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Before
THE PENNSYLVANIA PUBLIC UTILITY ~~COMMISSION~~ SECRETARY'S OFFICE
Public Utility Commission

In re: A. 102471, F. 1, Am-F - Pitt-Ohio Express, Inc. -
Amendment to permit the transportation of property,
*** for G. C. Murphy Company between points in
Pennsylvania.

Initial hearing.

Stenographic report of hearing held in
State Office Bldg., 300 Liberty Avenue,
Pittsburgh, Allegheny County, Pennsylvania,

Monday,
March 25, 1985,
at 10:00 o'clock a.m.

BEFORE: JAMES PORTERFIELD, ADMINISTRATIVE LAW JUDGE

EXHIBIT
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APPEARANCES:

WILLIAM J. LAVELLE, ESQ.
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Pittsburgh, Pa. 15219
For - Pitt-Ohio Express, Inc.,
Applicant.

JOHN A. PILLAR, ESQ.
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For - Newcomer Trucking, Inc.,
Protestant.

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ADMINISTRATIVE LAW JUDGE JAMES PORTERFIELD: This is the time and place set for the hearing on the application of Pitt-Ohio Express, Inc., docketed at A. 102471, Folder 1, Amendment F.

The application seeks to amend the current certificate to permit the transportation of property, except commodities in bulk and household goods and office furniture in use, for G. C. Murphy Company between points in Pennsylvania.

The subject application was filed on November 26, 1984 and noticed in the Pennsylvania Bulletin on December 15, 1984.

A protest was filed on behalf of Evans Delivery Co., Inc. on 12/24/84 by Albert L. Evans, Jr., President. The subject protest was withdrawn on February 27, 1985 by letter to the Commission from the same individual.

A protest was also filed on behalf of Newcomer Trucking, Inc. by John Pillar, Esq., said protest being filed approximately January 6, 1985.

William J. Lavelle, Esq. has entered an appearance this morning on behalf of the Applicant and John Pillar, Esq. has entered an appearance on behalf of the Protestant, Newcomer Trucking, Inc.

Mr. Lavelle, are you ready to proceed?

MR. LAVELLE: Yes, sir, we are.

1 (Witness sworn)

2 JUDGE PORTERFIELD: Would you state your name, and
3 spell your last name, please?

4 THE WITNESS: Robert Francis Hammel -- H-a-m-m-e-l.

5
6 ROBERT FRANCIS HAMMEL, called as a
7 witness on behalf of Applicant, being first duly sworn, was
8 examined and testified as follows:

9
10 DIRECT EXAMINATION

11 BY MR. LAVELLE:

12 Q Mr. Hammel, by what company are you employed?

13 A Pitt-Ohio Express, Inc.

14 Q What position do you hold with the company?

15 A I am Secretary.

16 Q What is the address of the company?

17 A 26th & AVRR, Pittsburgh, Pennsylvania 15222.

18 Q Mr. Hammel, how long have you been connected with
19 Pitt-Ohio Express?

20 A Six years.

21 Q How long has the company itself been in existence?

22 A Six years.

23 Q So you've been with it since its very beginning?

24 A Correct.

25 Q And have you held your present position since that

1 time, since it was incorporated?

2 A Yes.

3 Q You indicated that you are Secretary of the
4 company. What are your functions with the company as the
5 Secretary?

6 A I am involved in many functions, from operations
7 to dispatch, hiring, purchasing equipment, various duties
8 like that.

9 Q And are you the representative of the company that
10 normally appears in applications before the Pennsylvania
11 Public Utility Commission?

12 A Yes.

13 Q Are you familiar with your company's present
14 operating authority from the Commission and from the Inter-
15 state Commerce Commission?

16 A Yes.

17 Q Also, are you familiar with the facilities of the
18 company, its equipment, its method of operations?

19 A Yes.

20 Q As an officer of the company, are you authorized
21 to testify here on its behalf today?

22 A Yes.

23 Q What is the state of the corporation of the company?

24 A Pennsylvania.

25 Q And it was incorporated approximately six years

1 ago?

2 A That's correct.

3 Q You indicated that you are the Secretary. Who is
4 the President of the company?

5 A Charles Hammel, III.

6 Q What relationship is he to you?

7 A He's a brother.

8 Q Are each of you also directors of the company?

9 A Yes.

10 Q Does the company have any other directors or
11 officers?

12 A Yes, one other, another brother, Kenneth William
13 Hammel.

14 Q And what position does he hold?

15 A He's Vice President and a director.

16 Q How is the stock of Pitt-Ohio held?

17 A We each have one-third ownership.

18 Q Each of the three brothers?

19 A Each of the three.

20 Q Do any of you who are officers and directors of
21 the Applicant hold any financial interest in any other
22 authorized motor carrier?

23 A We each hold 12% stock in another family related
24 corporation, Hammel's Express, Inc., which has local P.U.C.
25 authority.

1 Q Hammel's Express, Inc. does hold intrastate
2 authority from this Commission?

3 A Yes.

4 Q Does it hold any interstate operating authority?

5 A No.

6 Q When you say "local", would you define what you
7 mean by that?

8 A Hammel's is basically operating about 30 air
9 miles of the City of Pittsburgh.

10 Q Did you indicate the extent to which the three
11 of you have an ownership in that company?

12 A Each of us owns 12% of the stock of Hammel's
13 Express.

14 Q And who holds the balance of that stock?

15 A The balance is held 10% by my mother, Katherine A.
16 Hammel, and 54% by our father, Charles, Jr.

17 Q Is that the only company in which the three of
18 you, brothers in Pitt-Ohio hold any ownership interest?

19 A Yes.

20 Q You don't serve on the board of directors or as
21 an officer of any other authorized carrier?

22 A No.

23 Q In fact, do you hold any position, either officer
24 or director, with Hammel's?

25 A I'm a director.

1 Q You have the stock interest plus being a director?

2 A That's right.

3 Q Is that true of your brothers as well?

4 A Yes, it is.

5 Q You indicated that your company presently holds
6 operating authority from the Interstate Commerce Commission,
7 is that correct?

8 A That's right.

9 MR. LAVELLE: Your Honor, may we have that operating
10 authority marked as an exhibit, please?

11 JUDGE PORTERFIELD: We'll mark it as Applicant's
12 Exhibit 1.

13 (Applicant's Exhibit No. 1, being a copy of Appli-
14 cant's interstate operating authority, was pro-
duced and marked for identification)

15 Q Will you look at what has been marked as Applicant's
16 Exhibit 1. Is this a certificate of public convenience and
17 necessity from the Interstate Commerce Commission issued to
18 Pitt-Ohio Express, Inc.?

19 A Yes, it is.

20 Q Under this authority, which is set forth on the
21 second page, you're authorized to operate as a motor common
22 carrier of general commodities, with certain limited exceptions,
23 between points in a number of states, is that correct?

24 A That's right.

25 Q Including the State of Pennsylvania?

1 A That's right.

2 Q Are all the states basically within the north-
3 eastern quadrant of the nation?

4 A Yes, they are.

5 Q Are you presently operating under that authority?

6 A Yes, we are.

7 Q Does your company hold any operating authority
8 from the Pennsylvania Public Utility Commission?

9 A Yes, we do.

10 Q Do you have a summary of that authority for
11 presentation to the Commission?

12 A Yes.

13 MR. LAVELLE: Your Honor, may we have that marked
14 as an exhibit?

15 JUDGE PORTERFIELD: Mark that as Applicant's Exhibit
16 No. 2.

17 (Applicant's Exhibit No. 2, being a copy of Appli-
18 cant's intrastate operating authority, was pro-
duced and marked for identification)

19 Q Is the document marked as Exhibit 2 an accurate
20 summary of the operating authority presently held by your
21 company from this Commission?

22 A Yes, it is.

23 Q Are you presently operating under this authority?

24 A Yes, we are.

25 Q The authority that is set forth, beginning in the

1 middle of page 1 at Folder 1, Amendment B and extending over
2 to the top of the second page, is that the broadest general
3 authority that you hold from this Commission?

4 A Yes, it is.

5 Q And under that authority, you're authorized to
6 operate in the transportation of general property, with
7 certain exceptions that are set forth, between points in 15
8 western Pennsylvania counties, is that correct?

9 A That's right.

10 Q That is subject to a restriction geographically
11 in the seventh restriction that limits the authority and
12 the service you can provide insofar as Allegheny County is
13 concerned, is that right?

14 A That's right.

15 Q The restriction essentially prohibits the transpor-
16 tation of property from Allegheny County to points in five
17 western Pennsylvania counties or vice versa, is that right?

18 A That's right.

19 Q Has your company been authorized by this Commission
20 to engage in any other intrastate operations other than
21 those shown on Exhibit 2?

22 A Yes, we recently picked up part of the Breman
23 authority which enables us to serve Butler County from
24 Allegheny County.

25 Q Is that the authority of Breman's Express Company?

1 A The authority actually we picked up includes
2 points from Allegheny to Butler; also includes Beaver,
3 Lawrence Counties as well; however, we already presently
4 have had that authority for Beaver and Lawrence from Alle-
5 gheny, so additionally it gave us Butler County.

6 Q You said you picked up that authority from Breman's.
7 Is that the subject of a transfer application before this
8 Commission?

9 A That's right.

10 Q And what type of authority was granted to you
11 insofar as that Breman's purchase was concerned -- was it
12 a permanent application that was granted or something other?

13 A Right now we are operating under temporary author-
14 ity awaiting the transfer.

15 Q I think that's actually under a grant of emergency
16 temporary authority, isn't that right?

17 A Yes, I believe it is.

18 Q Do you know when that emergency authority was
19 granted by this Commission?

20 A The e/t/a was granted on August 13, 1984.

21 Q And subsequent to compliance with that particular
22 Order, have you been operating under that emergency authority
23 as well?

24 A Yes, we have.

25 Q Does your company have any other application pend-

1 ing before this Commission at the present time?

2 A Yes, we do.

3 Q What is the nature of that other application?

4 A We are seeking to acquire authority to haul be-
5 tween all points in Pennsylvania for the G. C. Murphy Company.

6 Q That's the application we're concerned with today?

7 A Right.

8 Q Is there another application other than that
9 that's pending before the Commission?

10 A We have one other application to haul, again, for
11 a single shipper, the R. A. Hiller Company, to points in
12 Pennsylvania.

13 Q Has that application come to hearing yet?

14 A No, that's not been scheduled yet.

15 JUDGE PORTERFIELD: Excuse me. Is that captioned
16 Amendment E, or is the transfer captioned Amendment E?

17 MR. LAVELLE: The Hiller application, I believe, is
18 captioned Folder I, Amendment G and the transfer would be
19 at Amendment E.

20 Q To the extent that this application being processed
21 here to serve G. C. Murphy Company would be granted and you
22 would receive authority to transport property between all
23 points in Pennsylvania, do you understand that there would
24 be some obvious overlap between that and some other author-
25 ity you presently hold?

1 A Yes, I do.

2 Q You're not seeking to have two separate grants of
3 authority for purposes of subsequent sale or anything of
4 that type, are you?

5 A No.

6 Q So if the authority were granted in that form,
7 subject to the condition that the new authority and the
8 existing authority would be considered a single grant for
9 purposes of future sale, that would not have any effect on
10 your operations, would it?

11 A No.

12 Q Your company doesn't hold any contract carrier
13 authority from this Commission, does it?

14 A No.

15 Q Would you tell us where your main office is located?

16 A Our main office is at 26th & Railroad Street,
17 Pittsburgh 15222.

18 Q Could you give us a description of your facilities
19 there?

20 A We basically are leasing a part of a terminal.
21 We're leasing 26 doors of a terminal and office space.

22 Q Who is that leased from?

23 A It's leased from Hammel's Express.

24 Q How long have you been at that location -- Pitt-
25 Ohio?

1 A Six months.

2 Q Where were you prior to that point -- where was
3 your main office six months ago?

4 A Prior to that we were one block away at 27th &
5 Railroad Street, Pittsburgh 15222.

6 Q And was that under a similar lease arrangement
7 of facilities from Hammel's?

8 A Yes, we also were leasing dock space there, just
9 a few doors at the time.

10 Q How long totally have you had a facility in the
11 City of Pittsburgh?

12 A We have had offices there since we began six years
13 ago. We've only been operating trucks from there for about
14 a year, year and a half.

15 Q You said you have 26 doors that you're using.
16 What's the nature of your terminal operations there -- can
17 you describe them in more detail?

18 A Yes, we're using them as a breakdown of l/t/l
19 shipments and loading of outbound trailers for other terminals
20 as well as loading City trucks and route trucks for peddle
21 delivery for the following day.

22 Q Is this a cross-dock type operation?

23 A To a certain extent it is cross-dock. The out-
24 bound shipments are cross-dock. The routes that we run
25 from Pittsburgh are docked -- the shipments are docked and

1 then reloaded.

2 Q How many vehicles are you able to accommodate at
3 that terminal, either actually at the dock or in other
4 adjacent parking space?

5 A We're running about 35 out of there right now.

6 Q You operate line haul vehicles out of that terminal?

7 A Yes.

8 Q How about what I'll call a pickup and delivery
9 type operation, is that also conducted from Pittsburgh?

10 A That's also from Pittsburgh, that's correct.

11 Q That pickup and delivery operation out of the
12 Pittsburgh terminal, approximately what area is served in
13 that fashion?

14 A We're serving all of western Pennsylvania from
15 Pittsburgh and parts of West Virginia -- northern West
16 Virginia panhandle -- some border towns in Ohio. That's
17 basically it.

18 Q The terminal here in Pittsburgh I take is equipped
19 to handle less-than-truckload size shipments?

20 A That's right.

21 Q How many days a week is that terminal open?

22 A We're open five days a week, 24 hours.

23 Q Are you open or do you offer any type of service
24 on week-ends?

25 A We offer service on week-ends; however, it's

1 usually not requested. Should there be a request, we can
2 fill the need without having to open up the whole terminal.

3 Q Does the same apply to service that might be
4 requested on holidays?

5 A That's right. If requested, we would provide
6 service on holidays.

7 Q Do you have any other terminals presently within
8 the system?

9 A Yes, we have four other terminals, one in Cleve-
10 land, Ohio, one in Paulsboro, New Jersey, and one in Charles-
11 ton, West Virginia.

12 Q That's three. Did you say you had four other ones?

13 A Four total -- one in Pittsburgh.

14 Q Of those three other terminals that you mentioned,
15 would the Cleveland terminal in any way be involved in
16 operations on an intrastate basis in Pennsylvania?

17 A No.

18 Q How about the one in Charleston, West Virginia?

19 A No.

20 Q What type of communication system does your company
21 have between the various terminals?

22 A We're in contact with each terminal every day
23 lining up our road runs, managing the terminal, that type
24 of thing.

25 Q Do you just use regular telephone calls for that?

1 A We have direct lines which we can just pick it up
2 and reach the other terminal.

3 Q What method does your company have for keeping in
4 contact with its line haul drivers?

5 A We use the telephone.

6 Q Are they under any instructions to contact your
7 company once they leave one terminal and are proceeding to
8 another terminal?

9 A The line haul drivers are all dispatched from the
10 Pittsburgh terminal so they're in touch with either myself
11 or my brother, and we instruct them the loads they are to
12 take and when they're to call in and where they're to call
13 from.

14 Q What about the people who are engaged in the pick-
15 up and delivery operations in Pittsburgh, what method of
16 contact do you have with them during the day?

17 A The drivers, again, use the telephone to call in
18 during their daily routes or pickups, and we'll instruct them,
19 again, where to call from or when to call.

20 Q Are they under any instructions to call in certain
21 times during the day?

22 A There are times we'll say, "Give us a call from
23 this spot", or "Give us a call at this time". Yes, they're
24 instructed when to call.

25 Q When you receive those calls and they check in

1 like that, what type of instructions are you able to give
2 them at that point, or have you in fact given in the past?

3 A Depending on the type of work schedule that they
4 have, if they're on a line haul, or if they're delivering
5 one stop, we may have them call to let us know the perform-
6 ance of their progress. If they're on a delivery route,
7 they'll check in for possible pickups in the area or just
8 to inform us of the progress that they're having. They
9 also call if they have any trouble, say for instance equip-
10 ment problems, dispatch problems, maybe a shortage or some-
11 thing like that they're instructed to call. Basically, it's
12 to check in from an area for possible pickups.

13 Q How many employees does your company have?

14 A Total?

15 Q Total, or by specific job classification if you
16 can break it down for us.

17 A We have about 75 drivers, 6 salespeople, 5 mechanics,
18 about 25 office and clerical.

19 Q Are those totals of employees on a system-wide
20 basis?

21 A That's system-wide, yes.

22 Q Where are the mechanics located?

23 A The mechanics all work out of Pittsburgh at the
24 main terminal.

25 Q And would the bulk of the clerical and administrative

1 personnel be in the Pittsburgh terminal?

2 A Yes, we do all the billing from Pittsburgh and
3 much of the dispatch and all the management.

4 Q How about the salesmen, are they based in Pitts-
5 burgh or are they spread throughout the system?

6 A Three of them are based in Pittsburgh and we have
7 salesmen that are based out of other terminals, also, two
8 in Cleveland and one in Philadelphia.

9 Q The drivers, are they operating out of a certain
10 area, or do you have local drivers that might be assigned
11 to the individual terminals -- the three outlying terminals?

12 A Each of the outlying terminals have the responsi-
13 bility of hiring their own people, so naturally, the Cleve-
14 land terminal is hiring local people as well as the Pauls-
15 boro, New Jersey terminal and the Charleston, West Virginia
16 terminal.

17 Q Have you prepared a list of the equipment operated
18 by your company?

19 A Yes.

20 MR. LAVELLE: May we have this marked as Exhibit 3?

21 JUDGE PORTERFIELD: Yes.

22 (Applicant's Exhibit No. 3, being a multi-page
23 equipment list, was produced and marked for
identification)

24 Q Mr. Hammel, would you look at Exhibit 3 and tell
25 me if this is a current list of the equipment operated by

1 the company?

2 A Yes, it is.

3 Q It's a multi-page exhibit and I believe the first
4 three pages show equipment owned. By that do we understand
5 that this is equipment actually owned by Pitt-Ohio Express?

6 A That's right.

7 Q On page 1 of Exhibit 3, this reflects all of the
8 tractor equipment owned by the company, is that correct?

9 A That's correct.

10 Q Are these tractors used exclusively in line haul
11 operations, or are they used both in line haul and local?

12 A They're both line haul and local. Certain tractors
13 are designated for the line haul between terminals; however,
14 they might be used local during the day.

15 Q On page 2, what do you mean by the category "Trucks"?

16 A These are actually the straight trucks, which would
17 be the straight van, 20-foot body.

18 Q On page 3, these are company-owned trailers?

19 A These are the trailers that are owned by Pitt-
20 Ohio.

21 Q What type of trailers -- are these flatbeds, vans?

22 A These are all van trailers. Down as far as the
23 3, they're pup trailers, 25 feet. The rest of them are 45-
24 or 48-foot trailers.

25 Q The first 6 are 25-foot pups?

1 A Right.

2 Q And the rest are 40 to 45 feet?

3 A That's right. The next 5, the 480s are 48 foot;
4 the ones below that are 45.

5 Q And they're all closed vans?

6 A Yes.

7 Q Beginning on page 4 the caption is, "Leased Equip-
8 ment". Page 4 then shows 13 leased trucks. Again, would
9 that be straight trucks?

10 A These are straight trucks, again.

11 Q Are they 20 foot?

12 A 21 foot straight trucks.

13 Q There's only one tractor leased by the company?

14 A Yes, one tractor is leased; the rest are owned.

15 Q The last two pages of the exhibit show leased
16 trailers, I take it?

17 A That's right.

18 Q What type of trailers are these?

19 A These are all 42- and 45-foot trailers.

20 JUDGE PORTERFIELD: Are these vans, also?

21 THE WITNESS: They're all vans.

22 BY MR. LAVELLE:

23 Q And the last page has a list of automobiles leased,
24 also. To what use are they put?

25 A They're basically the sales and management peoples.

1 Q They're not directly involved in the transportation
2 of freight as such?

3 A No.

4 Q The equipment that you show on this list as being
5 leased, from what company is that equipment leased?

6 A From Martera, Inc.

7 Q Would you explain what Martera is -- who owns it
8 and its relationship to your company?

9 A Martera is a leasing company that's owned primarily
10 by my father, Charles, Jr.

11 Q Do you have any ownership interest in that company?

12 A No.

13 Q Do either of your two brothers?

14 A No.

15 Q Is it owned entirely by your father or other
16 members of your family?

17 A Yes.

18 Q When you lease the equipment from Martera, is it
19 strictly a lease of equipment, or do you lease drivers?

20 A Just equipment.

21 Q In the use of the equipment is there any differ-
22 ence between owned and leased equipment as far as your
23 company is concerned?

24 A As far as usage?

25 Q Yes.

1 A No, they're both normally used.

2 Q Is there any equipment that your company now owns
3 that's not on this particular exhibit?

4 A No.

5 Q Do you have any equipment on order?

6 A No, the most recent ones that we were talking
7 earlier I see are on here so this is a complete list.

8 Q You indicated that your maintenance people are all
9 located in Pittsburgh. Can you give us a brief description
10 of the maintenance program of Pitt-Ohio?

11 A We have 5 full-time mechanics which are scheduled
12 almost on a 24-hour day. Each driver at the end of the day
13 turns in a write-up slip and any defects that's wrong with
14 the equipment, that is reviewed in the evening and corrected
15 that evening before going on the street the next day. If
16 they run into a problem which they can't correct, can't get
17 a part, something like that, then the truck is held the next
18 day. We red tag it, put a little red tag on the steering
19 wheel so people don't load it by mistake. The next day it
20 is then repaired. Mechanics work throughout the evening
21 checking outbound trailers. Every trailer that's going out,
22 they're required to check all the tires, the lights, the brakes,
23 hook up the road tractor, check the brakes and the lights on
24 that so when the driver reports for work, it's ready to go.
25 State inspection we farm that out -- we send that out to an

1 outside vendor for state inspection; however, we try to
2 correct any defects that the truck might have before we
3 send it out.

4 Q In addition to the day-to-day inspection that
5 your mechanics put the equipment through, do you have
6 periodic, more extensive maintenance?

7 A We have regularly scheduled maintenance by mileage.
8 Mileage is recorded from each truck every day and when it
9 reaches a certain point, the truck is then held and brought
10 in for a complete service.

11 Q Does your company have any safety program for its
12 employees?

13 A Yes, I have a safety program with my insurance
14 carrier and a second person from the insurance company in
15 which safety awards are given for accident-free driving for
16 a year, five years. Films are brought in, drivers are re-
17 quired to attend these meetings and we review the accidents
18 in the past quarter with them, and any problems that we see
19 we try to correct.

20 Q To your knowledge, is your company in compliance
21 with the various safety and maintenance regulations that
22 might apply, either based on regulations of this Commission
23 or the Department of Transportation?

24 A Yes, as far as I know.

25 Q Does your company maintain insurance in the amounts
the Commission requires?

1 that are required by this Commission?

2 A Yes.

3 Q Have there been increases as a result of a change
4 in the federal regulations?

5 A Yes, as a matter of fact, we even went over the
6 required amount in the past couple years and purchased even
7 umbrellas that exceed the minimum required amounts.

8 Q Do you know whether or not your company operated
9 at a profit in 1984?

10 A Yes, we did.

11 Q Can you give us approximately how much it was?

12 A I don't have a dollar figure but we did about six
13 and three-quarter million in volume and we operated at 86.

14 Q 86 operating ratio?

15 A Operating ratio of 86%.

16 Q Is your accountant presently in the process of
17 completing the year end financial records for the company?

18 A Yes, he's working on '84.

19 Q Do you get your financial reports just on an
20 annual basis?

21 A I don't have them here.

22 Q But do you get them on an annual basis, quarterly
23 or monthly?

24 A He's doing them yearly unless it's required possibly
25 by an insurance company that would like to see it quarterly

1 but he normally does it annually.

2 Q Have there been a number of additions to your
3 operating equipment during the year '84 and '85?

4 A Yes, '84 will be completely different from '83
5 because of the additions and the growth that we've had.

6 MR. LAVELLE: Your Honor, the financial records of
7 the company, unfortunately, weren't prepared in time for
8 presentation here and we decided the financial records as
9 of the end of 1983 because of adjustments in '84 would not
10 really give an accurate picture. We'll try to get that
11 information and present it as an exhibit to show the financial
12 condition of the company.

13 JUDGE PORTERFIELD: That would be an after-admitted
14 exhibit, and of course if necessary, Mr. Pillar would have
15 an opportunity to cross-examine. With an operating ratio
16 like that, it's to be applauded.

17 Q Mrs. Hammel, is your company presently providing
18 any service whatsoever for the account of G. C. Murphy Company?

19 A Yes, we are.

20 Q Is that on an interstate or intrastate basis?

21 A We're doing both right now.

22 Q As far as intrastate operations are concerned, can
23 you tell us geographically where you're providing service
24 and the nature of it?

25 A Right now we're limited to our counties in western

1 Pennsylvania on service intra.

2 Q With respect to interstate operations, what's the
3 nature of your service?

4 A We're hauling shipments from New Jersey, Ohio and
5 some points in eastern Pennsylvania that's being hauled on
6 an interstate basis through our New Jersey terminal to
7 western Pennsylvania, Ohio, West Virginia, a mix of shipments.

8 Q In connection with your present service, not just
9 for G. C. Murphy, but generally speaking, do you provide a
10 scheduled pickup service if that's necessary by the shipper?

11 A Yes, we would -- whatever they required.

12 Q How about meeting delivery schedules?

13 A We try to give one to two-day service on just
14 about all our points.

15 Q Within the western Pennsylvania area, using the
16 Pittsburgh terminal as the base now, how many daily pickup
17 and delivery operations do you have, or peddle runs?

18 A How many peddle runs do we run out of western
19 Pennsylvania?

20 Q Out of western Pennsylvania, right.

21 A Not counting the City, if you're talking about
22 peddles going outside the county, we have about 15 or 20
23 peddle runs a day depending on the volume.

24 Q That's not counting the ones within the County of
25 Allegheny?

1 A That doesn't count City delivery and pickups.

2 Q How many additional ones would you have there?

3 A About another 10 to 12.

4 Q I would assume that out of western Pennsylvania
5 Pittsburgh terminal, those peddle runs would go west to the
6 West Virginia and Ohio borders?

7 A And they serve some points in eastern Ohio and
8 some points in northern West Virginia.

9 Q Going north, do they run all the way up to Erie
10 County?

11 A Up to Erie.

12 Q Going in an easterly direction out of the Pitts-
13 burgh terminal, how far east would your current pickup and
14 delivery runs operate?

15 A About as far as Altoona.

16 Q Does that territory served today under the pickup
17 and delivery operation geographically exceed the scope of
18 your intrastate authority?

19 A Yes, it does.

20 Q Are you serving, for example, Altoona on inter-
21 state shipments?

22 A We're serving Altoona on interstate, that's right.

23 Q You mentioned that you're also serving eastern
24 Pennsylvania and New Jersey, What terminal is conducting
25 that operation?

1 A Paulsboro, New Jersey.

2 Q And where is that located?

3 A Paulsboro is in South Jersey not far from Phila-
4 delphina, Interstate 295 in South Jersey. That terminal
5 serves all of Jersey for us, all of Delaware and eastern
6 points in Pennsylvania.

7 Q What is its current jurisdiction within eastern
8 Pennsylvania?

9 A We're running trucks from there up as far as
10 Scranton and west on a daily peddle as far as Harrisburg.

11 Q If you have traffic out of Paulsboro to eastern
12 Pennsylvania, even as far as Harrisburg, confining your
13 answer to less-than-truckload shipments, what's the nature
14 of the operation -- how physically is the operation con-
15 ducted? Let's assume there's a shipment in Harrisburg or
16 Lancaster weighing 1500 pounds to be picked up and trans-
17 ported, are you serving points in western Pennsylvania,
18 let's say Allegheny County?

19 A Occasionally. We don't get that many pickups out
20 of Harrisburg. There are a couple accounts that we're offer-
21 ing interstate service to western Pennsylvania, Ohio, West
22 Virginia.

23 Q Where specifically would they be located -- those
24 accounts?

25 A We have some in Harrisburg, but the greatest majority

1 of them are in Philadelphia and New Jersey.

2 Q Let's assume we have this 1500-pound shipment at
3 a location in eastern Pennsylvania, Philadelphia or Harris-
4 burg, destined for Allegheny County, how is that shipment
5 handled, on what type of vehicle and what's the route you
6 move?

7 A It's picked up on a City truck out of Paulsboro,
8 New Jersey when he runs his stated route. He picks it up
9 and returns then to the terminal at Paulsboro. The truck
10 would be unloaded and reloaded on a line haul trailer, hauled
11 through the evening into Pittsburgh, unloaded at Pittsburgh
12 in the morning, put out on delivery either the next day or
13 the following day depending on the time the inbound trailer
14 arrives.

15 Q The shipment is picked up, let's say at Lancaster
16 today, Monday morning, when would it normally be back in
17 the Paulsboro terminal?

18 A That evening.

19 Q And that's on a local pickup and delivery truck?

20 A That's right.

21 Q Is that what we called earlier a straight truck?

22 A Right.

23 Q Then what happens to it?

24 A It's unloaded and put on to a line haul trailer
25 that evening and that line haul trailer through the night

1 comes into Pittsburgh.

2 Q Ordinarily what time does that trailer leave Pauls-
3 boro to go westbound?

4 A If he's on schedule, he's leaving about 10:00,
5 10:30.

6 Q And would arrive in Pittsburgh at what time?

7 A We like to have him in there by 6:00 in the morn-
8 ing if the weather is good. If he gets bad weather through
9 the mountains, then he arrives later.

10 Q Assuming he's in there by 6:00 a.m., would delivery
11 be possible that same day or the following day, Tuesday?

12 A Normally Tuesday. City delivery, if he's on time,
13 could be overnight; however, these routes that are going up
14 as far as Erie, Johnstown, they're leaving early in the
15 morning, so it's a lot of times difficult to get that ship-
16 ment on, so it would be the next day.

17 Q The vehicle that is moving westbound from Pauls-
18 boro, would it have only an origin in eastern Pennsylvania
19 and destination in Pennsylvania freight on it?

20 A No, it has a complete mix. Much of our pickups
21 are picked up in New Jersey. From New Jersey we're serving
22 the whole State of Pennsylvania, the whole State of West
23 Virginia, a quarter of the State of Ohio, so it's a complete
24 mix of interstate shipments.

25 Q If that's the case and there's a mix, I assume you

1 mean a shipment could come out of New Jersey and go to
2 eastern Pennsylvania or eastern Ohio?

3 A That's right.

4 Q And a line haul truck would have a mix of freight
5 on it?

6 A That's right.

7 Q And at Pittsburgh the freight would, again, be
8 broken down and put on local trucks for delivery?

9 A That's right.

10 Q If required, does your company provide a split
11 pickup service for a shipment?

12 A Sure, if they would ask for one, we would provide
13 it.

14 Q Have you ever provided a multiple stopoff delivery
15 service in your current operations?

16 A Yes, we have on interstate shipments; in other
17 words, if somebody gave us two 10,000 pound shipments and
18 it was more logical to drop it off on the interstate ship-
19 ments, we would drop it off.

20 Q Would that stopoff service be made available in
21 the future?

22 A On interstate shipments it would, yes.

23 Q Does your company provide service for both less-
24 than-truckload and truckload shipments?

25 A Yes, we do.

1 Q Have you prepared for presentation here an exhibit
2 which would indicate the nature of some of the service pro-
3 vided for the supporting shipper here, the G. C. Murphy
4 Company?

5 A Yes, that's a traffic study that we did for all
6 shipments that were tendered to us in the month of February
7 1985 for G. C. Murphy.

8 MR. LAVELLE: Your Honor, may we have that marked?

9 JUDGE PORTERFIELD: Exhibit 4.

10 (Applicant's Exhibit No. 4, being a three-page
11 traffic study for the month of February 1985 of
12 shipments for G. C. Murphy Company, was produced
and marked for identification)

13 Q Mr. Hammel, looking at Exhibit 4 there's a sub
14 caption, "PUC Exhibition". What do you mean by that?

15 A This is the freight in the month of February 1985
16 that we hauled for G. C. Murphy Company under our current
17 P.U.C. operating authority.

18 Q And the third column under origin, that is the
19 location of where you made the pick up?

20 A That's right, that's where we picked the shipment
21 up from.

22 Q And the fourth column, destination, is the location
23 of the destination, is that right?

24 A That's right.

25 Q And looking at that, all the destinations appear

1 to be G. C. Murphy for several western Pennsylvania locations,
2 such as Pittsburgh, McKeesport, is that right?

3 A That's right.

4 Q The origins would be the locations of companies
5 shipping into G. C. Murphy or other G. C. Murphy stores, do
6 you know?

7 A Sorry?

8 Q In the origin column, there's companies that are
9 located, like American Foam Latex?

10 A Right.

11 Q That's the name of the shipper at Pittsburgh and
12 they're shipping to --

13 A They're all vendors for G. C. Murphy.

14 Q If you turn to pages 2 and 3, this says, "ICC
15 Exhibition". What is that meant to indicate?

16 A That's a study of all traffic that was hauled for
17 G. C. Murphy Company -- interstate traffic -- in the month
18 of February 1985.

19 Q Again, would the companies shown in the origin
20 column be suppliers or vendors?

21 A That's right, vendors for G. C. Murphy Company.

22 Q And in the destination column it appears G. C. Murphy
23 or G.C. Murphy Mart is the name of the consignee at the various
24 locations, is that right?

25 A That's right.

1 Q Looking at Exhibit 4, page 2, the first example
2 that you show there is from Pittsburgh to Kent, Ohio?

3 A That's right.

4 Q And that is handled under your interstate operat-
5 ing authority?

6 A Right.

7 Q And there are some other shipments from Pennsylvania
8 to West Virginia shown on that portion of the page, is that
9 correct?

10 A That's right.

11 Q About the middle of page 2, the exhibit shows
12 Cleveland, Ohio to West Virginia and I think one New Jersey
13 destination?

14 A That's right.

15 Q Those are all handled under your interstate author-
16 ity?

17 A That's right.

18 Q Turning to page 3, the first five shipments appear
19 to be Pennsylvania to West Virginia. The sixth one showing
20 a date of February 4, 1985 is from G. C. Murphy in McKees-
21 port to a company located in Elverson, Pennsylvania, is that
22 correct?

23 A That's right.

24 Q Where is Elverson, do you know?

25 A Elverson is near Philadelphia.

1 Q And how would that shipment have been handled?

2 A That would be picked up at McKeesport, returned
3 to the Pittsburgh dock and loaded on a line haul trailer
4 along with all our other freight assigned to our New Jersey
5 terminal, a mix of freight from eastern Pennsylvania, New
6 Jersey or Delaware, sent over to Paulsboro, New Jersey,
7 unloaded there the following day and then put on the street.

8 Q In the middle of the page there's a series of
9 shipments from Morris Plastics in Philadelphia to Murphy
10 Marts in western Pennsylvania, such as Pittsburgh, McMurray,
11 Mt. Pleasant, Indiana. Would they physically have been
12 handled through the terminal in Paulsboro?

13 A Yes, they were.

14 Q On the method you described previously?

15 A Yes.

16 Q I think on that page there's another Philadelphia
17 to McKeesport shipment, and the last four shipments are also
18 Philadelphia to -- three of them are to western Pennsylvania
19 points, is that correct?

20 A That's right.

21 Q And they would be handled in the reverse procedure
22 to Paulsboro?

23 A That's right.

24 Q Do you have the documents with you in the hearing
25 room from which this exhibit was prepared?

1 A Yes, I do.

2 Q Does your company have any current plans to
3 establish any additional facilities within the State of
4 Pennsylvania?

5 A Yes, we recently purchased a terminal in Norris-
6 town, Pennsylvania. We plan on opening that up sometime
7 in the future.

8 Q How long ago was that transaction completed?

9 A That was completed a week and a half ago.

10 Q And what is your plan with respect to that particu-
11 lar terminal?

12 A We're going to keep both terminals open because
13 of the volume of traffic we have out that way. That will
14 handle northern New Jersey. It's very handy to the turn-
15 pike and also handle eastern Pennsylvania -- some points.

16 Q Is that you just purchased in Norristown, is it
17 an existing terminal, or is it just a raw piece of land?

18 A We recently purchased it in bankruptcy auction.
19 It was an interstate terminal -- Interstate Motor Freight
20 that went through bankruptcy.

21 Q So that's an existing terminal?

22 A An existing terminal.

23 Q What's the size -- how many doors does it have?

24 A It's a 20-door terminal.

25 Q It is capable of handling less-than-truckload

1 freight?

2 A Yes, it's designed exclusively for less-than-
3 truckload freight.

4 Q What is your projected timetable for beginning
5 operations out of that Norristown terminal?

6 A It will probably be a couple months down the road.
7 There's a lot of work involved, the construction is very
8 poor, it's run down. Probably sometime this summer. We
9 don't have a date that we're shooting for. There's a lot
10 of work involved so we're working on that now.

11 Q When that terminal comes into existence, would it
12 in any way be involved in movements of freight, going back
13 to your prior testimony, of shipments, let's say going from
14 Harrisburg to western Pennsylvania?

15 A No.

16 Q How are you going to use the Norristown terminal?

17 A Norristown is more or less an extension of the
18 northeast. Paulsboro is right off the turnpike and the
19 points from South Jersey, Westchester, Lancaster, are all
20 being served by Paulsboro, and of course, Lancaster ties into
21 Reading and Harrisburg, and we also have plans to serve some
22 parts of Maryland.

23 Q From where?

24 A From Paulsboro.

25 Q That's where you're located today?

1 A That's right.

2 Q My question is, when the Norristown terminal is
3 operational in the summer of 1985, if the supporting shipper
4 here, let's say were to tender you a shipment to, say Harris-
5 burg going into Allegheny County for delivery, would that
6 shipment be handled by way of the Norristown terminal, or
7 by way of the Paulsboro terminal?

8 A It really could go either way. We're not real
9 sure right now how we're going to handle that.

10 Q Looking at Exhibit 4 again, it shows here that
11 you are presently bringing freight from the eastern part of
12 Pennsylvania by way of Paulsboro into your Pittsburgh terminal
13 and then it's going out for delivery to such points as
14 McMurray, Irwin, McKeesport, Indiana. Are you also handling
15 freight then for other companies within this same general
16 western Pennsylvania territory?

17 A Yes, we're hauling I.C.C. shipments into all those
18 areas.

19 Q Would there be any advantage to your company if it
20 had the authority you're requesting here for G. C. Murphy
21 insofar as your operations for that company are concerned?

22 A Most definitely. We're going into Murphy stores
23 in Greene County, Clarion County, Armstrong County, Jeffer-
24 son County with I.C.C. shipments and P.U.C. shipments, but
25 we're restricted from serving Allegheny County to those

1 counties.

2 Q You refer to those specific counties, Greene,
3 Clarion, because they are counties that are restricted
4 under that main grant of authority we referred to earlier?

5 A That's right.

6 Q Insofar as Allegheny County is concerned?

7 A That's right.

8 Q Are you providing service from other counties,
9 such as Beaver into Clarion County?

10 A Yes, we're serving those four counties from all
11 the other counties in western Pennsylvania as well as our
12 interstate, but we're restricted on Allegheny County.

13 Q If this application were to be approved, would you
14 offer service to G. C. Murphy Company on a statewide basis?

15 A Yes, we would.

16 Q That would be between all points east and west?

17 A That's right.

18 Q So if the company offered you a shipment between
19 two points in western Pennsylvania that's currently beyond
20 the scope of your present authority, either because it
21 originates in Allegheny County and is going to one of those
22 restricted counties, or from Allegheny County to one of the
23 counties, say out to Altoona, you would add that to your
24 service for the company?

25 A Yes, we would.

1 Q Would you also serve from the G. C. Murphy vendors
2 or stores to other stores that might be located in central
3 Pennsylvania?

4 A Yes.

5 Q And physically how would you handle a shipment
6 that was tendered to you by, let's say a vendor in northwest
7 Pennsylvania going to a point in the central part of the
8 state?

9 A We'd come into Pittsburgh again. We're running
10 out as far as Altoona and sometimes further, depending on
11 the size of the shipments every day and we would be able to
12 serve those points out of Pittsburgh for G. C. Murphy along
13 with the I.C.C. freight that we're hauling right now out
14 there.

15 Q Turning your attention then to the eastern part
16 of the state, if it should develop, for example, that G. C.
17 Murphy Company has movement of freight between two points
18 in eastern Pennsylvania, let's say into the Allentown-
19 Bethlehem area, are you familiar with where that is?

20 A Yes.

21 Q Going to another point in eastern Pennsylvania,
22 such as Lancaster or Reading, would you handle that traffic?

23 A Provided we get this authority, yes, we would.

24 Q If you got that authority, what would be your
25 anticipated route of movement -- how would it be handled

1 physically from, let's say from Bethlehem-Nazareth, Pa. to
2 Lancaster?

3 A It would more than likely move through our Norris-
4 town terminal once it's open.

5 Q Does your company today with its equipment have
6 excess capacity on the vehicles that it is now operating to
7 handle additional freight?

8 A Yes, we do.

9 Q And subject to verification by the financial docu-
10 ments you're going to present subsequent to the hearing,
11 is your company in a position to obtain, either by acquisition
12 or lease, additional equipment should that be necessary?

13 A Yes, we are.

14 Q Does your company have any kind of an ongoing
15 program with respect to purchase of equipment?

16 A No, it's really been by need. We do order new
17 equipment and once it comes in we have the option -- the
18 dealers give us the option we can either take the equipment
19 at the time or they could sell it from their yard and that's
20 what we've been doing.

21 MR. LAVELLE: I have no further questions of the
22 witness, Your Honor.

23 JUDGE PORTERFIELD: Any objection to taking a five-
24 minute break?

25 MR. PILLAR: None at all. I'd like to look at the

1 underlying documents.

2RECESS.....

3 JUDGE PORTERFIELD: Back on the record.

4
5 CROSS-EXAMINATION

6 BY MR. PILLAR:

7 Q Mr. Hammel, I want to ask you about a company you
8 mentioned called Hammel's Express, Inc. in which you are a
9 stockholder. Is Hammel's Express, Inc. still in business?

10 A Yes.

11 Q Can you tell me who Hammel's Freight Line, Inc.
12 is or what that is?

13 A That is somebody that we have no connection with
14 at all. Somebody just kept the name. They're a small
15 courier service but we have absolutely no connection with
16 them at all. As I say, I really don't know what they do.

17 Q But they used your name in conjunction with their
18 operating authority?

19 A Apparently they did.

20 Q I assume with your permission?

21 A No, they didn't.

22 Q Did a company that your family either owned or
23 controlled sell any operating authority to Hammel's Freight
24 Lines?

25 A No, we didn't.

1 Q Do you know what authority they're operating under
2 at the present time?

3 A I believe they're operating under the old Hammel
4 authority but we didn't sell it to Hammel Freight Lines --
5 we sold it to an individual.

6 Q When you say you sold it to an individual, what
7 authority did you sell to an individual?

8 A The old Hammel's Express authority. He didn't
9 have a name for the company at the time of the sale.

10 Q Isn't there a Hammel's Express, Inc. that still
11 operates under P.U.C. authority?

12 A That's right.

13 Q What Hammel's Express authority did you sell to
14 this individual?

15 A We sold him the original Hammel's Express authority.

16 Q In what name was that?

17 A Hammel's Express. The current Hammel's Express is
18 operating under the old Capp Express authority that was a
19 transfer of authority.

20 Q So that your family at one time also controlled a
21 company called Capp Express?

22 A That's right.

23 Q Is the authority of Capp Express then now trans-
24 ferred to Hammel's Express?

25 A That's right.

1 Q When did that transfer take place?

2 A I don't have the date.

3 Q Was it within the last year?

4 A No, I think it was longer than that.

5 Q 1983?

6 A That sounds about right -- I'm not sure.

7 Q Then simultaneously I take it the Hammel's Express
8 authority was sold to this individual?

9 A Right.

10 Q Did you sell the stock of Hammel's Express, or
11 did you sell the authority?

12 A Just the authority.

13 Q And that individual then transferred apparently
14 that authority to something called Hammel's Freight Lines?

15 A I am really not familiar with what he has done --
16 I haven't paid too much attention.

17 Q Is the operating authority that Hammel's Freight
18 Lines, Inc. or this individual that you sold the Hammel's
19 Express authority to, is that authority more or less similar
20 to the authority that Hammel's Express presently has?

21 MR. LAVELLE: I'm going to object. No. 1, this
22 witness, although he has a minor stock ownership in Hammel's
23 Express, is not really with that company from an operational
24 standpoint, and I'm not sure the witness really knows the
25 nature of that transaction.

1 JUDGE PORTERFIELD: It might be relevant and it
2 hasn't been established yet, what amount of time, if any,
3 the witness spends in the operations and management of
4 Hammel's Express, Inc. That hasn't been made a matter of
5 record.

6 MR. PILLAR: Let me try to develop it.

7 Q Mr. Hammel, does Hammel's Express and Pitt-Ohio
8 share the same terminal facilities in Pittsburgh?

9 A Yes, we do.

10 Q Is the management of Pitt-Ohio also involved in
11 the management of Hammel's Express?

12 A To a certain extent but not wholly. The manage-
13 ment of Hammel's Express is done by Charles Hammel, Jr.,
14 which is my father. The management of Pitt-Ohio Express is
15 done by myself and my two brothers.

16 Q When your father isn't around, though, who is
17 running Hammel's Express -- isn't it you and your brothers?

18 A Hammel's Express is still controlled by my father.
19 It's a 12-truck operation that's pretty much running itself
20 with very few problems. He's in contact with it a couple
21 times a week and we do not make any decisions on Hammel's
22 Express other than rudimentary ordinary day-to-day decisions.
23 There's very little involved.

24 Q Isn't there some overlapping usage of equipment --
25 doesn't Hammel's Express make pickups for Pitt-Ohio from

1 time to time and vice versa?

2 A Occasionally Hammel's will act as a cartage agent
3 if Pitt-Ohio does not have a piece of equipment in the area
4 and make a pickup but for the most part, Pitt-Ohio makes its
5 own pickups and deliveries.

6 Q I'm not suggesting there's anything wrong with all
7 this -- I'm just asking because I want to establish there's
8 a close family relationship between Hammel's Express and
9 Pitt-Ohio -- you're operating out of the same terminal and
10 essentially you're using the same facilities and --

11 A They are two different operations. There's really
12 very little that's actually common.

13 Q I understand they're completely different oper-
14 ations and that's fine, but you certainly are familiar with
15 that company and its operating authority. You've testified
16 about its operating authority in a number of cases that I've
17 been involved in, so I know you're familiar with it, aren't
18 you?

19 A I'm familiar with it, yes.

20 Q So let me ask, Hammel's Express authority presently,
21 I think you mentioned it on direct examination that it in-
22 volves a certain radius of the City of Pittsburgh. What
23 area does Hammel's Express serve?

24 A Hammel's serves Allegheny County completely, Fayette
25 County, parts of Westmoreland, Washington, Beaver, Butler

1 Counties, none of those other counties completely.

2 Q What is the mileage radius -- is there a mileage
3 radius it serves?

4 A I don't think it's that cut and dried. I was
5 giving you an approximation.

6 Q And in terms of Butler County, how far into Butler
7 County does Hammel's Express provide service?

8 A I guess the northernmost part would probably be
9 Mars or Zelienople.

10 Q The authority that it operates under is the old
11 Capp Express authority, is that right?

12 A That's right.

13 Q And at one time Hammel's Express had other author-
14 ity which it apparently has since sold, correct -- that's
15 the authority that's now in Hammel's Freight Lines?

16 A That's right.

17 Q And that authority also authorized service within
18 Allegheny County, didn't it?

19 A Yes, it did.

20 Q And Pitt-Ohio now has authority between all points
21 in Allegheny County and in other areas?

22 A That's right.

23 Q Under Pitt-Ohio Express' present authority, as Mr.
24 Lavelle pointed out in your Folder 1, Amendment B authority,
25 you can provide service between points in 15 counties, sub-

1 ject to certain restrictions, and specifically you have a
2 restriction in paragraph 7 that prohibits you from provid-
3 ing service from Allegheny County to points in Armstrong,
4 Butler, Clarion, Greene, Indiana and back into Allegheny
5 County, correct?

6 A That's right.

7 Q You also mentioned that you are in the process
8 of purchasing the authority of Breman's Express, correct?

9 A That's right.

10 Q Under that authority you mentioned specifically
11 you would be authorized to provide service from Allegheny
12 County to Butler County, is that what you said?

13 A That's right.

14 Q And I think you said that that authority was
15 approved by the Commission on August 13, 1984?

16 A No, I said the e/t/a.

17 Q The emergency temporary authority?

18 A Right.

19 Q The permanent authority hasn't been approved as
20 yet?

21 A That's right.

22 Q But the emergency authority was granted and you've
23 been operating under that emergency authority since it was
24 granted?

25 A That's right.

1 Q Did operations begin on August 13, 1984?

2 A That's right.

3 Q I would like you to look at this tariff and tell
4 me if that is the Pitt-Ohio tariff that was filed in con-
5 nection with the emergency temporary authority.

6 A The tariff now?

7 Q Yes.

8 A You're referring to page 2 of this tariff?

9 Q I'm referring to the whole thing. Isn't that
10 the tariff you filed in connection with the grant of emergency
11 temporary authority?

12 A No, this is a truckload tariff -- we publish other
13 tariffs.

14 Q Is this a tariff which was filed in connection
15 with the emergency temporary authority?

16 A I'm not sure of that either. I know we filed our
17 own tariff rates to incorporate the l/t/l. I'm not sure
18 if this is the truckload you're referring to.

19 Q You can't identify that as a Pitt-Ohio tariff?

20 A No, this might have been a Pitt-Ohio tariff, but
21 this may not have been the tariff filed for the authority.

22 Q For the Breman's authority?

23 A For the Breman's authority. We might have filed
24 other tariffs -- I can't remember.

25 Q Were you granted any other emergency temporary

1 authority in September or August of 1984?

2 A No, what I'm saying is we publish also l/t/l.

3 MR. LAVELLE: May I ask a question for clarification?

4 MR. PILLAR: Sure.

5 MR. LAVELLE: Are you asking this for purposes of
6 the actual rates shown or for some other purpose?

7 MR. PILLAR: I'm going to ask him about the authority
8 because that's published in the tariff, but I'm asking him
9 if this is the Pitt-Ohio tariff that was filed. It says on
10 the cover page, "Pitt-Ohio Express --

11 THE WITNESS: This could have been one of them but
12 there was a series of tariffs that were filed.

13 BY MR. PILLAR:

14 Q Were they all filed at the same time?

15 A I believe they were.

16 Q Let's look at the operating authority, beginning
17 on the third page. Is that the operating authority of
18 Breman's Express that you purchased?

19 A It appears to be.

20 Q And would you show me in that operating authority
21 what authority your company has acquired from Breman's that
22 would authority service to Butler County?

23 MR. LAVELLE: May we go off the record?

24 JUDGE PORTERFIELD: Yes.

25OFF RECORD DISCUSSION.....

1 BY MR. PILLAR:

2 Q Before we went off the record I was asking you
3 about the operating authority that your company acquired,
4 or is in the process of acquiring, from Bremen's and
5 specifically the authority that you have acquired to trans-
6 port property from Allegheny County to points in Butler
7 County. I would like you to tell me what specific authority
8 your company has or will have if the Bremen's authority is
9 finally approved for service to Butler County.

10 A Page 4, Route 6.

11 Q Would you read the route and tell us what it
12 authorizes you to serve?

13 A Between the Cities of Pittsburgh, Allegheny County,
14 and Butler, Butler County, via Highway Route 8; between the
15 Cities via Etna, Bakerstown, Highway Route 855; Valencia,
16 Mars, Evans City, Connoquenessing, Highway Route 68.

17 Q That's the route that authorizes service between
18 the City of Pittsburgh on the one hand and the City of Butler
19 on the other hand via those routes, is that right?

20 A From what I understand, also the points on those
21 routes.

22 Q Yes, so the points that you mentioned on Route 8
23 and points on Route 855 and Route 68, between the City of
24 Pittsburgh and the City of Butler, those would be points
25 that you're authorized to serve, is that correct?

1 A Right.

2 Q Are there any restrictions in connection with
3 your service on that route in connection with transportation
4 between Pittsburgh and Butler?

5 A Just the routes in transporting.

6 Q So you're limited to service along those routes?

7 A Right.

8 Q What other service are you authorized to provide
9 between Allegheny and Butler Counties besides that route?

10 A Page 5, Route 11.

11 Q What does that authorize you -- is that a general
12 property route, or is that a specific --

13 A That's restricted to McCrae Refrigerator Sales.

14 Q McCrae Refrigerator Sales Corporation, let's skip
15 over that. By the way, do you know if that company is still
16 in existence?

17 A I don't know.

18 Q You're not providing any service for them I take it?

19 A Not that I know of.

20 Q What other authority do you have?

21 A Page 7, Route 16.

22 Q What does that authorize?

23 A To transport, as a Class D carrier, food commodities
24 for the Bureau of Public Assistance of the Commonwealth of
25 Pennsylvania, from the City of Pittsburgh to points in the

1 Counties of Allegheny, Armstrong, Beaver, Butler, Fayette,
2 Greene, Lawrence, Mercer, Washington and Westmoreland.

3 Q Are you providing any service under that authority?

4 A Not that I'm aware of.

5 Q That's limited to food commodities for the Bureau
6 of Public Assistance?

7 A That's right.

8 Q Is there any other authority from Allegheny to
9 Butler?

10 A Page 8, Route 26.

11 Q What does that authorize?

12 A To transport, as a Class A carrier, property,
13 excluding household goods and related articles, over the
14 following routes.

15 Q What routes?

16 A Between Pittsburgh, Allegheny County, and Butler,
17 Butler County, via Etna, Talley Cavey, Bakerstown and Coopers-
18 town, over Highway Route 8; and also via Etna, Bakerstown,
19 Highway Route 855; Valencia, Mars, Evans City and Conno-
20 quenessing, over Highway Route 68 and 8.

21 Q Is there any difference between that route and
22 the very first route that you identified, or is that pretty
23 much the same?

24 A Pretty much the same.

25 Q Any other authority?

1 A Page 9, Route 27. To transport, as a Class D
2 carrier, property from municipalities located immediately
3 on both sides of the Ohio River from Pittsburgh to the divid-
4 ing line between Allegheny and Beaver Counties; both sides
5 of the Monongahela from Pittsburgh to the dividing line
6 between Allegheny and Washington Counties; and on the west
7 side of Allegheny River from Pittsburgh to the dividing line
8 between Allegheny and Butler Counties; and on the east side
9 of the Allegheny River to the dividing line between Allegheny
10 and Westmoreland Counties to points in the above-described
11 routes between the City of Butler and the City of Pittsburgh,
12 Allegheny County, and vice versa.

13 Q Would the above-described routes then between
14 Allegheny and Butler be the routes that you've already
15 described, that is, via Route 8, 855 and 68?

16 A Westmoreland County would add 356.

17 Q Wait a minute. Under this authority from Allegheny
18 County to the above-described routes in Butler County, what
19 points in Butler County can you serve from the area that
20 you've described in Butler County, and my question is
21 specifically, isn't it limited to those points on the routes
22 that you previously described, or is it something else --
23 you have to look at the routes that are in the authority --
24 if you know?

25 A I'd have to look at it closer.

1 Q Okay. What else do you have?

2 A Page 10, Route 31. To transport, as a Class D
3 carrier, property for Mackintosh-Hemphill Company, from the
4 Borough of Midland, Beaver County, to Allenport, Washington
5 County, Monessen, Westmoreland County, Butler, Butler County,
6 Ellwood City and New Castle, Lawrence County, and Sharon,
7 Mercer County, in 1/t/1 quantities, and vice versa.

8 Q That's not from Allegheny to Butler, though, is it?

9 A No.

10 Q Just limit it to service you can provide from
11 Allegheny to points in Butler.

12 A Page 10, Route 32.

13 Q What does that authorize?

14 A To transport, as a Class A carrier, property be-
15 tween Pittsburgh and New Castle, via Millvale, Babcock
16 Boulevard and Keown.

17 Q Does that authorize service to any points in Butler
18 County?

19 A Yes, it does.

20 Q What points?

21 A Wexford, Warrendale and Zelienople.

22 Q Wexford, Warrendale and Zelienople on what route?

23 A Route 19. That's via Highway Route 28; Ellwood
24 City, that's Highway Route 88 to New Castle; between Beaver Falls
25 and New Castle; via Highway Route 18; and Highway Route 351

1 between Koppel and Ellwood City.

2 Q In connection with Butler County then, you can
3 serve Wexford -- is that in Butler County or Allegheny?

4 A It's close. Warrendale is in Butler. It's right
5 on the line.

6 Q Wexford would be Allegheny, wouldn't it?

7 A Yes, Wexford would be Allegheny. Warrendale is
8 right at the county line and Zelienople is Butler County.

9 Q Do you have any other authority to serve Butler
10 County?

11 A Page 10 --

12 MR. LAVELLE: May I interject something here. That
13 Route No. 32 is a Class A route, so when it says "via
14 Zelienople" and it gives the highway routes, that would not
15 necessarily mean that the only points in Butler County that
16 can be served are the points named. Under Class A I believe
17 you get all points along the route, although they may not be
18 specifically identified.

19 MR. PILLAR: I agree with that.

20 Q Do you understand that, Mr. Hammel?

21 A Yes.

22 Q Do you have any other authority from Allegheny to
23 Butler?

24 A Page 10, Route 33. To transport, as a Class D
25 carrier, property from municipalities located on both sides

1 of the Ohio River from Pittsburgh to the dividing line be-
2 tween Allegheny and Beaver Counties; both sides of the Monon-
3 gahela River from Pittsburgh to the dividing line between
4 Allegheny and Washington Counties; the west side of the
5 Allegheny River from Pittsburgh to the dividing line between
6 Allegheny and Butler Counties; and on the east side of the
7 Allegheny River from Pittsburgh to the dividing line between
8 Allegheny and Westmoreland Counties; and to points on the
9 said Pittsburgh-New Castle route as described in right No.
10 32 above, and vice versa.

11 Q So that's the route that goes through Warrendale
12 and Zelienople. Any other authority to serve Butler County?

13 A Page 11, Route 38. To transport, as a Class D
14 carrier, property from points in the County of Allegheny
15 to points on the following routes and vice versa.

16 Q What routes in Butler County would you be author-
17 ized to serve from all points in Allegheny County?

18 A Beginning in the City of Pittsburgh, Allegheny
19 County, via Millvale, Babcock Boulevard and Keown, over
20 Highway Route 19 via Wexford, Warrendale and Zelienople,
21 thence via Highway Route 288 to Ellwood City --

22 Q Let me stop you right there. Is that the same
23 route we talked about in Route 32?

24 A Right.

25 Q Is there more to it?

1 A Then to the Boroughs of Valencia, Mars, Evans
2 City and Harmony, Butler County, and vice versa.

3 Q So you can serve those particular boroughs in
4 Butler County from Allegheny County?

5 A Right. Page 12, Route 41. To transport, as a
6 Class D carrier, property between points in the Borough of
7 Portersville, Butler County, and from points in the said
8 borough to points in the Counties of Allegheny, Beaver,
9 Butler, Washington, and vice versa.

10 Q So you can also go to Portersville to and from
11 Allegheny County, right?

12 A Right.

13 Q Any others?

14 A No.

15 Q After going through that authority in such great
16 detail with your counsel and with me on the record, I just
17 want to make sure we understand that although on direct
18 examination you indicated you can serve Butler County, you
19 do not have the authority to serve all of Butler County from
20 Allegheny County, but only those specific territories that
21 you described, is that correct?

22 A That's right.

23 Q When your company was granted emergency temporary
24 authority in August, I think you indicated you began to
25 serve immediately, is that correct?

1 A I can't recall the exact date that we started
2 intrastate soliciting. It's probably close to that date.

3 Q Because I note your tariff didn't become effective
4 until September 4, at least the tariff I have. I would
5 assume you didn't begin to operate until your tariff became
6 effective?

7 A I'm really not familiar with that, to be honest
8 with you.

9 Q The authority that you're acquiring from Breman's
10 Express, is that all of its operating authority or just a
11 portion of it?

12 A That's a portion of it. The other portions over-
13 lapped existing authority.

14 Q The other portions that you're not acquiring, is
15 that what you're referring to?

16 A The other portions that we're not acquiring --

17 Q That's not what you're referring to. You're
18 referring to the fact that the authority that you're acquir-
19 ing from Breman's, other than Butler County, is overlapped
20 by your present Pitt-Ohio authority?

21 A Right.

22 Q So the only new authority you're acquiring by
23 virtue of this Breman's authority, as to property authority
24 in any event, is that portion of Butler County you've
25 described?

1 A And I think there's a little bit of steel authority
2 up through Sharon that's listed there.

3 Q Your office is located at the Pittsburgh terminal?

4 A Right.

5 Q What is your normal time there and what are your
6 duties -- are you mostly in the office?

7 A Yes.

8 Q When do you start work and when do you leave?

9 A Start at 6:00 in the morning and go home about
10 5:00.

11 Q Your position with the company is strictly
12 managerial -- you're not involved in sales in any way, are
13 you?

14 A To a certain extent.

15 Q Is G. C. Murphy an account that you have called on?

16 A Personally, no.

17 Q Who called on that account?

18 A Right now one of our salesman, Bill Miller, is
19 calling on them.

20 Q How long have you served G. C. Murphy Company?

21 A With Pitt-Ohio for just about six years. We hauled
22 a little bit probably the first year. We have been familiar
23 with G. C. Murphy through Hammel's for many years.

24 Q So Hammel's Express served G. C. Murphy before
25 Pitt-Ohio came into existence?

1 A On their local authority, yes.

2 Q In fact if you look at Exhibit 4, all the ship-
3 ments that are shown on Exhibit 4, could have been trans-
4 ported by Hammel's Express under their existing authority,
5 could they not?

6 A Not all of it.

7 Q Which shipments could not be transported by
8 Hammel's Express?

9 A Jomar in Ellwood City, that couldn't.

10 Q How about Crown Creative in Greensburg to McKees-
11 port and Irwin?

12 A Yes, that could have been handled.

13 Q That could have been handled by Hammel's?

14 A Yes.

15 Q So with the exception of Ellwood City, all of the
16 shipments could have been transported by Hammel's, is that
17 right?

18 MR. LAVELLE: Are you referring to the intrastate or --

19 MR. PILLAR: Just the intra.

20 Q What did you indicate your company's gross receipts
21 were in 1984?

22 A I said they were \$6,750,000, roughly.

23 Q Do you know what percentage of that revenue came
24 from intrastate traffic?

25 A I'm not familiar with the percentage that was

1 reported.

2 Q Can you give me a ball park figure?

3 A I think it was about 10%, 8%.

4 Q The shipments that you've described that are
5 transported, say from Philadelphia to Pittsburgh via Pauls-
6 boro, New Jersey terminal, do you consider those to be
7 interstate or intrastate shipments when you report your
8 revenue to the P.U.C.?

9 A Interstate.

10 Q So the intrastate revenue that your company re-
11 ported would all be local western Pennsylvania revenue
12 handled under your authority at Exhibit 2?

13 A We hold authority for Kinney Service and we're
14 generating quite a bit of revenue from that and that is from
15 around Harrisburg, Cumberland County.

16 Q That's in Exhibit 2?

17 A Yes, that generates a good part.

18 Q How about the USCO Distribution Services at Folder
19 1, Amendment A, are you providing service under that author-
20 ity?

21 A Yes, it's not tremendously extensive.

22 Q Do you serve them every day?

23 A A couple shipments a day.

24 Q Are they l/t/l's?

25 A L/t/l's.

1 Q How about the authority for Union Carbide, are you
2 serving that company?

3 A Rarely.

4 Q Rarely?

5 A Rarely.

6 Q And the authority for H. J. Heinz, are you provid-
7 ing service under that authority?

8 A That's also rare.

9 Q Those authorities for H. J. Heinz and for Union
10 Carbide, were they acquired recently?

11 A Fairly recently. We're used as a backup carrier
12 for H. J. Heinz. When they have an overflow, they call us,
13 and Union Carbide comes in and drops off shipments to us.

14 Q What was your company's gross receipts in 1983
15 did you say?

16 A In 1983 they were 3.5 million.

17 Q So from 1983 to 1984, your company enjoyed almost
18 a 100% increase in revenues, is that correct?

19 A That's right.

20 Q Would you take out your Exhibit 4 and you brought
21 with you as your underlying documents for Exhibit 4 your
22 delivery receipts, is that correct?

23 A That's right.

24 Q Looking at Exhibit 4 I didn't count the total
25 number of shipments, but would you count for me on the

1 total amount of shipments and the total amount of shipments
2 that were strictly between two points in Allegheny County?

3 A Out loud do you want me to list them?

4 Q No, just to yourself and then give me the totals?

5 A 17.

6 Q 17 is what?

7 A 17 shipments within Allegheny County.

8 Q Between two points in Allegheny County?

9 A Right.

10 Q Out of how many were there?

11 A 24.

12 Q Those that did not involve Allegheny County are
13 the shipments going to what destinations -- would Irwin be
14 one of them?

15 A Originating in Ellwood City would be one and two
16 originating in Greensburg.

17 Q That's three.

18 A Destination Irwin coming down is four, five and
19 six, all Irwin.

20 Q How about McMurray?

21 A McMurray would be the seventh.

22 Q McMurray is in what county?

23 A Washington.

24 Q Irwin and McMurray would be points that are just
25 beyond the borders of Allegheny County?

1 A Right.

2 Q On your shipments that you have shown on the first
3 page of Exhibit 4, the date that appears on the Pro in the
4 upper right-hand corner, would that be the date of pickup
5 normally?

6 A Normally, yes.

7 Q The date shown on the delivery receipt signed by
8 the consignee would be the date of delivery?

9 A That's right.

10 Q Looking at those shipments, would you tell us,
11 first of all, the date of pickup and delivery of the first
12 shipment?

13 A Picked up 2/28/85, delivered 3/4/85.

14 Q For the record, would you tell us what days of
15 the week 2/28 and 3/4 are?

16 A 2/28 was a Thursday and 3/4 was a Monday.

17 Q I'd like to know the transit time on the next
18 shipment.

19 A 2/26 picked up, delivered 2/27.

20 Q Okay.

21 A 2/21 picked up, delivered 2/25.

22 Q Can you tell me what days of the week they were?

23 A 2/21 was Thursday, 2/25 was Monday; 2/21 picked
24 up, 2/25 delivered; 2/21 picked up, 2/22 delivered.

25 Q On this particular shipment, one prior pickup was

1 at American Foam Latex, pickup was 2/21 and the delivery
2 was to Brownsville Road delivered on 2/25, is that correct?

3 A Right.

4 Q On the next one you have a pickup at the same
5 point -- I assume it would have been picked up by the same
6 driver?.

7 A Right.

8 Q Can you tell me why it took two extra days to get
9 it down there to --

10 A First of all, it's one extra day -- it's a week-
11 end.

12 Q It's 2/25.

13 A Second of all, it's not uncommon to have trucks
14 in at Murphy's for delivery and you can't get in a certain
15 day, so you have to pass it up and try the next day.

16 Q You don't know if that happened in that particular
17 case, but that's something that happens?

18 A More than likely, that's what happened.

19 Q It was delivered to the same consignee, is that
20 right?

21 A No, this one is Brownsville Road and this one is
22 Butler Street.

23 Q Why is the signature the same -- is it the same
24 driver?

25 A Same driver, two different days.

1 Q So whoever this driver was -- Chuck -- delivered
2 the one shipment on 2/22 but he didn't deliver the next one,
3 which was picked up the same day, until 2/25?

4 A They're different areas of the City. That's not
5 unusual.

6 Q That's not unusual?

7 A No.

8 Q All right.

9 A 2/18 - 2/20.

10 Q What days of the week are 2/18 and 2/20?

11 A The 18th is a Monday, the 20th is a Wednesday.

12 JUDGE PORTERFIELD: What Pro number are you referring
13 to, Mr. Hammel?

14 THE WITNESS: Right now?

15 JUDGE PORTERFIELD: Right.

16 THE WITNESS: P-74047.

17 BY MR. PILLAR:

18 Q As I understand it, these are in exactly the same
19 order as the shipments?

20 A I assume she did it that way, yes. This one was
21 going to the warehouse and requires scheduling.

22 Q What warehouse was that?

23 A Consolidation, Murphy's in McKeesport.

24 Q That requires a scheduled delivery?

25 A Right.

1 Q You don't deliver there every day I take it?

2 A No, you have to make an appointment.

3 Q How many days a week do you deliver to that ware-
4 house in McKeesport?

5 A Two or three.

6 Q All right.

7 A The next one was picked up 2/14, delivered 2/19.

8 Q Can you tell us what days of the week --

9 A Again, that's scheduled to the warehouse. 2/14
10 was Thursday, 2/19 was Tuesday.

11 Q So it was picked up on Thursday and delivered on
12 Tuesday, but that's a scheduled delivery?

13 A That's a scheduled delivery. The same with the
14 next one, picked up 2/14 and delivered on the same truck on
15 2/19, scheduled. The same with the next one, picked up on
16 2/11 and delivered on 2/13, scheduled appointment.

17 Q That was Monday to Wednesday?

18 A Right. The next one picked up 2/11, delivered
19 2/13, scheduled. Same with the next one, scheduled appoint-
20 ment, picked up 2/11, delivered 2/18.

21 Q Picked up 2/11, that would have been a Monday and
22 delivered the following Monday?

23 A That's not unusual. They were warehousing at
24 Helm's ADSI in Irwin and you would have to mail them a copy
25 of the bill and it would take a couple days, they would hold

1 it two or three days, mail it back and tell you when to
2 bring it in.

3 Q What would you do with the shipment then -- just
4 keep it on your dock in Pittsburgh?

5 A Keep it in a trailer.

6 Q Just keep it in a trailer?

7 A Right. The next one was picked up 2/11, delivered
8 2/13.

9 Q That's also to McKeesport?

10 A Going to the warehouse in McKeesport. The next
11 one was also going to the warehouse in McKeesport and was
12 picked up 2/8, delivered 2/12.

13 Q That would be Friday till Tuesday?

14 A Right. The next one was also delivered to the
15 warehouse, picked up 2/8, delivered 2/12. The next one was
16 delivered locally, picked up 2/8, which is Friday, delivered
17 Monday, 2/11. The next one was a local, picked up Friday,
18 2/8, delivered Monday, 2/11. The next one was going to the
19 warehouse again, picked up 2/5, delivered 2/7. The next
20 one was a warehouse schedule also, picked up 2/5, delivered
21 appointment 2/11.

22 Q Let me ask you something now. That one 2/5 to
23 2/11 would be a Tuesday through a Monday?

24 A Again, they're telling you when to bring it in.

25 Q So every shipment you deliver to Helm's warehouse

1 has to be scheduled, regardless of the size, regardless of
2 the weight, is that right?

3 A You have to pick it up, you have to take the pack-
4 ing list and a copy of the bill, drop it in the mail, it
5 goes out to them, they schedule it, they call you up by
6 phone and tell you when they would like it.

7 Q And do they schedule the delivery by the hour?

8 A Yes, they give you a time. This bill says deliver
9 3:00 p.m. Monday.

10 Q All right.

11 A The next one was a local shipment, picked up 2/5,
12 delivered 2/6. The next one was a local shipment, picked
13 up 2/5, delivered 2/6. The next one was an appointment,
14 picked up 2/4, delivered 2/7 to Helm's again. The next one
15 went to the McKeesport warehouse, appointment, picked up
16 2/1, delivered 2/7.

17 Q Do you handle the appointments to the McKeesport
18 warehouse the same -- do you mail them the bills?

19 A No, what you do is, normally we wait a day or two
20 and accumulate a couple 1/t/ls, call and tell them we have
21 three or four shipments here rather than tie up their doors
22 with an every day type delivery -- maybe every other day
23 depending on how many shipments we have. The last one was
24 a Helm's appointment, picked up 2/1, delivered 2/7.

25 Q So that was picked up on a Friday and delivered

1 the following Thursday?

2 A By appointment, right.

3 Q And I assume in that case there might have been
4 other shipments going in there that you were holding, or
5 you held that one until you had a few others and then you
6 called and said, "Now can we bring these in?"

7 A On the Helm's they're usually larger shipments,
8 so you wouldn't necessarily hold it -- here's 75 cases of
9 shirts -- where going to the Murphy warehouse, you might
10 get a couple cartons at a time, so you may have to call in
11 for a couple of cartons.

12 Q Looking at the bills, would you agree with me
13 that on all of the shipments that you handled for G. C.
14 Murphy, these were all handled on a collect basis?

15 A Most of them are.

16 Q These are all inbound shipments going to G. C.
17 Murphy stores?

18 A Or the warehouse.

19 Q And would G. C. Murphy pay all the freight charges
20 on these shipments?

21 A That's right.

22 Q For example, the shipments going to Helm's, you
23 would bill the G. C. Murphy Company?

24 A Yes.

25 Q And the shipments that are going locally, like the

1 first one, going from American Foam Latex to G. C. Murphy,
2 5th Avenue, Pittsburgh, that would be billed to G. C. Murphy?

3 A That's usually cash collected at the store.

4 Q Would you agree with me that on all the bills
5 that you sent and that you handled in February -- would
6 these be fairly representative of the service you provide
7 for G. C. Murphy?

8 A At this time we're seeking some more, but right
9 now we're confined to our local authority, yes.

10 Q All of the shipments that are shown there are
11 discounted, is that right, up to 50%?

12 A That's right.

13 Q How do you determine the size of the discount?
14 Some of them I notice are 50% and some are less than 50% --
15 how is that determined?

16 A They all should be 50; if it's less than 50, it's
17 an error.

18 Q For example, the third one, the freight was a
19 minimum, the freight bill was \$37.27 and the discount was
20 \$5.59?

21 A On this one the billing clerk failed to recognize
22 it was Murphy and we were subject to a claim.

23 Q And it should have been a 50% discount?

24 A That's right. Maybe I'm wrong there. It may not
25 be 50% on a minimum -- I'll have to check.

1 Q By the way, what is a minimum?

2 A A minimum shipment is the minimum charge. You
3 charge for a certain weight on a certain commodity. You
4 won't charge less than that. I think if 100 times the rate
5 is less than the minimum charge, then it would go as the
6 minimum.

7 Q On shipments that are not minimum, though, all
8 the rates were discounted by 50%?

9 A That's right.

10 Q The I.C.C. shipments that you handled that are
11 shown on Exhibit 4, those shipments would also be discounted
12 by 50%, is that correct?

13 A That's right.

14 Q You mentioned that you're presently in the process
15 of establishing a terminal in Norristown. I assume that
16 terminal has been purchased by your company, Pitt-Ohio?

17 A That's right.

18 Q How far is Norristown, Pennsylvania from Paulsboro,
19 New Jersey, do you know offhand?

20 A Driving it's about two hours, an hour and 40
21 minutes.

22 Q Do you know how far it is in terms of miles?

23 A No, I don't.

24 Q Is the Paulsboro, New Jersey a leased facility?

25 A No, it's owned.

1 Q It's owned by Pitt-Ohio?

2 A Yes.

3 Q Your present plan is to retain the Paulsboro
4 facility?

5 A For now, yes.

6 Q When you say "for now", does that mean long range
7 you don't intend to retain it?

8 A It's impossible to say at this time. We're chang-
9 ing so fast now, we don't make predictions.

10 Q The only operating authority that you have, though,
11 presently that would be useful for the Norristown or that
12 would be usable, let's say for service out of Norristown,
13 would be your I.C.C. authority?

14 A That's right.

15 Q Do you have evidence here in the hearing room that
16 would demonstate that you're presently serving any G. C.
17 Murphy store in Clarion County?

18 A No.

19 Q How about Greene County?

20 A No.

21 Q How about Butler County?

22 A No.

23 Q How about Armstrong County?

24 A Yes, a shipment to Murphy's in Kittanning on this
25 one.

1 Q Where is that exactly?

2 A Last page, second from the bottom.

3 Q That was a shipment originating at All-Luminum in
4 Philadelphia and going to Murphy's Mart in Kittanning?

5 A That's right.

6 Q How about Jefferson County?

7 A No. One in Indiana County. This is one month.

8 Q I understand. Do you have any evidence with you
9 in the hearing room that your company is serving any other
10 company to Clarion, Greene, Armstrong or Butler Counties
11 from points other than Allegheny County?

12 A A traffic study that was done for G. C. Murphy.
13 I didn't prepare a traffic study showing otherwise.

14 Q The answer is you do not have any evidence here?

15 A We didn't bring evidence here but I can get it
16 since we are hauling into there.

17 Q You indicated that you are in the process of acquir-
18 ing additional equipment, is that right?

19 A No.

20 Q I thought you said you were purchasing additional
21 equipment?

22 A No, this is the current list.

23 Q You have no equipment on order?

24 A No.

25 Q I'm sorry, I misunderstood. Just a few questions

1 about this service that you provide through Paulsboro, New
2 Jersey. I take it what you're doing there is you're pick-
3 ing up shipments in Pennsylvania destined to another point
4 in Pennsylvania and running those shipments through Pauls-
5 boro, New Jersey, which in effect makes them interstate
6 shipments, is that how you're handling that traffic at the
7 present time?

8 A Yes.

9 Q How far west of Philadelphia would you say you
10 would service from the Paulsboro terminal -- would that be
11 Harrisburg?

12 A We're stretching to Harrisburg right now.

13 Q And conversely any traffic from this area going
14 to the eastern part of the state you would handle, even if
15 it were between two points in Pennsylvania, you would handle
16 it via your Paulsboro terminal?

17 A That's right.

18 Q Does your company still maintain a terminal in
19 Darlington, Pennsylvania?

20 A No.

21 MR. PILLAR: Thank you, those are all the questions
22 I have.

23 JUDGE PORTERFIELD: May I ask a question before you
24 do your redirect. Mr. Hammel, we still didn't get an esti-
25 mation of the time you spend in Hammel's Express, Inc. oper-

1 ations. You said you handle the most rudimentary, but you
2 don't engage in setting management policy, etc. As a matter
3 of time, you indicated you start work at approximately
4 6:00 a.m. and finish about 5:00 p.m. Could you estimate
5 what percentage of your day is devoted to furthering the
6 interests of Hammel's Express, Inc.?

7 THE WITNESS: A very, very small amount of time. The
8 only thing I would do with Hammel's, the pickups are being
9 called into the one office and we might take a Hammel pickup
10 on the other phone. If somebody would call off, we would
11 call another driver in probably early in the morning, that
12 type of thing, but as far as decisions on the routing and
13 working with the men and any decisions, my father is doing
14 all that, and we keep him advised when he's away what's
15 happening but when he's there, we don't do anything.

16 JUDGE PORTERFIELD: And what you state for yourself
17 would be true with the other two principals in Pitt-Ohio
18 Express?

19 THE WITNESS: Right, we're working 98% of the time
20 with Pitt-Ohio.

21 JUDGE PORTERFIELD: Your functions then you'd character-
22 ize as being passive eyes and ears for Hammel's.

23 THE WITNESS: For Hammel's. Hammel's is very small,
24 very basic, it's not very complicated.

25 JUDGE PORTERFIELD: What was Hammel's revenues, if

1 you know, for 1984?

2 THE WITNESS: I don't know but I can figure it out.
3 They do about \$7,000 a day revenue.

4 JUDGE PORTERFIELD: On a five-day week?

5 THE WITNESS: On a five-day week, so it's about 1.5
6 million.

7 JUDGE PORTERFIELD: Okay.

8
9 REDIRECT EXAMINATION

10 BY MR. LAVELLE:

11 Q When you were looking at Exhibit 4 with Mr. Pillar,
12 I think there were four shipments that were referred to as
13 ADSI Helm's. Maybe you'd better explain exactly what ADSI
14 Helm's is -- who you're referring to when you use the terms.

15 A Helm's is a carrier that Murphy supported for
16 intrastate authority a few years back and do most of their
17 intrastate hauling for them. Their ADSI acted as a ware-
18 house for Murphy's, and shipments would come in there in
19 bulk and they would be consigned to the individual stores
20 and they would handle most of those. Helm's has informed
21 Murphy's they're going out of the short haul and they have
22 been bought out by Ryder P.I.E. and this is the reason we're
23 here. Murphy's would like to support us to replace them.

24 Q So the Helm's operation was an extension of the
25 Ryder P.I.E. Nationwide I think is the current name of the

1 company?

2 A Ryder bought Helm's not too awfully long ago.

3 Q The Ryder purchase of Helm's goes back to 1969.
4 The Helm's you're talking about is a division of Ryder
5 P.I.E. Nationwide is the present name of the company. Is
6 that the same company --

7 A Right.

8 Q ADSI is a warehouse and distribution operation
9 conducted by that Helm's division in which a part of their
10 operation, apparently, as you said, is in connection with
11 shipments going into G. C. Murphy stores and were temporarily
12 warehoused by ADSI, is that generally what the nature of
13 the operation is?

14 A That's the way I understood it.

15 Q When you described the way you had operated with
16 them, whenever shipments were picked up by you, were they
17 from a vendor or supplier of Murphy?

18 A That's right. What happens, a vender would call
19 in a shipment and sometimes it would be consigned to a
20 store, sometimes it would be consigned to Murphy's warehouse,
21 or sometimes it would go through the Helm's ADSI.

22 Q Confining yourself to that ADSI, when you picked
23 up such a shipment, you had to go through this process of
24 mailing paper work to them, and then hearing back from them
25 as to a date and time for delivery to the ASDI facilities?

1 A That's right.

2 MR. LAVELLE: I have no other questions of Mr. Hammel.

3 JUDGE PORTERFIELD: Mr. Hammel, one other area. What
4 has Pitt-Ohio Express' experience been with whe P.U.C.
5 enforcement people -- have you had service complaints or
6 complaints operating within or without your authority, etc.?

7 THE WITNESS: We've been subject to road checks and
8 this type of thing. We've been to hearing before but we
9 have been under compliance.

10 JUDGE PORTERFIELD: Say in the last three years, how
11 many complaints -- formal complaints -- have gone to hearing?

12 THE WITNESS: Newcomer filed one, that's all.

13 JUDGE PORTERFIELD: Are there any pending now?

14 THE WITNESS: Newcomer has filed another one.

15 JUDGE PORTERFIELD: That's pending?

16 THE WITNESS: That's pending.

17 JUDGE PORTERFIELD: I have no other questions. Mr.
18 Pillar?

19 MR. PILLAR: I'm not sure he answered your question
20 fully.

21 JUDGE PORTERFIELD: Please help me.

22 MR. PILLAR: Has the Commission filed any complaints
23 against Pitt-Ohio?

24 THE WITNESS: No.

25 JUDGE PORTERFIELD: Anything further?

1 MR. LAVELLE: The first formal complaint you referred
2 to as being filed by Newcomer Express, was that particular
3 proceeding terminated by an Order entered June 28, 1984,
4 whereby the Administrative Law Judge issued an initial
5 decision, which in effect adopted a settlement stipulation
6 entered into between Pitt-Ohio Express and Newcomer, and
7 the initial decision was ultimately adopted by the full
8 Commission?

9 THE WITNESS: That's right.

10 MR. LAVELLE: So that proceeding terminated on the
11 basis of that agreement between the parties, is that correct?

12 THE WITNESS: Right.

13 MR. LAVELLE: You said there was another complaint
14 pending filed by Newcomer. When was that filed, to your
15 knowledge?

16 THE WITNESS: I received it about ten days ago I
17 guess.

18 MR. LAVELLE: I have nothing else.

19 MR. PILLAR: Since Mr. Lavelle has referred to that,
20 perhaps we can incorporate that by reference into the record

21 JUDGE PORTERFIELD: What is the docket number on that?

22 MR. LAVELLE: Which one?

23 MR. PILLAR: The Order you just referred to.

24 MR. LAVELLE: The Order on the complaint I referred
25 to is at Docket No. A.00102471C831.

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MR. PILLAR: That would be entitled Newcomer Trucking, Inc. vs. Pitt-Ohio Express, Inc.

MR. LAVELLE: I have no further questions of the witness.

MR. PILLAR: I have no objection to the exhibits.

MR. LAVELLE: Your Honor, I'd like to reserve the right, as we indicated earlier, to submit the financial statements of the company when they're prepared, which should be shortly.

JUDGE PORTERFIELD: You'll send Mr. Pillar and Arlene a copy, also. Before I forget, I'd like to make the application ALJ's Exhibit A.

(ALJ Exhibit A, being a copy of the application, was produced and marked for identification)

MR. LAVELLE: Shall we reserve Applicant's Exhibit No. 5 for the balance sheet and Applicant's Exhibit No. 6 for the income statement.

(Applicant's Exhibit No. 5, being a copy of Applicant's balance sheet for 1984, to be filed as a late-filed exhibit)

(Applicant's Exhibit No. 6, being a copy of the income statement for 1984, to be filed as a late-filed exhibit)

MR. LAVELLE: I'd like to just incorporate by reference the operating authority which is the subject of that emergency temporary authority Order of Pitt-Ohio purchasing Breman's Express, so that if there's any discrepancies or errors as

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fas as what he read into the record on these particular grants, we'll have a right to refer to it.

JUDGE PORTERFIELD: We'll admit all the exhibits into the record. Off the record.

.....LUNCHEON RECESS.....

AFTERNOON SESSION
1:45 P.M.

(Witness sworn)

JUDGE PORTERFIELD: State your full name.

THE WITNESS: Charles C. Perrin -- P-e-r-r-i-n.

CHARLES C. PERRIN, called as a witness on behalf of Applicant, being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LAVELLE:

Q Mr. Perrin, by what company are you employed?

A G. C. Murphy Company.

Q And what is your business address?

A 531 - 5th Avenue, McKeesport, Pennsylvania.

Q What's your position with the company?

A General Traffic Manager.

Q How long have you held that position?

1 A About nine years.

2 Q How long have you been employed by G. C. Murphy
3 in all capacities?

4 A 22 years.

5 Q As General Traffic Manager, do you have the over-
6 all supervision of the company for transportation matters?

7 A Yes, I do.

8 Q And, obviously, one of your functions is appearing
9 at this type of hearing?

10 A Yes.

11 Q You're familiar with this application of Pitt-
12 Ohio?

13 A Yes, sir.

14 Q And you've been authorized to testify on behalf of
15 your company in support of the application?

16 A That's right.

17 Q Would you give us a brief description of the
18 business of G. C. Murphy Company?

19 A We're an approximately 400 variety store chain,
20 operating in about 22 states primarily east of the Mississippi,
21 with the exception of Louisiana, Arkansas and Texas, and
22 we operate about three distribution centers and about 400
23 stores.

24 Q What are the names of those stores that you'll be
25 referring to?

1 A G. C. Murphy Marts and the Murphy stores.

2 Q Do you have in those stores a wide variety of
3 commodities?

4 A Yes, we do.

5 Q Have you prepared an exhibit which would indicate
6 the type of commodities which are dealt in by the various
7 stores?

8 A Yes, I have.

9 JUDGE PORTERFIELD: This will be Exhibit 7.

10 (Applicant's Exhibit No. 7, being a guide of the
11 merchandise dealt in by G. C. Murphy in its
12 various stores, was produced and marked for
13 identification)

14 Q Mr. Perrin, is this Exhibit 7 taken from a guide
15 published by your company that basically shows the various
16 lines of merchandise dealt in by the various stores as well
17 as certain buyers' dates to be observed?

18 A That's right.

19 Q For our purposes here, does it show the various
20 departments within the company, for example, Health & Beauty
21 Aids department?

22 A Yes, it does.

23 Q And then in that particular category there's a
24 listing breaking down some of the specific types of commodi-
25 ties in that department, is that right?

A Right.

1 Q If we went through that, each section of the
2 store there are specific commodities referred to?

3 A That's right.

4 Q Are these commodities that we're looking at here
5 contained or sold by all of the Marts and G. C. Murphy
6 stores?

7 A The majority of the items would be sold by both
8 the Marts and the variety stores. There are some home
9 improvement items that are sold in the Marts only.

10 Q Do you have occasion to ship and receive these
11 commodities at points in Pennsylvania?

12 A Yes, we do.

13 Q And are there movements of these types of commodi-
14 ties between points in the State of Pennsylvania?

15 A Yes, sir.

16 Q Did you bring for presentation here a list of the
17 cities in the State of Pennsylvania at which there are retail
18 stores?

19 A Yes.

20 MR. LAVELLE: May we have this marked as Exhibit 8?

21 JUDGE PORTERFIELD: Yes.

22 (Applicant's Exhibit No. 8, being a list of Pennsylv-
23 ania store locations, was produced and marked
for identification)

24 Q Mr. Perrin, looking at Exhibit 8, is this a listing
25 of all of the cities and towns in the State of Pennsylvania

1 in which there is at least one retail store?

2 A Yes.

3 Q In some cities are there more than one store?

4 A Yes, there are.

5 Q Do you know specifically what type of cities --

6 A Pittsburgh, Philadelphia, Harrisburg area. The
7 larger cities indicated would be the ones that would have
8 more than one store.

9 Q Do you know how many total cities are shown on
10 Exhibit 8?

11 A I think there's 86 or 90.

12 Q Can you tell us the total number of stores in
13 Pennsylvania?

14 A Approximately 115 to 120.

15 Q That would account for the multiple stores in
16 certain large cities?

17 A Yes.

18 Q As far as your Pennsylvania traffic would be
19 concerned, what would be the origin of traffic that the
20 Applicant might be called upon to transport?

21 A We have vendors throughout the State of Pennsylvania
22 and we'd be shipping from all our vendors, conceivably, to
23 all the stores and distribution center located in the State
24 of Pennsylvania.

25 Q So it would be from vendors to stores?

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1 A Vendors to stores.

2 Q And do vendors ship to any point other than stores?

3 A Vendors to the distribution center.

4 Q And where is your distribution center?

5 A McKeesport.

6 Q Is that the only one in Pennsylvania?

7 A Yes, it is. We had up until just recently another
8 distribution center, not company owned, but another facility
9 in Irwin.

10 Q Who operated that particular distribution center?

11 A Helm's Express.

12 Q That's the one that was referred to as --

13 A As ADSI, Irwin, yes.

14 Q Just generally to get the overall picture here,
15 when the commodities are placed in this McKeesport distri-
16 bution center, are there further movements then from that
17 point to these stores on Exhibit 8?

18 A Yes, we ship once each week from the distribution
19 center to each store serviced by that distribution center.

20 Q That's the general pattern of traffic from the
21 distribution center to the stores each week?

22 A Right.

23 Q When you refer to that ADSI distribution center
24 run by Helm's Express, what was the nature of its operation?

25 A It handled approximately 100 or 120 stores total,

1 and it would gather freight from all our vendors throughout
2 the country, segregated by store and shipped to each --
3 each of the Marts it would ship once a week and each of the
4 variety stores it would ship every other week, always on
5 Wednesday.

6 Q So the release from the ADSI distribution center
7 was always on Wednesday, depending on the type of store it
8 was going to, it would be either weekly or bi-weekly?

9 A Right.

10 Q Are there any movements of freight between two
11 store locations?

12 A Yes, a minimum but there is.

13 Q What about in the reverse direction, do you have
14 any traffic that would be moving, let's say from the retail
15 stores on Exhibit 8 to the distribution center?

16 A Yes, we do, not real frequent but fairly frequent.

17 Q How about from the distribution center back to
18 vendors?

19 A Yes, again, not real frequent.

20 Q Did you prepare for presentation here another
21 exhibit that would show the location of the vendors in
22 Pennsylvania?

23 A Yes, I did.

24 JUDGE PORTERFIELD: Mark that Applicant's Exhibit 9.

25 (Applicant's Exhibit No. 9, being a list of Pennsylv-

1 vania vendor locations, was produced and marked
2 for identification)

3 Q At the bottom of Exhibit 9 that shows the location
4 of your distribution center in McKeesport?

5 A That's correct.

6 Q And then the upper portion of this, Pennsylvania
7 Vendor Locations, is this a current listing of the locations?

8 A Yes, it is.

9 Q And is there at least one vendor in each of these
10 points?

11 A That's right, yes.

12 Q Do vendors at these Pennsylvania points all ship
13 to either the distribution center or the retail stores in
14 Pennsylvania?

15 A Yes, many of them ship to both.

16 Q Do you know whether or not there is more than one
17 vendor at any of these points?

18 A Yes, there is considerably more than one in Pitts-
19 burgh and there would be more than one in Philadelphia.

20 Q Did you happen to count Exhibit 9 to see how many

21 A Approximately 120 vendor origins.

22 Q I counted them and there's 161. Can you tell us
23 the approximate range in weight of the various shipments
24 you're talking about -- depending on origin to destination,
25 does it vary, or might any combination of origin and destin-

1 ation take any range in weight of shipments?

2 A It will vary, take any range, depending upon the
3 type of vender, the commodity, the size of the store, whether
4 it's a distribution store, or Mart or variety store.

5 Q Would you have shipments that would fall into a
6 minimum weight category,,let's say under 50 pounds even?

7 A Yes.

8 Q And what would be up to the maximum size shipment?

9 A 30,000, 40,000.

10 Q So you have full truckload shipments as well?

11 A Yes.

12 Q Where would the full truckload type shipments
13 originate and terminate as a rule?

14 A They would originate in Pittsburgh, terminate in
15 McKeesport; originate in the Harrisburg area, terminate in
16 McKeesport; prior to the shut-down of the ADSI would termin-
17 ate in Irwin, or we could stop off in Irwin and terminate
18 in McKeesport.

19 Q So it would be correct that the majority of the
20 large volume or truckload shipments would be moving, generally,
21 into one of the distribution centers, McKeesport or Irwin?

22 A Right.

23 Q The traffic that is moving inbound from vendors
24 to either stores or distribution center at McKeesport, does
25 your company control the routing and pay the freight charges

1 on that traffic?

2 A I'd say we control the routing and pay the freight
3 on about 65 to 70%.

4 Q And the balance of it is currently routed by the
5 vendor?

6 A Yes.

7 Q Is that method of procedure and handling expected
8 to continue indefinitely?

9 A What we're planning on now is, we publish routing
10 guides from the various cities to all the vendors from those
11 cities in which we give the vendor a carrier to use to each
12 store. Because we have so many towns where there's only
13 one vender, we publish what we call a general routing guide.
14 In the very near future we'll update and include in the
15 general routing guide a list of preferred carriers.

16 Q And what will be expected of vendors when that
17 routing guide comes out, even if it might be a situation
18 where they pay the freight charges?

19 A We would anticipate a larger number of vendors
20 would follow our instructions, even if they would pay the
21 freight. Some of the more sophisticated vendors will not --
22 they'll ship by the carriers they choose.

23 Q What is the situation on traffic that's being
24 distributed from the warehouse to the various stores, does
25 your company control that as a general rule or not?

1 A From our distribution center to the stores?

2 Q Yes.

3 A Yes, we control that.

4 Q You pay the freight charges?

5 A We pay the freight on that.

6 Q How about traffic going back from either a store
7 or distribution center to the vendor?

8 A Normally we control the freight on that and nor-
9 mally it is prepaid but not always, depending on the reason
10 for the return.

11 Q The freight that is moving from vendor locations,
12 which are shown on Exhibit 9, into the distribution center
13 at McKeesport, can you give us an idea of what the volume
14 of traffic on a monthly or annual basis would be?

15 A From the vendors into the distribution center?

16 Q Yes.

17 A I would say around 4,000,000, 5,000,000 pounds.

18 Q And you're confining that now to movements between
19 two points in Pennsylvania?

20 A Yes.

21 Q That doesn't include any interstate freight?

22 A No.

23 MR. PILLAR: 4- to 5,000,000 pounds a month?

24 THE WITNESS: No, a year.

25 BY MR. LAVELLE:

1 Q And that would include short haul movements, such
2 as from a vendor in Pittsburgh to McKeesport?

3 A Yes.

4 Q As well as taking the other side of the state.
5 I think there's a vendor shown in Philadelphia going to
6 McKeesport and that would also be included in that 4- to
7 5,000,000 pounds?

8 A Correct.

9 Q How about the volume of traffic that moves directly
10 from these vendors to the stores and by-passes the McKeesport
11 distribution center, what does that amount to in a year's
12 time?

13 A I'd say about 3- to 4,000,000 pounds.

14 Q And in each of those situations when the vendor
15 location is the origin point, you're controlling about 65
16 to 70% of that traffic?

17 A That's right.

18 Q Did you prepare a further exhibit that would
19 indicate the volume of traffic then going from the distri-
20 bution center at McKeesport to the various retail stores?

21 A Yes, I did.

22 JUDGE PORTERFIELD: Mark it as Applicant's Exhibit 10.

23 (Applicant's Exhibit No. 10, being a two-page
24 document captioned, "Tonnage From Pennsylvania
25 Distribution Centers To Pennsylvania Stores", was
produced and marked for identification)

1 Q Mr. Perrin, looking at this Exhibit 10, the store
2 numbers are shown apparently in the left-hand column and
3 there are gaps in the numbers. Is there any reason for that?

4 A Yes, there is no store allocated for a number or
5 a store bearing that number is outside the State of Pennsyl-
6 vania.

7 Q And then in the middle column the location is the
8 city, and would there be situations here where there'd be
9 more than one store located in a given town?

10 A Yes, there would.

11 Q 57 is Pittsburgh?

12 A Right..

13 Q And No. 170 on the same page is Pittsburgh?

14 A Right.

15 Q Then finally in the right-hand column, is that an
16 annual tonnage figure?

17 A Yes, that's the annual tonnage figure.

18 Q Is this based on 1984 figures?

19 A Yes, it is.

20 Q And the total volume of traffic from your McKees-
21 port distribution center -- did that also include the ADSI?

22 A These figures include the ADSI.

23 Q So from those two locations in 1984 is just short
24 of 34,000,000 pounds of freight?

25 A That's right.

1 JUDGE PORTERFIELD: Excuse me. When was ADSI dis-
2 continued as a distribution center?

3 THE WITNESS: As far as our operation within it,
4 March 6 was the last shipping date.

5 BY MR. LAVELLE:

6 Q And that's of 1985?

7 A 1985.

8 Q Would the volume of traffic then that previously
9 had been moving from the distribution center at Irwin to
10 these retail stores now be coming from the McKeesport ware-
11 house?

12 A That's right, about 65% of what was handled at
13 the ADSI in Irwin would now come out of the McKeesport
14 operation.

15 Q Of the 34,000,000 pounds do you know how that
16 broke down between McKeesport and Irwin during 1984 as
17 origins?

18 A I don't have those figures available. These
19 figures were made up based on what we call warehouse tonnage
20 and all of the warehouse tonnage would be coming out of the
21 McKeesport warehouse. This includes the warehouse tonnage
22 from Irwin, warehouse tonnage and Consolidation Freight from
23 McKeesport. The warehouse tonnage that was in Irwin will
24 move now in 1985 from the McKeesport warehouse.

25 Q So all things being equal and not accounting for

1 any increase in business or decrease, or what have you,
2 there would be about 34,000,000 pounds out of McKeesport
3 alone in '85?

4 A That's right.

5 Q Do you know how frequently you do have shipments
6 moving back from either the stores or distribution center
7 to your vendors? I take it that's returned merchandise.

8 A Yes. I don't have the figures on that but based
9 on the number of stores and distribution centers as well as
10 the number of vendors, there would be a fair amount overall,
11 not a whole lot from an individual store to an individual
12 vendor, but in the whole picture there would be a fair amount
13 of freight going back.

14 Q Would there be shipments of that type on a daily
15 basis from some store to some vendor?

16 A I'd say that would be a pretty good statement, yes.

17 JUDGE PORTERFIELD: Mr. Lavelle, I hate to interrupt
18 you but I'm sort of confused. I thought his original testi-
19 mony was 4- or 5,000,000 pounds of freight per month and
20 then Mr. Pillar clarified it to make that a year, and again
21 I'm looking at 34,000,000 pounds of freight annual tonnage.
22 Where did I get lost?

23 MR. LAVELLE: I think --

24 THE WITNESS: What we were discussing initially was
25 vendor to store and vendor to distribution center. This

1 figure is distribution center to stores in Pennsylvania.

2 JUDGE PORTERFIELD: The 4- or 5,000,000 pounds of
3 freight per year comes from vendors to the distribution
4 center?

5 THE WITNESS: Right.

6 JUDGE PORTERFIELD: And about 3- or 4,000,000 pounds
7 of freight from vendors to stores?

8 THE WITNESS: Right.

9 JUDGE PORTERFIELD: I still don't understand how
10 you're shipping out 34,000,000 pounds if you're only getting --

11 BY MR. LAVELLE:

12 Q The 4- to 5,000,000 pounds a year from vendors to
13 distribution centers had reference to Pennsylvania origins
14 and Pennsylvania destinations?

15 A That's right.

16 Q So that would make approximately 29,000,000 to
17 30,000,000 pounds a year that moves from the distribution
18 center at McKeesport to a Pennsylvania destination and an
19 origin somewhere back in the past at a point outside the
20 State of Pennsylvania?

21 A That's right.

22 Q That traffic that is coming in from out of state,
23 in 1984, was it consigned to either the McKeesport warehouse
24 or the ADSI distribution center as a final destination on
25 the initial movement?

1 A Not as a final destination. We had some freight
2 that moved into Irwin and McKeesport distribution center
3 from out of the state that was preidentified by the vendor
4 for stores within the State of Pennsylvania.

5 Q That's what I wanted to get at. There was some
6 traffic, let's use an example to make it simple, do you
7 receive freight from vendors in the State of Ohio?

8 A Yes.

9 Q Are you saying that some of the traffic that came
10 in of that 29- to 30,000,000 pounds in 1984 from outside
11 the state could have come from the State of Ohio?

12 A Yes.

13 Q And could have had a specific store referenced when
14 it left Ohio?

15 A Yes.

16 Q And then it would go into the distribution center,
17 whichever one was involved, for a period of time until the
18 store was ready to receive it?

19 A For the next shipping cycle for that store.

20 Q Do you know approximately what part of that 29-
21 to 30,000,000 pounds of freight from out of state would have
22 had a predesignated store as the final destination?

23 A I'd say around 25 to 30%.

24 Q Then the balance of that roughly 75% of that
25 freight that originated outside the State of Pennsylvania --

1 the shipping documents from out of state would have shown
2 one of the distribution centers as the destination?

3 A That's right.

4 Q At what point and how is that freight determined
5 to be moved from the warehouse to a store?

6 A We had in 1984 three types of merchandise going
7 through our distribution centers. We had what we called
8 pure consolidated, which is preidentified by the vendor for
9 the individual stores. We had distributed merchandise,
10 which is bought for the individual stores, based on how
11 much the individual stores indicate they want, but it's
12 consigned to the G. C. Murphy Company and picked up immedi-
13 ately upon receipt for those stores. Then we have the mer-
14 chandise that's called staple or seasonal goods that's brought
15 to replenish stock in the warehouse and it's put in the ware-
16 house stock till the stores request replenishment in the store.

17 Q On the second category, that type that comes from an
18 origin out of state to the distribution center shows the
19 distribution center as the destination?

20 A Yes.

21 Q But then you said it's immediately predesignated
22 for a particular store?

23 A Right.

24 Q What percentage would fall into that category of
25 the total?

1 A I'd say about 35.

2 Q And that's 35% of that interstate freight we're
3 talking about?

4 A Yes.

5 Q On that second category involving about 35%, would
6 your prior testimony that the vendor controls the routing
7 on approximately 30 to 35% hold true?

8 A I think on the distributed merchandise alone, we
9 would probably control the routing on maybe 75 to 80%.

10 Q And on that when that second category of traffic
11 was called for from our vendor in Ohio, let's say, your
12 company would be controlling the routing on 75% of that?

13 A Roughly, yes.

14 Q And at the time of shipment your company would
15 know the store that it was intended for?

16 A Yes.

17 Q The vendor might not but your people would?

18 A That's right.

19 Q So from a shipping standpoint at the time of ship-
20 ment from our hypothetical vendor in Ohio, the ultimate store
21 destination would have been known on that as well in 75% of
22 the cases, roughly?

23 A Would you give me that again?

24 Q From the ultimate origin to the ultimate store --

25 A The G. C. Murphy Company on that merchandise

1 designated -- distributed merchandise -- we knew the final
2 destination of the store on all of it. As we print those
3 types of orders, we print what is called a recap sheet which
4 tells our distribution centers how many units of each item
5 each store gets.

6 Q Then if we assume that on that first category,
7 preconsigned traffic, where the vendor knows the store and
8 ships it to the store designated, that's 25% of the 30,000,000
9 pounds. The second category is 35% where you're calling
10 it distribution freight and your company knows where it's
11 ultimately going at the time of shipment, there is a total
12 of 60% of the freight where at the time it leaves the vendor
13 the ultimate store in Pennsylvania is known?

14 A That's right.

15 Q Is that a correct summary of what you said?

16 A That's correct.

17 Q And the other 40% is the type that goes into
18 replenishing warehouse stock and might go to any store?

19 A That's right.

20 Q Does this McKeesport distribution center service
21 any stores outside the State of Pennsylvania?

22 A Yes, West Virginia, Ohio, Illinois, Michigan,
23 Indiana.

24 Q And some of that seasonal type merchandise falling
25 in that 40% could ultimately go back to Ohio or West Virginia?

1 A That's right.

2 Q That 40% of 30,000,000 coming from out of state
3 would be roughly 12,000,000 pounds of freight coming in-
4 bound is not known as the ultimate consignee, is that
5 correct?

6 A That sounds right.

7 Q Would you explain why the ADSI operation was dis-
8 continued as of March 6?

9 A Yes, originally we went into the operation with
10 Helm's Express. Not too long after that, Helm's and Byrnes
11 merged. We continued into the operation under Helm's and
12 Byrnes and not long after that merger, Ryder P.I.E. and
13 Helm's/Byrnes merged. Ryder P.I.E. being more a long haul
14 carrier felt that the short haul operation that the ADSI
15 handled was not in its best interests. Additionally, they
16 changed some of their operating procedures wherein they
17 closed the break/bulk terminal at Irwin, Pennsylvania where
18 the ADSI was located, which left them without a sufficient
19 amount of trailer equipment to handle that operation and
20 they decided it would be in their best interests to close
21 the operation.

22 Q In addition to serving as a distribution warehouse,
23 did the Helm's or Ryder P.I.E. Company perform any actual
24 transportation service?

25 A Very much, yes.

1 Q Did that include movements between points in
2 Pennsylvania?

3 A Yes, it did. I guess it was 1981 or '82 we supported
4 Helm's Express for Pennsylvania intrastate authority in its
5 entirety for us.

6 Q When you say "its entirety", what do you mean?

7 A The whole state from and to any place in the
8 State of Pennsylvania to any place in the State of Pennsyl-
9 vania.

10 Q And was the authority granted in that form?

11 A Yes.

12 Q How had your freight moved prior to that support
13 of Helm's/Ryder?

14 A Originally a large amount of the Pennsylvania
15 intrastate freight moved by Jones Motor. When they dis-
16 continued their operation in Pittsburgh and then further
17 discontinued the l/t/l freight, we moved the Pennsylvania
18 intrastate to Motor Freight Express. Motor Freight Express
19 went out of business, which left us with very little Pennsyl-
20 vania intrastate coverage and that's why we supported Helm's
21 Express.

22 Q Why are you here supporting Pitt-Ohio?

23 A We've lost a large Pennsylvania intrastate carrier
24 who did a tremendous amount of business for us. We want a
25 carrier that can provide entire coverage within the state,

1 that can do so with good service and reasonable rates, and
2 someone that we were familiar with their operation.

3 Q Why do you want a carrier, such as Pitt-Ohio, to
4 have statewide authority as a substitute for --

5 A There's a number of things it does for us. It
6 allows us to route our freight from vendors to stores and
7 distribution center within Pennsylvania without a lot of
8 checking traiffs, points lists, etc., and it also limits
9 the number of carriers going to the individual stores.

10 Q Is that latter factor important?

11 A Yes, it is. Most of our stores have only one
12 door and we try to keep the number of carriers going into
13 the stores at a minimum.

14 Q Insofar as the traffic movements are concerned,
15 is there any situation where you have a need for what I'll
16 call emergency type service and does that occur very frequently?

17 A Periodically, I wouldn't say very frequently, but
18 periodically we'll have shipments moving that maybe a vendor
19 ships late and we only have a day or two to get to the store
20 to meet an ad, something like that.

21 Q But is that the normal --

22 A That's not the normal.

23 Q What type of service within the State of Pennsyl-
24 vania here that we're talking about does your company look for
25 from a carrier?

1 A As far as the traffic end of it, we look for any-
2 where within the State of Pennsylvania next day, second
3 morning. Some restrictions are placed on us at the distri-
4 bution center based on our ability to receive -- that's why
5 we have the appointments. We have almost every shipment that
6 goes into the McKeesport distribution center goes in on an
7 appointment basis. When the carrier calls and says they
8 have a shipment for us, they must give us pieces, weight,
9 vendor and order number, so that when that carrier gets to
10 our receiving docks we have all the necessary papers to
11 unload, we know what's coming in at all times, and we can
12 carry a fairly reliable schedule.

13 Q Does it ever occur that your distribution center
14 at McKeesport and perhaps the prior one at Irwin would not
15 be in a position to take the freight on a next day or second
16 day basis?

17 A Yes, particularly with the operation of the ADSI
18 at Irwin. As we receive freight at Irwin, we put labels on
19 the cartons that the ADSI printed. In order for them to do
20 that, they had to have the vendor documents in their possession
21 24 hours before they could receive the freight. In the case
22 of the McKeesport distribution center, we have times when the
23 inbound freight is such that we extend it out two or three
24 days before we can take it.

25 Q I think you indicated earlier that the ADSI release

1 was always on a Wednesday to the stores?

2 A That's right.

3 Q So if a vendor tendered freight to a carrier on
4 Thursday, if the freight got to ADSI on Friday overnight or
5 the following Tuesday, would it make any great difference?

6 A No, not as long as it was in by closing time Tues-
7 day so we could ship Wednesday morning.

8 Q You indicated your scheduled freight in at the
9 distribution center. Is that also the procedure for distri-
10 bution out to the retail stores?

11 A Yes, we ship the same day every week from the
12 distribution center to every store. The carriers performing
13 that delivery are required to deliver the same day every
14 week to that store.

15 Q How about the freight coming direct from vendors
16 to stores, is that on just a standard basis, whenever it's
17 picked up, it's delivered in the ordinary course of business?

18 A Yes, because it's not the type of merchandise
19 that's left in the warehouse for replenishment of seasonal
20 and warehouse stock. That's basically what we like to get
21 the next day overnight, second day delivery service. Those
22 shipments are time sensitive type.

23 Q Do you know how long your company has been using
24 the service of Pitt-Ohio Express?

25 A I'd say four or five years, maybe a little longer.

1 Q I think you were here earlier when Mr. Hammel,
2 the Applicant, testified. Do you agree that includes both
3 intrastate service within the western area they can now
4 serve and on interstate freight?

5 A I would agree with that, yes.

6 Q How would you characterize the service you receive
7 from Pitt-Ohio?

8 A Good to excellent.

9 Q If this application were to be approved by the
10 Commission, would G. C. Murphy use the service of Pitt-Ohio on
11 freight we've discussed up to this point, vendor to store?

12 A Absolutely.

13 Q Vendor to the distribution center?

14 A Absolutely.

15 Q How about from the distribution center to the
16 stores?

17 A Distribution center to the stores would probably
18 be as a backup nature to our contract carriers.

19 Q And who are the contract carriers you're using now?

20 A E. J. Lowry and Womeldorf, Inc. as far as Pennsyl-
21 vania is concerned.

22 Q Those are the two carriers that are presently
23 hauling the bulk of the outbound from the distribution center?

24 A Yes.

25 Q Do you know to what extent Pitt-Ohio would be

1 integrated into that operation?

2 A It would be hard to put a number on that. We
3 would use them as a backup in those instances which occur
4 frequently that we can't get all of a store's freight on a
5 trailer, or if we have a little bit of freight going to a
6 store and not in sufficient amount to send a dedicated
7 trailer out. Based on our need to deliver to the store
8 the same day every week, we can't let that freight lay
9 around and our contracts can't handle it, we have to give
10 it to somebody else.

11 Q Using that as a starting point, would there be
12 some freight from McKeesport distribution center going to
13 stores, let's say into Allegheny County and surrounding
14 counties as an example, that there would be an overflow --

15 A There probably would be. Allegheny County is a
16 little different from the rest. It would be more likely
17 because we have so many stores in Allegheny County, it would
18 be more likely we would have a need for stores outside.

19 Q I used the wrong example. Let's say to the Johns-
20 town-Altoona area, those stores?

21 A Yes.

22 Q Do you know whether or not you're presently
23 receiving at those particular stores shipments from vendors
24 located outside the State of Pennsylvania?

25 A Oh, yes.

1 Q Are any of those shipments coming into the stores
2 by way of Pitt-Ohio?

3 A I'm sure there is, yes.

4 Q In your routing of that freight, in your opinion,
5 would it be possible to coordinate the intrastate freight
6 from McKeesport distribution center going to say, a Johns-
7 town store, with vendor freight coming in from out of state
8 or from some other location in Pennsylvania?

9 A You mean if I were Pitt-Ohio?

10 Q If your company were controlling the routing.

11 A If my company were controlling the routing, ship-
12 ments from outside Pennsylvania going to stores inside
13 Pennsylvania, could I tie that up with the freight coming
14 from the distribution center?

15 Q Yes.

16 A I would think so.

17 Q Would you take advantage of this Applicant's
18 service to that extent?

19 A Yes.

20 Q Do you know to what extent, if at all, your company
21 has used the services of Newcomer Trucking?

22 A I can only speak for shipments going into the
23 distribution center and I would say all of 1984 we had three
24 shipments going into the McKeesport distribution center.

25 Q And they would have originated at vendor locations?

1 A Yes, in the Pittsburgh area. I think all three
2 of them were prepaid.

3 Q And that's the extent of what Newcomer has handled
4 into the distribution center?

5 A Into the distribution center, as far as I know.
6 We route nothing by Newcomer Trucking.

7 Q Is there any particular reason for that?

8 A It's nothing they have done or failed to do. We're
9 looking for more overall coverage than they can grant us
10 at this time.

11 Q And is that the reason for your support of this
12 application?

13 A Yes.

14 MR. LAVELLE: Your Honor, I have no further questions
15 of Mr. Perrin.

16
17 CROSS-EXAMINATION

18 BY MR. PILLAR:

19 Q At the risk of going over some ground, let's see
20 if I can organize this in my mind from the record the best
21 I can. First of all with respect to the Irwin distribution
22 center of Helm's, the termination was March 6?

23 A Yes, our last shipment out of there was March 6.

24 Q So that since March 6 then, we can forget about
25 Irwin?

1 A That's right.

2 Q Either as a receiving point from vendors or an
3 origin point to the stores?

4 A That's right.

5 Q All of that freight then has been moved to
6 McKeesport?

7 A 60, 65, 70%.

8 Q What happened to the others?

9 A That was moved to Columbus, Ohio.

10 Q Was there actually freight at Irwin that they
11 physically had to move to Columbus; in other words, to get
12 it out of there, or did you ship it all out to the stores?

13 A We shipped it out to the stores. We did have a
14 couple carriers call in that Wednesday that had shipments
15 for Irwin that we had reconsigned to Columbus or reconsigned
16 to the McKeesport distribution center.

17 Q Now that Irwin is out of the picture then, is the
18 only distribution center in western Pennsylvania the one in
19 McKeesport?

20 A That's right.

21 Q What other distribution centers are there in Pennsyl-
22 vania?

23 A For us?

24 Q Yes.

25 A None.

1 Q How do you service stores in eastern Pennsylvania?

2 A From our Fredericksburg, Virginia distribution
3 center.

4 Q And would the Columbus distribution center also
5 service some of western Pennsylvania?

6 A Yes.

7 Q Do you keep a different kind of freight in Columbus
8 than you do in McKeesport?

9 A Yes, you'll recall there's three types of merchan-
10 dise. The only freight that Columbus handles is the pre-
11 identified by vendor freight.

12 Q When you say "preidentified by vendor", explain
13 that.

14 A It comes into the Columbus distribution center
15 with a label on it identifying the final store delivery.
16 It would say, "G. C. Murphy, Company, c/o Seafax Services,
17 Columbus, Ohio, for Store No. 1, McKeesport, Pennsylvania".

18 Q Who delivers that freight?

19 A Coming out of Columbus for western Pennsylvania?

20 Q Yes.

21 A We have either Lyons Transportation or Suwak Truck-
22 ing.

23 Q Do they handle it all?

24 A To the best of my knowledge. When we set that up,
25 that was our intent. There might be one or two stores

1 that was changed because of no direct service or something
2 like that.

3 Q So then from the McKeesport distribution center
4 you would be shipping to those stores that are shown on
5 your Exhibit 10?

6 A Right.

7 Q As well as to some points in Ohio and West Virginia?

8 A Yes, sir.

9 Q Looking at Exhibit 10 for a moment, can you
10 identify those points to which Pitt-Ohio cannot presently
11 offer you service out of McKeesport?

12 A Cannot presently?

13 Q Yes.

14 A Probably some of them, yes. I'll probably miss
15 some I'm sure.

16 Q You are aware that Pitt-Ohio has authority to
17 serve between 15 counties in western Pennsylvania?

18 A Yes, I believe, though, the counties that run down
19 the Ohio line maybe one or two in.

20 Q Okay.

21 A Going out from there, you'd probably be looking at
22 State College, Bellefonte, Waynesburg --

23 Q Let's just take the areas that Newcomer has an
24 interest in, for example, let's take Kittanning, which I
25 think is in Armstrong County, do you agree with that?

1 A Yes.

2 Q How does your tonnage move now from the distri-
3 bution center to Kittanning?

4 A From the distribution center to Kittanning, it
5 would move, I believe, by E. J. Lowry.

6 Q Is it true then that all of the tonnage on Exhibit
7 10 from the distribution center to the stores, all of this
8 almost 34,000,000 pounds moves either by E. J. Lowry or
9 Womeldorf?

10 A Yes. We have a couple shipments that would move,
11 as I indicated, common carrier.

12 Q Can you tell us what actually moves common carrier
13 that you know of? Do you know those specific ones?

14 A Yes, I'd say some to Bedford.

15 Q Who moved that?

16 A I don't know -- I'd have to check. It's just one
17 of those things I call, "Can you deliver this tomorrow, we
18 have to have it there tomorrow?", those kind of things.

19 Q Any others besides Bedford?

20 A I'd say offhand maybe Huntingdon.

21 Q When you say "maybe Huntingdon", are you recollect-
22 ing now shipments that might have moved common carrier be-
23 cause Lowry or Womeldorf couldn't get it there, or are you
24 just picking points that are kind of off in the distance
25 that you know Womeldorf and Lowry don't go to?

1 A I'm picking, as in the case of Bedford, we have
2 a large Mart up there. That's usually the type of freight
3 that gets left over when you have a very large Mart. We
4 always cube out before we weigh out. You throw 12-, 13,000
5 pounds on a trailer, it's full, now you've got yourself
6 4-, 5-, 6-, 700 pounds left over. I'm looking at it based
7 on the fact that it's a Mart and the fact that we don't
8 have two or three loads going in that direction that we
9 could throw the overflow on a trailer that was leaving an
10 hour or two later and still get it delivered in the proper
11 time.

12 Q Aside from Huntingdon and Bedford, are there any
13 others where that might have happened?

14 A Maybe Punxsutawney. Again, I'm looking at the
15 Marts and I'm trying to gather the freight.

16 Q Do you know who you used to Punxsutawney?

17 A No.

18 Q You don't know that?

19 A I'd have to check.

20 Q Do you know that Newcomer goes there?

21 A I can't say that I know that, no.

22 Q These tonnage figures that you've given us on
23 Exhibit 10, these were for calendar year 1984?

24 A Yes.

25 Q Do you anticipate then that in 1985 that this

1 tonnage would be approximately the same?

2 A My own feeling is that the tonnage will be more
3 in 1985. Our hopes are that once we rearrange the McKees-
4 port warehouse, we would take the freight from Columbus and
5 put it back into McKeesport.

6 Q All of the freight?

7 A Yes.

8 Q What are you doing to rearrange the McKeesport
9 warehouse?

10 A We've torn down the old Consolidation area because
11 it was inadequate to handle that tonnage. We reracked the
12 warehouse to provide additional room that can accept the
13 additional tonnage that was handled at Irwin, and it will
14 at the same time free up, hopefully, an area of 90,000
15 square feet on our second floor.

16 Q How long have Lowry and Womeldorf been handling
17 that freight for you from the distribution center?

18 A I'd say about 45 or 50 years.

19 Q Your usage of Pitt-Ohio, if this application were
20 granted, to those points that they cannot serve now then
21 would be strictly on those occasions when there was an over-
22 flow that you couldn't get on the truck and you need to have
23 it delivered?

24 A From the warehouse?

25 Q From the warehouse.

1 A That's right.

2 Q And you would agree with me, I take it, that the
3 vast majority, although not Huntingdon and Bedford, that
4 the vast majority of the points that are shown on Exhibit
5 10 are points that Pitt-Ohio can serve now -- they don't
6 need any additional authority?

7 A I would think that's right, yes. My real concern
8 is not the warehouse freight -- my concern is from vendors
9 to the stores.

10 Q Let's go to that. You've got for us the store
11 locations on Exhibit 8, which really are the same locations
12 shown on Exhibit 10, aren't they?

13 A No, there's more.

14 Q There's more on which?

15 A On 8 than there are on 10.

16 Q Because you're shown the eastern --

17 A Yes, I've shown on 8 all the stores in Pennsylvania;
18 10 only the stores serviced by McKeesport.

19 Q Your testimony was, as I understand it then, there's
20 shipments that move from the vendors to any of the stores in
21 Pennsylvania?

22 A That's right.

23 Q Would you agree with me, or is it a fact that the
24 vendors in the eastern part of the state would generally
25 ship to the eastern stores, and you would try to buy merchan-

1 dise from vendors in the western part of the state for the
2 western stores?

3 A No. Normally we buy from a vendor for all the
4 stores in the chain.

5 Q Are you able to give us any idea what tonnage
6 moved from vendors located in Allegheny County to any of
7 the stores shown on Exhibit 8 for any period of time?

8 A No.

9 Q You publish a routing guide, as I recall?

10 A That's right.

11 Q Would you be able to tell us what carriers you
12 show on your routing guide, and I take it you give this
13 routing guide to your vendors?

14 A Yes, sir.

15 Q You do that now?

16 A Yes, sir.

17 Q What carriers you show on your routing guide as
18 carriers to use from Allegheny County to points in Butler
19 County?

20 A I can't tell you offhand.

21 Q How about Clarion County?

22 A I really don't know.

23 Q If I asked you any counties in Pennsylvania --

24 A Probably not. We publish seven of those and
25 there's 400 stores involved.

1 Q You publish seven different routing guides?

2 A That's right.

3 Q Why seven different routing guides?

4 A Seven different very large cities -- New York,
5 New Jersey --

6 Q I see but there's only one from Pittsburgh?

7 A Only one from Pittsburgh as a Pittsburgh routing
8 direct to store guide.

9 Q You indicated on traffic moving from vendors in
10 Allegheny County to the stores directly that you control
11 the routing 65% of the time?

12 A I'd say that's right, yes.

13 Q So that you're actually calling the carrier, or
14 is the vendor calling the carrier?

15 A The vendor calls the carrier.

16 Q And who pays the freight charges?

17 A We do.

18 Q And it's for that freight you're supporting this
19 application?

20 A That's right.

21 Q Not for freight where the vendor would pay the
22 freight charges?

23 A At this time we concern ourselves primarily with
24 collect freight.

25 Q Is it possible on those shipments that are being

1 handled where the vendor pays the freight charges or where
2 they're prepaid shipments that in the future you could
3 revise the program and make those collect shipments where
4 you would control the carrier?

5 A That's possible.

6 Q In fact, isn't that the long-range intention of
7 publishing this new routing guide we're talking about?

8 A We feel there's no such thing as a free lunch.
9 We're paying for the freight whether it's in the price of
10 the goods or in the price of freight.

11 Q Right.

12 A And we feel if ending up paying for it, we should
13 control the routing.

14 Q Knowing that, therefore, that you do control the
15 routing now on 65%, you're still not able to tell us what
16 carriers you're using from Allegheny County, say to Butler
17 County?

18 A That's right.

19 Q And you wouldn't be able to tell me for any other
20 county for that matter?

21 A No. The normal procedure for our routing is I
22 tell the people the carrier we want to use. I have three
23 or four people that put the actual routing on the guides
24 to be mailed.

25 Q And so long as you don't get any complaints about

1 any carrier from anybody you wouldn't have any reason to
2 change the routing guides?

3 A Depending on what you mean by complaints. If we
4 have service complaints by a vendor our normal operation
5 would be to try to straighten that out because it's very
6 time-consuming and expensive to publish a guide. The same
7 thing if we're having a claim problem with a carrier, the
8 same thing, we try to work that out rather than change the
9 routing -- it's too expensive to do that.

10 Q Were you aware of the fact that Pitt-Ohio was
11 handling this freight Mr. Hammel talked about in February?

12 A Which freight is that?

13 Q The freight from the vendors to the distribution
14 centers.

15 A I couldn't tell you exactly which vendors because
16 when we set that up it was based on their ability to serve
17 from given areas to stores, like I would tell you, "Okay,
18 Pitt-Ohio can handle Philadelphia. Give him the stores
19 from Philadelphia that they can handle."

20 Q But on your routing guides from Pittsburgh, from
21 Allegheny County, to your various stores, you have more than
22 one carrier shown on that routing guide that provides ser-
23 vice, don't you?

24 A More than one carrier?

25 Q Yes.

1 A Only one carrier per store; certainly there's
2 more than one carrier in the guide.

3 Q In your routing guide, you only show one carrier
4 per delivery store?

5 A That's right.

6 Q For the stores like the stores in Butler County,
7 you wouldn't know then who the carrier shown on that --

8 A Not unless I looked at the guide.

9 Q You don't know if it's Newcomer Trucking?

10 A I would say it's not Newcomer Trucking because we
11 don't route freight by Newcomer Trucking.

12 Q You have been solicited by Newcomer Trucking,
13 haven't you?

14 A Once or twice, yes.

15 Q And did they give you a copy of their tariff?

16 A They did.

17 Q And what did you do with it?

18 A Ran it through the rate room to determine where
19 they stood.

20 Q And when was that?

21 A The last time I'd say a few months ago.

22 Q What's the purpose of running it through the rate
23 room?

24 A To see if they're competitive.

25 Q Do you recall whether they were competitive?

1 A They are competitive.

2 Q You can't tell us then what freight moves from
3 the vendors to the stores. How about the stores back to the
4 distribution center, would you be able to give us any idea --
5 and you would route that, I take it?

6 A It depends. What normally happens if -- let me
7 explain the returned merchandise. The store calls, asks
8 the buyer if he can return a certain item to the distribution
9 center, overstocked --

10 Q Something that didn't sell?

11 A Right. If it's still a good number in the ware-
12 house -- if we're still supplying that item from the ware-
13 house to the stores -- the buyer normally allows that to be
14 returned.

15 Q Returned to the warehouse?

16 A Returned to the warehouse. There's several ways
17 that that's done. Either the contract carrier picks it up
18 on his next delivery and brings it back. If it's very,
19 very small, it can come back UPS, or if it's heavier and
20 the contract carrier cannot dedicate his equipment to us
21 both ways at that time, it can come back common carrier.

22 Q Can you think of any shipment in 1984 that came
23 back common carrier from any point in Pennsylvania to the
24 distribution center?

25 A From any point in Pennsylvania?

1 Q From any point in Pennsylvania to the distribution
2 center?

3 A I think we had -- I'm not sure -- but I think we
4 had some out of the Philadelphia area by Ryder P.I.E.

5 Q And you know now that Pitt-Ohio can provide that
6 service presently without even this authority?

7 A Yes, they can provide it on an interstate basis.

8 Q And of course, if they do it that say, that's
9 satisfactory to you, isn't it?

10 A Yes, as long as the service time is there.

11 Q You also talked about transportation requirements
12 from the stores back to the vendors. Can you recall any
13 such shipments that you might have had in 1984 within
14 Pennsylvania?

15 A No.

16 Q I'm a little bit confused about the preconsigned
17 to the stores. When you were talking about a certain per-
18 centage of your shipments -- I think you said 25 to 30%
19 that's preconsigned to the stores -- you were talking about
20 shipments coming into McKeesport, weren't you?

21 A Coming into McKeesport in 1984?

22 Q Yes.

23 A Coming into McKeesport and/or Irwin.

24 Q About 25 to 30% of it was preconsigned to the
25 stores?

1 A Right.

2 Q So that traffic would be interstate traffic,
3 wouldn't it?

4 A Not all of it, no. We have freight coming from
5 all over the country into those distribution centers pre-
6 consigned to the stores.

7 Q Don't you consider that to be interstate traffic?

8 A I'm sorry, inter? Not all of it is inter. We
9 have some coming from Pennsylvania vendors into McKeesport
10 and/or Irwin, too.

11 Q Isn't all of the freight that comes into the
12 distribution center earmarked for a particular store?

13 A No, a lot of it goes into warehouse stock.

14 Q So that the stores don't order their own merchan-
15 dise specifically for their store?

16 A Stores can order their merchandise from a vendor,
17 some merchandise they get from the distribution center. We
18 also push some. The buyer will say, "All the stores are
19 going to try this sample item", or whatever.

20 Q Although the stores order their own merchandise,
21 wouldn't all of the freight that the stores order on their
22 own all be preconsigned to them?

23 A No, we have return sheet merchandise -- the buyer
24 sends out a sheet to all the stores and says, "We're going
25 to be selling Jordache jeans for \$8, how many pairs do you

1 want?", the stores send in how many they want. The buyer
2 tabulates the total number needed to furnish the stores
3 from each distribution center and places an order for that
4 number for that distribution center.

5 Q But those are not preconsigned to any specific
6 store?

7 A Not preconsigned by a vendor, right.

8 Q Mr. Perrin, are you able to give us any examples
9 of any shipments that moved in 1984 between two stores with-
10 in Pennsylvania?

11 A I don't have the exact store number but we did
12 have some freight delivered from the ADSI frequently that
13 would be tagged wrong by the ADSI and we had two options at
14 that time, either to send it to the right store or return
15 it to the ADSI to be handled again. In some instances we
16 sent it to the correct store. I can't give you store numbers
17 but it happens.

18 Q Do you recall what carrier or carriers you might
19 have used to do that?

20 A No, I don't.

21 Q You could not give us the names of any carriers
22 that provide any service --

23 A Intra, between stores?

24 Q Or from vendors to stores in western Pennsylvania.

25 A Any carriers that deliver freight from vendors to

1 stores --

2 Q Right.

3 A In western Pennsylvania. I think Pitt-Ohio, I
4 believe Preston put some in there, I would think maybe
5 Lyons Transportation put some in there.

6 Q Would there be others that perhaps you can't think
7 of?

8 A I'm sure there are. I don't see the freight bills.

9 Q Unless you were called in on a particular matter
10 because a store or a vendor had a problem, you wouldn't get
11 involved in that on a day-to-day basis?

12 A Right.

13 Q The vendors would be calling the carriers?

14 A For pickups?

15 Q For pickups.

16 A Right. If the pickups were bad, they'd probably
17 call me or someone in my office.

18 Q But Pitt-Ohio, Preston and Lyons certainly aren't
19 the only three carriers you're using in western Pennsylvania?

20 A No, I'm sure they're not.

21 Q Are you aware of the fact that Newcomer is handling
22 some freight from vendors to stores?

23 A I can't say that I know that they are. I'm assum-
24 ing they are because they've handled some freight into the
25 distribution center.

1 Q How long has your company relied upon the multiple
2 1/t/1 common carrier system to distribute freight from your
3 vendors to your stores?

4 A As long as I've been there.

5 Q That's been 22 years?

6 A 22 years.

7 Q Is it your testimony that if this application is
8 granted that Pitt-Ohio would be designated as the preferred
9 carrier on all vendor Pennsylvania location store traffic?

10 A I don't think all vendor traffic would. We have
11 some carriers now, let's say Lyons or Suwak or Hall's maybe,
12 that move freight now and I don't think I would want to take
13 that off of them to give to Pitt-Ohio.

14 Q So that if Newcomer, for example, could give you
15 good service and reasonable rates to the Butler store from
16 Pittsburgh vendors, that certainly would be satisfactory,
17 wouldn't it?

18 A It depends on what you mean by satisfactory. We
19 have never used Newcomer. As I said, I would be hesitant
20 to take freight off of someone we've been using and give it
21 to Pitt-Ohio. Since we're not using them, I would hesitate
22 to give it to Newcomer.

23 Q But you're using somebody else -- you'd be taking
24 it away from somebody else?

25 A It's possible but if it's not one of the carriers

1 that we use, again like Lyons or Hall's --

2 Q In other words, you would take the freight away
3 from Lyons and give it to Pitt-Ohio?

4 A I said possibly I would leave the freight on
5 Hall's and/or Lyons, rather than take it away --

6 Q Hall's would be another one you use?

7 A Yes. Let's go a little step further and say I
8 don't use Newcomer. In that case, depending on who's moving
9 that freight, I would have no problem not giving it to
10 Newcomer in order to give it to Pitt-Ohio or leaving it on
11 the carrier that's now moving it.

12 Q Assuming that Newcomer could give you reasonable
13 rates and reasonable service to, say Butler County and
14 Clarion County, you're going to give the freight to Pitt-
15 Ohio before you change and give it to Newcomer?

16 A Right.

17 Q One of the reasons that you indicated that you
18 wanted to use the Applicant's service is that you want to
19 keep the number of delivering carriers to a minimum, is that
20 right?

21 A That's right.

22 Q Another reason was because you wanted reasonable
23 rates?

24 A Right.

25 Q And also that you didn't have to check tariffs and

1 points lists?

2 A It's more convenient if you have full state author-
3 ity, yes.

4 Q But presently you're not required to check tariffs
5 and points lists because you already have a preferred list-
6 ing of carriers that you're using?

7 A Outside in the department, yes.

8 Q I'm sorry.

9 A We have a preferred list of carriers in the depart-
10 ment that we want to use. As I said earlier, as we get
11 going further into this now, that list will be provided
12 with what we call our general routing guide to our vendors.

13 Q Before Pitt-Ohio came on the scene, you were using
14 carriers, I take it, like Preston, Lyons, Hall's for vendor
15 to store deliveries in western Pennsylvania?

16 A Yes.

17 Q And then Pitt-Ohio came to you and made a proposal
18 and you supported that application?

19 A That was in the period Ryder P.I.E. was getting
20 ready to cut down on Helm's complete intrastate authority.

21 Q What caused you to support Pitt-Ohio for this
22 authority as opposed to going to Preston, or Lyons or Hall's
23 and asking them to get --

24 A Hall's, if I may, as far as I'm concerned, are
25 financially a problem; Preston, their rates are not competitive

1 for us at this time.

2 Q That means they're too high?

3 A Right.

4 Q Did you consider any other carriers other than
5 Pitt-Ohio at the time you knew this was going to happen?

6 A I don't think we did. We had a carrier that had
7 given us good service overall; we had a carrier that was
8 very competitive rate-wise; and we were looking for a
9 carrier to do all of that and still be a carrier that we
10 were familiar with.

11 Q The fact that you get a 50% discount on your rates
12 from Pitt-Ohio is a major factor in your support of the
13 application, isn't it?

14 A Well, it's a factor, certainly; however, it all
15 depends on 50% of what. I'm sure there's carriers out there
16 that have less than that.

17 Q Even lower than the 50%?

18 A Right.

19 Q How would you consolidate an interstate shipment
20 coming into your distribution center with an intrastate
21 shipment?

22 A How would I do it?

23 Q No, if you're the shipper, how are you going to
24 do that? I mean if the freight comes into the distribution
25 center, it's going outbound via one of your contract carriers,

1 A I think perhaps maybe I either misunderstood his
2 question or you misunderstood my answer or something, but
3 if I was moving freight into the distribution center, say
4 from Philadelphia, and I could also have some freight coming
5 in from some place north of Philadelphia that could also
6 be handled by Pitt-Ohio, I would route that area by Pitt-
7 Ohio so they could tie that freight in and they could give
8 me the kind of delivery service that I want.

9 Q I see. That would be freight coming in from the
10 vendors?

11 A Yes.

12 Q Freight coming in from the vendors to the distri-
13 bution center, is any of that freight handled by your con-
14 tract carriers?

15 A Yes.

16 Q What percentage?

17 A I don't have any idea of percent, but Womeldorf
18 has a weight limit for which he'll run on the back haul, or
19 vendor to distribution kind of freight, and we give them
20 some of that -- some of the truckloads.

21 Q What other common carriers do you use in Pennsyl-
22 vania from vendors to the distribution center?

23 A From vendors to the distribution center other than
24 Womeldorf?

25 Q And Lowry.

1 A Like I said, we use Hall's, we use a little of
2 Preston, we use a little of Pitt-Ohio.

3 Q Lyons?

4 A Yes.

5 Q Does De-Pen handle any of that freight?

6 A De-Pen?

7 Q De-Pen.

8 A I don't use De-Pen, not that I know of. I don't
9 route anything by De-Pen.

10 MR. PILLAR: I think those are all the questions I
11 have, thank you.

12
13 REDIRECT EXAMINATION

14 BY MR. LAVELLE:

15 Q Mr. Perrin, just a few questions. When you were
16 answering Mr. Pillar a few minutes ago he asked you how you
17 came to support this application and you referred to a
18 carrier with which you were familiar and which has supplied
19 service, etc. You didn't give the name of the carrier. I
20 take it that was Pitt-Ohio?

21 A Right.

22 Q You were asked a question concerning Exhibit 10
23 and that was a general type question, wasn't it true that
24 most of the points on here could presently be served by
25 Pitt-Ohio under its existing authority, and I think you said,

1 generally speaking, yes. Are you personally familiar with
2 all those points?

3 A No, I'm looking at the general location of the
4 majority of our stores in the western Pennsylvania area
5 that Pitt-Ohio can handle, although there's a lot of stores
6 on here that I can't, and all of the stores in Pennsylvania
7 are not on this 10. These are only the stores served out
8 of the distribution center.

9 Q Would you agree that -- we should be able to determine
10 what points can be served presently by Pitt-Ohio by taking
11 your Exhibit No. 10 and your Exhibit Nos. 9 and 8, which
12 gives us the store locations and vendor locations, and
13 comparing them with the authority of Pitt-Ohio, which we
14 should be able to determine whether or not they have the
15 authority --

16 A Yes.

17 Q And subject to that kind of a check, that would
18 be controlling on the answer to that type of a question,
19 would it not?

20 A Yes, rather than an outright guess, yes, I agree.

21 Q You were asked whether or not you recall or knew
22 of any shipments of freight returned from stores to vendors
23 in the year 1984 and your answer was no. My question to you
24 is, by that answer did you mean, no, I can't remember any
25 specific such moves, or no, there was none at all?

1 A No, I can't remember any specific moves.

2 Q Is it the desire or intention of your company to
3 continue to use a multiple carrier situation within Pennsyl-
4 vania?

5 A Yes.

6 Q Is there any advantage to your company, however,
7 to having the availability of Pitt-Ohio on a statewide basis
8 to your company?

9 A Yes.

10 MR. PILLAR: Objected to. It's been asked and answered
11 on direct examination.

12 JUDGE PORTERFIELD: Well, it's in and I'm sure he
13 won't ask it again.

14 MR. LAVELLE: I have no further questions.

15 JUDGE PORTERFIELD: As I understand, we're talking
16 about the traffic that you have available that you might
17 tender to Pitt-Ohio. We're talking about intrastate freight
18 vendor to distribution center, is that correct?

19 THE WITNESS: That's one of them, yes.

20 JUDGE PORTERFIELD: My understanding was you used the
21 contract carriers for distribution to stores?

22 THE WITNESS: Right, but we're also considering vendor
23 to store.

24 JUDGE PORTERFIELD: And I think you said vendor to
25 store, we're talking 3- to 4,000,000 pounds a year?

1 THE WITNESS: Approximately.

2 JUDGE PORTERFIELD: And you control 65% of that?

3 THE WITNESS: That's right.

4 JUDGE PORTERFIELD: How many pounds are we talking
5 about a year vendor to store?

6 THE WITNESS: Vendor to store that we control?

7 JUDGE PORTERFIELD: Yes, just a ball park figure.

8 THE WITNESS: What did we say -- 4- to 5,000,000?

9 MR. PILLAR: Excuse me. You said 4- to 5,000,000
10 vendor to distribution center and 3- to 4,000,000 vendor
11 to store.

12 THE WITNESS: Why don't we say 35% we control and
13 65% --

14 JUDGE PORTERFIELD: He controls 65% of vendor to
15 distribution centers?

16 THE WITNESS: Right.

17 JUDGE PORTERFIELD: And you control about 65% of
18 vendor to store?

19 THE WITNESS: Right.

20 MR. PILLAR: The same percentage?

21 THE WITNESS: Approximately. Our vendors sell to us
22 prepaid or collect. We get sometimes a slight edge on the
23 warehouse --

24 MR. LAVELLE: May I clarify a point before we get too
25 far afield?

1 JUDGE PORTERFIELD: Sure.

2 MR. LAVELLE: I think in answer to your question he
3 said 35% he controlled. Is that what you heard?

4 JUDGE PORTERFIELD: Okay, 35% on --

5 MR. LAVELLE: Is it 65% or 35%?

6 THE WITNESS: 65% we control.

7 JUDGE PORTERFIELD: I presume you're finished.

8 MR. LAVELLE: I'm finished.

9 JUDGE PORTERFIELD: You can finish up by 5:00?

10 MR. PILLAR: I think so.

11 (Witness sworn)

12 JUDGE PORTERFIELD: Spell your last name for me and
13 the reporter, please.

14 THE WITNESS: B-r-u-s-c-e-m-i, first name Sam,
15 President of Newcomer Trucking.

16 SAM BRUSCEMI, called as a witness on
17 behalf of Protestant, being first duly sworn, was examined
18 and testified as follows:

19

20 DIRECT EXAMINATION

21 BY MR. PILLAR:

22 Q What's the address of Newcomer Trucking?

23 A 1200 Island Avenue, McKees Rocks, Pa. 15136.

24 Q How long have you been owner of Newcomer Trucking?

25 A Since its existence -- started in '75 by a differ-

1 ent name but changed over to Newcomer Trucking in '79.

2 Q So you started out in the trucking business your-
3 self in 1975?

4 A Yes.

5 Q How did you start out -- what were you doing?

6 A I was doing cartage work. I was sort of an inter-
7 line setup with carriers that didn't have a base in Pitts-
8 burgh and we had trucks that we leased our whole operation
9 to and then we did work for them in Pittsburgh.

10 Q Then you applied for your own P.U.C. authority
11 initially to serve Greene County?

12 A Right.

13 Q And you've built on that since that time?

14 A Bought several companies since then.

15 Q Originally you did business as just Samuel Brusce*mi*?

16 A Right.

17 Q And eventually you formed a corporation called
18 Newcomer Trucking, is that right?

19 A Yes.

20 Q And is all of the operating authority now held
21 under the name Newcomer Trucking, Inc.?

22 A Yes, it is.

23 Q Do you have any interest or any connection with
24 any other trucking company?

25 A No, I don't. Well, as far as ownership, no.

1 Q You do cartage work and interline work with other
2 trucking companies?

3 A Yes, we interline with about seven major carriers
4 to Pittsburgh.

5 Q Do you hold authority from the Interstate Commerce
6 Commission?

7 A Yes, I do.

8 Q What states can you service?

9 A All of Pennsylvania in all 48 states coming into
10 Pennsylvania, plus I have my own authority in Ohio, West
11 Virginia and Maryland now.

12 Q So you have interstate general commodity authority
13 between Pennsylvania, Ohio, Maryland and West Virginia?

14 A Yes.

15 Q And under that authority then you conduct inter-
16 line operations?

17 A Yes, I do.

18 Q The I.C.C. interline or cartage operations, what
19 areas do you service in Pennsylvania?

20 A Basically we just stay in our scope of authority,
21 which is Allegheny, Armstrong, Beaver, Butler, Clarion,
22 Forest, Fayette, Jefferson, Washington and Westmoreland,
23 11 counties surrounding Allegheny County.

24 Q You confine your cartage work or interline work to
25 the same counties that you serve under your intrastate author-

1 ity?

2 A That's right.

3 Q Do you hold authority from the Pennsylvania Public
4 Utility Commission at Docket No. 102265?

5 A Yes, I do.

6 MR. PILLAR: I do not have copies of the authority
7 as an exhibit. What I intended to do was just simply have
8 Mr. Brusceci summarize his authority and incorporate the
9 authority by reference into the record. Mr. Lavelle has a
10 copy of the summary which is attached to the protest. I'll
11 also supply you with a copy, if that's satisfactory.

12 JUDGE PORTERFIELD: It certainly is.

13 MR. PILLAR: So if we may incorporate by reference
14 into the record the operating authority of Newcomer Trucking,
15 Inc. at that docket number.

16 Q Mr. Brusceci, under your intrastate P.U.C. author-
17 ity, using Allegheny County as your base, can you provide
18 service from Allegheny County to various counties in Pennsyl-
19 vania?

20 A Yes, we can.

21 Q With respect to those counties that you can
22 service in their entirety from Allegheny County as a property
23 Class D carrier, what counties can you serve?

24 A Allegheny, Armstrong, Butler, Clarion, Forest,
25 Greene, Jefferson, those are the counties I can serve entirely.

1 Q So if a shipper in Allegheny County wants a ship-
2 ment picked up in Allegheny going to any of those counties
3 you named -- Armstrong, Butler, Clarion, Forest, Greene or
4 Jefferson, you can provide that service?

5 A Yes, I can.

6 Q And vice versa?

7 A Yes.

8 Q You can bring freight back from those counties?

9 A Yes.

10 Q Do you also have authority to provide service
11 within Allegheny County as a Class D carrier?

12 A Yes, I do.

13 Q And would you refer specifically to that authority
14 at Folder 1, Amendment F, and read the Class D authority in
15 the record?

16 A To transport, as a Class D carrier, property,
17 between points in the City of Pittsburgh, Allegheny County,
18 and within ten (10) miles by the usually traveled highways
19 of the limits of the said city.

20 Q So within Allegheny County to that extent you're
21 able to offer service as a Class D carrier, is that correct?

22 A Yes.

23 Q Do you also hold authority as a Class C carrier
24 under that same folder that you just read from to provide
25 service beyond Allegheny County?

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A Yes.

Q What is the origin base of that Class C authority?

A Meaning from and to?

Q Yes, what's the from from -- is it the same 10-mile radius?

A Yes, from the Allegheny County area.

Q Pittsburgh and 10 miles?

A And 10 miles, which is almost the entire Allegheny County area.

Q How far can you go as a Class C carrier -- how many miles?

A Approximately 30 miles.

Q Does it say --

A From outside the City limits, I'm sorry.

Q Does it say to points within 30 miles by the usually traveled highways of the limits of said city, is that how it reads?

A Yes.

Q And what counties can you service under that Class C authority in addition to those you've already named that you serve as a Class D carrier -- what additional counties can you serve?

A Beaver, Fayette, Washington and Westmoreland.

Q Do you have pending an application to convert that Class C authority to a Class D authority?

1 A Yes, I do.

2 Q And what effect will that have if it's granted?

3 A It will make me operate more efficient than I
4 have been operating. Occasionally we have to hold a ship-
5 ment and not put it on the same truck going to the same area,
6 like I have my I.C.C. freight or I.C.C. work which I do for
7 De-Pen Lines, Oneida Truck Lines and Allied Truck Lines out
8 of Ohio.

9 Q Why do you have to hold up shipments at times in
10 connection with your Class C -- what's the reason?

11 A The reason behind it, the way they say it's worded
12 and the way I took it was two different ways. Evidently a
13 C and D are two different things. I can move shipments --
14 I have a couple for instances here -- I can pick up at
15 Mallet's warehouse and pick up six or seven shipments and
16 take them to Greensburg, and if I have two more shipments
17 on the truck, I can also route over to Fayette and come
18 back into Pittsburgh if I leave them on the same truck, but
19 if I make another shipment out of Commonwealth warehouse
20 that I have six more shipments, I theoretically am not allowed
21 to put those shipments on the same truck and I have to hold
22 freight occasionally.

23 Q That's what Class C does to you?

24 A Right.

25 Q So the Class C requires you to limit your service

1 from one consignor on one truck at one time?

2 A Yes.

3 Q You can go to any number of consignees but only
4 from one consignor?

5 A Right.

6 Q So with respect to G. C. Murphy, for example, if
7 they were to give you freight from a vendor going to a
8 store, you could handle that under your Class C?

9 A Yes.

10 Q If they were to give you freight from a vendor
11 going to two or three stores, you could handle that under
12 your Class C?

13 A Yes, I could.

14 Q But if they were to give you freight under two or
15 three vendors going to a store, then you'd be forced to
16 handle only one shipment at a time per truck?

17 A If they were going to the same area, I wouldn't
18 have to, but if they were going to several different areas,
19 I'd have to watch what I was doing per truck. If they gave
20 me three orders and one was for Greensburg, one was for
21 Fayette and one was for Washington, I could put them on
22 three different trucks as long as I don't have any other
23 P.U.C. freight going to those three areas.

24 Q You have an application pending that would convert
25 that Class C to a Class D. Have you had a hearing on that

1 already?

2 A Yes.

3 Q But the hearings are not concluded yet?

4 A It's not concluded.

5 Q Describe for us your terminal facilities.

6 A I have a 22-door terminal in McKees Rocks, Stowe
7 Township.

8 Q Is that a cross-dock type operation?

9 A All cross-dock, yes.

10 Q And how many employees do you have there?

11 A Right now we have about 19 or 20.

12 Q How many of them work in the terminal?

13 A Approximately 4.

14 Q That includes yourself?

15 A Yes, myself in and out.

16 Q How many drivers do you employ?

17 A 15.

18 Q And is that your only facility?

19 A Yes, it is.

20 Q Is that a company-owned facility?

21 A Company-owned, yes. We also have our own mechanics --

22 I have two mechanics now, and we have three 40-foot bays,
23 five offices and it's on four acres of ground.

24 Q Do you keep all of your equipment parked there
25 when it's not in service?

1 A The majority of it's there. We have a situation
2 where the drivers wind up in a certain area. I have a
3 driver that lives in Clarion, Butler, Kittanning, Waynesburg,
4 Fayette.

5 Q They take their trucks home?

6 A Take their trucks home and then they come in in
7 the morning and whatever they have we transfer, they take
8 the trucks that are loaded and leave.

9 Q In terms of your service from Allegheny County,
10 is it primarily less-than-truckload?

11 A Yes, it is.

12 Q Do you provide pickup and delivery service within
13 Allegheny County?

14 A Yes, we do.

15 Q How do you do that -- explain that -- what's the
16 system -- how many trucks do you run, etc.?

17 A These's around five or six trucks in Allegheny
18 County. Your calls come in and the dispatcher will take
19 the calls and dispatch it to the driver, who will bring it
20 back to the dock, and then we'll segregate it into those
21 areas and deliver it. Some days we might pick up something
22 in Carnegie and has to go where the driver is going at his
23 next stop, maybe Greentree or something, the driver will
24 deliver that right en route.

25 Q But for the most part the freight comes back to

1 your terminal and is cross-docked?

2 A Yes.

3 MR. PILLAR: May I have marked for identification as
4 Protestant's Exhibit 1 a list of equipment.

5 (Protestant's Exhibit No. 1, being a list of
6 equipment, was produced and marked for identifi-
7 cation)

8 Q Looking at your Exhibit 1, is that a list of all
9 of the equipment that your company presently operates?

10 A Yes, it is.

11 Q If I count correctly, there are 10 straight trucks,
12 is that correct?

13 A Yes.

14 Q And 9 tractors?

15 A Yes, it is.

16 Q Is all of that equipment owned by Newcomer Truck-
17 ing, Inc.?

18 A Yes, it is.

19 Q And all of the trailer equipment owned?

20 A Yes, it is.

21 Q Of the trailers, can you tell us what type of
22 trailers they are?

23 A I can give you a rough idea. I'd say 8 or 10 of
24 them are vans. I think there's two 45-footers, a couple
25 42s and 40s, and then we have a couple pups in there. The
pups are shorter trailers -- 30 foot -- and there's two

1 flatbeds that we acquired that are not on here right now.
2 The flatbeds are just flatbeds for steel-hauling and some-
3 thing for side unloading.

4 Q The two flatbeds that you operate are not on here?

5 A Yes, we just acquired two more flatbeds.

6 Q I count 13 trailers here. How many are pups?

7 A Three of them.

8 Q And the rest of them are vans of varying lengths?

9 A Yes, they're vans. There's two 45-foot open top
10 trailers -- they have removable tops on them.

11 Q And they are included in the 10 trailers that are
12 not pups?

13 A Yes. We also have use of about another 10 to 12
14 trailers that we use for the people we do the work for that
15 are left in our yards to be used as we want to, so I would
16 say I have the convenience of using those trailers when I
17 want to use them.

18 Q You're talking about the carriers that bring in
19 interline freight?

20 A Yes.

21 Q Do you use their trailers for some pickups?

22 A Yes, and they use ours occasionally, too.

23 Q On the traffic that you handle that's interstate --
24 the cartage traffic -- is the freight all brought in to your
25 terminal at McKees Rocks and then you distribute it from

1 there?

2 A Yes, it is.

3 Q And do they pick up the outbound at your terminal,
4 or do you take it to the carrier's dock?

5 A The outbound freight they also pick up at our
6 terminal unless it's an emergency or something and we'll
7 run it over if it's Transcon or Yellow or somebody like that.

8 Q Is all of this equipment licensed and operational?

9 A There are four pieces on here -- I can't recall
10 which ones -- but they're licensed and there's a couple out
11 of service while they're being repaired right now.

12 Q What are they -- straight trucks or tractors?

13 A I think one straight truck, two trailers are being
14 fixed right now and a tractor.

15 Q So there's one straight truck and one tractor that
16 are now out of service and two trailers?

17 A Right, and I have other pieces right now. Those
18 are all inspected, license plated and ready for the road as
19 soon as the repairs are done, and there are other trucks
20 sitting around right now that I don't have in service.

21 Q What are they -- tractors or straight trucks?

22 A There's three tractors and two straight trucks that
23 aren't on here that we just aren't using right now that need
24 to have some work, but right now I don't really need them.

25 Q Because you don't have the business to put them

1 back into service?

2 A That's right.

3 Q In addition to these runs, pickups and deliveries
4 that you make in the City, do you make them, by the way, in
5 straight trucks, or tractors or trailers?

6 A It depends.

7 Q What does it depend on?

8 A It all depends on where you're sending the driver
9 to. If a straight truck can only get in, that's all you can
10 send there, a 20-foot truck or a 24-foot. Usually you try
11 to accommodate the person you have in that area.

12 Q Do you also have runs that go into the various
13 counties that you serve, like Butler, Armstrong and Clarion,
14 for example?

15 A Yes.

16 Q How often do you run into those counties?

17 A Every day.

18 Q Do you have one run in each county or more than
19 one -- explain how you --

20 A The Clarion area is basically a one-guy operation
21 right now and it's a tractor-trailer. The guy lives there
22 and we load him up to the tilt and he handles the whole
23 situation all through Clarion.

24 Q Does he serve counties other than Clarion?

25 A Yes, sometimes he'll run through Butler -- it all

1 depends -- and other times he may go through Jefferson. It
2 all depends on the run which way he's going, but that guy
3 is usually the guy that usually winds up in the Marienville
4 area, Clarion, up in the upper end.

5 Q How about Butler County?

6 A Lately we've been averaging three guys up in the
7 Butler area, straight truck, open top 45-footer every day,
8 or a flatbed plus our peddle run.

9 Q And the peddle run is in a straight truck?

10 A That will vary. It could be a trailer or straight
11 truck. They're split up so they can make their pickups.

12 Q How about Armstrong County?

13 A Armstrong is another fellow runs up there usually
14 with a 24-foot straight truck.

15 Q How about Greene County?

16 A Greene County is a steady run every day. The guy
17 lives down there. He'll handle some of the Washington --
18 it all depends on the way the freight runs. He usually
19 starts out in Waynesburg, so he'll run from Waynesburg, he
20 may come into Washington, or he may go to Monessen -- it all
21 depends on where the freight is and where it lies. Then we
22 run our South Side with stuff we get in Fayette County, and
23 we have a Greensburg run every day -- Monroeville and Greens-
24 burg.

25 Q To the best of your knowledge, is your company in

1 compliance with the Commission's tariffs, insurance and
2 other requirements?

3 A Yes, it is.

4 Q Are there any complaints or proceedings pending
5 against Newcomer Trucking?

6 A Not that I know of right now.

7 Q Is your company road checked from time to time?

8 A Yes, it is.

9 Q This application involves G. C. Murphy and you
10 have been here to hear the testimony of Mr. Perrin, who
11 indicated that your company provided some delivery service
12 to the distribution centers in 1984. Did you bring with
13 you some bills showing the traffic that you handled for
14 G. C. Murphy stores in 1985?

15 A Yes, I did.

16 Q Tell us what bills you brought. I want to know
17 if it's all the traffic or just some of the traffic?

18 A This is everything from January 1 up to 3/19.

19 Q Is it everything up to the present time?

20 A Probably pretty close I would say.

21 Q When you asked for those bills, did you ask that
22 all the bills for G. C. Murphy stores be --

23 A I picked them just the way they are now. There's
24 nothing hidden.

25 Q Would you tell us, first of all, the total number

1 of shipments that you handled -- I take it these are from
2 vendors to the G. C. Murphy stores?

3 A Yes.

4 Q What was the total number of shipments you handled
5 since January 1, 1985?

6 A 26.

7 Q Were they all less-than-truckload shipments?

8 A Yes, they were.

9 Q Did they all originate in Allegheny County?

10 A Yes, they did.

11 Q What type of underlying documents did you bring
12 with you?

13 A I brought the actual bills that I picked up, not
14 the bills-of-lading, but our bills that we type up back at
15 the office and the delivery receipts.

16 Q So you have with you the delivery receipts?

17 A Yes, I do.

18 Q The first four shipments were shipments originating
19 where?

20 A At Mallet's in Crafton.

21 Q What is Mallet's?

22 A It's a warehouse facility.

23 Q And where did those four shipments go to?

24 MR. LAVELLE: Excuse me. You said the first four
25 shipments -- on what --

1 MR. PILLAR: We're just taking it right from the
2 bills. We're grouping them by origin. We don't have an
3 exhibit.

4 A They came out of Mallet's. One was Butler, Mt.
5 Pleasant, Connellsville and Waynesburg.

6 Q These went to Murphy's stores, correct?

7 A Yes.

8 Q The very first one went from Mallet's, which is
9 a warehouse, to the Murphy store in Butler?

10 A Yes.

11 Q Can you indicate the date of pickup and date of
12 delivery?

13 A It was picked up 2/19 and delivered on 2/20.

14 Q What was the next one?

15 A Murphy's Mart in Mt. Pleasant, picked up on 2/15
16 and delivered 2/18, which was the next day after the week-
17 end.

18 Q Is that a Friday to Monday?

19 A Yes. The next one was Connellsville, picked up
20 on 2/15, delivered on 2/18. I'd like to stress that this
21 was on my Class C authority and these were put on different
22 trucks, different drivers. 2/15 to Waynesburg, 2/18 delivered.

23 Q Let's go to the next group of shipments. Who was
24 the vendor on the next group of shipments?

25 A Steel City Products.

1 Q Where are they located?

2 A Blawnox.

3 Q And did all of the Steel City shipments go to the
4 same destination?

5 A Yes, they did.

6 Q What was the destination?

7 A Waynesburg.

8 Q And did they move on different days or the same
9 day?

10 A Different days.

11 Q In terms of transit time, what was the transit
12 time on all shipments?

13 A They were all delivered the next day. Do you
14 want the dates on them? The dates on them are

15 Q Give him the dates.

16 A 1/7 to 1/8; 2/13 to 2/14; 2/28 to 3/1; 1/31 to 2/1.
17 There's another Waynesburg shipment.

18 Q When was the pickup?

19 A The pickup was 2/7.

20 Q You don't have the delivery date?

21 A No.

22 Q One more, go ahead.

23 A 1/16 to 1/17.

24 Q The next group?

25 A The next group came out of Mock Seed down on 13th

1 and Smallman in the strip area downtown. The first one was
2 going to Greensburg, picked up on 2/13, delivered on 3/14.
3 The next one went to Freeport Road, Pittsburgh, picked up
4 3/7, delivered 3/8, and the next one was Mt. Pleasant,
5 picked up on 3/7, delivered 3/8.

6 Q You understand, don't you, that on traffic within
7 Allegheny County, Pitt-Ohio already has that?

8 A Yes, I do.

9 Q In fact, on shipments moving to Westmoreland
10 County, they already have that authority, too?

11 A Yes, they do. The next one is out of Mallet's.

12 Q This is a different supplier but out of the same
13 warehouse?

14 A Right. Mobil Chemical out of Mallet's in Crafton
15 to Mt. Pleasant, 3/15 to 3/19.

16 Q Did that involve a week-end?

17 A I think it was a week-end -- I'm not sure.

18 Q 3/15 was a Friday, right?

19 A Yes.

20 Q 3/19 was a Tuesday?

21 A Right. Again I'll stress this, the Mt. Pleasant
22 area and the Connellsville area sometimes we have to hold
23 that and can't put it on the same truck, so it's probably
24 second day delivery on that one. 3/15 to McMurray, delivered
25 3/18.

1 Q Did that involve a week-end?

2 A That was a week-end. Waynesburg, 3/15 to 3/18;
3 Butler, 3/15 to 3/18; and here's a Connellsville, 3/19 to
4 3/21.

5 Q There's a little x on that. What's that mean?

6 A We have a habit of marking the areas that are on
7 that Class C authority that we try to watch as close as we
8 can so we don't get reprimanded right now because of this
9 application we have pending by putting the same two ship-
10 ments to the same area on a truck which we're not allowed to
11 do and this helps us not do that.

12 Q Let's go to the last group. What was the origin
13 point on this group?

14 A This is out of Mallet's again, the same situation.

15 Q These are also Mobil Chemical, is that right?

16 A Yes.

17 Q What's the commodity you're handling here?

18 A Plastic articles, some of it could be filters; in
19 fact, most of it is.

20 Q These are all going to Murphy Mart stores?

21 A Yes. This is 1/10 to North Huntingdon.

22 Q That's in Westmoreland County?

23 A Right. Delivered 1/11. McMurray, Pa., 1/9;
24 delivered 1/10. Washington, 1/9, delivered 1/10. Greens-
25 burg, 1/9, delivered 1/10. Butler, 2/19 to 2/20. Mt. Pleasant,

1 2/22 to 2/27. I didn't put these Xs on it. That just goes
2 to show what happened right there. Of course, you're taking
3 my word on it right now.

4 Q 2/22 to 2/27 is a Friday to the following Wednesday?

5 A Right.

6 Q So you held that shipment and didn't deliver it --

7 A It could have been attempted like on Monday or so --
8 I don't know -- but I can get you documents on what happened
9 on that. It was probably held one day, got there late or
10 something like that.

11 Q That's a Class C point, right?

12 A Yes, it is.

13 Q Were all of these shipments prepaid shipments?

14 A Yes, they were all prepaid shipments.

15 Q So that Murphy didn't pay you for any of this
16 traffic?

17 A No, Murphy did not pay us.

18 Q You understand that on traffic moving to Washing-
19 ton, and Westmoreland and Fayette that you've identified in
20 your study, that Pitt-Ohio has that authority and can do
21 that now?

22 A Yes, I do.

23 Q But to Butler, Waynesburg, Clarion, Armstrong and
24 Jefferson they do not have the authority?

25 A That's right.

1 Q Does your company solicit G. C. Murphy?

2 A Yes, we do.

3 Q And do you remember when the last time was that
4 your salesman solicited that account?

5 A I think November 7 was the second time down there
6 and he was supposed to get back to us on what our rates
7 looked like and stuff like that.

8 Q Who was the salesman?

9 A Bob Culbertson, who is the general salesperson.

10 Q And he would be the person who would do this
11 soliciting?

12 A I would say nine times out of ten, yes.

13 Q And despite that solicitation and I think you
14 mentioned there was a prior solicitation, you have not been
15 tendered any traffic by G. C. Murphy that they have paid
16 the freight on?

17 A Not out of their facility in McKeesport, no.

18 Q How about any traffic that they have paid for from
19 a vendor to a store?

20 A Not that I recall.

21 Q What percentage of your traffic is less-than-
22 truckload -- 100% or less?

23 A 99% I'd say. We do have an occasional truckload.

24 Q That type of traffic, I take it, is extremely
25 important -- the less-than-truckload traffic -- to your oper-

1 ation?

2 A Yes, it is.

3 Q And then traffic moving, for example, to Butler,
4 Clarion, Greene County, Armstrong County, Jefferson County,
5 how important is that traffic in your overall transportation
6 patterns?

7 A It's the operation. If we lose anything, it's
8 very detrimental to us.

9 Q What effect does it have?

10 A It's hard to explain. We're running trucks up
11 there now that aren't really completely filled, and if you
12 take any more away from us, then you've got a real problem.

13 Q You heard the testimony of Mr. Perrin that he has
14 all these vendors in western Pennsylvania, a lot in Allegheny
15 County, that he has stores in Clarion, and stores in Butler,
16 and stores in Jefferson and stores in Greene County and
17 Armstrong County, but you have not been participating in that
18 traffic, at least on the basis of your traffic study, other
19 than to Butler and to Greene. Do you have any explanation
20 as to why you're not getting the traffic to Clarion, to Jeffer-
21 son and Armstrong?

22 A No, I don't understand any of it. I haven't got
23 an answer back from soliciting the account. I don't know
24 what the answer would be. I haven't even gotten a flat out
25 no to what reason there would be or anything like that, and

1 I see the study he has here for Allegheny County, the last
2 time Mr. Culbertson was down there, the answer we got was
3 there wasn't any freight in our areas.

4 Q We'll let Mr. Culbertson testify about that, but
5 it was your understanding when Mr. Culbertson got back that
6 they didn't have any need for your service?

7 A That's basically the way I understand it, yes.
8 He can answer that better than I can.

9 Q Are you interested in handling traffic for G. C.
10 Murply from their vendors in Allegheny County going to
11 Clarion, Jefferson, Armstrong as well as the other counties
12 you can serve?

13 A Not only interested -- I don't want to lose what
14 we have right now.

15 Q What you're getting right now is Butler and Greene
16 Counties from the vendors?

17 A Clarion, Butler --

18 Q I mean the traffic you're getting right now, at
19 least in this year, has only been Butler and Greene Counties --
20 I didn't see any Clarion in there?

21 A Yes, there's Clarion in there.

22 Q Is there Clarion in there, too?

23 A Yes.

24 Q Sorry, I didn't notice.

25 A I thought I said Clarion -- maybe I didn't.

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Q No, there's no Clarion.

A There should be. I'm sorry, you're right, there's no Clarion.

Q But it's not because you've refused to handle it?

A Oh, no.

Q You're certainly ready to handle it, aren't you?

A Yes.

Q Did you make a determination based on your bills when Mr. Perrin testified that the rates that you charge Murphy are certainly competitive?

A Our rates are more than competitive, yes.

Q You haven't had any complaints from G. C. Murphy about any service you've provided to their stores, have you?

A None whatsoever.

Q When you deliver to stores presently, are you required to make any appointments for deliveries?

A None that I know of.

Q If that were required, is your company able to provide that type of service?

A Oh, yes.

Q Do you provide scheduled deliveries presently?

A Yes, we do.

Q How about pickups, are you ever required to provide time pickups?

A Yes, on occasion we do have that -- deadlines I

1 mean. It's pretty often, yes.

2 Q How do you keep in contact with your drivers when
3 they're out on the road?

4 A Strictly on the phone.

5 Q Do they call in?

6 A Yes, sir, periodically.

7 Q Are they required to call in from time to time?

8 A Yes, they are.

9 Q In connection with vendors that may be located in
10 Butler County, assuming there are some on the Murphy exhibits,
11 where they would require delivery from Butler County to
12 other points in Pennsylvania, do you have authority to pro-
13 vide that service?

14 A Yes, I do.

15 Q And from Butler County in Folder 1, Amendment G,
16 what counties can you provide service to in Pennsylvania?

17 A Allegheny, Armstrong, Beaver, Butler, Clarion,
18 Forest, Greene, Fayette, Jefferson, Washington and Westmore-
19 land.

20 Q Did you mention Venango?

21 A No, I didn't.

22 Q You have Venango?

23 A Yes.

24 Q That's from Butler County?

25 A Yes.

1 Q So to the extent that Murphy might require service
2 between points in Butler County, or from Butler to those
3 counties, you could also offer that service?

4 A Yes, I could.

5 Q Did you hear the testimony of Mr. Perrin that it
6 would be possible for G. C. Murphy to route shipments that
7 are presently collect shipments in the future so that Murphy
8 would control the routing?

9 A Yes, I did.

10 Q Presently who's controlling the routing on the
11 shipments you're handling?

12 A Mallet's --

13 Q The vendors?

14 A The vendors, yes, basically, as far as we know
15 they are, yes.

16 Q Do you know if you are on the Murphy's routing
17 guide?

18 A I have no idea.

19 MR. PILLAR: Those are all the questions I have.

20 MR. LAVELLE: May I have five minutes till I take a
21 look at the documents?

22 JUDGE PORTERFIELD: Sure.

23RECESS.....

24 CROSS-EXAMINATION

25 BY MR. LAVELLE:

1 Q Mr. Brusce mi, I was looking at the documentation
2 here that you gave for those various shipments and I have
3 a couple questions here. On the first four you indicated
4 that the location of the origin was Mallet's. Is there any-
5 thing on that document that says that?

6 A We don't put Mallet's on here because they prefer
7 that we use the vendor that brings it to the warehouse for
8 these several different companies and we have to use their
9 address and bill Mallet's.

10 Q What's the address shown?

11 A It says James River Corporation, Postoffice Box
12 79, Green Bay, Wisconsin, Traffic Department, Exit Pitts-
13 burgh. It says that on all four of them.

14 Q Do you know whether or not that is the origin of
15 the traffic at Green Bay, Wisconsin?

16 A The origin for us is Crafton -- that is where we
17 pick it up at Mallet's.

18 Q That is where you pick it up --

19 A I have no idea other than that, no.

20 Q That may or may not be the actual origin of the
21 traffic -- somebody else might have brought it to Green Bay,
22 Wisconsin?

23 A I have no idea.

24 Q Do you have any idea whether or not the traffic
25 represented by those first four documents that you picked up

1 in Crafton may not have been consigned for those specific
2 stores by the James River Corporation in Green Bay, Wisconsin?

3 A No, I have no idea whatsoever.

4 Q You have I.C.C. authority that would permit you
5 to deliver those four shipments within Pennsylvania?

6 A Yes, I do.

7 Q The second shipment in order here I'll show you
8 was destined for the Murphy Mart in Mt. Pleasant, Pennsyl-
9 vania, Westmoreland County?

10 A Yes.

11 Q That I think you said would have to have been
12 transported under your Class C authority, is that right?

13 A Yes.

14 Q Do you have anything that would establish the
15 fact that this particular shipment weighing -- the actual
16 weight was 803 pounds -- was actually transported to the
17 destination in Mt. Pleasant with no freight on it other
18 than that of James River Corporation?

19 A Wait a minute. Do I have any idea whether --

20 Q Do you have anything with you that would establish
21 that this particular shipment was delivered to the destin-
22 ation without any freight from anybody other than James
23 River Corporation being on that vehicle at the time?

24 A Yes, I do.

25 Q What?

1 A I deliver Peachins interstate authority that goes
2 up around on a daily basis.

3 Q Who --

4 A Peachins warehouse that would run with this here.

5 MR. PILLAR: He just wants to know if you have any
6 evidence in the room?

7 THE WITNESS: In the room, no. Just what I know.

8 A You mean do I have any other proof here?

9 Q Peachins?

10 A Peachins market. It's in the Mt. Pleasant-Connells-
11 ville area. It's an interstate shipment that we deliver
12 on a daily basis for one of our interline carriers that
13 would run up there with this order.

14 Q When you say "run up there with this order", what
15 do you mean?

16 A That would go on a truck with that order; in other
17 words, I would run that shipment up with a lot of my inter-
18 state authority and that's one of them that would probably
19 run, is that what you wanted to know?

20 Q I was trying to figure out how you were handling
21 it.

22 A I handle it on one of my straight trucks.

23 Q And this 803-pound shipments would go on a truck
24 with other freight?

25 A That's right.

1 Q And would the same be true of the next shipment
2 which actually was picked up on the same day, February 15,
3 as the one going to Mt. Pleasant, would that have in fact
4 have probably gone on the same vehicle?

5 A No, it went on two different vehicles, two differ-
6 ent drivers.

7 Q And that one to Connellsville was a 983-pound ship-
8 ment, would that have been with other freight as well?

9 A Possibly. It could have gone up deadhead and
10 picked up a solid load -- I don't know. I could find out.
11 I could get other bills here that would run up there with
12 that truck.

13 Q I guess what I should ask then is, you don't have
14 a manifest for the particular vehicle on which either one
15 of these shipments was transported that would show all of
16 the shipments that were on that particular vehicle at the
17 time?

18 A No, I don't. We just have the paper work here
19 regarding some that we do hauling for Murphy's to their
20 stores.

21 Q Mr. Brussemi, on all the other shipments that were
22 moving to Fayette, Westmoreland, Washington, to those three
23 counties, you wouldn't have anything here to show whether
24 that shipment was handled by itself on a vehicle, or whether
25 it was coming in with other freight?

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A I don't have anything here, no.

MR. LAVELLE: I have no other questions.

MR. PILLAR: Mr. Culbertson.

(Witness sworn)

JUDGE PORTERFIELD: Would you state your full name and spell your last name, please?

THE WITNESS: Robert W. Culbertson -- C-u-l-b-e-r-t-s-o-n.

ROBERT W. CULBERTSON, called as a witness on behalf of Protestant, being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. PILLAR:

Q What is your position with Newcomer Trucking?

A General Manager.

Q Mr. Culbertson, have you had occasion to call on G. C. Murphy Company?

A Yes, I have.

Q When was the last time?

A Last November 7 I believe it was.

Q And who did you see?

A Chuck Perrin.

Q Had you ever called on him previous to that?

1 A Yes, on occasion, but not on a regular basis.

2 Q When you called on him in November, what did you
3 do -- what happened?

4 A I offered Mr. Perrin a copy of our rates and asked
5 him if he would review our rates in order to secure some
6 more traffic from the G. C. Murphy stores.

7 Q What did Mr. Perrin tell you?

8 A Right at the present time he really didn't need
9 any carriers but he would run the rates through his computer
10 to see if we was competitive.

11 Q Did you ever hear from Mr. Perrin?

12 A I tried to call Chuck on several occasions and
13 couldn't get a hold of him and when I finally got a hold of
14 him, he said we were competitive but that was the extent of
15 the conversation.

16 Q When was that conversation?

17 A Mid-December.

18 MR. PILLAR: That's all.

19

20 CROSS-EXAMINATION

21 BY MR. LAVELLE:

22 Q Mr. Culbertson, you haven't had any contact then
23 with Mr. Perrin since mid-December?

24 A Not in regards to solicitation.

25 MR. LAVELLE: I have no other questions.

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MR. PILLAR: Protestant rests.

JUDGE PORTERFIELD: I have no questions of Mr. Culbertson, thank you.

MR. PILLAR: We offer Protestant's Exhibit 1 into evidence.

MR. LAVELLE: No objection.

JUDGE PORTERFIELD: Protestant's Exhibit 1 is admitted in evidence, and we'll admit Applicant's Exhibit Nos. 7, 8, 9 and 10 into the record. Off the record.

....OFF RECORD DISCUSSION....

MR. PILLAR: We'll reserve the right to file a short brief.

JUDGE PORTERFIELD: Once I get my copy of the transcript, I'll send out a briefing letter. With that, the hearing is concluded.

(Hearing adjourned at 4:45 o'clock p.m.)

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CERTIFICATE

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me during the hearing on the foregoing cause before the Public Utility Commission of the Commonwealth of Pennsylvania, and that this copy is a correct transcript of the same.

Arlene B. Kiger
Official Reporter

Reported to:
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