

Carrying on

Financial crisis. Government bail out. Stock market tumble. Is there still a market for crawler cranes? You betcha! **D. Ann Shiffler** reports



Northwest Cranes' Liebherr LR1400/2-W Narrow Track has been ideal for the narrow roadways at a wind farm in New Hampshire. The narrow track is also less damaging to the terrain

Has the market for crawler cranes been affected by the Wall Street financial crisis? Not really. Not yet, anyway.

Demand for crawler cranes, especially in the heavier class ranges, continues at a steady click with many crane rental companies wishing they had more of these mammoth machines in their fleets. Manufacturer order boards have not been affected, with most reporting that their crawler crane inventories are sold out well into 2009 and even 2010.

"We can't build enough of them," says Jack Fendrick, vice president of Kobelco Cranes North America. "We are not the only manufacturer sold out [of crawler cranes] through 2009. At this point, no one seems to be saying 'Hey, we are not sure we want these machines.'"

The market for crawlers is stable, if not bullish, Fendrick says. The reason for the heightened demand is two-fold: remaining pent-up demand and large-scale refinery, power plant and wind farm projects coming on line.

"One of the things that was a big deal for this market was that the alternative energy tax credits were extended as a part of the [government bail-out] legislation," Fendrick says. "That will help keep the market strong for crawlers, especially those in the 250-ton plus capacity."

The extension of the tax credit bodes well for Kobelco, which produces the 600-ton

capacity SL6000 crawler, and which has been a big hit on wind farms and for heavy power plant and refinery work. First introduced to the US market in mid 2007, the newcomer SL6000 has garnered a strong reception. There are six SL6000s currently working in the US. Fendrick says if he had more he could sell more.

"Our problem is we can't get enough product," he says. "Right now in the US we have six SL 6000s working and we're sold out on this machine into the third quarter of 2010."

While all of Kobelco's crawler crane models are in high demand, Fendrick says the SL6000 continues to lead the pack.

All manufacturers are watching their order boards very closely, but Fendrick says thus far none of Kobelco's customers have inquired about pushing back or canceling an order.

Uncertainty looms

"I think the overall thing is no one knows how this economic problem will affect the crane market," he says. "We are all watching

Marco Crane & Rigging's two crawlers working together – a Link-Belt 348 Hylab and a Link-Belt 298HSL



AmQuip's newest LR1400 is working for Bechtel in Trimble County, KY. The machine is configured with full superlift, making lifts in excess of 390,000 pounds





there are not as many new Wal-Marts and McDonalds being built. But again with the crawler, the majority of the business is on the power and infrastructure side, and that remains strong.”

“Busy and booked out.” That’s how Andy Hodges, owner, of Oklahoma City-based Northwest Cranes describes the market for his company’s crawler cranes. “Our business is steady and continuing,” he says.

Wind work

A few years back, Hodges and his team made the decision to go after the wind farm market. “We have focused on wind regionally in our area,” he says. “That’s what we’re geared up to do and it’s going very well for us. Our crawlers are working in various parts of the country on wind farms.”

Most of Northwest Cranes’ crawler fleet are Liebherr brand cranes. “Absolutely, these machines have been great for our market and our business,” Hodges says. “We have a very good relationship with Liebherr and support from Liebherr. We have very few issues and if we do have one, whether it’s our problem or a crane problem, it is always taken care of very quickly.”

Hodges says that the current economic problems have created an air of uncertainty throughout the crane and transport industry. “Everyone is uncertain as to what affect the financial market will have on their business or their customers,” he says. “Our business



At Con-Expo, Link-Belt added the 550-ton Link-Belt 548 to its crawler range. Marco Crane & Rigging of Phoenix, AZ purchased the first and fifth units of this new machine. Delivery is expected early in 2009

doesn’t run on that type of credit so we’re not affected. The times are quite unusual but it’s not affecting our business, or the demand for our crawlers.

He concurs with Fendrick that energy-related work is fairly well insulated from recessionary times.

Earlier in the year, Northwest took delivery of its first Liebherr LR1400-2/W Narrow Track crawler crane. The machine began its first rig up in the US on a wind turbine construction site in Lempster, NH. Northwest is providing crane and rigging services for the erection of 12 wind turbines.

Demand still strong

With likely the largest fleet of crawler cranes of any rental company in the US, Essex Crane Rental’s management team scrutinizes the market closely and often. William

Essex has seen strong demand for its duty cycle units, including this 115 ton capacity Liebherr HS855-SX digging a 100 to 150 foot deep trench on a Geo-Solutions project in Lansing, MI



In June 2008, Essex Crane Rental’s Manitowoc 16000 sets the top tower section on a wind turbine project for Milco Constructors

things very closely.”

While the market for other classes of cranes may have dipped, Fendrick says the crawler market is better insulated for a number of reasons.

“With power plant and refinery work, these guys don’t need a credit line to expand,” he says. “The boys at Exxon Mobile don’t need financing. We don’t see the credit crunch affecting the oil or power plant business.”

However, rental companies do have to front money to buy cranes. Thus far, Fendrick says he hasn’t heard of any real problems related to the credit crunch but that he imagines getting credit could be a problem for the smaller companies.

The residential and commercial building market has slowed, but that slowdown has been absorbed by the market previously.

“It could be that this credit crunch will further erode the commercial building market,” he says. “We definitely saw slowing in the areas where large crawlers are used to build condominiums. And with the housing slowdown, without new neighborhoods



Bigge's American HC 165 driving piles at San Jose International Airport

O'Rourke, vice president for the Chicago-area based company, says, "We're still seeing very strong demand for crawlers, especially in the 200-ton plus cranes. Primarily we're putting these cranes in the power sector and the petrochemical and refining sectors."

O'Rourke says they have seen some softness in the heavy civil construction and roadwork, but that is mainly due to funding issues. Essex is not extremely active in the commercial or general construction area, so that slowdown hasn't made a big impact. "We haven't focused on that area but we do have some business in that sector," he says. "Again, the 200 through 600 ton class of crawlers is still very strong. We see softness in the under 200 ton primarily the 100 through 150 ton ranges is a little softer."

The Essex fleet, primarily comprised of Manitowoc crawlers, although O'Rourke says the company has invested in several Liebherr duty cycle cranes, and those machines are always busy.

Based in Bensalem, PA, AmQuip recently hired Guy Erwin to head up its national crawler crane division. AmQuip dispatches cranes throughout the US, and Erwin says the market for crawlers remains steady, although "demand is progressively slowing down as the economy is starting to slow."

"In the 300-, 400-, 500- and 600-ton plus classes, the crawler is still a highly utilized machine by the wind and power markets," Erwin says. "We have cranes on wind farms, at power plants and on large-scale bridge projects. "We're seeing a strong demand in wind power, petrochemical, chemical plants

and coal fired power plants."

AmQuip continues to see a need to grow its crawler fleet. "We have 15 400-ton capacity plus crawlers on order over the next six years," Erwin says. "These orders represent several manufacturers."

More machines needed

Scott W. Moreland, vice resident of sales for Liebherr's duty cycle range of crawlers, says that getting product remains a challenge.

"That's basically where we are, backlogged on product," he says. "We are backlogged to 2011 on our LR units, our up to 330 ton crawlers. And actually, pretty much all our machines are back ordered. Occasionally something will happen and a unit will show up that we can sell."

Demand for this class of crane comes from rental companies, large infrastructure projects and wind tower erection, Moreland says. "We have a LR1400 arriving in the US for Kiewit and it will be working on the massive rebuilding of the Huey P. Long bridge. Our machines are on duty cycle jobs throughout the country. We have our cranes on duty cycle and infrastructure work in New York City."

Credit crunch worries

Moreland concurs that for the short term the credit crunch shouldn't affect the crawler market due to the nature of the heavy lifting work and the finance mechanism for these projects.

"Of course everyone is wondering what is going to happen," he says. "Some of the groups that cater to the commercial end are wondering whether that area will slow down. People who use crawlers use them for power, energy and infrastructure work. All that work is long term planned and normally not affected by credit."

Moreland says a number of Liebherr crawlers will be going into fabrication yards in the Gulf Coast area of the US, mainly to service the petrochemical industry. "We have some machines going into dragline and aggregate applications," he says. "While we haven't seen a slowdown or in the cancellation of orders, you have to wonder if that could come in the aggregate and the commercial area. We have seen a slowdown in Florida in the aggregate side of the business."

Amazing, actually

It's "amazing" how strong the market is for crawler cranes, says Dan Mardian, president of Marco Crane & Rigging and Mardian Equipment, based in Phoenix, AZ.

"What is surprising is that the market is the strongest for crawler cranes, and



Bigge's Manitowoc 2250 and Liebherr LR 1300 working on the San Francisco Oakland Bay Bridge



we're relatively new into this market," says Mardian. "It appears [the manufacturers] are sold out and lead times on crawlers are the longest. I don't know if it's me or our company, but we have come to recognize the value of a crawler crane over a truck crane."

Mardian says they have been increasing their crawler crane fleet size as quickly as they can, but can't seem to make much headway due to the demand for crawlers worldwide. "It's the strongest segment of the business," he says. "Obviously the economic situation is troubling, and it's a big concern, but the strongest demand in the industry is for crawler cranes."

Earlier this year, Mardian purchased the first unit of the new Link-Belt 548 crawler, which was introduced at Con-Expo in Las

Demand for Kobelco's SL6000 is strong with the machine sold out until 2010



Bigge Crane & Rigging performs a large amount of work in the wind power industry. Bigge's Liebherr LR 1300 and LTM 1220 work in tandem unloading wind tower components



Vegas. He anticipates delivery of the first machine in early 2009.

"It's going through final testing right now, and we already have contracts in place and

people who want to buy it," says Mardian. "We're anxiously awaiting it."

Mardian says he ordered from Link-Belt unit Number 1 and unit Number 5 of the new 548 model. "They won't take any more orders on the machine, so that was our initial order," he says. "If the demand is there, as soon as we can order more, we will, assuming the economy doesn't totally collapse. We expect this financial thing to pass and that the energy demands and those kinds of things where the big crawlers are needed, we expect that demand is in excess of whatever the slowdown that we may see."

Mardian says his fleet of crawlers number somewhere between 15 and 20 units, most in the higher capacity ranges.

Out on the West Coast, demand for crawler cranes continues at a strong pace, according to Joe Nelms, vice president of sales and marketing for Bigge Crane & Rigging.

"I guess as far as we can see the demand is still good," says Nelms. "We have more crawler cranes out on jobs right now than we've ever had out on jobs."

Bigge crawlers are performing a full spectrum of work. "We have them on mixed-use commercial and residential projects, some on wind farms, on power

plants and on refinery jobs," he says. In terms of demand, Nelms says that for his company, crawler demand is "fairly evenly utilized throughout the classes and rental duration is longer term."

"We have a 110-ton crawler we just put on lease for 12 months, and all of our 200 ton crawlers are on lease. We have 80 percent of our 275 ton capacity crawlers on lease and all our 300 ton crawlers are on lease."

Nelms says that there aren't too many small crawlers in the Bigge fleet. "We have a bunch of 220 tonners and a couple of 500 tonners. Most of our crawlers are on lease whether they are operated by us or our customers. For the foreseeable future the market looks strong."

Bigge also has crawlers on order from Kobelco and from Terex Demag. "We have some Kobelco crawlers delivering next year and we have a 275 ton and 330 ton Liebherr crawlers on order," says Nelms.

Demags in the mix

Next year Bigge anticipates the arrival of a Terex Demag CC2400 and a Terex Demag CC2500. "In our crawler fleet we have Americans, Kobelcos, Liebherrs, Manitowocs and next year the big Demags," Nelms says. **act**

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