

231

23/7/89

BEFORE

ORIGINAL

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: A-00102471, F001, Am-P Pitt Ohio Express, Inc.
Amendment to permit the transportation, by motor
vehicle, of property, from points in that part of
Pennsylvania on and west of U.S. Highway Route 219,
to points in that part of Pennsylvania on and east
of U.S. Highway Route 219, and vice versa; ***.
Further hearing.

RECEIVED

JUL 10 1989

SECRETARY'S OFFICE
Public Utility Commission

DOCUMENT
FOLDER

Pittsburgh, Pennsylvania
June 19, 1989

Pages 416 to 534, inclusive

DOCKETED
JUL 13 1989

HOLBERT ASSOCIATES
LISA J. BERKEY
Suite 401, Kunkel Building
301 Market Street
Harrisburg, Pennsylvania 17101

CERTIFIED ORIGINAL

1 APPEARANCES CONTINUED:

2 CHRISTIAN V. GRAF, ESQUIRE

Graf, Andrews & Radcliff

3 407 North Front Street

Harrisburg, Pennsylvania 17101

4 Appearing on behalf of Protestants W.C. McQuaide,
5 Inc., Ward Trucking Corporation, and Evans
6 Delivery Company

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

INDEX TO WITNESSES

<u>APPLICANT</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RE CROSS</u>
Raymond D. DiPasquale	420	438		
Steven R. Stofko	442	458		
James W. Bell	461	473		
Donald Beckett	476	490		
Robert Mackay	492	501		
Robert Hammel	504	530		

INDEX TO EXHIBITS

<u>APPLICANT</u>	<u>IDENTIFIED</u>	<u>ADMITTED</u>
Ex. Nos. 22, 23, 24	505	532
Ex. Nos. P-6A, P-8A, P-8B, P-9A, P-10A, P-10B, P-11A, P-12A, P-13A, P-14A, P-15A, P-15B, P-16A, P-16B, P-17A, P-17B	512	532

1 JUDGE PORTERFIELD: It being the 19th of June, at
2 approximately 10:00 a.m., 11th floor hearing room of the
3 Pittsburgh State Office Building, it's the time and place set
4 for the continued hearing of the matter captioned, briefly,
5 application of Pitt Ohio Express, Inc., at Docket A-00102471,
6 Folder 1, Amendment P.

7 The hearing -- the days of hearing today and tomorrow,
8 19th and 20th of June, were scheduled for the applicant to
9 complete its case in chief, and this morning Mr. Lavelle -- or
10 William J. Lavelle, Esquire, has entered an appearance on
11 behalf of applicant, and represented that the applicant has
12 five witnesses to offer in support of the application, plus
13 some additional direct testimony, rebuttal testimony, or
14 whatever, from the applicant's operating witness, Mr. Hammel.
15 This morning also Christian Graf, Esquire, has entered an
16 appearance on behalf of the protestants W.C. McQuaide, Inc.,
17 Ward Trucking Corp., and Evans Delivery Company.

18 Mr. Lavelle.

19 MR. LAVELLE: Yes, Your Honor. I call Mr. DiPasquale.

20 JUDGE PORTERFIELD: Mr. DiPasquale, you haven't been
21 sworn, I take it.

22 MR. DIPASQUALE: No, sir.

23 JUDGE PORTERFIELD: Will all those in the hearing room
24 that will or may testify, please rise and raise your right
25 hands and be sworn?

1 (Witnesses sworn en masse.)

2 JUDGE PORTERFIELD: Mr. DiPasquale, we can use you last.
3 Sir, would you state your name and party that you represent?

4 MR. STOFKO: Steve Stofko, S-t-o-f-k-o, Aristech
5 Chemical Corporation.

6 JUDGE PORTERFIELD: And Mr. Hammel also retook the oath,
7 is that right, Robert Hammel?

8 MR. HAMMEL: Yes.

9 JUDGE PORTERFIELD: You, sir?

10 MR. BELL: James W. Bell, Henry Miller Spring and
11 Manufacturing Company.

12 JUDGE PORTERFIELD: And, of course, the witness that's
13 in the witness chair. Go ahead, Mr. Lavelle.

14 RAYMOND D. DiPASQUALE, having been previously duly
15 sworn, was examined and testified as follows:

16 DIRECT EXAMINATION

17 BY MR. LAVELLE:

18 Q Sir, would you give us your name and your business
19 address?

20 A Raymond D. DiPasquale, Allegheny Bindery Corporation,
21 3700 Bigelow Boulevard, Pittsburgh, 13.

22 Q What was the full zip code?

23 A 15213.

24 Q Would you spell your last name for the reporter,
25 please?

1 A D-i, capital P, a-s-q-u-a-l-e.

2 Q And the company you are representing is Allegheny
3 Bindery Corporation?

4 A Yes, sir.

5 Q What is the position you hold with that company?

6 A Traffic manager and routing.

7 Q Do you have traffic functions with both inbound and
8 outbound traffic?

9 A Yes, sir.

10 Q How long have you been employed by the company?

11 A Twenty-six years.

12 Q Have you been in the traffic end of the operation for
13 most of that time?

14 A Yes, 20 years.

15 Q You indicated the address 3700 Bigelow Boulevard.
16 How far, if you know, is that from the terminal facilities of
17 the applicant Pitt Ohio Express?

18 A I'd say maybe a mile at the most. Mile, mile and a
19 half.

20 Q You're both on the same side of town?

21 A Yes.

22 Q Can you give us a brief description of the business
23 of your company?

24 A We bind books, manual reports, financial and -- just
25 about everything, you know, in the bindery business, and it's

1 -- our work is crucial that we have to have pickups.

2 Q When you say that you -- I'm sorry.

3 A It's -- some days we need same day service. There's
4 times that I used Pitt Ohio.

5 Q We'll get into the specifics in a moment.

6 A Okay.

7 Q Let's develop a little bit of background of the
8 company here. When you said you bind books, are you a major
9 publisher of books as such?

10 A No.

11 Q Or are you talking about specific types of --

12 A We're just the finisher. We get work from other
13 printers from all over, Ohio. They send it in to us, we
14 finish it and get it back where they want it.

15 Q The finishing consists of doing what?

16 A Folding, stitching, perfect bond, drilling. Just
17 about anything, anything in the trade.

18 Q When you say drilling, what do you mean by that?

19 A You have to drill a book. You know, it's -- a book
20 you put into a binder, that's drilling.

21 Q When you say a binder, are you talking like a three
22 ring type binder, loose leaf binder?

23 A That's right.

24 Q You actually punch or drill holes in there to fit on
25 those spokes?

1 A That's correct.

2 Q What are some of the customers, types of customers
3 that you deal with? Maybe that will give us a better idea of
4 the nature of your business.

5 A The types of customers?

6 Q Yeah. Who are -- what are some of the industries or
7 businesses that you deal with that call on your company for
8 service?

9 A You mean the names of the company?

10 Q Not specific names, but what kind of businesses are
11 they in?

12 A They're in the printing business. They are printers.

13 Q They're printers?

14 A Yes, sir.

15 Q Who are -- they then must have customers behind the
16 scenes that they're doing work for?

17 A Well, they have customers behind the scenes, right.
18 Correct.

19 Q What kinds of customers would those ultimate people
20 be, the customers who sell items bound?

21 A They're usually financial people, Westinghouse
22 Electric Corporation, Alcoa.

23 Q So it would be major companies, corporations?

24 A Major companies, right.

25 Q And you say financial. Would that be banks and

1 people of --

2 A Financial Press Corporation. They do a lot of
3 financial work.

4 Q And this consists of annual reports --

5 A Manual reports. We do all Arness and Whitney's
6 annual reports from out in Cleveland.

7 Q So it would include a large variety of bound items?

8 A Right.

9 Q You mentioned in your earlier answer here Ohio as
10 being the area for which you would receive shipments?

11 A Right.

12 Q Do you have printers, then, in states other than
13 Pennsylvania that ship into you?

14 A Yes, sir.

15 Q Do you have printers in the State of Pennsylvania
16 that ship into you?

17 A Yes.

18 Q And likewise, on your outbound when you finish the
19 product, I assume you have to ship it back to either -- well,
20 do you ship it back to your customers, that customer's
21 customer, or a combination?

22 A At some times it's a combination.

23 Q Those outbound shipments from your facility would go
24 both to Pennsylvania locations, as well as non-Pennsylvania?

25 A Yes, sir.

1 Q On Bigelow Boulevard here, where you have this
2 facility, can you describe it for us in terms of the size and
3 the number of trucks you can accommodate at any one time?

4 A We can only accommodate one truck at a time. We are
5 on a hill. It's a bad location. I don't know if you're
6 familiar with it. It's right across from Bloomfield Bridge
7 there, and it's Blessing Street, and our dock is about the
8 middle of the road up there and we can only get one vehicle in
9 at a time, plus all our employees use that for a parking lot,
10 too. And we're a 24-hour operation and we have to schedule
11 the trucks that -- you know, at certain times, and whenever I
12 want them there, that's when they have to be there. We don't
13 have no regular shipping hours there, you know.

14 Q That's what I was going to ask you. You said you had
15 a 24-hour operation?

16 A Right.

17 Q Do you mean seven days a week, 24 hours a day?

18 A Six days a week.

19 Q Six days. And do you ship or receive during that
20 entire 24-hour period?

21 A Yes, sir.

22 Q During the six days?

23 A We can up to a certain -- up to a certain time. We
24 can --

25 Q Describe what the limits are?

1 A Well, 10:00, 11:00 o'clock is when we have to meet,
2 you know, for the -- for the -- when our jobs -- sometimes our
3 jobs are done late and that's the only time we can schedule --
4 you know, coming off the belts that we have to schedule for a
5 late pickup, something that has to be delivered into Cleveland
6 or Akron.

7 Q When you said 10:00 or 11:00, are you talking a.m. or
8 p.m.?

9 A P.m.

10 Q So are you saying that normally you would complete
11 your outbound shipping by 10:00 or 11:00 p.m. at night?

12 A Normally. It's always after 6:00 o'clock.

13 Q And then from 11:00 -- say 11:00 p.m. until what time
14 the following day would you not be shipping or receiving, as a
15 general rule?

16 A Well, we have to receive early in the morning.

17 Q Beginning about what time?

18 A From 6:30 to 8:30.

19 Q Now, do you try to confine your inbound deliveries,
20 into your plant I'm talking about, to certain hours during the
21 day?

22 A The inbound?

23 Q Yes.

24 A In the morning hours.

25 Q Between roughly what hours?

1 A Like I said, 6:30 to 8:30, 9:00 o'clock.

2 Q And all of your outbound shipments take place, what,
3 you said between 6:00 p.m. and 11:00 p.m.?

4 A After 6:00, after 6:00.

5 Q You don't ship any other time during the day, then?

6 A Not unless it's something that has -- comes up and,
7 you know, it's special and I need a truck that's going, you
8 know, the same -- has to be delivered the same day.

9 Q But other than that, you don't ship, let's say, at
10 1:30, 2:00 o'clock in the afternoon, as a general rule?

11 A Well, we could.

12 Q Well, you could, but is that only on special items,
13 special orders?

14 A Special items, special orders.

15 Q Well, on your normal business, then, where you don't
16 really start shipping outbound until maybe 6:00 p.m., why is
17 that your normal schedule?

18 A Well, it's -- it's on account of the congestion up
19 there. We have shifts changing from 3:30 to 4:30 to 5:00
20 o'clock, and then the office leaves at 5:00 o'clock, and we
21 just can't get no trucks in there. There's no way that -- the
22 street's just a one car street and when you get a truck in
23 there, you can't even turn around. You have to back out of
24 our place. Once you get -- you have to back out and, you
25 know, and then get on to Bigelow Boulevard.

1 Q In view of that situation, when the trucks -- let's
2 talk about the inbound shipments that you receive 6:30 to 8:30
3 in the morning. Do you just give the carriers that are making
4 deliveries general instructions to come in anytime between
5 those times, or do you -- are you more precise in your
6 instructions to them?

7 A They know what time they have to be there, what time,
8 you know, that we expect it.

9 Q That's what I'm saying. Do you tell a carrier that's
10 making a delivery to you, we want you here some time between
11 6:30 and 8:30 a.m., or do you give them a specific time to be
12 there?

13 A No. It's usually between 6:30 to 8:30. I have
14 somebody there at 6:30 to start unloading trucks.

15 Q And what happens if you have two or three trucks show
16 up at the same time? Maybe three trucks show up at 7:30 to
17 make a delivery to you.

18 A That don't occur.

19 Q Why not?

20 A Because we don't schedule it like that.

21 Q That's what I'm trying to find out. If you tell --
22 if there's three carriers going to make deliveries to you
23 today, and you tell each one of them simply be here some time
24 between 6:30 and 8:30 in the morning, it's possible that
25 they're all going to show up at the same time, isn't it?

1 A Not really, because I don't use three carriers to
2 come in in the morning.

3 Q Okay. Why don't you use three carriers?

4 A I only use four or five carriers in the whole
5 building, you know. I know, you know, what's coming in. You
6 know, we schedule it that way.

7 Q On the inbound traffic that you do have coming in,
8 are there Pennsylvania origins that -- where a customer is
9 located to make shipments into you?

10 A Yes.

11 MR. LAVELLE: And specifically, I've put in front of the
12 witnesses, Your Honor, as we had with the other ones, a copy
13 of the scope of the authority being requested, as well as a
14 map that Mr. Graf has.

15 BY MR. LAVELLE:

16 Q Sir, since you're located in Allegheny County, in the
17 central part of the state in that red outlined area, that's
18 the pertinent section, as far as you're concerned. Now, do
19 you have inbound shipments coming from points in that red
20 outlined area in the central part of the state?

21 A Yes.

22 Q Could you tell us where some of those origin points
23 would be of your inbound traffic?

24 A Johnstown, Hollsopple, Altoona.

25 MR. GRAF: Wait a minute. I can't hear you.

1 MR. LAVELLE: Hollsopple.

2 THE WITNESS: Hollsopple.

3 MR. GRAF: What was the third one?

4 THE WITNESS: Altoona and Clearfield.

5 BY MR. LAVELLE:

6 Q And would those be locations of printers that ship
7 their work into you?

8 A That's it. They're printers, um-hum.

9 Q Is there -- is the traffic that comes through from
10 those customers less than truckload in size or truckload
11 shipments?

12 A No. It's all LTL.

13 Q What's the general size of an LTL shipment, if there
14 is such a thing?

15 A It would be two, 3,000 pounds.

16 Q And do you know how frequently you would have
17 occasion to receive those shipments in from Clearfield?

18 A Two, three times a month.

19 Q Now, when you finish the job for that customer, where
20 might you be instructed to ship the outbound material that you
21 finish?

22 A Right back to him.

23 Q Back to the Clearfield printer?

24 A Right, right back to him.

25 Q So if you have two or three shipments in a month,

1 would that be about the same number of shipments you have
2 going --

3 A Going back, yes.

4 Q What's the turnaround time on the work you receive
5 inbound? Is there a fixed time you have to prepare and
6 finish --

7 A Right. Sometimes it's two day turnaround, three
8 days. Sometimes it comes in -- if it comes in in the morning,
9 it has to go out at night. Some days it's one day turnaround.
10 That's why we need the late pickups.

11 Q The Altoona customer, how frequently do you get
12 material in from that account?

13 A It varies. Three, four times a month.

14 Q The shipments would all be in about the two, 3,000
15 pound range?

16 A All the same, right. All the same shipments.

17 Q And then normally speaking, would those shipments go
18 back to the printer when you finish with them?

19 A All go back to the printer in that area, right.

20 Q Again, three or four shipments a month, then, when
21 you finish?

22 A Correct.

23 Q How about the Hollsopple customer? How often do they
24 ship into you?

25 A That varies. Like sometimes every quarter.

1 Q And again, is that a return shipment?

2 A That's a return shipment, right.

3 Q And the other point you mentioned was Johnstown. How
4 often do you do business with that company?

5 A Every quarter.

6 Q And that's a two-way inbound? You finish the work
7 and ship it back out?

8 A Yes.

9 Q The Hollsopple and Johnstown customers, is the weight
10 of the shipment about the same range that you gave before; in
11 other words, two to 3,000 pounds per shipment?

12 A Yeah. Sometimes it will vary. Sometimes it will be
13 more, sometimes it will be less.

14 Q Now, do you ever have occasion when you receive work
15 inbound from one location, you finish your part of it, but
16 then you ship it to someplace other than the printer that sent
17 it to you?

18 A That happens, yeah.

19 Q In the case of those four customers we talked about
20 before, that's an in and out proposition?

21 A In and out.

22 Q Okay. Now, where might the material come from that
23 falls into this other category, where you ship it to someplace
24 other than the printer that sent it to you?

25 A Ohio. It comes in from -- comes in from Lorain,

1 Ohio, Akron, Ohio and it ships to Cleveland, to New Jersey.

2 Q Well, do you have any shipments from Lorain, Ohio
3 that come through your facility, but then are reshipped by you
4 out to a customer in this central part of the state?

5 A No.

6 Q That red area?

7 A No.

8 Q Okay. Is there any traffic of that type that goes
9 into this red circle, red area in the central part of the
10 state?

11 A No.

12 Q No. So your customers are basically, and your
13 interest here in this application, is basically this printer
14 into you and then you back to the printer operations?

15 A Right.

16 Q Do you expect the carrier that participates in your
17 work to be available on Saturdays, as well as the other five
18 days of the weeks?

19 A Yes, sir. That's real important.

20 Q Why is there such a rush in getting this material
21 back to your customer, even to the point of having them make
22 the turnaround in the same day?

23 A Well, it's dated material. If it's financial work,
24 there's their meetings. You know, they have to have it at a
25 certain time, you know, for the fast turnaround. But when

1 these people send this stuff in here, they're paying the
2 overtime and the overhead to move this around and, you know,
3 we have to have it there. It has to be guaranteed delivery.

4 Q So in some instances you would need same day service?

5 A Same day service.

6 Q From your place to the customer?

7 A Right.

8 Q When you have a non-emergency type situation like
9 that, what would be your normal expectation, if a carrier
10 picks up between 6:00 and 11:00 p.m. at night?

11 A Next day service.

12 Q You want it delivered in this area the next day?

13 A The very next day.

14 Q How is the traffic today being handled? By what
15 carrier between Pittsburgh and Altoona, Johnstown, Hollsopple,
16 Clearfield?

17 A Pitt Ohio, PJAX.

18 Q Are those two carriers handling it in both
19 directions?

20 A Sometimes.

21 Q What's --

22 A Pitt Ohio is maybe 80 percent on that.

23 Q Are you familiar with a company W.C. McQuaide,
24 Incorporated?

25 A Yes.

1 Q Do you use them on this traffic?

2 A No.

3 Q Have you used -- have you actually used them, or you
4 just know of their existence?

5 A Well, he called on me -- it's the first I even heard
6 of him since I've been in the business up there. A salesman
7 finally came in.

8 Q When?

9 A Last week.

10 Q Prior to that you hadn't had any contact with the
11 company?

12 A No, sir.

13 Q And you never used their service?

14 A No.

15 Q What's the situation with respect to Ward Trucking
16 Corporation? Do you know that name?

17 A Well, I know them, but I don't use them. Nobody even
18 ever calls on me. I never had a salesman come through the
19 door.

20 Q What about Evans Delivery Company? Have you ever
21 done business with them?

22 A No.

23 Q Ever been solicited by them?

24 A No.

25 Q How long have you done business with Pitt Ohio

1 Express?

2 A Oh, the last ten years.

3 Q Are they handling any of your interstate traffic?

4 A Yes.

5 Q The Lorain shipments inbound, do they handle that?

6 A Yes.

7 Q Do they handle any of the return shipments out to New
8 Jersey or Cleveland?

9 A Yes.

10 Q And they're also involved in the intrastate moves we
11 talked about?

12 A Right.

13 Q Are you satisfied with what the service has been from
14 them?

15 A Service is excellent.

16 Q How many shipments do you estimate that you would
17 make out -- individual shipments, on a daily basis to all
18 points, not just Pennsylvania?

19 MR. GRAF: I'd have to object to that. He's given us
20 within the scope of this application. That's all we're
21 concerned with really. He's given the frequency and the
22 weight to each of the four points, both ways. What's the rest
23 of it matter?

24 MR. LAVELLE: The reason I'm asking that, it ties into
25 another aspect, element of the case.

1 JUDGE PORTERFIELD: Okay. On Mr. Lavelle's
2 representation, I'll overrule the objection.

3 BY MR. LAVELLE:

4 Q Do you understand the question? In other words, on a
5 daily basis, how many shipments do you make outbound from your
6 plant?

7 A Well, sometimes that varies, too. We can be four,
8 five, six. It could go up to 30 or 40 a day.

9 Q And would those shipments be moving both interstate
10 and intrastate?

11 A Right.

12 Q How frequently is Pitt Ohio in your facility making
13 pickups?

14 A Everyday.

15 Q Are most of those shipments that are going out LTL?

16 A Yes.

17 Q Do you ever make any truckload shipments?

18 A Very seldom, very seldom.

19 Q If the application is granted, what would be your
20 estimate of your use of Pitt Ohio? How much of the traffic
21 you've talked about moving to or from these four points would
22 you tender to Pitt Ohio?

23 A I'd give them 80 to 90 percent of that, maybe 90.

24 Q Is that about what they're getting today?

25 A Yeah.

1 Q Are you familiar with the way in which they're
2 handling it today, the route by which their trucks operate,
3 that sort of thing?

4 A Yes.

5 Q What's your understanding?

6 A The understanding is I'm -- you know, they get it
7 there. That's --

8 Q Oh, okay. When they -- when a truck picks it up at
9 your facility, are you personally aware or familiar with how
10 the shipment is physically handled by Pitt Ohio in order to
11 get it to a point, such as Altoona, or don't you know the
12 specifics of that?

13 A No.

14 MR. LAVELLE: Your Honor, I have no further questions of
15 the witness.

16 JUDGE PORTERFIELD: Mr. Graf.

17 CROSS EXAMINATION

18 BY MR. GRAF:

19 Q Sir, how long have you been using Pitt Ohio to
20 Johnstown?

21 A To Johnstown?

22 Q Yeah.

23 A I'd say no more than maybe a month or so.

24 Q And how long have you been using him to Hollsopple?

25 A Hollsopple, even less than that.

1 Q And to Altoona?

2 A Altoona, I just started using them.

3 Q When?

4 A I don't know. That's hard to say on this Altoona.

5 Q Well, give us an estimate, your best estimate when
6 you started to use them to Altoona.

7 A I'd say maybe two weeks.

8 Q And when did you start using them to Clearfield?

9 A Clearfield's been a few months.

10 Q So prior to that time, I gather you were using PJAX,
11 is that right?

12 A Yeah, I used PJAX.

13 Q To the same four points, I'm talking about.

14 A Yeah.

15 Q And how long have you used PJAX to those points?

16 A Oh, maybe a year or so.

17 Q So in the last year, PJAX has handled more volume to
18 those points than Pitt Ohio, hasn't it?

19 A Not really.

20 Q Well now, let's see. When was the last time you
21 shipped to Altoona?

22 A Well, I can't remember that right off my head. I'm
23 the supervisor there. I don't, you know --

24 Q All right. You don't know when you shipped to any of
25 those points the last time?

1 A I can't give you an exact date, no.

2 Q Well now, from what I gathered, your testimony was
3 that you've used Pitt Ohio basically within the last month to
4 these four points, is that correct?

5 A That could be correct.

6 Q And that's when you started to use them, is that
7 correct?

8 A Not really, no.

9 Q To these four points. That's the only thing I'm
10 talking about, Johnstown, Hollsopple, Altoona and Clearfield.

11 A Clearfield I've been using Pitt Ohio.

12 Q For how long?

13 A Well, I don't -- I don't keep records of stuff like
14 this.

15 Q Well, how long have you used them? You surely
16 don't --

17 A I've been with Pitt Ohio for ten years, longer than
18 that.

19 Q Have you used them to Clearfield in that period of
20 time?

21 A Ten years ago?

22 Q Yeah.

23 A No.

24 Q Well, when did you start using him to Clearfield?

25 A Clearfield's been -- it's over a year, maybe longer

1 than that.

2 Q All right. Now, how about Altoona? When did you
3 start using them to Altoona?

4 A I don't -- I can't answer that. I don't know how
5 long that's been since Altoona.

6 Q How about Hollsopple? When did you start there using
7 Pitt Ohio?

8 A That's hard to answer, too. Like I said, I don't
9 keep records of this. I mean, if you'ens wanted records, I
10 would have brought them down.

11 Q I'm not interested in your records. But you've been
12 in transportation for 20 years?

13 A Longer than that I've been in transportation.

14 Q And you can't tell us when you started to use one of
15 the two carriers to these four points?

16 A The amount of stuff that comes in and out of my
17 place, I don't keep -- you know, it's hard.

18 Q And I presume you don't know when you started using
19 Pitt Ohio to Johnstown, is that correct?

20 A No, I can't -- I can't give you no dates.

21 MR. GRAF: That's all I have. Thank you.

22 JUDGE PORTERFIELD: Any redirect, Mr. Lavelle?

23 MR. LAVELLE: No, sir, I have no questions.

24 JUDGE PORTERFIELD: Thank you, Mr. DiPasquale.

25 MR. DiPASQUALE: Thank you.

1 MR. LAVELLE: I think the witness has been sworn, so we
2 can begin.

3 JUDGE PORTERFIELD: Okay.

4 STEVE R. STOFKO, having been previously duly sworn,
5 was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. LAVELLE:

8 Q What is your name, sir?

9 A Steve R. Stofko.

10 Q Would you spell your last name, please?

11 A S-t-o-f-k-o.

12 Q What company are you employed by?

13 A Aristech Chemical Corporation.

14 Q Do you want to spell the company name?

15 A A-r-i-s-t-e-c-h.

16 Q The company address is what?

17 A 600 Grant Street, Pittsburgh PA, 15230.

18 Q What position do you hold with the company?

19 A I'm a traffic and transportation engineer. I'm
20 responsible for all trucking for the corporation.

21 Q How long have you -- well, strike that. What is the
22 origin of Aristech? What was their affiliation prior to
23 today, or the last couple of years I should say?

24 A We had been USX Chemicals.

25 MR. GRAF: I'm sorry. I didn't hear.

1 THE WITNESS: USX Chemicals. In 1986 we became a free
2 standing, publically held company.

3 BY MR. LAVELLE:

4 Q And that's the status of it today?

5 A As of today.

6 Q Now, were you with USX Chemicals prior to Aristech
7 coming into existence?

8 A Between the 22 years.

9 Q How long have you been actually involved in the
10 transportation end of the business?

11 A It's always been transportation.

12 Q Always been transportation. Okay. What's the
13 general business of Aristech?

14 A We make chemicals. We supply other chemical
15 companies, we trade, compete with all the major chemical
16 companies and end users.

17 Q Do you ship chemicals out of any facilities located
18 in Allegheny County?

19 A Yes. I ship from Neville Island, PA which is, in
20 fact, two different plants. I ship out of the Chemcentral
21 Warehouse.

22 MR. GRAF: Where?

23 THE WITNESS: Chemcentral in Coraopolis.

24 MR. GRAF: Oh, Coraopolis. Okay.

25 THE WITNESS: We have a research center in Monroeville,

1 PA. That's in Allegheny County.

2 BY MR. LAVELLE:

3 Q Those are your Allegheny County facilities?

4 A Right.

5 Q Do you have any -- well, let's stay with this for a
6 moment. You say there are two plants in Neville Island?

7 A Correct.

8 Q Are these full chemical facilities at Neville Island,
9 or do they confine themselves to the production of certain
10 types of chemical products?

11 A Well, the one side is the biggest polyester resin
12 plant in the world. The second side makes plasticizer and
13 maleicanhydrite and thallicanhydrite.

14 Q For purposes of this, I'm going to refer to them as
15 plant No. 1 and plant No. 2. I won't even try to refer to
16 those specific chemicals. Let's start with the first plant
17 that produces the resins. Do they go out in both bulk and
18 non-bulk forms?

19 A Yes.

20 Q Would that be true of the plasticizers?

21 A Yes.

22 Q When you ship non-bulk form, how are they packaged or
23 shipped out?

24 A The polyester resin is shipped in drums exclusively.

25 Q How about the plasticizer?

1 A The plasticizer is shipped in drums, but when it is
2 shipped, it comes out of Chemcentral Warehouse. They don't
3 have the facility in that plant to drum, so we take it in bulk
4 to Chemcentral and put it in drums there. The maleicanhydrite
5 and thallicanhydrite is shipped in bags on pallets or in super
6 sacks.

7 Q Does that come out of the Neville Island --

8 A Right out of the plant itself.

9 Q So it's the only one product that has to be shipped
10 to the other Coraopolis plant to be drummed?

11 A Correct, right.

12 Q What type of motor vehicle equipment do you require
13 to transport these chemical products from Neville Island or
14 Coraopolis? I'm referring now strictly to the non-bulk items.

15 A Both truckload and LTL.

16 Q And what type of motor vehicle equipment then is
17 required, closed vans, flatbeds, or what?

18 A Vans. Almost exclusively vans.

19 Q Now, if you look at that map in front of you that we
20 referred to with the earlier witness there, the area of
21 concern from Allegheny County would be that red outlined area
22 in the central part of the state. Do you have any need to
23 make any shipments into points in that general area?

24 A Yes.

25 Q And can you tell us where the customers would be

1 located?

2 A We have customers and suppliers in Altoona,
3 Johnstown, and Clearfield.

4 Q Are you at liberty to indicate whether these are
5 industrial customers or other chemical companies?

6 A They're primarily other chemical companies and
7 industrial companies.

8 Q Both. All right. How -- does the resin plant at
9 Neville Island ship into all three locations?

10 A Yes.

11 Q With what frequency would you make shipments of the
12 resins? Now, I'm talking about into each of those points.

13 A Some of the customers use the three to 5,000 pound
14 shipments on a regular basis, maybe once or twice a week.
15 Others use them only when they have a problem, can't take a
16 bulk truck, wouldn't have -- it can vary all over the place,
17 and they can take truckload.

18 Q You say they can or cannot take --

19 A They can on can't take truckload material.

20 Q But for the most part, you're talking about these
21 three to 5,000 pound shipments?

22 A Correct.

23 Q And that's the size of shipments going to all three
24 of the destination points?

25 A Yes.

1 Q Now, what's the situation with respect to the
2 plasticizers in bags coming out of Neville Island? Does that
3 go to the same customers?

4 A To two. Not to Clearfield. It can go to Altoona and
5 Johnstown.

6 Q In truckload or less than truckload quantities?

7 A It can go in both. It usually -- right now it's
8 moving in less than truckload.

9 Q What's the approximate size of the shipment?

10 A Oh, usually about 6,000 pounds.

11 Q And how frequently would you be making that size
12 shipment into the Altoona customer?

13 A I would estimate about once a week, and the reason I
14 say estimate is I supply my shipping people at the plants with
15 a schedule of carriers of who to use to particular locations.

16 Q Well, do you do that once a week?

17 A Oh, no. Right now once a year.

18 Q Okay. So the people actually call the carriers, have
19 those instructions on a standing basis?

20 A Right.

21 Q How does that tie-in when you say you estimate 6,000
22 pounds a week?

23 A Well, I talk to all my plants on a regular basis and
24 they tell me, you know, we have one going to Altoona or we got
25 three trucks going to so and so. I keep track of what they're

1 doing.

2 Q Oh, all right. How about to the Johnstown customer
3 on this particular commodity?

4 A Again, I would estimate once a week.

5 Q And are the shipments the same, 6,000 pound range?

6 A Yeah, should be.

7 Q Now, when you have to move the plasticizers down to
8 Coraopolis where they're put in drums --

9 A Correct.

10 Q -- what are the destinations in that central area
11 from which Coraopolis -- or, you know, to which Coraopolis
12 ships?

13 A They will ship into Altoona and into Johnstown.

14 Q Is there any difference in the size of the shipments,
15 depending on whether it's drummed or bagged material?

16 A Yeah. Well, drummed -- the bag, when we say 6,000
17 pounds, we're talking three pallets; whereas, the drum size is
18 550 pounds a drum and people usually order anywhere from 10 to
19 20 drums at a time, so --

20 Q Now, would the customer at Altoona be getting both
21 the equivalent of 6,000 pounds of bagged material a week and
22 6,000 pounds of drummed material a week?

23 A Yes, that's very likely.

24 Q Okay. How about Johnstown?

25 A They could also.

1 Q If I said Johnstown Altoona, I met either or the
2 other one.

3 A Right. They're interchangeable.

4 Q Okay. So conceivably then, these customers at
5 Altoona and Johnstown are receiving 6,000 pounds of
6 plasticizers in drums and 6,000 pounds of plasticizers in
7 bags?

8 A Right.

9 Q Per week?

10 A Correct.

11 Q Plus the resins, which we've already talked about?

12 A Right.

13 Q It's a separate category altogether. Does the
14 Coraopolis plant ship to any other locations?

15 A Oh, yes.

16 Q Well, within this area?

17 A Oh, if they do, it's only in small amounts. Not
18 regular type movement.

19 Q Now, the Monroeville facility is a research lab?

20 A Correct.

21 Q What kind of commodities do they ship out, and what's
22 the difference in the nature of their operation versus the
23 other two we've talked about?

24 A Well, they tend to ship out sample product and items
25 that modify the products that we do make, so it's anything

1 from a five gallon pail to -- most would be about 5,000
2 pounds.

3 Q Would the customers at these -- the same three
4 locations be the points to which the shipments would be made?

5 A I'm sure that they have had all shipments between the
6 research center and themselves, but that's an infrequent kind
7 of a thing.

8 Q When you say between, what did you mean?

9 A Well, what they can do is, let's say, ship a five
10 gallon modifier to Altoona who will put it into their process.
11 They will return maybe five gallons out of their process batch
12 back to Monroeville for analysis.

13 Q Oh, all right. But you say that would be a less
14 frequent occurrence?

15 A Yes.

16 Q Would there be any other points in the central part
17 of the state, other than Altoona, Johnstown and Clearfield,
18 that for some reason would receive shipments from this
19 Monroeville lab?

20 A They could, but there's no consistency.

21 Q What would give rise to those kind of shipments?

22 A Any of the plastic companies, any of the other
23 chemical companies that would want to try some of our product,
24 try some of the test material. They're always making
25 something new.

1 Q So that would be new customers --

2 A Correct.

3 Q -- in a sense?

4 A Yes.

5 Q Now, do you have any occasion to have motor carrier
6 service inbound from the several counties in the central part
7 of the state, back into either Neville Island or Coraopolis?

8 A Yes, because we do have material returned from the
9 outbound shipments. We have material that goes off spec.

10 MR. GRAF: I can't hear you. I'm sorry.

11 THE WITNESS: Oh. We do have material returned from all
12 of our customers at one time or another. Not usually at the
13 level that we ship out hopefully, but it does happen on a
14 regular basis.

15 BY MR. LAVELLE:

16 Q Those are shipments that are rejected for some reason
17 by the customer?

18 A Yes.

19 Q But other than that kind of return for a rejected
20 shipment, do you have any suppliers, let's say of any kind of
21 chemical product located there, that regularly ships inbound
22 materials to you for use in your process?

23 A I don't have a list of suppliers available, but I do
24 route the preponderance of our inbound commodities, so they
25 could be buying anything from other chemicals to anything you

1 need to operate a plant, machinery. Anything that's produced
2 in the area could be going back to my plants.

3 Q You mentioned earlier that you put out once a year,
4 or thereabouts, a list of carriers to be used by the company?

5 A Correct.

6 Q Is that list put together on a geographical basis, in
7 a sense, that carrier A is to be used solely or primarily into
8 a given area?

9 A That is correct.

10 Q Does the list have alternatives that the people at
11 the plant level are able to pick and choose from maybe six
12 carriers going into the same area, or are they supposed to use
13 a picking order?

14 A No. There's supposed to be a hierarchy attached to
15 this list, and our problem with a chemical plant is for safety
16 reasons you want to limit the number of carriers coming into
17 the plant.

18 Q So if you set up a routing, let's say from Neville
19 Island to Altoona, it would have one or more carriers listed
20 and the plant is supposed to call the carriers in that
21 sequence?

22 A Correct.

23 Q Have you had occasion to use Pitt Ohio's service in
24 any respect up to this point?

25 A Yes.

1 Q On what type of traffic have they participated?

2 A They have participated -- you mean just to this
3 specific --

4 Q No. Just generally speaking.

5 A Oh, in general they have participated in both less
6 than truckload and truckload freight.

7 Q Is that confined to intrastate Pennsylvania, or does
8 it include interstate operations as well?

9 A No. Within their scope of operations. I have a
10 warehouse in Akron, Ohio that we use them quite extensively
11 out of Ohio into Pennsylvania, into New Jersey. I have a
12 plant in Neal, N-e-a-l, West Virginia. I use them into Ohio,
13 West Virginia, Pennsylvania. I have a plant in Haverhill,
14 Ohio that, again, I'll use them into their operation of
15 points.

16 Q Have you had occasion to use them within the State of
17 Pennsylvania?

18 A Yes.

19 Q Out of the facilities you've been talking about here?

20 A Correct.

21 Q To what parts of Pennsylvania have you used them?

22 A We're heavy on the eastern portion of the state to
23 Linesville, Erie. We're apt to ship anywhere.

24 Q Have you specifically had occasion to use their
25 service in the past on any shipments going to Altoona,

1 Johnstown or Clearfield?

2 A Yes. They are our primary intrastate carrier on LTL,
3 and I've used them for a year, year and a half in that area.
4 Other points in Pennsylvania for seven, eight years.

5 Q Are you personally familiar with how they handle
6 shipments from the Allegheny County origins into Johnstown,
7 Altoona and Clearfield?

8 A It's my understanding they have to go through
9 Cumberland, Maryland.

10 Q Have they also been used to handle return shipments?

11 A Yes.

12 Q How many dock facilities, doors, do you have for
13 motor carriers at the Neville Island plants?

14 A On the resin side we have four doors and on the
15 plasticizer side, where we ship the bagged material, we have
16 two doors.

17 Q How frequently do you make shipments out of there --
18 not frequently -- but during what period of time? Is it a
19 24-hour, seven day a week operation, or is it more limited in
20 scope?

21 A The resin side will operate primarily from 8:00 a.m.
22 to midnight, but it is no problem to get them to load during
23 the night or on Saturdays and Sundays. The plasticizer side
24 likes to operate only from 8:00 to 3:00. If you do anything
25 beyond, that means holding people over on overtime.

1 Q Are you shipping outbound from Neville Island and
2 Coraopolis on a continual basis during the hours that you
3 normally ship?

4 A Yes.

5 Q It's big enough that there's no major lulls in the
6 shipping pattern, is what I'm getting at?

7 A No. It's big enough and continually loads through
8 midnight.

9 Q Do you have any estimates as to how many carriers
10 you're now using totally out of those facilities to all
11 points?

12 A You're speaking just van and LTL and all, at this
13 point?

14 Q Yes.

15 A I would say on the van I have three primary carriers.
16 On the LTL, oh, could be as many as seven or eight, depending
17 on the region of the country we're going to ship to.

18 Q If Pitt Ohio were to get the authority to operate
19 direct into these three or four points you mentioned in the
20 central part of the state and vice versa, would you continue
21 to use the service?

22 A Yes.

23 Q Are they one of the, if not the primary carrier into
24 that area?

25 A They are the primary carrier.

1 Q Would the continued ability to be able to use that
2 service in and out of that area be of any benefit to your
3 company?

4 A Yes, because that precludes having to have a second
5 carrier to service that area come into the plant, and for
6 safety reasons, it's a big item for us.

7 Q You mentioned Pitt Ohio is coming in and handling
8 some freight going to the eastern part of the state, and I
9 think you mentioned Erie in the west. Do you co-load the
10 shipments going to all these destinations and offer them to
11 the carrier at one time?

12 A We can, yes. We do.

13 Q In other words, if Pitt Ohio comes in, or any carrier
14 -- well, let's use Pitt Ohio. If they come in to your
15 shipping point to Neville Island today, do you have the
16 ability to have your shipments, going to whatever Pennsylvania
17 destinations are involved in that day, available and ready to
18 be picked up at one time?

19 A Yes.

20 Q And if for some reason they can't serve a certain
21 area of the state, or could not in the future serve it, you'd
22 have to use a second carrier?

23 A Correct.

24 Q Are you trying to avoid that situation?

25 A Absolutely.

1 Q Do you load truckload shipments out of the same
2 docks --

3 A Yes.

4 Q -- docks that you use your LTL on?

5 A Correct.

6 Q I was wondering why in your earlier answer you
7 indicated seven LTL carriers, they use the same doors as the
8 truckload carriers.

9 A Correct. But again, if I might explain. If I have
10 shipments going, let's say, to the southeast, the midwest and
11 far west and one of my carriers happens to serve all of those
12 points directly, I won't use seven carriers that day. I'll
13 use the one carrier who can do all of them.

14 MR. LAVELLE: Your Honor, I have no further questions of
15 Mr. Stofko.

16 JUDGE PORTERFIELD: Mr. Graf, before you begin, I have
17 one quick question, and the only reason I interrupt is I'm
18 afraid I'll forget it. When you speak of minimizing the
19 number of carriers in your facilities for safety reasons, is
20 it the congestion or the hazmat handling? Which dimension, or
21 both, are you concerned about?

22 THE WITNESS: It's a combination of both. I have had,
23 within the last two weeks, two complaints of drivers smoking
24 in their cabs. A guy came in with a sleeper team just the
25 other day, had his children in the cab. So you just limit

1 your exposure by limiting the number of carriers.

2 JUDGE PORTERFIELD: By being acquainted with who you're
3 dealing with?

4 THE WITNESS: Correct.

5 JUDGE PORTERFIELD: Okay. Mr. Graf.

6 CROSS EXAMINATION

7 BY MR. GRAF:

8 Q You indicated earlier that you have primary carriers
9 to Altoona, Johnstown and Clearfield?

10 A Correct.

11 Q Who are your secondary carriers to Altoona?

12 A It would be PJAX.

13 Q And to Johnstown?

14 A PJAX again.

15 Q And to Clearfield?

16 A I'm consistent, PJAX.

17 Q So you have only the two carriers named to those
18 three points?

19 A Correct.

20 Q On the sample shipments that move out of Monroeville,
21 how generally are they handled? By truck, or by UPS, or mail,
22 or how?

23 A Primarily by truck.

24 Q It would be tendered to an LTL carrier?

25 A Correct.

1 Q Now, are you aware of any other carriers that can
2 serve Altoona, Johnstown and Clearfield to or from Neville
3 Island, Coraopolis and Monroeville?

4 A In my position, I would say every truck company east
5 of the Mississippi has been in my office. So, yes, I'm
6 familiar --

7 Q That wasn't my question, sir.

8 A I'm familiar with McQuaide and Ward.

9 Q Evans?

10 A Evans.

11 Q Do you know the scope, that they can serve either of
12 those points?

13 A Correct.

14 Q Have you ever used any of the three anywhere?

15 A Yes.

16 Q Where have you used them to?

17 A I have used both McQuaide and Evans for Pennsylvania
18 intrastate. I have used Evans into Massachusetts, and I think
19 Rhode Island.

20 Q Do you know that Ward and McQuaide could serve you
21 anywhere in Pennsylvania? Do you know --

22 A Yes.

23 Q You indicated something on direct examination, that
24 you could be getting material back from any of the points of
25 Altoona, Johnstown or Clearfield. Do you have any definite

1 information as to how frequently that occurs? You said it
2 could be --

3 A I can't cite a statistic for you because it can
4 depend on the particular process that the customer is using.
5 There have been customers where five, six, seven shipments in
6 a row have been returned, and others were maybe once a year.

7 Q So it varies substantially?

8 A Sure.

9 Q You said it was your understanding that Pitt Ohio was
10 handling traffic via Cumberland, Maryland. How did you arrive
11 at that understanding?

12 A By talking to Pitt Ohio.

13 Q And that's what they told you?

14 A Yes.

15 Q How long have you used PJAX, for example, as your
16 secondary carrier?

17 A Oh, I would say about six years.

18 Q Back about the time they acquired that authority from
19 the predecessor carrier that had it?

20 A Correct.

21 Q I gather you have not used McQuaide or Ward to
22 Altoona, Johnstown or Clearfield?

23 A Not that I know of.

24 Q Are you aware that McQuaide has a terminal now at
25 Neville Island?

1 A No. For some reason I wasn't, no.

2 Q And you know they do have a terminal at Johnstown?

3 A That I knew.

4 Q Okay. And Ward has one at Altoona?

5 A I've never really talked that much to Ward. I didn't
6 know where their terminal was.

7 MR. GRAF: Thank you, sir. That's all I have.

8 THE WITNESS: Thank you.

9 JUDGE PORTERFIELD: Any redirect, Mr. Lavelle?

10 MR. LAVELLE: I have no redirect.

11 JUDGE PORTERFIELD: Thank you, Mr. Stofko. Any
12 objection to taking a very brief break, about that long?

13 MR. LAVELLE: I was going to ask for a recess myself.

14 (A brief recess was taken.)

15 JUDGE PORTERFIELD: You were previously sworn, were you
16 not, sir?

17 MR. BELL: Yes.

18 JAMES W. BELL, having been previously duly sworn, was
19 examined and testified as follows:

20 DIRECT EXAMINATION

21 BY MR. LAVELLE:

22 Q What is your name, sir?

23 A James W. Bell.

24 Q What is your business address?

25 A We're on Ali Street in Sharpsburg, PA. A-1-i Street.

1 Q By what company are you employed?

2 A Henry Miller Spring and Manufacturing Company.

3 Q What position do you hold with the company?

4 A Traffic manager.

5 Q How long have you been with the company in that
6 position?

7 A Thirty-three years.

8 Q What is the business of Henry Miller Spring and
9 Manufacturing?

10 A We make steel railroad and industrial coil springs.

11 Q About what part -- percentage of your total business
12 is connected with the railroad industry, as opposed to other
13 industries? Could you break that down for us?

14 A Tonnage wise?

15 Q In terms of volume of traffic, yes.

16 A Oh, volume of traffic, we don't use the railroad. We
17 don't use the railroad at all anymore.

18 Q I think you misunderstood my question. You said --

19 MR. GRAF: Sell to.

20 THE WITNESS: Oh, sell to. Well, it varies, but
21 probably 50/50, 60/40, 60 to the rails.

22 BY MR. LAVELLE:

23 Q And 40 to the non-rail?

24 A Yeah.

25 Q The springs that you're talking about, can you

1 describe them a little bit more? What size are they?

2 A They range -- well, for the railroads, they're --
3 they use them for the boxcars, for flatcars or chemical cars
4 that they build. Railroads that is. And the industrial
5 springs that's used in any type of machinery, anything that
6 moves that has a spring in it.

7 Q What's the smallest size of a spring that you might
8 manufacture?

9 A We range in steel size, three-eighths steel bar up to
10 three inch. They're hot wound springs.

11 JUDGE PORTERFIELD: The metal is hot when you wind the
12 three-eighths inch bar around something, a mandrel or
13 something?

14 THE WITNESS: Yeah, right.

15 BY MR. LAVELLE:

16 Q Are you here supporting this application for outbound
17 -- well, outbound service from your Sharpsburg facility?

18 A Strictly outbound.

19 Q You have no inbound?

20 A No.

21 Q All right. At Sharpsburg, is that your production
22 facility?

23 A Yes.

24 Q Do you have a warehouse there as well?

25 A No.

- 1 Q So do you ship essentially from your production line?
- 2 A Right.
- 3 Q How many shipping docks do you have for motor
- 4 carriers?
- 5 A One dock.
- 6 Q How widespread is your market area? Does it embrace
- 7 just Pennsylvania?
- 8 A The whole country.
- 9 Q All right. Do you ship regularly to points
- 10 throughout the country?
- 11 A Yes.
- 12 Q All out of this one dock?
- 13 A Right.
- 14 Q What are the shipping hours and days during the week
- 15 that you actually ship?
- 16 A 7:00 a.m. to 3:00 p.m. daily, Monday through Friday.
- 17 Q And can you give us an approximate number of trucks
- 18 you would have loading for outbound each day, nationwide?
- 19 A I try to keep it to a minimum, but probably ten.
- 20 Q Does your traffic involve both less than truckload
- 21 and truckload shipments?
- 22 A Yes, both.
- 23 Q Does that one dock also accommodate inbound freight
- 24 from trucks?
- 25 A Just small parts, that's all. When I speak of

1 inbound, it's very -- not very much at all.

2 Q Okay. Well, how do you receive your inbound raw
3 materials from which you make the springs?

4 A Rail, and also truckload.

5 Q Okay. And the truckload, do they use this particular
6 dock for unloading, or is it a different operation?

7 A No. It's a different part of the building.

8 Q Okay. That's what I was getting at. What is the
9 total volume that your company produces and ships in a year's
10 time?

11 A This year, I think probably between 35 and 40 million
12 pounds.

13 Q Your facility is in Allegheny County, and you
14 understand that what we would be concerned with would be
15 shipments going into the central part of the state in
16 Huntington, Blair, Bedford, Clearfield, parts of Cambria and
17 Somerset Counties?

18 A Yes.

19 Q And do you have customers in those particular
20 counties?

21 A Yes.

22 Q On an annual basis, can you indicate for us how much
23 freight you have into those areas?

24 A Probably between 1 and 2 million pounds, probably.

25 Q Specifically, where do you have customers in those

1 five or six counties?

2 A Oh, in Bedford, Juniata, State College, Altoona.

3 MR. GRAF: Wait a minute. Bedford and what?

4 THE WITNESS: Juniata, State College, Altoona,
5 Hollidaysburg, Johnstown.

6 MR. GRAF: Could you possibly go just a little bit
7 slower? I can't write quite that fast.

8 THE WITNESS: Sure. Where are you at?

9 MR. GRAF: I got State College and then Altoona. I
10 didn't get what -- you gave me Bedford, Juniata, State College
11 and Altoona.

12 THE WITNESS: Johnstown, Windber.

13 BY MR. LAVELLE:

14 Q Would those be representative?

15 A Yeah, right.

16 Q Now, looking at that map, State College is in Centre
17 County, so you understand that would be outside the
18 application, and Juniata is also in another county.

19 MR. GRAF: It's in Blair. Juniata is in Blair County.
20 It's right outside of Altoona.

21 JUDGE PORTERFIELD: I thought it was further east than
22 that, but I could be mistaken.

23 VOICE FROM THE FLOOR: There's a Juniata County. It's
24 down by Harrisburg.

25 MR. GRAF: There's Juniata County. Juniata is a suburb

1 of Altoona.

2 THE WITNESS: Right.

3 MR. LAVELLE: Juniata is a suburb of Johnstown --

4 MR. GRAF: Altoona.

5 MR. LAVELLE: Altoona. I'm sorry.

6 MR. GRAF: As an old Altoona boy, I'm familiar with it.

7 MR. LAVELLE: Juniata is a suburb of Altoona, and so it
8 would be included in the application. State College is in
9 Centre County and is outside the scope of this application.
10 The other points, I believe, were within the scope.

11 BY MR. LAVELLE:

12 Q Are you able to tell us what the frequency of your
13 shipments would be to any one of those customers? Are there
14 any you ship to on a regular basis?

15 A Probably weekly.

16 Q Would that be to each one of them?

17 A Well, no, not -- it varies. Like, you can never say.

18 Q Are there any of those customers that you referred to
19 that are a regular customer and get repeat shipments, like you
20 said, weekly?

21 A Sure, there could be, yeah.

22 Q Which of the customers would they be? I'm trying to
23 distinguish those who are regular customers, week in and week
24 out.

25 A We ship a lot to McClanahan Corporation, Berwyn

1 Railway Service.

2 Q Could you put towns with those?

3 A McClanahan is Hollidaysburg. Berwyn is
4 Hollidaysburg; ConRail, Altoona; Bethlehem Steel, Johnstown;
5 smaller machine shops and repair shops, what have you.

6 Q Those Johnstown, Altoona and Hollidaysburg would be
7 the ones to which you would have the more repetitive type
8 shipments, I take it?

9 A Right.

10 Q The other ones would be more infrequent?

11 A Yes.

12 Q Collectively, in a year's time, they would receive
13 between a million and 2 million pounds of freight?

14 A Right.

15 Q What is the range in size of your less than truckload
16 shipments?

17 A Probably 200 pounds to 20,000 pounds.

18 Q When you ship from Sharpsburg into these locations,
19 what time in transit are you looking for from the carrier?

20 A Next day service.

21 Q Did you indicate that you need van equipment on this?

22 A Van. We use a lot of vans. We use flatbed equipment
23 also.

24 Q On your LTL would any of the shipments up to the
25 20,000 pound range be on other than van equipment?

1 A Occasionally, yeah. Flats, occasionally.

2 Q Have you used the service of Pitt Ohio up to this
3 point?

4 A Yes.

5 Q On shipments moving within the State of Pennsylvania?

6 A Well, all over Pennsylvania. You know, central and
7 eastern part of Pennsylvania, little bit into this area.

8 Q Have you used Pitt Ohio to other states?

9 A Yes, Ohio, West Virginia, Maryland.

10 Q How long have you been using Pitt Ohio to any of
11 these areas?

12 A The last ten years.

13 Q How would you characterize their service?

14 A Very good, excellent.

15 Q Now, what specifically do you see as an advantage to
16 your company if the Commission were to grant this application
17 to Pitt Ohio?

18 A I like a company that can make multiple pickups.

19 Q Meaning what?

20 A Meaning if they're there for, you know, one
21 particular point and they service another area, I can give it
22 to them. Like, they can take three or four different
23 shipments for me.

24 Q Okay. Give me specifics as to what you mean.
25 They're all shipments originating in Sharpsburg?

1 A Right, and if they're going to Ohio, West Virginia,
2 if I also have a shipment maybe for this area, I'd give that
3 to them also.

4 Q At the same time?

5 A Right. That would keep the number of trucks down in
6 the facility for that particular day.

7 Q Is that one of the goals of your company?

8 A Well, yeah. We have very limited space. It's a
9 narrow street where we're located, plus we have just the one
10 dock, so --

11 Q So you're looking to them to handle whatever LTL
12 freight you have available on a given day?

13 A That particular day, right.

14 Q Pick it up on one truck, at one stop?

15 A Right.

16 Q How far is the main terminal of Pitt Ohio Express
17 here in Pittsburgh from your Sharpsburg --

18 A Approximately three miles.

19 Q Do you ever have emergency type shipments, where
20 something comes in, an order comes in and has to be produced
21 and gotten out the door in short order?

22 A Oh, yeah, yes.

23 Q What's the latest time in the day that you would
24 normally call a carrier for service?

25 A Probably 1:00 o'clock in the afternoon.

1 Q And then you would expect that carrier to be there by
2 3:00 p.m. for the pickup?

3 A By 3:00, right.

4 Q There are several carriers that are opposing the
5 application, McQuaide Trucking, Ward Trucking Corporation,
6 Evans Delivery. Are you familiar with any or all of those
7 companies?

8 A Yes, I am.

9 Q Are you --

10 A All three.

11 Q Have you used all of them at one time or another?

12 A Yes.

13 Q Are any of them being used today into this central
14 five or six counties of Pennsylvania?

15 A Yes.

16 Q Which company or companies?

17 A McQuaide. I use McQuaide.

18 Q To where?

19 A Johnstown, Altoona.

20 Q How about Ward Trucking?

21 A Not in that area, no.

22 Q And Evans Delivery, where are they used?

23 A Mostly in the east, I'll occasionally use them.

24 Q When you say east, are you talking about Eastern
25 Pennsylvania, or beyond the state?

1 A Well, Eastern Pennsylvania or New Jersey, those
2 areas.

3 Q Is it your intention to confine your shipments into
4 these six counties to one carrier?

5 A Well, that's not -- that's not part -- possibly, you
6 know, to just use one carrier, but I'm trying to keep the
7 scope down, limit it.

8 Q You indicated McQuaide is being used in Johnstown?

9 A Yeah, yeah.

10 Q Would you use McQuaide and Pitt Ohio into Johnstown,
11 or would only one of those carriers be used?

12 A No, no. I could use both of them.

13 Q Would the same be true with respect to the other
14 destinations?

15 A Yeah.

16 Q So it's not your intention to limit your use of
17 carriers into this area to just one carrier alone?

18 A No.

19 Q Pitt Ohio will not get all of your freight?

20 A No.

21 Q And McQuaide won't get all your freight?

22 A No. Right.

23 Q Nor Ward?

24 A No. Nobody gets it all.

25 MR. LAVELLE: I have no further questions, Your Honor.

1 JUDGE PORTERFIELD: Mr. Graf.

2 CROSS EXAMINATION

3 BY MR. GRAF:

4 Q Sir, when you mentioned Juniata, were you referring
5 to rail shipments to the Juniata works of ConRail?

6 A Berwyn Railway Service.

7 Q Pardon?

8 A Berwyn Railway Service. They're in that area.

9 Q And Altoona would be the railroad shop there, right?

10 A Right.

11 Q And also Hollidaysburg, the McCray works of ConRail?

12 A Right.

13 Q On your use of McQuaide, have they also served
14 Juniata and Hollidaysburg?

15 A It's possible I've given those shipments.

16 Q You know that McQuaide can serve you to any point in
17 Pennsylvania?

18 A Yes, I'm aware of that.

19 Q And that they also have interstate authority?

20 A Right.

21 Q And they could serve you to -- I think you mentioned
22 Ohio.

23 A Right.

24 Q Was it West Virginia? I'm not sure.

25 A West Virginia, right.

1 Q And McQuaide could serve you there, you're aware of
2 that?

3 A Yeah.

4 Q How about Ward? They can serve you anywhere in
5 Pennsylvania, can't they?

6 A I'm not sure about that.

7 Q And you know Ward has interstate authority also?

8 A Right.

9 Q How about Evans? You said you've used them, but
10 you --

11 A To the east, right. New Jersey mostly, on occasion.

12 Q Do you know where McQuaide has terminals?

13 A Well, I thought it was just Johnstown. I heard
14 earlier testimony that --

15 Q Neville Island also?

16 A Right. I'm just finding that out.

17 Q Do you know where Ward's terminal is?

18 A Altoona.

19 Q And Evans?

20 A I'm not sure about Evans, where they're at.

21 Q How long have you used McQuaide to the Johnstown-
22 Altoona area?

23 A Quite a few years.

24 Q And you've used Ward to Eastern Pennsylvania and New
25 Jersey how long?

1 A Ward?

2 Q Ward.

3 A I don't think I've -- I don't recall using them
4 there. I use them in interstate, you know. Into North
5 Carolina I think.

6 Q I see. Maybe I mistook that. That was Evans you
7 were talking about?

8 A Evans, yeah.

9 Q How long have you used Evans to Eastern Pennsylvania
10 and New Jersey?

11 A For the last five years maybe.

12 Q How long have you used Ward to North Carolina points?

13 A It has just been the last couple years.

14 Q You know that both Ward and McQuaide could also serve
15 Bedford and Windber?

16 A Um-hum, yes.

17 Q Have you used McQuaide into Windber and Bedford also?

18 A Probably have, yes, in the past.

19 MR. GRAF: Thank you, sir. Those are the only questions
20 that I have. Well, I have one more.

21 BY MR. GRAF:

22 Q How long has your company been at Sharpsburg?

23 A Since 1947.

24 Q And in that whole period you've had one dock?

25 A Right.

1 Q Your business grown?

2 A Oh, yes, yes.

3 MR. GRAF: Thank you. That's all I have.

4 JUDGE PORTERFIELD: Mr. Lavelle?

5 MR. LAVELLE: I have no other questions, Your Honor.

6 JUDGE PORTERFIELD: Thank you Mr. Bell.

7 MR. BELL: Okay.

8 MR. LAVELLE: Sir, that is the third witness this
9 morning and -- I didn't realize it would go quite this fast.
10 We have two coming this afternoon. We'll try to get the one a
11 little before 1:00 o'clock and the other one we moved up from
12 2:00, 2:15, to try to get him as close to 1:00 as well.

13 JUDGE PORTERFIELD: How long would you like to break for
14 lunch, maybe an hour and 15 minutes?

15 MR. LAVELLE: Well, if we could come back at 1:00
16 o'clock, hopefully they'll both be here and testify one after
17 the other, and Mr. Hammel can testify as well.

18 JUDGE PORTERFIELD: Very good. We'll adjourn until 1:00
19 o'clock.

20 (Lunch recess was taken at 11:40 o'clock a.m., to
21 resume at 1:00 o'clock p.m.)

22 DONALD BECKETT, having been duly sworn, was examined
23 and testified as follows:

24 JUDGE PORTERFIELD: Please have a seat.

25 DIRECT EXAMINATION

1 BY MR. LAVELLE:

2 Q What is your name, sir?

3 A Donald Beckett.

4 Q What company are you employed by?

5 A Watson-Standard Paint Company.

6 Q What is your business address?

7 A 616 Hite Road, Harwick, and Neville Island, Grand
8 Avenue, Neville Island.

9 Q Is Harwick the name of a town?

10 A It's a town, yes.

11 Q A community?

12 A It does have a post office.

13 Q Is that your business address, Harwick?

14 A Yes.

15 Q And you mentioned Neville Island. In what
16 connection?

17 A They're Watson-Standard also, just another division
18 in Neville Island.

19 Q What is your position with the company?

20 A I am plant superintendent and traffic manager for all
21 divisions of Watson-Standard.

22 Q Do you have general supervision over the
23 transportation activities at both plants?

24 A All.

25 Q All?

1 A Yes.

2 Q How long have you been employed by the company in
3 that position?

4 A I've been employed in that area for eight years, but
5 I've been with the company for fourteen.

6 Q Would you explain for us the type of business of
7 Watson-Standard Paint Company?

8 A We make various chemical coatings for the can
9 business. We also make machinery, finishes, primers, things
10 of that sort. Make various different colors to do -- under
11 special application, Beckwith Machinery. Enamals, things of
12 that sort.

13 Q Does the company manufacture and market paint for the
14 general consumer?

15 A Not for the consumer itself, but more for business.
16 People who are in the sandblasting business may -- they have
17 these auctions for machinery. They come in, sandblast 50, 60
18 pieces of equipment and repaint them for the auction, for
19 sale.

20 Q It's more in the business and industrial areas that
21 you concentrate?

22 A Yes.

23 Q Now, what type of plant do you have at Harwick? What
24 does it produce? Is it an all manufacturing plant?

25 A We manufacture -- that's our general office. We

1 manufacture there, ship out of there. The same with our
2 Neville Island division, manufacture.

3 Q Where is Harwick located, what county?

4 A That's in Allegheny County.

5 Q Can you identify it more specifically?

6 A It's closer to Springdale.

7 Q Up the Allegheny River?

8 A Right up the Allegheny River, right off the
9 Pennsylvania Turnpike, at Exit 5.

10 Q Does that plant have connected with it any type of
11 warehouse?

12 A We warehouse all of our material within the building,
13 yes.

14 Q Is it a sizable warehouse?

15 A Yes.

16 Q What is at Neville Island?

17 A Neville Island also manufactures. They do have a
18 smaller warehousing area, but they still do warehouse
19 material, finished goods there.

20 Q Do the two plants both produce the same types of
21 products?

22 A No. Completely different products.

23 Q You earlier mentioned -- indicated that you had
24 plants in other than these two locations?

25 A Well, we have a glass division in Millvale and we

1 also have another division out of the state in Chicago.

2 Q Are neither one of those involved in this case,
3 though?

4 A No.

5 Q All right. Between the two plants, do you have any
6 idea of how many different, individual type products are
7 produced?

8 A Thousands. Thousands of different types of coatings
9 for varnishes, size coatings, whites, various colors to do
10 specific jobs.

11 Q You mentioned, when you were describing the type of
12 business, coatings for can manufacturers.

13 MR. GRAF: For what?

14 MR. LAVELLE: Can manufacturers.

15 THE WITNESS: Can manufacturers.

16 BY MR. LAVELLE:

17 Q Would you be more specific and explain what type of
18 product you have there?

19 A We make the coating on the outside of Pepsi cans.
20 The white on the Pepsi can is our coating. We make that
21 coating. It goes down, they roll it through what they call a
22 coater and through a series of ovens. It gets baked on. Then
23 they come back over it with the red and blue ink and they use
24 -- then they use our varnish over top of that material.

25 Q You produce the coloring agent or varnish?

1 A Varnish.

2 Q You don't actually do all that process you just
3 described --

4 A We just make the material which they use to put on
5 the metal.

6 Q So in that case it would be the varnish, plus what,
7 two or three colors of paint?

8 A We make the white and then we make the varnish that
9 goes over the top of the inks they purchase on their own.

10 Q Do you do the -- produce the paint that goes on any
11 number of different types of cans that --

12 A We make can coatings for all over the world, yes.

13 Q When you ship these products out, what's the form?
14 Is it in a bulk form or non-bulk packaged type form?

15 A They're either in 55 gallon drums, five gallon pails,
16 and sometimes one gallon cans.

17 Q And you ship in one of those types of containers,
18 depending on the customer requirements?

19 A Depending on the requirements of our customer, right.
20 Usually when they're packaged in containers, smaller
21 containers, usually their usage is lower volume on that. Or
22 it may be air dry coating, and once you open the seal on the
23 drum, it has a tendency of skinning over the material and it
24 makes -- they have to throw it out. It's a loss.

25 Q What are your normal shipping hours and days that you

1 ship from these two plants?

2 A Harwick is 7:00 till 3:30, and Neville Island 7:00
3 until -- really 3:30, but we do have a second shift in case a
4 customer needs material later in the day.

5 Q Does that occur with any kind of frequency, those
6 late day shipments?

7 A They happen weekly, and lots of times our customers
8 will need same day service or early next morning service.

9 Q What's your normal standard when you make a shipment
10 from your plant here to a customer, let's say, in this Central
11 Pennsylvania area that's involved?

12 A It should be next morning. It's not all the time
13 that you get that, but you should have that service all the
14 time.

15 Q Now, from the two plants in Allegheny County, do you
16 have a -- do you have any customers that are located in the
17 six county area in Central Pennsylvania, consisting of
18 Bedford, Somerset, Huntingdon --

19 A We do have several. We have several customers.

20 Q Where are they located?

21 A One is in Bedford, and we do send some other material
22 -- I'm just trying to think of where else. I know Bedford is
23 one of them.

24 Q Let's deal with Bedford then, while you mentioned
25 that. What type of a customer do you have there? What

1 product does --

2 A I believe they -- I believe that they manufacture
3 some kind of a finish for -- some kind -- it's an air dry
4 finish for metal. I believe it's on some kind of a toy, or
5 something along that line.

6 Q How often do you ship to that Bedford customer?

7 A I'd say once, twice a month. Maybe on occasions we
8 may ship four times in one month to them.

9 Q What's the normal size of a shipment going to that
10 customer?

11 A 2,000 pounds, and on occasion maybe larger.

12 Q Is the product that's taken by that customer one
13 that's normally in stock in your warehouses?

14 A Generally it is, but we make so many various colors
15 for them that we don't just keep a large quantity on hand at
16 all times, and sometimes when we get these orders in, we have
17 to manufacture and possibly ship the next day, or stay and
18 ship the same day. In fact, sometimes they've come down and
19 picked up paint on their own.

20 Q With their own trucks?

21 A Yes.

22 Q But you do have occasions when you have to get
23 material out to them the same day shipment? They have to
24 receive it the same day?

25 A Yes.

1 Q In that area that I was referring to here, the other
2 counties, Clearfield, Cambria, Somerset and Blair, do you have
3 customers -- any other customers in those counties, or the
4 other two?

5 A Well, we don't have any other customers. Maybe one
6 or two, but they don't buy that much material. But we had a
7 salesman that just retired and we have another new salesman in
8 the area and we're hoping to develop that area a bit more.

9 Q How long has that salesman been in that area?

10 A I would say for about eight months.

11 Q Have you used the service of Pitt Ohio on any of your
12 shipments to any point?

13 A I use Pitt Ohio on just about all the shipments that
14 they can service us on.

15 Q You're aware they have some authority in the western
16 part of the state?

17 A Yes.

18 Q Which, on the map you're looking at, would be the
19 part west of that yellow line?

20 A Right.

21 Q Are you using them in that territory today?

22 A Yes. If I need something there the same day and I
23 call somebody there, the dispatcher; and if I can't get
24 anybody, I talk to Bob or Chuck Hammel and I can generally get
25 it there the same day.

1 Q Within that Western Pennsylvania area?

2 A Yes.

3 Q Or other areas?

4 A Or even New Jersey. If I need something there
5 tonight in New Jersey and I called them this morning, they'd
6 run the truck straight through for me.

7 Q We were talking about Western Pennsylvania, you using
8 them into New Jersey interstate. Any other areas?

9 A We use them in Ohio, West Virginia, Ohio, Eastern
10 Pennsylvania, Western Pennsylvania, and even into the area
11 that's being talked about.

12 Q What's the makeup of your freight, generally
13 speaking? Less than truckload or truckload?

14 A Generally, less than truckload. However, we do have
15 some truckload business.

16 Q Where you're using Pitt Ohio into the surrounding
17 states, Eastern Pennsylvania, is that truckload or less than
18 truckload?

19 A I would tell you that the majority of the time it is
20 less than truckload.

21 Q And have you had occasions when you called them for
22 same day pickup and delivery and they provided that service?

23 A Yes.

24 Q Do you ever have a situation where a customer puts an
25 order through your company for material that happens to be

1 produced at both plants? In other words, some is produced in
2 Harwick and some's produced at Neville Island?

3 A No, no. It's all completely different material. We
4 do have quite a few times when a customer may need material
5 that we make up at Harwick and some material that they make
6 down in Neville Island because they are so different and it
7 may still be going to the same customer.

8 Q Well, I apparently didn't make my question clear,
9 then. That is what I had in mind. In other words, one
10 customer orders materials which you produce in two different
11 plants. That occurs?

12 A Yes, yes.

13 Q Do you -- are you able to ship out of those two
14 plants at the same time going to that customer?

15 A Yes.

16 Q Has that ever happened?

17 A Yes, quite frequently.

18 Q How often do you have that come up?

19 A That's, I would tell you, more than once a week.

20 Q If you had one carrier that could make the pickup at
21 both those plants, either with the same truck or through a
22 terminal and consolidate it for delivery, would that be of any
23 advantage to you, benefit to you?

24 A Yes, yes, definitely.

25 Q How frequently do you use Pitt Ohio's service?

1 A We use Pitt Ohio daily. We probably -- I may have --
2 some days I may have as many as five, six shipments going with
3 Pitt Ohio, down to one a day. But generally, it's more than
4 one a day.

5 Q And when you have five or six, would they be going to
6 the -- to different customers?

7 A All different customers, all different locations.
8 The main thing is, you know, we have so many -- so much area
9 there at our building and to try to stop confusion out in the
10 shipping area, we try -- we've been trying -- in fact, we're
11 putting a big push on right now to limit our carriers into the
12 building.

13 Q How is that going to be of advantage to your
14 operation?

15 A Well, as of right now, generally, when I call Pitt
16 Ohio in for a pickup, unless that needs delivered the same
17 day, I can call them -- I call them in everyday some time
18 between 10:00 and 10:30 in the morning. I only have several
19 hours that I spend out with traffic, our traffic end of
20 things, and when everything is prepared, I go out, I call the
21 trucks in, I write the bills up and I call -- you know, I make
22 sure that everything is taken care of.

23 Right now we're using basically four different carriers,
24 and really, everything comes down to our service end of things
25 and it's becoming more and more important with our customers.

1 Most customers today are using paint companies, or I'm sure
2 other companies, as a warehouse situation or just in time.
3 Most companies today are ordering their material just in time
4 and you have to find -- we have to find a way to get it there
5 in time to these customers.

6 Q If you have one carrier, then, that can handle a
7 variety of different locations for you, does that ease that
8 problem?

9 A Yes, it does.

10 Q Have you --

11 A You know, like New Jersey, Pitt Ohio covers New
12 Jersey and West Virginia and eastern parts of Ohio, and we use
13 them in all those areas. Erie.

14 Q There are three carriers that are opposing this
15 application. I want to ask you a question or two about them.
16 McQuaide is one. Have you had any experience with that
17 company?

18 A I've had very little experience with them. However,
19 they have been in to see me, but it's been quite some time.

20 Q When was the last time you recall that you had a call
21 from McQuaide's salesman?

22 A I would say five, six months, minimum.

23 Q Are you using them into this central area of
24 Pennsylvania?

25 A No. I don't use anybody but Pitt Ohio in

1 Pennsylvania, as of right now.

2 Q How about Evans delivery?

3 A I've talked to them, but then again, it's been some
4 time since I've last seen them.

5 Q Do you remember what the nature of their sales call
6 was? Were they after any particular type of freight?

7 A They were looking for freight not in that area, but
8 into the eastern end of Pennsylvania, and they were more or
9 less interested in the truckload business.

10 Q How about Ward Trucking?

11 A Ward Trucking has been in more than the other two,
12 but I would still say it's been quite awhile. I can't
13 remember the exact date of the last time they've come in.

14 Q When you say were in, are you talking about a sales
15 call or actual service?

16 A Sales rep to come in and talk business.

17 Q Have you used Ward's service at all?

18 A Yes, I have. Ward's service -- we have a collect
19 shipment. Our customer may sometimes route a shipment, or
20 things of that sort, and I have to call them in. Sometimes
21 there's -- you know, sometimes there's service or pickups and
22 I have to stay late after work to have them picked up.
23 They're going to say well, it's going to be later in the day,
24 we may not have somebody in that area.

25 Q Do you know if they have a Western Pennsylvania

1 terminal that you call?

2 A I haven't called them enough to answer that.

3 Q Should the application be granted by the Commission,
4 would you continue to use Pitt Ohio exclusively to service
5 this area in Pennsylvania?

6 A Most definitely. I think that if our customer there
7 in Bedford needs their paint today, they won't have to send a
8 truck down to pick it up on their own. I can tell them that I
9 can get it there for them with somebody, with a carrier. I
10 think it will mean something to them also.

11 MR. LAVELLE: Thank you, Mr. Beckett. I have nothing
12 else, Your Honor.

13 JUDGE PORTERFIELD: Mr. Graf.

14 CROSS EXAMINATION

15 BY MR. GRAF:

16 Q Have you ever called McQuaide and asked them whether
17 they can give you same day service?

18 A I don't really need to call McQuaide.

19 Q That wasn't my question. Have you ever called and
20 asked them whether they could give you same day service?

21 A No, I haven't.

22 Q Have you ever called Ward and asked them whether they
23 could give you same day service?

24 A No, I haven't.

25 Q You indicated you wanted a carrier that can handle

1 wherever you ship, which I understood to be Pennsylvania, New
2 Jersey, West Virginia and Ohio. Are you aware that McQuaide
3 could handle all those points for you, all of Pennsylvania?

4 A All of Pennsylvania, but I'm not aware of the rest of
5 the points.

6 Q All right. And are you aware that Ward can handle
7 all of Pennsylvania, plus the other states you've named?

8 A No. I haven't seen a sales rep.

9 Q You said for some time?

10 A Yes.

11 Q But you couldn't tell me how long that's been?

12 A It's been months.

13 Q And I think you said you have used Ward if a customer
14 requests it?

15 A Yes. There's one that's not in that service area.

16 MR. GRAF: I see. Okay. Thank you. That's all I have.

17 JUDGE PORTERFIELD: Any redirect, Mr. Lavelle?

18 MR. LAVELLE: I have no redirect.

19 JUDGE PORTERFIELD: Thank you, Mr. Beckett. Would you
20 like a few moments with your witness?

21 MR. LAVELLE: Can I have two or three minutes?

22 Appreciate it.

23 JUDGE PORTERFIELD: Yes.

24 (A brief recess was taken.)

25 MR. LAVELLE: This witness has not been sworn.

1 ROBERT MACKAY, having been duly sworn, was examined
2 and testified as follows:

3 DIRECT EXAMINATION

4 BY MR. LAVELLE:

5 Q Please state your name for the reporter?

6 A Robert Mackay.

7 Q How do you spell that?

8 A M-a-c-k-a-y, small K.

9 Q Would you give her your business address, please?

10 A 4001 William Penn Highway.

11 Q In what city?

12 A Murrysville, Pennsylvania.

13 Q In what county is Murrysville?

14 A Westmoreland.

15 Q What company are you employed by?

16 A Weyerhaeuser.

17 Q And what is your position?

18 A Service manager, operations.

19 Q To what extent do you get involved in the
20 transportation operations of the company, then?

21 A That's my job, all of transportation.

22 Q So you're, in effect, the traffic manager for the
23 company?

24 A Yes.

25 Q How long have you been employed by Weyerhaeuser?

1 A Five and a half years.

2 Q This company has other facilities?

3 A There's approximately 58 other facilities like ours.

4 Q You're responsible just for the Murrysville?

5 A Yes.

6 Q And that's what you'll be talking about?

7 A Yes.

8 Q What is the business of Weyerhaeuser at Murrysville?

9 A Wholesale distribution of building products.

10 MR. GRAF: Of what?

11 THE WITNESS: Building products.

12 BY MR. LAVELLE:

13 Q And specifically, what types of building products?

14 A Lumber, plywood, nails, paneling, roofing, shingles,
15 things of that nature.

16 Q Do you produce those at Murrysville, or merely store
17 them there for further shipment?

18 A Store them there for further shipment.

19 Q There's no actual manufacturing or production of
20 these type of things?

21 A No, no.

22 Q Okay. Do you have any inbound shipments of these
23 materials to your warehouse in Murrysville from points in
24 Pennsylvania, and specifically the central third of the State
25 of Pennsylvania?

1 A No.

2 Q So you'll be strictly on an outbound service basis?

3 A Yes.

4 Q The shipments that you make from this Murrysville
5 warehouse, do they go -- let me ask it this way: What is the
6 market area for your warehouse?

7 A Western Pennsylvania, Eastern Ohio, Northern West
8 Virginia, down to Clarksburg, Weston and the western half of
9 Maryland.

10 Q What is the range and the weight of your shipments?

11 A They go anywhere from 30 pounds to 50,000 pounds.

12 Q Is there any range that so-called less than truckload
13 shipments would fall into as a general rule, or might
14 shipments be all over the spectrum, as far as weight is
15 concerned?

16 A Probably from around a normal of thousand pound to
17 10,000 pound on LTL.

18 Q Does your company operate any of its own vehicles?

19 A We have seven tractor trailers and --

20 MR. GRAF: I can't hear you, sir.

21 THE WITNESS: I'm sorry. Seven tractor trailers and one
22 straight job.

23 BY MR. LAVELLE:

24 Q Do you use those trucks throughout this entire area?

25 A Yes.

1 Q Is there any specific type of shipment that the
2 private trucks handle, in terms of areas or weight, types of
3 customers?

4 A Anything that we can't take on our trucks, such as a
5 small shipment. It's out of our -- we don't have any -- it
6 would make it not economically feasible to take, we'll put it
7 on common carrier.

8 Q What shipments would fall into that category, that
9 would be given to a common carrier?

10 A Skid of nails, five or six panelings of a unit of
11 one, a unit of plywood, if we can't get it to them another
12 way.

13 Q Do you have calls for just a couple of pieces of
14 plywood?

15 A At times, if it's a specialty plywood.

16 Q To what types of locations do you ship from
17 Murrysville? Who are your customers?

18 A Fagen's, 84 Lumber, Lesser Lumber (phonetically),
19 Lowe's, Incorporated, Bower Home Centers, individual -- you
20 know, little private yards.

21 Q Do all of your shipments go from your warehouse to --
22 tp use an example that we're all familiar with here -- 84
23 Lumber Distribution Center? Is that that type of a
24 destination to which all of your shipments move?

25 A They go right to the yards, right to the lumber

1 center.

2 Q Did you ever make shipments to other than those
3 lumber centers?

4 A No. You mean like a job site?

5 Q Right.

6 A No. Well, we do, but we can't take it to them on our
7 trucks.

8 Q I'm speaking in a general sense. You do have
9 shipments that move from the warehouse to a job site?

10 A To a job site, yes.

11 Q But not by your own trucks?

12 A Not by our own trucks.

13 Q Why is that?

14 A It's a company policy.

15 Q What's the reason for the policy?

16 A Another dealer can see the truck there and get the
17 wrong idea that we're selling to the contractor.

18 Q You sell --

19 A We sell through the yard.

20 Q And the contractor sells to the lumber yard?

21 A Yes.

22 Q And so any shipment going directly to the job site
23 would have to be handled by common carrier?

24 A Yes.

25 Q Regardless of size?

1 A Regardless of size.

2 Q And any shipment in the less than truckload category,
3 or at least up to a certain range that you find not
4 economically feasible to handle, would be on a common carrier?

5 A Yes.

6 Q Would the typical thousand pound shipment be tendered
7 to private -- or common carrier?

8 A Yes.

9 Q Now, within this central part of the State of
10 Pennsylvania you have customers, and I assume the names you
11 gave us before are typical of the people to whom you ship?

12 A Um-hum.

13 Q Can you indicate for us more specifically where they
14 are located by the specific town?

15 A Okay.

16 Q And if, while you're doing it, if you can also tell
17 us how frequently you ship to each point in terms of annual
18 weight or number of shipments in a year and so forth.

19 MR. GRAF: Are these the common carrier movements now?

20 MR. LAVELLE: I'm limiting it to common carrier, right.

21 THE WITNESS: Altoona, probably seven -- six, seven
22 shipments a year. Johnstown, 12, 15 shipments a year.
23 Bedford a couple times -- a couple, four times a year.

24 MR. GRAF: A couple what?

25 THE WITNESS: A couple, two or four times a year. These

1 are approximate, so I have no way of knowing. Salisbury,
2 Pennsylvania four, five times a year. Meyersdale three times
3 a year. Up in Clearfield County, State College a couple,
4 three times a year. Kane, PA, there's an 84 yard up there we
5 deal with.

6 MR. GRAF: How many?

7 THE WITNESS: Kane, it's probably two, three times a
8 year. Somerset area, maybe ten times a year. Huntingdon is
9 always a common carrier point. That's three, four times a
10 year. DuBois, that's usually a common carrier. That's two,
11 three times a year.

12 BY MR. LAVELLE:

13 Q Are there any others?

14 A Martinsburg, that's a couple times a year. Everett,
15 couple times a year. I'm trying to think of who else is up
16 there. St. Mary's. I don't know if I said that one or not,
17 but that's a couple, three times a year.

18 Q These are lumber yard centers you referred to?

19 A Building home centers, lumber yards.

20 Q Now, you also have customers, as you said, in the
21 western third of the state?

22 A Yeah.

23 Q As well as the surrounding couple of states. Have
24 you had occasion to use the service of Pitt Ohio Express from
25 Murrysville to anyplace?

1 A Yes.

2 Q Are you using them in Western Pennsylvania, the
3 western third of the state?

4 A Yes, I am.

5 Q Your local deliveries?

6 A Local deliveries.

7 Q Are you using them in interstate traffic?

8 A In Ohio, West Virginia.

9 Q Have you used Pitt Ohio's service up to this point
10 into the central part of the state to any of those customer
11 locations you just mentioned?

12 A No, I haven't. I wasn't aware they were allowed to.
13 I wasn't aware they could go in there.

14 Q So they haven't been handling any of that traffic up
15 to this point?

16 A No.

17 Q What carrier or carriers have transported those
18 shipments?

19 A McQuaide has taken them up so far, what we have.

20 MR. GRAF: I can't hear you, sir.

21 THE WITNESS: McQuaide has taken them so far, what we
22 have.

23 MR. GRAF: Thank you.

24 BY MR. LAVELLE:

25 Q What has been your experience with McQuaide's

1 service? How have you found it?

2 A They make their pickups.

3 MR. GRAF: I can't hear you.

4 THE WITNESS: I'm sorry. They've made their pickups on
5 time, but I had no idea when it was delivered or what their
6 delivery schedules are.

7 BY MR. LAVELLE:

8 Q Have you called McQuaide to inquire about those
9 items, schedules or when shipments are delivered?

10 A No, no.

11 Q Have you been contacted recently by a salesman or
12 anyone else from the company that would be able to give you
13 that information?

14 A No.

15 Q Have you been satisfied with Pitt Ohio's service
16 within the area that it's now handling shipments for you?

17 A Yes.

18 Q Why are you supporting this application, if you now
19 have McQuaide to haul the shipments into that central part of
20 the state?

21 A I'd rather have one carrier take it all. If I have
22 two or three shipments going out, I have one truck in.

23 Q When you saying two or three shipments going out, are
24 you talking about two or three into that area alone, or
25 throughout the whole area?

1 A Throughout the whole area.

2 Q If McQuaide were able to handle shipments, not only
3 to the central destinations, but also to Western Pennsylvania,
4 Eastern Ohio, the northern part of West Virginia, if they were
5 in a position to handle all those shipments, would that not
6 meet your needs?

7 A Probably meet my needs, but I'm happier with Pitt
8 Ohio. They guarantee me when it's going to be there and I
9 know it's going to be there.

10 Q So you've had good experience with their service?

11 A Very good.

12 Q And if you have your choice, you'll use them into the
13 Central Pennsylvania destinations, rather than McQuaide?

14 A Yes.

15 Q And that would include shipments, not only to those
16 building centers, but job site deliveries as well?

17 A Job site deliveries.

18 Q Would you continue to use your own trucks on
19 truckload traffic, volume shipments into the central part of
20 the state?

21 A Yes.

22 MR. LAVELLE: I believe those are all the questions I
23 have, sir.

24 JUDGE PORTERFIELD: Mr. Graf.

25 CROSS EXAMINATION

1 BY MR. GRAF:

2 Q What percentage of your total shipments moved in your
3 own vehicles to the central part of Pennsylvania?

4 A Percentage of the -- of all the shipments?

5 Q Yeah.

6 A I wouldn't be able to give you an exact, but I'll
7 give you a rough guess. Probably 30 percent or less.

8 Q That's into this area you're talking about?

9 A That's into this area here, yeah.

10 Q What percentage overall moves in your own vehicles?

11 A Probably 90 percent or better.

12 Q As I understand it, on everything but job sites and
13 these small LTL's, you use your own vehicle?

14 A Unless we're not going to be in a certain area when
15 the customer needs it.

16 Q And up to now, as I understood it, all the shipments
17 to this Central Pennsylvania area move by McQuaide?

18 A If we've had something going into central, it's been
19 McQuaide.

20 Q And they have made their pickups on time?

21 A As far as I can remember, yeah.

22 Q And you haven't had any complaints about it, have
23 you?

24 A No.

25 Q And they haven't solicited you?

1 A No, not since I've been there.

2 Q All right. Okay. Now, I understood, you wanted to
3 have one carrier that could service anywhere you ship to in
4 Pennsylvania?

5 A Um-hum.

6 Q And one carrier to go anywhere you ship to in West
7 Virginia and Ohio, is that correct?

8 A I think so, yeah. I think that's what you meant.

9 Q Are you aware that McQuaide can do that for you now?

10 A No, I'm not.

11 Q You've never called on them and asked them whether
12 they could serve West Virginia or Ohio?

13 A No.

14 MR. GRAF: Thank you. That's all I have.

15 JUDGE PORTERFIELD: Mr. Lavelle?

16 MR. LAVELLE: No redirect, sir.

17 JUDGE PORTERFIELD: Does that conclude your shipper
18 support testimony?

19 MR. LAVELLE: Yes. That's the last witness.

20 JUDGE PORTERFIELD: Thank you, Mr. Mackay. You're ready
21 to go ahead with Mr. Hammel now?

22 MR. LAVELLE: Yes. I think that's the next item.

23 MR. GRAF: Do you have any idea how long it's going to
24 last because I have to shift my reservations, check out of the
25 hotel? I don't want to do that if we're going to finish.

1 MR. LAVELLE: It's ten minutes to 2:00. I don't think
2 there's any question we'll finish today.

3 JUDGE PORTERFIELD: You may want to get checked out.

4 MR. GRAF: I do.

5 MR. LAVELLE: Can we go off the record a second?

6 JUDGE PORTERFIELD: Sure.

7 (A discussion was held off the record.)

8 (A brief recess was taken.)

9 JUDGE PORTERFIELD: Mr. Hammel, you were previously
10 sworn, and again sworn this morning?

11 MR. HAMMEL: Right. Double sworn.

12 JUDGE PORTERFIELD: Double sworn.

13 ROBERT HAMMEL, having been previously duly sworn, was
14 examined and testified as follows:

15 FURTHER DIRECT EXAMINATION

16 BY MR. LAVELLE:

17 Q Would you give the reporter your name, please?

18 A Robert Hammel.

19 Q Mr. Hammel, did you testify at the first day of
20 hearing on January 17, 1989, in this case?

21 A Yes.

22 Q Are you again representing the applicant?

23 A Yes.

24 MR. LAVELLE: Your Honor, at the first hearing a number
25 of points came up during the course of that hearing, and Mr.

1 Graf had asked for certain documents or follow-up information,
2 which we're prepared to cover at this point. And there's one
3 other area that I'd like to go into with the witness to bring
4 his operating authority up-to-date, in view of some
5 developments since the first hearing.

6 I have distributed a series of documents we'll be
7 discussing. The first batch, if we can start with those,
8 consists of a decision of the Interstate Commerce Commission
9 served on June 7, 1989. If we could have that marked as an
10 exhibit. The last applicant's exhibit was No. 21.

11 JUDGE PORTERFIELD: We'll sequentially mark that
12 applicant's Exhibit No. 22.

13 MR. LAVELLE: Yes, please. And attached to that is a
14 copy of an Interstate Commerce Commission permit issued to
15 Tose-Fowler on May 5, 1986. If that could be identified as
16 applicant's Exhibit 23.

17 JUDGE PORTERFIELD: Okay. So identified.

18 MR. LAVELLE: And the third item here is excerpts from
19 the Tose-Fowler PUC certificate. If that could be applicant's
20 Exhibit 24.

21 JUDGE PORTERFIELD: Okay.

22 (Applicant's Exhibit Nos. 22, 23 and 24 were produced
23 and marked for identification.)

24 BY MR. LAVELLE:

25 Q Mr. Hammel, if you'll look at the first document

1 here, preliminarily let me ask you this: Did Pitt Ohio
2 Express recently bid for certain operating authority held by
3 Tose-Fowler, Inc., from both the Interstate Commerce
4 Commission and the Pennsylvania Public Utility Commission?

5 A Yes.

6 Q And was your company the successful bidder for that
7 authority?

8 A Yes.

9 Q Shortly thereafter, did you file with the Interstate
10 Commerce Commission and with the Public Utility Commission
11 applications to transfer the operating authorities?

12 A Yes.

13 Q If you look at the document marked applicant's
14 Exhibit 22, which is a decision of the ICC served June 7,
15 1989, does this grant temporary authority to Pitt Ohio Express
16 to operate the Sub No. 20 contract carrier permit issued to
17 Tose-Fowler, Inc., by the Interstate Commerce Commission?

18 A Yes.

19 Q Did you also ask for temporary authority from the ICC
20 to operate the Pennsylvania intrastate authority being
21 purchased from Tose-Fowler?

22 A Yes.

23 Q Under a certain provision of the Interstate Commerce
24 Act that's permitted, is that correct?

25 A That's right.

1 Q Does this order of the Commission on June 7th, also
2 grant temporary authority to utilize those portions of the
3 intrastate authority?

4 A Yes.

5 MR. LAVELLE: Your Honor, the appendix in the ICC order
6 set forth on the second half of the second page there --

7 MR. GRAF: I'll concede they've been granted and
8 properly so.

9 MR. LAVELLE: Okay. Well, that generally describes the
10 authorities that were approved by the Commission.

11 JUDGE PORTERFIELD: Okay.

12 MR. LAVELLE: So that everyone is clear, Your Honor,
13 Exhibit 23 is a copy -- actual copy of the permit from the
14 Interstate Commerce Commission that's referred to in that
15 order. And Exhibit 24, then, is the full excerpt of the
16 Pennsylvania authority being purchased by Pitt Ohio Express
17 that's referred to in a summary fashion in the order, and this
18 will bring the operating authority up-to-date.

19 BY MR. LAVELLE:

20 Q Am I correct, sir, if you take a look at the first --
21 second page of Exhibit 22 in the appendix section, there are
22 some parenthetical numbers and letters, but under the first
23 Pennsylvania authority referred to, Subparagraph (2) (a), that
24 authorizes the transportation of property between points in
25 and east of certain named counties in the state? Do you see

1 that?

2 A Yes.

3 Q Does that route, territory embrace approximately the
4 eastern half of the State of Pennsylvania?

5 A Yes.

6 Q And it would permit service between any two points in
7 that entire eastern portion of the state, is that correct?

8 A Yes.

9 Q And that's a substantial increase in the operating
10 authority from what you described in January of this year, is
11 that correct?

12 A That's right.

13 MR. LAVELLE: Your Honor, Mr. Graf had requested at the
14 January hearing that Mr. Hammel produce for his review copies
15 of leases that Pitt Ohio has for the terminal facilities in
16 Cumberland, Maryland.

17 MR. GRAF: And I have seen them, Your Honor, and I've
18 handed them back.

19 MR. LAVELLE: I just want to ask a couple questions
20 about these documents.

21 BY MR. LAVELLE:

22 Q There are two leases I'm going to show you, Mr.
23 Hammel. These are the ones that you showed Mr. Graf, is that
24 correct?

25 A Yes.

1 Q The one entitled a commercial lease agreement is
2 between Pitt Ohio Express, Inc., and Carlton Brothers
3 Transportation Company, Inc., is that correct?

4 A Yes.

5 Q And it shows in the first paragraph on the first page
6 that the lease was to be effective as of October 1, 1987, is
7 that right?

8 A Yes.

9 Q Did the lease actually take affect on that date, or
10 was it a little earlier?

11 A We actually took the lease earlier, September the
12 11th, 1987.

13 Q And then subsequent to that date, did you acquire or
14 obtain terminal facilities in Cumberland, Maryland at a
15 different location?

16 A Yes.

17 Q And the second document is a lease agreement dated
18 November 30, 1988, between Pitt Ohio Express, Inc., and
19 Central Transport, Inc., is that correct?

20 A Yes.

21 Q Is the terminal facilities referred to in there --
22 I'm looking at Paragraph 1.1. It says commonly known as Day
23 Road Mexico Farms Industrial Park in the City of Cumberland.
24 Is that the location of your facilities now?

25 A Yes.

1 Q In Cumberland, Maryland?

2 A Yes.

3 Q Have you had terminal facilities continuously, then,
4 since approximately September 11, 1987, in Cumberland
5 Maryland?

6 A Yes.

7 MR. LAVELLE: Your Honor, Mr. Graf had also presented at
8 the first hearing a series of exhibits on behalf of the
9 protestant, and they included documents identified as
10 protestant's Exhibit 3 through protestant's Exhibit 17, which
11 were copies of Pitt Ohio freight bills or shipping documents,
12 and Mr. Graf had requested that the applicant make available
13 the manifests that correspond with these particular shipments.
14 BY MR. LAVELLE:

15 Q Mr. Hammel, let me ask you, have you gone back
16 through your records and attempted to obtain the manifests
17 that pertain to each of these shipments?

18 A Yes.

19 Q Were you successful in finding most of those
20 documents?

21 A Yes.

22 Q Were there several that were not located for some
23 reason?

24 A There were some. The ones from '87 had been
25 discarded. We had everything in '88, but there was one that

1 we were unable to locate that could have been misplaced
2 somewhere.

3 Q Using those dates and by reference to Exhibits P-3, 4
4 and 5, all of which were shipments in the latter part of 1987,
5 were you unable to find manifests pertaining to those
6 shipments?

7 A That's right.

8 Q And with one further exception, do you have
9 manifests, then, pertaining to all of the other exhibits that
10 Mr. Graf presented?

11 A Right. We had all of '88 on file.

12 MR. LAVELLE: Your Honor, as I had mentioned earlier in
13 an off the record discussion, we've marked these already and
14 made them correspond to Mr. Graf's exhibit numbers. So that
15 if you look at the first document of the next papers I
16 distributed, in the upper righthand corner there's a reference
17 P-6A, and that is to indicate that this particular document is
18 related to protestant's Exhibit 6, and the A is to indicate
19 that it's the applicant's presentation on that point, as
20 opposed to Mr. Graf's. It has to be distinguished.

21 On several of the exhibits that Mr. Graf presented, for
22 example, protestant's Exhibits 15, 16 and 17, there were two
23 freight bills on the same page, and when we get to those,
24 you'll see that we've marked those in our series of exhibits,
25 P-14A and 14B, to correspond to those two documents.

1 What I'd like to do, then, is go through these -- and I
2 don't think we're going to mark those with any other
3 applicant's exhibit numbers -- and have Mr. Hammel identify
4 these for us now.

5 (Applicant's Exhibit Nos. P-6A, P-8A, P-8B, P-9A,
6 P-10A, P-10B, P-11A, P-12A, P-13A, P-14A, P-15A,
7 P-15B, P-16A, P-16B, P-17A, P-17B were produced and
8 marked for identification.)

8 BY MR. LAVELLE:

9 Q Would you look at the very first document, sir? It
10 is identified as protestant's Exhibit P-6A and it has a
11 caption P & D Performance Log. What does that refer to?

12 A Pickup and delivery log of the driver. It's a daily
13 log of the shipments that the city driver would have.

14 Q I was going to ask you, how is this document prepared
15 and where is it prepared?

16 A It's prepared at the local terminal from which a
17 driver originates, and what it is, is it's a log of all the
18 stops a driver is expected to make on his daily delivery run.
19 It's prepared by a billing clerk after the dispatcher has
20 assigned the bills in the order that he requests the run to be
21 delivered.

22 Q Now, in this particular instance there's a date in
23 the upper portion of it. It shows the date. Is that the date
24 on which this was prepared or the date it was delivered?

25 A That would be the date of delivery.

1 Q And then the odometer readings indicate the beginning
2 and ending, and in some cases here they total them up right --
3 made the mathematical calculation of the total miles run?

4 A That's right.

5 Q On the righthand side, on some if not all the
6 documents, there's a time at which the vehicle left the origin
7 terminal, is that correct, local terminal?

8 A Yes.

9 Q And on this particular one it doesn't show the return
10 time, but would that be the time that's entered there?

11 A Right. The driver is required to record the time he
12 leaves and the time he returns. Sometimes they're remiss in
13 following that instruction, but that's what that's there for.

14 Q Now, in your company is this a document that would be
15 equivalent to a so-called manifest?

16 A This is what we call our manifest.

17 Q It shows all the shipments that this particular
18 vehicle and driver Kevin Blair handled on January 13, 1988?

19 A That's correct.

20 Q All right. Now, where does -- where did Mr. Blair --
21 at this time what terminal was he assigned to?

22 A Cumberland.

23 Q Is there anything on this document itself which shows
24 that?

25 A This is one of the older P & D logs and I don't think

1 that this one indicates that. The newer logs, the newer
2 manifests have a log incorporated on the bottom.

3 Q As we get into some others, will it show that you
4 changed the format of your document?

5 A Yeah. This one also leaves a space on the bottom
6 that shows terminal, and it also leaves space for fuel usage.
7 This driver didn't complete the manifest properly, but this
8 should have indicated his origin terminal.

9 Q But did you check your records and do you know that
10 Kevin Blair operated as a local driver out of the Cumberland
11 terminal?

12 A Yes, he did.

13 Q Now, which of the shipments on this exhibit is the
14 one specifically corresponding to the protestant's Exhibit 6?
15 If you do it by line number, it might be the easiest way, in
16 the lefthand column.

17 A Line No. 5.

18 Q The customer name is Whitehill --

19 A Whitehill Lighting, State College, one piece
20 delivered, 50 pounds.

21 Q Okay. Oh, I see. In the weight column it has a one,
22 then there's a space, then there's a 12. Does that mean --
23 how do you interpret that?

24 A I think that was an inhouse figure that we were using
25 at the time to indicate the origin -- I mean the pickup date

1 of the bill so we could track how old the shipment was for
2 tracing purposes. That's not a uniform procedure that's done,
3 though.

4 Q All right. Back over two or three columns to the
5 left of that, under PCS. That's one piece. The next column,
6 weight, is 50 pounds, is that right?

7 A That's right.

8 Q That corresponds to the other document, P-6?

9 A Right.

10 Q Now, going across the column headings, time
11 delivered, that shows the time the driver actually arrived at
12 State College to make this delivery?

13 A That's right.

14 Q And apparently it took him three minutes to deliver
15 it --

16 A That's right.

17 Q -- is that right? And what's the significance of the
18 next column, headed odometer last three digits?

19 A The driver is required to put the last three digits
20 of his odometer at every stop so we can see the mileage. We
21 can check the mileage between stops, or the average miles per
22 hour he's averaging on a daily run.

23 Q So looking at the total mileage in that area at the
24 top I referred to earlier, this particular vehicle on this
25 date went slightly over 300 miles, it looks like?

1 A That's right.

2 Q Starting in what point?

3 A He started in Lewistown, Pennsylvania.

4 Q Well, where did the truck actually originate?

5 A Where the truck originated, startup of the driver was
6 at the Cumberland terminal.

7 Q It made these stops at various locations shown in the
8 city column?

9 A That's right.

10 Q Where did the truck then end up? Where did it return
11 at the end of the day?

12 A It would have returned back to Cumberland.

13 Q If you'll turn to the next exhibit. Exhibit P-7 was
14 a letter and didn't call for any response. Exhibit P-8A, is
15 this a copy of a newer type P & D Performance Log?

16 A Yes.

17 Q It shows at the bottom the driver's duty status in
18 terms of a driver log, is that correct?

19 A That's right.

20 Q Looking at that log, where did this driver begin his
21 service hours?

22 A At Cumberland, Maryland.

23 Q And does he indicate, at various points in this
24 driver log, stops along the way?

25 A Yes.

1 Q Do they correspond to the delivery point of the
2 shipments?

3 A Yes.

4 Q And he ended up back in Cumberland, apparently?

5 A That's right.

6 Q Again, at the lower right on this there's the
7 odometer readings to show the mileage, correct?

8 A Yes.

9 Q That's total miles for the day. Which shipment on
10 this exhibit corresponds to the shipment involved in
11 protestant's Exhibit P-8?

12 A Line 6, shipment to Electro -- I can't read the
13 writing. Electro, something or other, in Indiana, PA from
14 Complete Reading.

15 Q The company name on P-8 is Electromec, m-e-c. It's
16 all one word. Apparently that's it.

17 A Okay.

18 JUDGE PORTERFIELD: On line 6, did you mean to say, Mr.
19 Lavelle?

20 MR. LAVELLE: Line 6, right. And again, on all of
21 these, I believe if you then compared, in the columns headed
22 on this one leave terms, the pieces and the weight correspond
23 to the pieces and weight shown on the protestant's
24 corresponding exhibit.

25 BY MR. LAVELLE:

1 Q Now, sir, on this particular shipment, Mr. Graf had
2 also asked you a question as to whether or not a discount was
3 granted on this particular shipment, and you said you couldn't
4 tell, but that it would be able to be determined if you looked
5 at the underlying document. If you look at the next document,
6 Exhibit P-8B, what is that particular document?

7 A That's a copy of our original freight bill on the
8 bill of lading that he had shown, Exhibit P-8.

9 Q And does this show a discount granted or not granted?

10 A Yes, it does.

11 Q And you may have answered this back in January, but
12 under what tariff would that discount have been applied?

13 A Under our ICC tariff.

14 Q Look at the next exhibit, P-9A, another performance
15 log. How do you determine the origin and terminal of this
16 particular shipment? That's not the right way to phrase it.
17 The terminal from which the driver operated in delivering the
18 shipment?

19 A Well, this fella came out of Cumberland also, but he
20 doesn't show on his log each stop.

21 Q Do you know the driver's name?

22 A Yeah. I believe it's Jeff Alesandro.

23 Q Do you know what terminal he operates out -- what
24 terminal he operated out of at this time?

25 A Cumberland.

1 Q Did you actually check that?

2 A Yes, I did.

3 Q What did you look at?

4 A Pay records.

5 Q Anything else?

6 A Well, other than the manifest itself.

7 Q But his pay records show Cumberland?

8 A That's right.

9 Q Do you have personnel records on your drivers?

10 A Yes, we do.

11 Q Did you check that?

12 A Well, the person --

13 Q The personnel record?

14 A The personnel record, by looking at the file, doesn't
15 tell you what terminal he's out of, other than maybe looking
16 at his home address. But our pay records showed him as being
17 a Cumberland driver.

18 Q And which of the entries on this exhibit correspond
19 to P-9?

20 A Line 9, shipment to P.J. Stevens in Carrolltown, PA.

21 Q If you'll turn to the next exhibit, P-10, there's two
22 numbers here, 10A and 10B. Exhibit P-10 of the protestant had
23 -- this was one of those examples where there were two freight
24 bills of your company shown on one page. Are both those
25 shipments reflected on this single P & D Performance Log?

1 A Yes, line 14 and 15.

2 Q Both are going to the Hite, H-i-t-e, Company?

3 A That's right.

4 Q In what city?

5 A Altoona, Pennsylvania.

6 MR. LAVELLE: Your Honor, I think, if the corresponding
7 documents are referred to, I think you'll see that line 14 is
8 actually the freight bill at the very top of P-10, and line 15
9 is a shipment corresponding to the second freight bill on that
10 page, the lower portion of it, so that they're in the right
11 sequence.

12 BY MR. LAVELLE:

13 Q The driver here, his last name is what? Can you make
14 that out?

15 A Ashenfelter.

16 Q Did you check to see what terminal that particular
17 driver is working out of?

18 A Again, he's a Cumberland driver.

19 Q All these shipments on here were on this manifest for
20 June 23, 1988, is that correct?

21 A That's right.

22 Q Look at the next document, please. That's Exhibit
23 P-11A. Same driver, apparently,. Which shipment here
24 corresponds to protestant's Exhibit P-11?

25 A Line 4, shipment to the Hite Company, Altoona,

1 Pennsylvania.

2 Q Twenty-five pieces and a weight of 230 pounds, is
3 that correct?

4 A That's right.

5 Q Unfortunately, the bottom part of the log was cut off
6 here, but look at the notations in the lower righthand corner
7 of this exhibit here. Driver started at 6:00 a.m.?

8 A Correct.

9 Q He left the dock at 6:22 a.m., apparently?

10 A 8:22.

11 Q I'm sorry. 8:22. Are these shipments usually
12 delivered in the sequence in which they're shown on the
13 manifest?

14 A Not necessarily. I mean, they could be run
15 differently everyday.

16 Q In this instance was that, in fact, according to the
17 time arrived, what happened?

18 A That's right.

19 Q And he made his first delivery in Martinsburg at
20 what, 10:01 a.m.?

21 A That's right.

22 Q And the fourth shipment delivered that day at 11:19
23 a.m., was this particular shipment in Altoona?

24 A That's right.

25 Q Look at the next exhibit, P-12A. This is a Mr.

1 Sieber, is the driver. Did you check his file to see what
2 terminal he worked out of?

3 A He's a Cumberland employee.

4 Q And does the driver's duty status record at the lower
5 portion of this show him as beginning his trip in Cumberland,
6 Maryland?

7 A Yes, it does.

8 Q There's also some information with a domicile
9 terminal of Cumberland shown, is that correct?

10 A That's right.

11 Q Which shipment on this exhibit is the one on
12 protestant's Exhibit P-12?

13 A Line 4. I can't make out the consignee's name.
14 Mak --

15 Q It's not clear on the other exhibit either. Makdad?

16 A Makdad, it looks like, M-a-k-d-a-d, in Altoona,
17 Pennsylvania. In any event, that's the shipment they show on
18 their exhibit.

19 Q One piece, a weight of 624 pounds, corresponds to
20 that --

21 MR. GRAF: Wait a minute. Maybe I'm on the wrong wave
22 length. 12A?

23 MR. LAVELLE: 12A, Line No. 4.

24 MR. GRAF: Well, Exhibit 12 shows Nathan Hospital in
25 Roaring Springs, so how could Makdad in Altoona be the same

1 bill?

2 MR. LAVELLE: That's not what I have as Exhibit 12.

3 MR. GRAF: That's what I've got.

4 JUDGE PORTERFIELD: Let's see what we have in the
5 record. Protestant's Exhibit 12. I have Makdad, or Makedad.

6 MR. GRAF: I'll be darn. I don't.

7 MR. LAVELLE: Are the last three digits of the pro
8 number 399 on yours?

9 JUDGE PORTERFIELD: Right. That's what I have.
10 Identified and admitted as protestant's Exhibit No. 12.

11 MR. GRAF: I'll be a son of a gun. I don't.

12 JUDGE PORTERFIELD: Anyway, I think we have to go with
13 the way I have it marked at this point, and the way at least
14 it corresponds with the applicant's rebuttal or
15 explanatory --

16 MR. LAVELLE: That's all I have for P-12.

17 MR. GRAF: He showed me his. What I have is something
18 else again.

19 JUDGE PORTERFIELD: What do you have there, Hite?

20 MR. GRAF: No. I have Nathan Hospital in Roaring
21 Springs, from Leetsdale.

22 JUDGE PORTERFIELD: Eleven and 13 are both Hite. Here's
23 what I have as 12. See up at the top lefthand there, it's
24 Makdad, or Makedad, Industrial Supply.

25 MR. GRAF: I don't know how that could have happened,

1 but rather than delay us now, why don't we go back and I'll
2 take a look at it and see. I don't know how it could possibly
3 have happened, but it obviously did.

4 (Brief pause.)

5 MR. LAVELLE: I'm looking at the transcript on page 59,
6 and it talks in terms of an origin point of Leetsdale, which I
7 think is on both my exhibit, the official exhibit and yours,
8 Mr. Graf. There's no identification however in the
9 transcript, that I can see, of the consignee.

10 MR. GRAF: That's strange. It shows Leetsdale all
11 right.

12 JUDGE PORTERFIELD: Do you have that exhibit at all, Mr.
13 Graf?

14 MR. GRAF: Pardon?

15 JUDGE PORTERFIELD: Do you have that No. 12 at all?

16 MR. GRAF: No.

17 JUDGE PORTERFIELD: Why don't I make -- do you have
18 yours there, Mr. Lavelle, and I'll make him a copy real quick?

19 MR. LAVELLE: Yeah, I have it here.

20 (Brief pause.)

21 BY MR. LAVELLE:

22 Q I think we had finished discussing this. Let's turn
23 to Exhibit 13, P-13A, Mr. Hammel. This, again, is Mr. Sieber,
24 the driver. Does this show at the bottom in the terminal the
25 reference, by abbreviation, to the Cumberland terminal?

1 A Yes.

2 Q And which shipment here is the one in question?

3 A Line No. 7, shipment to the Hite Company in Altoona,
4 Pennsylvania.

5 Q Look at Exhibit P-14A. This driver is a Mr. Closkey.
6 I don't know if we came across him earlier, but do you know at
7 the time what terminal -- did you check to see what terminal
8 he was working out of?

9 A He's a Cumberland driver.

10 Q There's an abbreviation of Cumberland, I believe, up
11 in the upper righthand corner of this.

12 A As well as at the bottom of the manifest, he spells
13 it out.

14 Q Which shipment here corresponds to the first or top
15 shipment on protestant's Exhibit 14?

16 A Line No. 3, shipment to F.L. Smith Company,
17 Duncansville, Pennsylvania.

18 Q If you look at the next exhibit, P -- I'm sorry. Let
19 me back up here a minute. Do you have a manifest
20 corresponding to the second shipment on protestant's Exhibit
21 14?

22 A No. That was the one that we weren't able to find.

23 Q That took place in January of 1988, is that correct?

24 A That's right.

25 Q All right. Now turn to the next exhibit that you

1 have, Exhibit P-15A. This again is Mr. Closkey, showing
2 Cumberland terminal at the bottom of the page. Which shipment
3 here corresponds to the top shipment on Exhibit P-15?

4 A Line No. 12, shipment to F.L. Smith Company,
5 Duncansville, Pennsylvania.

6 Q Then look at Exhibit P-15B, same driver. Again, at
7 the bottom it shows Cumberland terminal. Which shipment here
8 corresponds to the second shipment on protestant's Exhibit 15?

9 A Line No. 7, shipment to F.L. Smith Company,
10 Duncansville, Pennsylvania.

11 Q Exhibit P-16A, your driver log, which shipment there
12 corresponds to the next shipment on Exhibit P-16?

13 A Line No. 8, shipment to the Hite Company, Altoona,
14 Pennsylvania.

15 Q And does this show at the bottom the Cumberland
16 terminal?

17 A Yes.

18 Q Look at Exhibit P-16B. Which shipment here
19 corresponds to the second shipment on Exhibit P-16 of the
20 protestant?

21 A Line No. 1, shipment to the Hite Company Altoona,
22 Pennsylvania.

23 Q Other than the driver name, Ashenfelter, which we
24 previously identified as a Cumberland driver, I don't see
25 anything else on here that specifically ties that down, do

1 you? This is the older form manifest, apparently.

2 A No, other than that it doesn't show anything else.

3 Q The driver left the dock at 9:00 a.m., is that
4 correct?

5 A That's right.

6 Q And made this delivery at this first destination at
7 10:47 a.m., is that correct?

8 A That's right.

9 Q Are you familiar enough with the distance between
10 Cumberland and Altoona to know whether or not that's the time,
11 approximate time it would take to get to that distance?

12 A I haven't driven it, but that's approximately what we
13 would expect.

14 Q Turn to your Exhibit P-17A. Again, Mr. McCloskey --
15 or Closkey, I should say. Which shipment here corresponds to
16 the first shipment on protestant's Exhibit 17?

17 A Line No. 4, shipment to F.L. Smith, Duncansville, PA.

18 Q At the upper righthand corner there's -- it's
19 partially, at least on my copy, cut off. Could you make out
20 the notation to the right of the printed identification P & D
21 Performance Log?

22 A It looks like it's -- two day run is written in.

23 Q Is that -- this is the first one I've seen like that.
24 Is this typical of your operations out of there, or do you do
25 this with any regularity?

1 A That's not usual, no. That's unusual, actually.

2 Q But he had 31 shipments on here to deliver,
3 apparently?

4 A For some reason they piled him up and sent him on a
5 two day run. I don't really know, but that's unusual.

6 Q In any event, which shipment here -- did you identify
7 the one that corresponds to the first shipment on P-17?

8 A Line No. 4, shipment to F.L. Smith, Duncansville.

9 Q And your last exhibit, P-17B, which shipment is
10 involved here, insofar as the second shipment on protestant's
11 Exhibit 17 is concerned?

12 A Line No. 3, shipment to F.L. Smith, Duncansville.

13 Q And at the bottom is the new form showing the
14 driver's duty status, is that correct?

15 A That's right.

16 Q Beginning at what point?

17 A Beginning at Cumberland.

18 Q All right. And this is driver Closkey again?

19 A Yes.

20 Q Mr. Hammel, you were also asked in the first hearing
21 about certain discount tariffs that were or were not permitted
22 by the Pennsylvania Public Utility Commission. Do you recall
23 that general line of testimony?

24 A Yes.

25 Q It immediately followed the specific questions I

1 think Mr. Graf put to you in connection with that discount on
2 the shipments shown on Exhibit P-8 that you already mentioned
3 here, presented a freight bill to show that the discount was
4 granted under your tariff?

5 A Yes.

6 Q Mr. Graf had asked you some questions about your
7 understanding of the Commission's policy, and you indicated
8 you had some communication with the Commission, I believe. I
9 think it was a written -- you had a letter and were asked to
10 produce it. Did you go through your files and attempt to
11 locate any communications of that type with the Commission?

12 A Yeah, I did. I went back and looked in our files and
13 couldn't actually find anything that the PUC had sent us in
14 letter form. We've had several conversations with them over
15 the years regarding different questions on different tariffs,
16 and that's been our understanding.

17 Mr. Graf pointed out that the Middle Atlantic has
18 discount tariffs approved, and I indicated to him that in our
19 dealings with the PUC they've told us that they wouldn't honor
20 a tariff. We can show anything that we want on the freight
21 bill as far as discounting or discounting any level, but what
22 you publish with them has to be the net rate. So that's what
23 they've told us and that's what I testified to, but I couldn't
24 find any letters that they sent out dealing directly with
25 that.

1 Q All right. So you're unable to produce a letter
2 having to do with that particular topic?

3 A That's right.

4 MR. LAVELLE: Your Honor, I believe that's all that we
5 have to present at this time on these items.

6 JUDGE PORTERFIELD: Mr. Graf.

7 MR. GRAF: Can I have just a few questions?

8 (Brief pause.)

9 FURTHER CROSS EXAMINATION

10 BY MR. GRAF:

11 Q With respect to some of these exhibits, you do not
12 attach the drivers logs. Specifically -- well, you attach one
13 on Exhibit P-9A, but the log isn't filled out. How do you
14 explain that?

15 A These -- we didn't attach the logs. What we did is
16 we created a new P & D form some time ago. I can't exactly
17 remember how many months ago. But after -- we had a DOT audit
18 and they were questioning some of the hours of service of some
19 of our local P & D drivers.

20 And, of course, our understanding was always if you're
21 within a hundred miles or 12 hours, the city men didn't have
22 to keep a log. Well, they noticed on time cards that a guy
23 could work 13 hours, maybe 14. We contested, well, that could
24 be dock time. They suggested that we come up with a log for
25 them as well.

1 So rather than having a city driver carrying a log book,
2 we developed a P & D form that has a log on the bottom. So if
3 the driver is not going to be out 12 hours, he might just put
4 not applicable. Okay. If he is going to be gone 12 hours,
5 and usually the guys know that, that are on the longer runs,
6 they're required to fill it out. So it's a point of reference
7 if they come back.

8 MR. GRAF: All right. On some of them you were unable
9 to locate the manifest. I can understand that can happen. I
10 believe those are all the questions I have.

11 JUDGE PORTERFIELD: Just for the record, Mr. Hammel,
12 what does the P and the D in P & D Performance Log refer to?
13 In P & D Performance Log --

14 THE WITNESS: Pickup and delivery performance.

15 JUDGE PORTERFIELD: Okay. Just so the record --

16 MR. GRAF: I thought that was in the record.

17 JUDGE PORTERFIELD: It may be and maybe I was not paying
18 attention, Mr. Graf.

19 MR. LAVELLE: Your Honor, I have no questions of Mr.
20 Hammel.

21 JUDGE PORTERFIELD: Okay.

22 MR. GRAF: I have no redirect or re-re whatever, and no
23 objection to the exhibits.

24 JUDGE PORTERFIELD: Okay. Thank you, Mr. Hammel. I
25 presume you're going to move for the admission of the

1 exhibits.

2 MR. LAVELLE: Yes. I'll move the admission of
3 exhibits --

4 JUDGE PORTERFIELD: Applicant's Exhibit Nos. 22, 23 --

5 MR. LAVELLE: And 24.

6 JUDGE PORTERFIELD: -- and 24.

7 MR. LAVELLE: And then the exhibits marked P-6A through
8 P-17B. Now, there are some gaps in there.

9 JUDGE PORTERFIELD: They're not consecutive, so why
10 don't we run through them. P-6A, 8A, 8B, P-9A, P-10A, P-10B,
11 P-11A, P-12A, P-13A, P-14A, P-15A, P-15B, P-16, P-16B.

12 MR. LAVELLE: Well, 16A and B.

13 JUDGE PORTERFIELD: 16A, P-16B, P-17A and 17B. No
14 objection, Mr. Graf?

15 MR. GRAF: No objection.

16 JUDGE PORTERFIELD: They'll be admitted. These are
17 applicant's exhibits that have been identified in such a
18 manner as to relate to the protestant's exhibits. For
19 example, protestant's exhibit identified today as P-12A
20 relates to protestant's Exhibit 12, No. 12. The A is meant to
21 distinguish it and make it applicant's exhibit. Where the
22 protestant's exhibit had two freight bills involved, the
23 applicant has provided exhibits such as P-16A and P-16B, but
24 they both relate to protestant's 16. Is that right, Mr.
25 Lavelle?

1 MR. LAVELLE: That's correct.

2 JUDGE PORTERFIELD: Okay. Anything else today?

3 MR. LAVELLE: With that, the applicant will rest its
4 case.

5 JUDGE PORTERFIELD: Mr. Graf, do you want two days
6 consecutively scheduled?

7 MR. GRAF: I think we can finish in one. There are only
8 three witnesses.

9 JUDGE PORTERFIELD: Schedule a one day for protestant's
10 case.

11 MR. GRAF: One day.

12 JUDGE PORTERFIELD: Okay. That's what I'll notify the
13 schedulers to do, then.

14 MR. GRAF: Very good.

15 JUDGE PORTERFIELD: They'll be contacting you. Thank
16 you, gentlemen.

17

18

19

20 (The hearing adjourned at 3:05 o'clock p.m.)

21

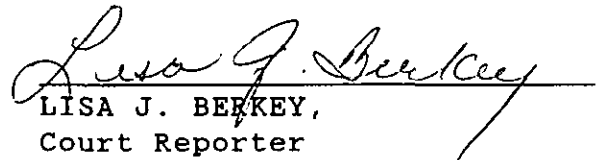
22

23

24

25

1 I hereby certify that the proceedings and evidence are
2 contained fully and accurately in the notes taken by me during
3 the hearing of the within cause, and that this is a true and
4 correct transcript of the same.

5
6
7
8 
9 LISA J. BERKEY,
Court Reporter

10
11 The foregoing certification does not apply to any
12 reproduction of the same by any means unless under the direct
13 control and/or supervision of the certifying reporter.

14 HOLBERT ASSOCIATES
15 LISA J. BERKEY
16 Suite 401, Kunkel Building
301 Market Street
Harrisburg, Pennsylvania 17101

17
18
19
20
21
22
23
24
25