begin to realize the international presence of the Commercial Services.
- Kazakhstan 2007. Oil and Gas Exhibit in Almaty, Kazakhstan. Mattracks was again involved in visiting with Commercial Services personnel, reinforcing the presence of Commercial Services internationally.

In 2007, the U.S. Commercial Services' Fargo Office begins working with the Northwest Minnesota territory. Commercial Services Representatives Heather Ranck and Sharon May, visited Mattracks and explain the services available to Mattracks.

One of the services Mattracks has employed is the Gold Key Service. This service allows a small company, such as Mattracks to use the resources of the U. S. Commerce Department to review potential markets, and potential partners, agents, dealers, or distributors for a nominal fee. Here are some examples of how Mattracks has used the Gold Key Service:

- Ankara Turkey, 2008: Commercial Services helped find new customers for our current dealer in Turkey.
 - This has led to expanded interest by and demonstrations to oil and gas companies and the military.
- Russia, 2009: Commercial Services helped find local distributors for Mattracks Product.
 - This led to the addition of three new Mattracks Product Dealers.
- South Africa, 2009: Commercial Service Personnel helped us review the potential for a new market in South Africa.
 - This led to Mattracks work developing new products to better match this and other potential markets.
- China, 2009: Network with Commercial Service Personnel.
 - Mattracks met with a Commercial Services Officer from China who was in the region for the Big Iron Agriculture Show in Fargo, ND. The strategy session proved to be beneficial and Mattracks and the Commercial Service office in Shanyang are working on the establishment of a significant distribution channel in China.

Another service Mattracks has used is the International Company Profile (ICP). The ICP provides basic due diligence on potential customers, dealers and partners. The information gathered by the Commercial Services is relevant and fresh. A site visit can be made in country to verify information provided via other media.

Mattracks has a representative on the North Dakota Export Council (DEC). The DEC provides a fantastic forum for the exchange of ideas and the mentoring of companies new to exporting or companies looking to enhance their export growth. The DEC chapters around the country need to be supported to provide this valuable resource to as many companies as possible.

Even with the successes listed above, there are roadblocks for US Companies big and small when they export products internationally. Tariffs, duties, and value added taxes can make the costs of U.S. Products extremely prohibitive. For example, an American product that has a dealer cost of \$35,000.00 when it leaves our shores can have a final cost reaching \$60,000 to \$70,000.00 when it reached its destination! U.S. innovation and product quality can overcome many obstacles, but a doubling in price can be crippling. The removal of these types of trade barriers are also needed to insure new and continued sales growth internationally.

International sales growth helps Mattracks sustain the growth and expansion of the company, allowing Mattracks to continue to provide stable, quality employment opportunities in Northwest Minnesota. Providing stable employment

in the region is important to the future of Mattracks, their employees and the Minnesota communities where their employees live. Mattracks is located in a region of Minnesota that experiences business closings and out-migration of the labor force, creating a fragile economy. The economic viability of Mattracks, companies like Mattracks, and the region we call our home are directly linked to the ability to retain quality employees and attract new employees. International sales growth is integral to Mattracks "plan for success".

These services and resources offered by the Commercial Services locally and around the world have been extremely valuable to the growth of Mattracks' international business. We know other companies like us, using these resources have the opportunity to duplicate our success. Members of this Subcommittee, as a small business we need all the tools possible to build strong business; businesses that will support our employees, their families, and our communities. Do not put a lock on this toolbox; do not take these tools out of our hands. Allow us to build our dreams, and then our employees, their families, and their communities will live their dreams.

Thank you.

COMPANY PROFILE



WHO IS MATTRACKS

Mattracks was started by the company's CEO, Glen Brazier. The company developed out of a product conceived from a drawing by his 11 year old son Matt. The rubber track conversion system was first manufactured in Thief River Falls, Minnesota in 1992. Later, production was moved to its current location in the community of Karlstad, situated in northwest Minnesota.

Mattracks, Inc. was incorporated in 1995, at that time the company employed six people, manufacturing and marketing the original model of the Mattracks rubber track conversion system. The original Mattracks system was sold primarily in U. S. markets as well as in Canada. Mattracks added sales staff in 1999 to address growing interests in their products from the international market.

In 2002 with 30 employees on board, Mattracks launched the LiteFoot line of ATV track conversion systems, adding to the Mattracks rubber track conversion product line up. Today Mattracks employs approximately 50 people.

Since 1994 Mattracks has increased in number of models, increased the speed, smoothed the ride, improved the traction and eased the steering. Our years of experience in track system design and development have been implemented into the new Mattracks track equipped products. The goal of the Mattracks engineering and production staff is to meet the needs of customers. This effort shows through innovative design changes and advancements in material used in the production of products. Mattracks continues to strive for improved product reliability, extended track wear, smoother ride and trouble free operation.



Karlstad Facility



Karlstad Facility



Karlstad North Facility

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WHAT IS MATTRACKS

Mattracks conversion systems are the most technologically advanced, independent, rubber track systems found anywhere in the world. Used for recreation, work, commercial and agricultural applications, Mattracks can equip most any 4 wheel drive vehicle from a small ATV to trucks up to 21,000 lbs or 9,500 kg. Imagine being able to go almost anywhere you want! Mattracks is the solution to being mobile even in the worst conditions.

Mattracks rubber track conversion system gives you the ability to transform most any 4WD vehicle into a truly all-terrain vehicle. When compared to a dedicated track vehicle, this cost efficient mobility solution delivers a vehicle capable of traveling over soft terrain such as mud, snow, sand, swamps and bog, with minimal impact on the environment. With the rubber track system, you simply bolt on an independent track unit in place of each vehicle wheel, giving you an "all-track-drive" vehicle with all the features and functionality of a road vehicle, capable of meeting off-road mobility challenges.

One or two people with hand tools and a floor jack can easily install the entire Mattracks system. Just remove the tires and bolt Mattracks in place, in approximately thirty minutes the job is done! It's as simple as changing your tires, plus one bracket bolt in each corner.



Mattracks in Snow



Mattracks in Sand



Mattracks in Water

WHAT MAKES MATTRACKS WORK

Mattracks incredibly low ground pressure provides mobility in mud, sand, snow, swamp, rocks and hard surface. Imagine being able to move personnel and equipment where you want and when you want. The road condition, or the lack of a road, will not be a problem with a Mattracks equipped vehicle.

The large track footprint provides the vehicle with added flotation, by spreading out the vehicle's weight over the surface of the ground. Improved traction is gained through the amount of surface contact between the tracks and the ground.

This combination of traction and flotation allows a Mattracks equipped vehicle to travel over soft terrain with as little as 1.5 pounds per square inch [10 kPa]. A conventional pick-up with tires exerts as much as 40 psi [275 kPa], while an average man will place 7 psi. [48 kPa] on the ground. Mattracks low 1.5 psi [10 kPa] leaves less impact on the land as you travel through fragile environments.

Mattracks is as easy on your vehicle as regular tires. With the track design, there is a natural two to three gear reduction. Because of this reduction, less engine power is required. You also retain lock-to-lock steering, which provides the same turning radius as tires and allows you to use full power to move around obstacles. Mattracks features an exclusive rubber torsion, anti-torque system that helps prevent track wrap-around. The Mattracks steering assist package also provides easy one-handed steering, while standing in place.

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WHO USES MATTRACKS

From their earliest days in the marketplace, Mattracks have been used for a variety of applications, both for work and for play. Mattracks equipped vehicles have been traveling over some of the most challenging terrain in the world.

Mattracks equipped vehicles are at work exploring for oil & gas, installing and servicing telecommunications systems, construction, mining, drilling, logging, forestry, surveying, power transmission lines and pipeline construction, are just a few examples. These track systems have been put to work in many other industries including: agricultural, law enforcement, search and rescue, emergency services and government agencies.

The track system has shown to be a reliable cost effective solution alternative for routine travel and for the transportation of light equipment and supplies into many different work environments.



Jordan



Brazil



Salt Lake, Utah



Canada



South Africa



Russia Eastern Europe



Oregon



California



Alberta, Canada

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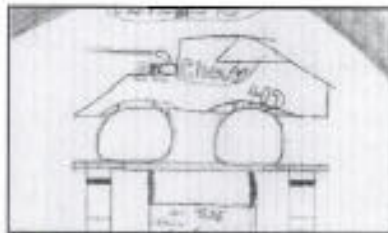
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A YOUNG BOY'S IMAGINATION

Matracks is the result of the imagination of a then 11 year old Matt Brazier along with the innovation of his father, Glen Brazier.

"My son came to me with a drawing," Glen Brazier said, holding the sketch of a large truck with tracks instead of tires. "He said, 'Dad can we make something like this?'" and we went from there."

Glen Brazier formed Matracks Incorporated and after three years of engineering, development, and testing, the first set of Matracks named after the young boy, "Matt", went on sale in 1994.



Drawing by Matt Brazier



Glen Brazier, CEO, with Matt's drawing

MATRACKS WORLDWIDE

Since the 1994 introduction, Matracks have been sold to people all around the world, from the South Pole in Antarctica to the North Slopes of Alaska, from the Americas to the Middle East and most countries in between. Matracks are being used by various domestic and foreign government agencies, search and rescue units, maintenance and engineering crews, commercial users and recreational users.

"Every day, someone calls us with some new way to use Matracks," Brazier said.



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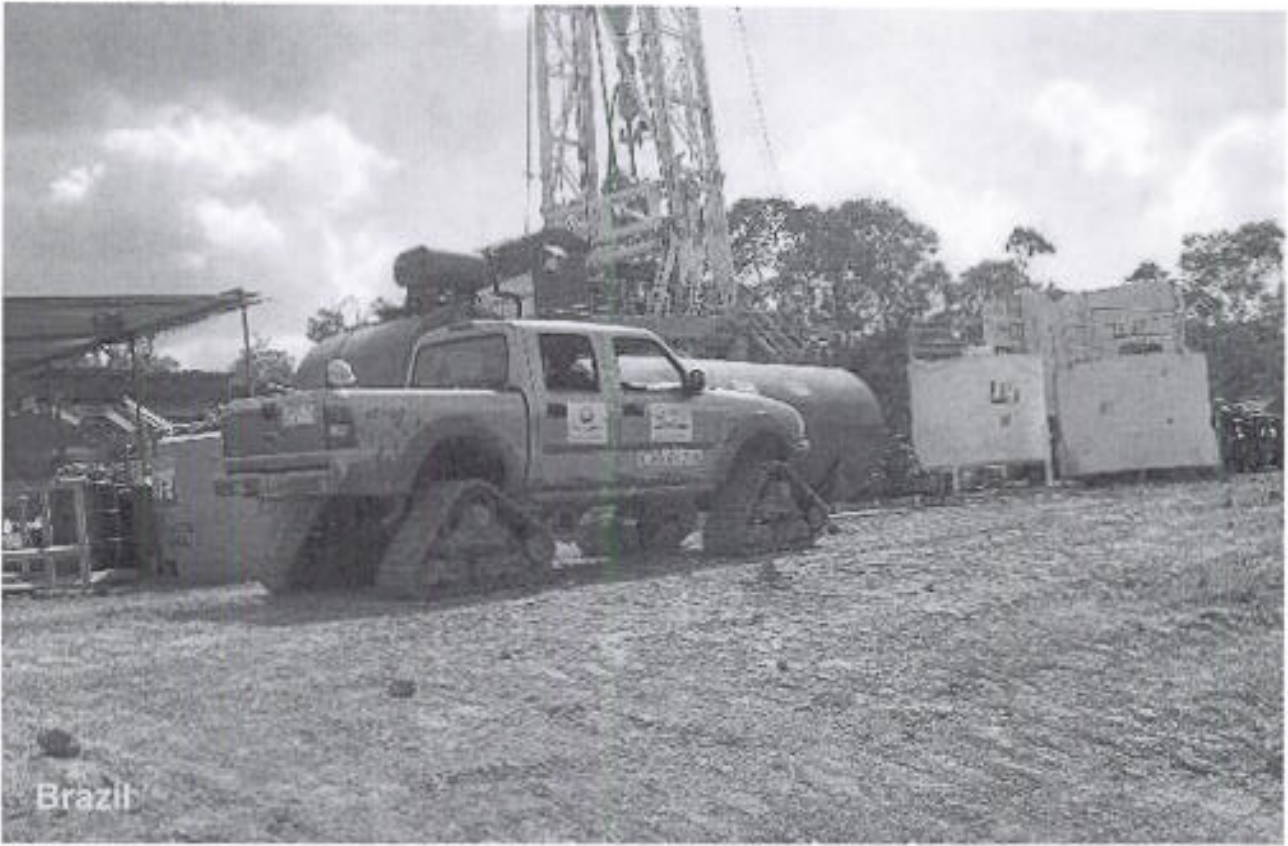


United Kingdom



Turkey









Jordan



Oman





Canada



Canada





TARDEC Demonstrates MATTRACKS T4-3500 Robotic Project

Jun 16, 2008

BY TARDEC public affairs

DETROIT ARSENAL, WARREN, MI - The U.S. Army Tank Automotive Research, Development and Engineering Center has been working with MATTRACKS, a Karlstad, Minnesota-based company, to develop a chassis and electric drive system with superior off-road performance.

TARDEC, a subordinate element of the U.S. Army Research, Development and Engineering Command, recently demonstrated the MATTRACKS T4-3500 robotic project, a Karlstad, MN-based company. During the demonstration, the 3,100-pound robot whirred to life as it glided down a ramp onto the pavement making less noise than a remote-controlled child's toy.



The MATTRACKS T4-3500 robot uses track technology that provides mobility and traction in mud, sand, snow, swamp and tundra conditions. TARDEC has been working with MATTRACKS, a Karlstad, MN-based company, for more than a year on a Tracked Unmanned Ground Vehicle project to develop a chassis and electric drive system with superior off-road performance. (Photo courtesy of MATTRACKS.) Photo by Courtesy of MATTRACKS

The Tank-Automotive Command's Life Cycle Management Command is the center for Department of Defense-based ground vehicle robotics projects. TARDEC's Track and Suspension Team, Ground Vehicle Power and Mobility Directorate, and the Intelligent Ground Systems Directorate, are exploiting opportunities for near-term technology solutions to satisfy a broad range of operational needs in developing ground vehicle robotic platforms and platform components, to include advanced chassis, suspension and robotic drive systems.

During the demonstration, the T4-3500 was put through its paces, successfully performing 360-degree pivot turns, crab walking and driving over moguls, navigation up and down hills, and a one-meter step.

The T4-3500 has five unique components:

A four-track drive system that allows for maximum mobility and greater stability.

- A walking beam suspension that allows flexibility when encountering mogul-like bumps.
- A modular track system with interchangeable tracks that can be easily replaced by removing only one bolt.
- A passive dual rocker, shape-changing suspension that absorbs road shock.
- Four MATTRACKS electric wheel motors to power the vehicle.

MATTRACKS designed the track system, suspension system, in-hub drive motors, chassis and power source. It will continue over the next year to develop a second version of the T4-3500 that will incorporate installation of common Military Communication Language and hardware, the ability to remotely control the vehicle, higher-powered in-hub motors and high-energy batteries and the ability to operate in a manned and unmanned capacity.