



M3 Crane's uses its Kobelco crawler for work in the New Jersey area. The company specializes in rough-terrain and crawler cranes, plus performs some transportation and rigging work. Much of its work is in treatment plants and marine services

Crane and transport companies in the Northeastern US continue to adjust and adapt to the downturn. **Hal Lundgren**

reports

Making adjustments



Michael Foggio, president of Verona, NJ-based M3 Crane, says his company is just the right size to deal with recessions. The company held up well in 2007 and 2008. "We'll be better in 2009," he predicts. "We expect our business to be up by about 10 percent."

The president of 41-year-old Keen Transport, Bill Keen, compares today's business sluggishness with the 1981-82 recession "when we had 21 percent interest rates." The New Kingstown, PA-based company has also had to withstand sagging commodity prices and "a dramatic drop in our export business." For years, Keen locations near several US ports had prospered with assembly and storage services.

Business fall-off has forced the company "to adjust employment levels." Still, Keen has maintained its fleet of more than 500 trailers, of which about 95 percent are company-owned. Keen operates from 13 locations with about 550 employees.

"We saw this (housing) problem start in New England about two years ago," says Keen. "Then it moved to the Atlantic states. Based on my experience, that's how US recessions seem to move. They start in New

England, then go to the Atlantic region, then to the Gulf states, then to the west. Global recessions also seem to start in the US. We are usually first into a recession and first out. We went into this recession ahead of the rest of the world. Let's hope we're again the first out."

Slight recovery signs?

Keen says Eastern Pennsylvania and New Jersey (housing starts) are still slow. "We need them to pick up," he says. "But we do see slight signs of recovery in New England. That's encouraging. I keep telling myself things are going to get better."

Memories of the 1981-82 economic downturn have left him with cautious instincts about the future. "That was a terrible time," Keen says. "Our business was down 30 percent one year and 40 percent the next. Looking forward, I don't see the economy coming out of this recession soon."



Jay Biondi, Biondi Transport and Rigging, serve the upstate New York, western Massachusetts and Vermont region. He says while the economy has taken a hit, that doesn't mean there's gloom and doom everywhere. "We've been in business 15 years. I can't compare today with a bad period because our company isn't in a bad period. We've even been able to weasel some business away from larger competitors."

marine services. Foggio says that despite "noticing problems" in his region, the company held up well in 2007 and 2008.

"We'll be better in 2009," he predicts. "We expect our business to be up by about 10 percent."

Housing hurts

Jay Biondi coordinates operations for Biondi Transport and Rigging of Queensbury, NY. He measures housing slippage in two phases.

"First, we had the housing market drop," he says. "Then we had the housing market fall off the face of the earth."

That doesn't mean there's gloom everywhere. In much of his service area (upstate New York, western Massachusetts and Vermont), Biondi observes, "Malls are filled, customers are buying and people tell me they're puzzled about all the bad economic news they read and hear. It's that way (no gloom) for our company, too. We've been in business 15 years. I can't compare today with a bad period because our company isn't in a bad period. We've even been able to weasel some business

away from larger competitors."

Biondi says "being lean and mean helps us. We're small enough that if one phone call comes in, we're busy. A company that's doing 20 houses a month is in trouble if the housing market goes away. Housing has been a small part of our business. If we're doing one house a week and demand stops, we don't feel it."

The company specializes in crane rentals, transportation and rigging, "all of it light stuff," according to Biondi.

Baxter Crane and Rigging of West Yarmouth, MA, rents cranes with capacities reaching 360 tons as well as boom trucks and forklifts. In recent months, there has been less demand for that equipment. To avoid layoffs, as many as one-third of Baxter employees have been assigned rotating "off" time.

"We operate only in the Cape Cod area," says Jon Baxter, owner. "There's not much industry here, so we never know what to expect."

The company offers lifting for modular homes, commercial air-conditioning, steel work, whatever comes along. "We're also getting into wind turbines," Baxter says. "A small company has to be prepared to do a little of everything, and that's us. We've been very fortunate that there are a lot of wealthy people with large homes on the Cape. We've helped them with complete renovations and even moved gazebos."

But overall, things have been slow. "We have 12 cranes," says Baxter, "Right now, that's more than we need." **act**

I've been wrong before. I hope I'm wrong this time. But that's the way it looks to me."

Michael Foggio, president of Verona, NJ-based MIII (M3) Crane, figures his company is just the right size to deal with recessions. "We're mid size," says Foggio, whose company serves primarily four states. "We're not highly leveraged."

Larger companies are also larger in their vulnerability, Foggio points out. "We've all seen times where things are crazy with lots of business activity," he says. "Then all of a sudden, there's a downturn. The music stops. When all the chairs are taken, it's tough to find a place to sit."

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Bill Keen, president of 41-year-old Keen Transport based in New Kingstown, PA, says he has seen some slight signs of economic recovery

