

Thompson Metal CEO on the CRC: Communication is much better

Written by Nicholas Shannon Kulmac

Thursday, 04 October 2012

Thompson Metal Fab CEO John Rudi knows the height of the Columbia River Crossing (CRC) will have a major impact on his business. What remains to be seen is whether that impact will be manageable following mediation with CRC staff.



Since originally voicing concern with the height of the CRC in 2006, Thompson (TMF) – a Vancouver-based steel fabricator – has struggled to find common ground with the agencies sponsoring the bridge project. The company produces and ships large metal structures that require 90 to 160 feet of vertical height clearance under the I-5 Bridge to get down river. However, the new bridge design falls well short of that mark.

At odds over the height issue, TMF took legal action against the CRC earlier this summer. Since that time, Rudi said conversations between his company and CRC staff have improved dramatically.

"Communication has been a lot better and I think their goal in this process is to make sure we stay a viable company and that the benefit to the community in terms of jobs continues," Rudi said.

"We're continuing to meet with CRC and work through some different scenarios that make sense, don't make sense or can get ruled out," he added. "We're just trying to work through those to reach some sort of plan that addresses how the CRC can mitigate our situation here and still meet the needs of some of the other river users."

While optimistic about the progress of mediation, Rudi noted that there are some "real time-related issues that must be recognized." For example, he said, clients have already started to comment about the bridge conflict, and he's anxious to not let it go beyond that.

"A lot of these companies do long range capital expenditure planning," he explained. "If they think there's a risk that you may not be able to support their need in four or five years then you fall off of the planning cycle. It's very important to stay on board with these guys early on in these large projects because trying to get on board late is very difficult."

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TMF works on contract with organizations like the U.S. Army Corps of Engineers and the oil and gas industry on the North Slope of Alaska. Currently, the company is fabricating six and a half miles of elevated rail track that will be used for rapid transit in the Bay Area. And next year, Rudi said, TMF will be working with the U.S. Navy.

"We've got a pretty good backlog in and through next year and we have quite a few projects that are out there pending in Alaska, Washington and California," he said.

Located just east of the I-5 Bridge on a 15-acre parcel of land along the Columbia River, TMF employs approximately 250 people and has an estimated annual payroll of \$16.2 million. Rudi said he expects that number to grow as the company takes advantage of new opportunities in the market.

"We've got a lot of people looking at us," he said. "The rising fuel costs, transportation costs and administration costs for large projects overseas will start to make us more competitive now."

"We are in much better position to present a facility and a workforce that will make us competitive – possibly in the oil sands and some other areas that [require] big modules that are currently being brought in from overseas," Rudi added.

With many of TMF's opportunities hinging on successful mediation with CRC staff, Rudi stressed that both parties are doing a good job of staying engaged.

"We're not at opposite polar ends," he said. "We're all working to try and find a solution."