



Strong's Crane
setting bridge
beams on a
Montana highway

Strong's Crane off loading a
building at a pipeline pump station



Until then, prosperity

Even with spiking fuel costs and economic uncertainties, the Northern region reports triumph. **John Wyatt** reports

Wind farms, energy plants, specialized transportation – plenty of business for the transport and crane companies in northern states region. Business owners in Montana, Nebraska, the Dakotas and Minnesota report strong activity, and there appears to be less anxiety in this region about economic uncertainty and competition than *ACT* reported last month in its Regional Report on the Midwest.

Yet many regions share similarities in that sales are still strong and businesses are still growing. Another similarity is that the cost of fuel has forced companies to raise rates, adding fuel surtax fees to stay competitive. Overall, same problems but still business activity is being described as “good to great.”

Doug Strong, president of Strong's Crane Service, says business has been very good the last three years. The company, which has seven cranes ranging from 28 to 200 ton capacity, does a lot of commercial and industrial work such as oil refinery upgrades and power plant construction, and a hodgepodge of everything in commercial.

“I think this summer it will be good,”

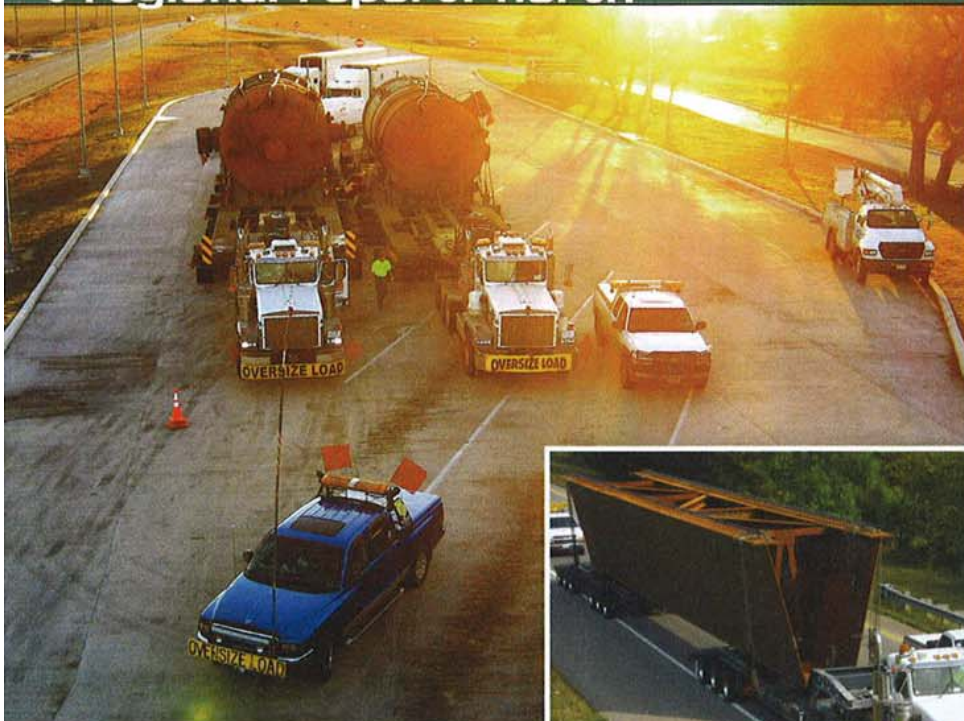
says Strong. “I don't see it slowing down a bit.” Based in Billings, MT, Strong's Crane Service provides full crane services with NCCO licensed operators. Strong describes the level of service as more “taxi” than long-term projects. The most the company spends on a job is two to three weeks.

Steady going

Strong says business looks to remain steady over the next couple years. Banking on this forecast, Strong's Crane Service has invested in new cranes. It will take delivery of a Link-Belt ATC-3250 all-terrain this fall. Furthermore, at ConExpo Strong placed an order for Link-Belt's ATC-3140 140-ton truck crane.

The slowed housing market hasn't impacted the company, for better or worse, Strong says. The city of Billings, according to Strong, hasn't seen the turn for the worse in the housing market and there is plenty of new residential construction in the area.

Heavy haul transport company Whitewood Transport Inc., also based in Billings, delivers cranes to job sites predominantly in the Northwest. The company works with owner-operators and leased under



LEFT: A pair of 150 ton reactors moved 3,000 permit miles from Houston, TX to northern Alberta, Canada. As run by Perkins Specialized Transportation Contracting, a pair of tractors were used on each of the dual lane loading trailers to push and pull the loaded transporter. Loaded dimensions were 210 feet long, 18 feet wide, 20 feet high, with a gross vehicle weight of 550,000 pounds



BELOW: One of 30 steel girders weighing up to 90 tons each. Hauled from Wisconsin to Nashville, TN by Perkins for a pedestrian bridge across the Cumberland River. Loaded dimensions were up to 165 feet long, 14 feet wide, 15 feet, 6 inches high with a gross vehicle weight of 256,000 pounds

Whitewood's authority.

"Well, every month is another record. Every year is also," says John Hanson, vice president and co-owner of Whitewood. "We keep growing."

And how does the company see the forecast beyond 2008? "Boy, that's a really good question," says Hanson. "We don't know where we're going. We have a bet that we're going to see \$5 a gallon fuel. I'm sure that's going to have a huge affect on this industry. I think there's a lot of caution in the economy, but we're up from last year. We see good things."

The current market in Billings has allowed Whitewood to grow. In the last year, the company moved into a new 7,500 square foot yard. Hanson says the company has added employees and extended its brokerage department. He says the company has grown 20% over the past year.

In Nebraska, rigging operation Heavy Company of Lincoln, primarily focuses on relocation of plants, installation/removal of production machinery, metal stamping, forging, plastics, injection molds. The company also works on ethanol and power plants, gas turbine engines and services all continental US, with some work in Canada.

"Last year was pretty good. This year is starting off really well," says Rob Hoover, project manager for Heavy Company. "We've managed to keep our four crews busy 95% of the time," adding that utilization of the company's fleet is 95%, as well. Heavy's fleet

consists of eight tractors and 12 trailers. The company recently purchased a brand new 500-ton gantry from Lift Systems.

Plant relocation

Hoover says that a lot of work involves plant relocations. He is happy to report that the relocations are from area-to-area, not local-to-abroad. "It seems like there is a lot of work going on ... for new and used machinery from other plants for their expansions or new business," he says. "We've done some machines going overseas. This year we're seeing more work staying in the US than what we've been sending over to India and all that in the past."



Wanzek Construction's Demag CC-2500-1 (550-ton) and Kobelco CK1000 (100-ton) installing rotor on wind tower at the Endeavor Wind Farm near Harris, Iowa

Heavy expects the year to end as it started: quite nice. In its current path for 2008, Hoover says the year will probably be a banner one for Heavy.

Hoover says gas prices are a concern for the company and that the current price of fuel [at \$3.45 in early April] has dig into the company's bottom line. "It [fuel] makes it a little tougher for us to bid on a project in Oregon or North Carolina. It makes for tight margins. I think customers took it as we're trying to get more money and realizing now it's a serious issue and there's an added cost," he says.

Industrial hotbed

Wanzek Construction, Inc., with headquarters in Fargo, ND, specializes in heavy/industrial construction in the wind energy, power, and biofuels sectors, as well as heavy civil work, such as earthwork, concrete, bridges and pile driving.

In addition to construction, the company is also known for its significant crane fleet. Wanzek owns and operates more than 40 cranes, ranging from rough terrain and truck cranes, to its impressive 660-ton and 550-ton Demag crawler cranes, just purchased this year. Wanzek dedicates several of its machines to crane service and rental, supplying clients throughout the central US.

Company president, Jon Wanzek, says Wanzek has been steadily growing and has seen a healthy increase in business over the last few years. Wanzek's revenues went over the \$200 million mark last year and are expected to be over \$250 million in 2008.

The agricultural and energy markets provide the region with strength in the economy, Wanzek says, particularly in the Dakotas and Minnesota. A few of its major projects include a 100 million gallon per year ethanol plant in North Dakota, a recently completed 30 million gallon per year biodiesel production facility in Oklahoma,

and several large wind energy farms in North Dakota, South Dakota and Iowa. The company also performs a large amount of work in the sugar processing plants of the Red River Valley, running through eastern North Dakota and western Minnesota.

The company expects 2008 to be a strong year for the company, as it's busy with energy projects in coal plants, biomass plants, wind energy, heavy/civil projects and other industrial process projects.

"We feel our energy and power markets will continue to be strong. There is a concern that congress supports the extension of the production tax credit [PTC] for continued growth in wind energy, which expires at the end of this year. It is imperative congress gets the PTC passed quickly in order for the momentum of the industry to continue. There are many jobs and economic investments that rely on the wind industry and that have a positive impact on the economy, as well as the obvious clean energy benefits of wind," says Wanzek.

Wanzek said continued expansion, investment in staff and equipment, and the addition of 10,000 square feet to the corporate office are three key components of Wanzek's growth strategy this year. "We don't expect to grow as fast as we have in the last two years. We're busy and because of our diversity and flexibility, we're going to sustain growth but focus on keeping it stabilized," says Wanzek.

Riding the wave

Perkins Specialized Transportation Contracting, an asset based company that works "super load" and radioactive hazmat cargo based in Northfield, MN, reports steady business. President Neil Perkins says that there are segments that are hyper-active while others are slower. "I guess it depends on what wave you're riding," says Perkins. "For Perkins, it seems like there's been enough activity to sustain steady work, reasonable growth and a return on investment that is on par with our model.

Wanzek Construction's Demag CC-2500-1 (550-ton) setting top section of wind tower at the Oliver County Wind Farm near Center, ND

"I've learned over the years that market forecasts and the economy itself can change at an unbelievable rate and that we need to always be prepared for something other than what's forecast," Perkins says. However, he reports that the company has signed contracts in 2008 through 2010, guaranteeing large projects over the next three years.

Currently, the company has a fleet of 18 tractors and plans to add a couple heavy duty tractors this year, as well as support vehicles. Perkins says it has trailers on order for delivery in February 2009.

Triple L Transportation Inc., of Apple Valley, MN, has a fleet of four tractors, 12 trailers and two pick ups. Triple L performs heavy haul work in Minnesota, Iowa, the Dakotas, Wisconsin and Nebraska. Dispatcher Steve Notch says business was pretty good but since interest rates went up, work has begun slowing down.

"We were busy until two months ago," says Notch. "And then it's like they turned the light switch off."

Most of the company's work is in residential and since the North through Midwest regions have experienced particularly brutal weather in both snow and harsh temperatures, work has slowed for the company.

"The people that we haul for are pretty upbeat," says Notch. "That usually picks up after road restrictions. Every year we have spring road restrictions where they cut the gross weight back and that usually starts in March and ends in May sometime. That has a lot to do with business being slow."

Mixed bag

From a manufacturer's point of view, Jerry Thomsen, president of Trail King Industries, reports a mixed bag within business. The company, which produces trailers for several industries, including specialized transportation, operates out of Mitchell, SD



and has manufacturing facilities in North Dakota and Pennsylvania as well. Thomsen says the business for specialized trailers is quite strong, primarily a result of both wind related business and oil fields. On the construction side, he says home building in this region never really saw the rapid acceleration that others enjoyed several years back, so the North never experienced the deceleration in those states, he says.

"Our forecast for the year is to be slightly up, even though we expect some markets to be down," says Thomsen. "Whether that be specialized or rental, the Ag is strong in this market so it's offset the home building side. These slowdowns may affect like some companies. We continue to forecast an increase."

He says probably the most active markets Trail King supplies to currently are wind related. Beyond that, the oil industry continues to be strong.

Steel prices rising

If fuel is the concern of the transport and rigging companies, then the price of steel is the big bother.

"The cost of fuel tends to impact our customers more than us," he says. "It still doesn't recapture all the cost. Whenever they go up, and impact the fleets, they in turn tend to reduce purchases. The biggest issue for us is the price of steel which has gone up the last three months, so as a result we've had to increase prices. Steel in general has gone up from 20% to 35%."

The business in the northern region, as it appears, is sound. Plentiful work in the energy markets, as well as plant relocation, appears to prosper companies serving these sectors. Despite hard winters and harsh weather conditions, the North region continues to prosper. **act**

Trail King manufactures self-steering/manual-steering dollies for transporting wind tower equipment

