

1. <u>REPORT DATE:</u>	:	2. <u>BUREAU AGENDA NO.</u>
May 13, 1983	:	
3. <u>BUREAU:</u>	:	JUN-83-TNR-553*
Non-Rail Transportation	:	
4. <u>SECTION(S):</u>	:	5. <u>PUBLIC MEETING DATE:</u>
Technical Review	:	June 10, 1983
6. <u>APPROVED BY:</u>	:	
Director: Alford 3-5331	:	
Supervisor: Ernst/Marzolf 3-5945	:	
7. <u>MONITOR:</u>	:	
Commissioner Cawley	:	
8. <u>PERSON IN CHARGE:</u>	:	
White 7-4387	:	
9. <u>DOCKET NO:</u>	:	
A-00102306, F. I. Am-C	:	
10. (a) <u>CAPTION</u> (abbreviate if more than 4 lines)		
(b) Short summary of history & facts, documents & briefs		
(c) Recommendation		

(a) Application of Klapec Trucking Company, Oil City, Venango County, for amendment to its common carrier certificate: SO AS TO PERMIT the transportation of iron and steel, iron and steel articles, and machinery and machinery parts, between points in the city of Oil City, Venango County, and within an airline distance of thirty (30) statute miles of the limits of the said city; and from points in said territory, to points in Pennsylvania, and vice versa.

(b) The three protestants of record withdrew based upon a restrictive amendment prohibiting service for certain named shippers and from or to specific areas as more particularly described in the order. We find that the applicant has shown that a public need for the service as amended does exist and that it is fit, ready, willing and able to properly same.

(c) The Bureau of Non-Rail Transportation recommends that the Commission adopt the proposed order approving the application as amended.

11. MOTION BY: Commissioner Chm. Taliaferro Commissioner Cawley - Yes
Commissioner
SECONDED: Commissioner Johnson Commissioner

CONTENT OF MOTION: Staff recommendation adopted.

DOCUMENT
FOLDER

DOCKETED
JUN 16 1983



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG, Pa. 17120

June 17, 1983

IN REPLY PLEASE
REFER TO OUR FILE

A-00102306
F.1, Am-C

Henry M. Wick, Jr., Esquire
David M. O'Boyle, Esquire
1610 Two Chatham Center
Pittsburgh, PA 15219

Application of Klapac Trucking Company, a corporation of the
Commonwealth of Pennsylvania

Dear Sir:

Enclosed, herewith, is supplemental order modifying certificate of public convenience issued by the Commission in the above entitled proceeding.

The applicant will not be permitted to operate or engage in any transportation granted by the enclosed order until he has complied with the following tariff requirement:

Prepare and file a tariff, instructions for which are enclosed.

Motor carriers operating without complying with the above requirement will be subject to the penalty provisions of the Public Utility Law.

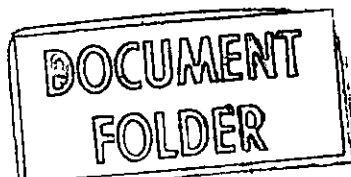
Commission regulations require compliance with the above requirement within sixty (60) days of the date of this letter. Failure to comply within the sixty (60) day period will cause the Commission to rescind the action of June 10, 1983 and dismiss the application without further proceedings.

If you foresee any problems in obtaining the necessary requirement within the specified time period, please contact the Pennsylvania Public Utility Commission--Service Section.

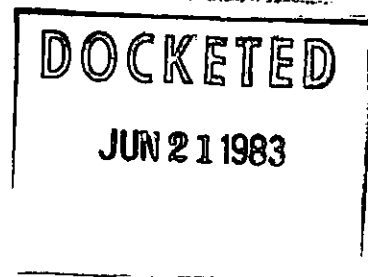
Very truly yours,

fao
Encls.
Cert. Mail

cc: Applicant
R.D. 1
673 N. Seneca St.
Oil City, PA 16301



Jerry Rich
Secretary



Copy of order to: See Computer list attached.

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

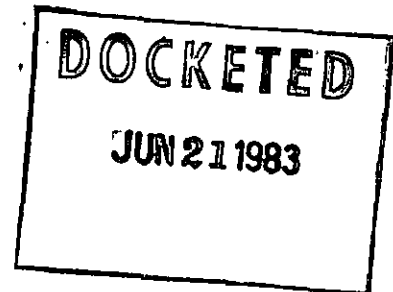
Public Meeting held June 10, 1983

Commissioners Present:

Linda C. Taliaferro, Chairman
Michael Johnson
James H. Cawley

Application of Klapec Trucking Company, a corporation of the Commonwealth of Pennsylvania, for amendment to its common carrier certificate, which grants the right, inter alia, to transport, by motor vehicle, steel castings for Venango Metallurgical Products, from the facilities of said shipper in the city of Oil City, Venango County, to points in Pennsylvania: SO AS TO PERMIT the transportation of iron and steel, iron and steel articles, and machinery and machinery parts, between points in the city of Oil City, Venango County, and within an airline distance of thirty (30) statute miles of the limits of the said city; and from points in said territory, to points in Pennsylvania, and vice versa.

A-00102306
F. 1
Am-C



Wick, Rich, Fluke & Streiff, by Henry M. Wick, Jr. and Lucille N. Wick
for the applicant.

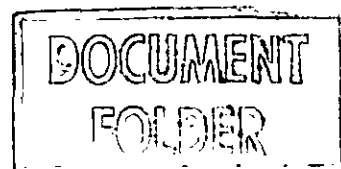
Pillar and Mulroy, by Thomas M. Mulroy for protestants: Wayne W. Sell Corp.
and Ritchey Trucking, Inc.

D. Schullen for protestant, Knolb Transfer, Inc.

O R D E R

BY THE COMMISSION:

This matter comes before the Commission by an application filed on September 3, 1982 and which was published in the Pennsylvania Bulletin of September 25, 1982. Three carriers lodged protests however, each withdrew when the applicant restrictively amended the application, prohibiting service for certain named shippers and from or to specific areas.



As amended, the application is without further protest and the record is now certified to the Commission for handling under modified procedure. Verified statements were submitted by the applicant and ten supporting shippers.

J. Bernard Klapac is president, sole stockholder and director of Klapac Trucking Company (Klapac or applicant), a Pennsylvania corporation with general offices located at R.D. 1, 673 North Seneca Street, Oil City, Venango County. He sets forth in a verified statement that as the chief executive officer, he is responsible for the daily supervision of the operation and is familiar with the company's authority, equipment, facilities and service.

Klapac's base of operations is located in Oil City and the majority of its current operations as a Class D carrier are conducted in the central and western portions of the state. It is authorized to transport various commodities, among which, the commodities involved herein are included. A minimal duplication of authority would exist if this application is approved.

The Oil City terminal consists of a maintenance garage, two storage buildings and an office building, staffed with 25 drivers, three mechanics and three office persons. Communication with its drivers and public is done by regular telephone service. The company-owned equipment includes 16 tractors, eight tri-axle trucks, 12 flatbed trailers, six dump trailers, one lowboy trailer, one drop-deck trailer and one double drop trailer. It also leases three tractors and eight trailers. All of the equipment is suitable for use in the proposed service.

The vehicles are serviced and maintained by the applicant itself and are inspected on a regular basis. An extensive safety program is maintained under the supervision of a safety director. The program has proved successful over the years and it is in compliance with all safety regulations.

The applicant states that it is a specialist in providing service for steel manufacturers, fabricators and distributors, including those that support this application. It has invested in flatbed trailers and highly specialized equipment such as lowboys and drop-decks. It operates dump trailers and roll off containers which are specially useful in scrap hauling. It foresees no problem in handling the supporting shipper's freight in an adequate manner.

An unaudited balance sheet indicates that as of December 31, 1982, the applicant had current assets of \$283,165, total assets of \$828,288 with current liabilities of \$50,844 and total liabilities of \$396,925, leaving stockholders' equity of \$431,363. An unaudited statement of income and retained earnings for 1982 reveals that the applicant had revenues of \$1,752,540 and incurred expenses of \$1,749,055, providing a net income of \$4,485. Its retained earnings at year end were \$4,014.

Richard J. Carey is the manager of production control and traffic for the Chicago Pneumatic Tool Company (or shipper) and has entered a supporting verified statement. It is engaged in the manufacture of portable drilling equipment, accessories and spare parts for the drills, at a plant located in Franklin, Venango County.

Approximately 50 outbound shipments per year are made to points throughout the state. The inbound, which consists of the return of drilling rigs for repair or retrofit, and castings and forgings from outside machining facilities, consists of about 30 shipments per year from points in Pennsylvania. It pays the freight on 60 percent of the outbound shipments and on 75 percent of the inbound shipments. The applicant would be given ten inbound and 20 outbound shipments annually.

Recently, shipments have been made to Philipsburg, Taylor, Erie, King of Prussia and Pittsburgh, although, drilling rigs can move anywhere there is a demand for the use of such equipment. Castings and forgings move to outside facilities for machining and are then returned. The company relies on common carriers for 50 percent of the traffic, 40 percent by private carriage and 10 percent by rail. The common carriers have been unable to meet all of its needs, particularly in the area of furnishing specialized equipment on short notice. Some of the shipments are very heavy and require reinforced trailers. Klapac has been able to supply the equipment and its personnel are experienced in handling oversized loads.

John J. Dechant is vice president-operations of Brown Boiler & Tank Works, Ltd. (or shipper) and has entered a supporting verified statement. The company is a fabricator and erector of steel tanks, having a plant located in Franklin, Venango County.

Brown Boiler ships outbound to points in Pennsylvania and receives raw materials and supplies from vendors throughout the state. The outbound freight consists of fabricated steel for erection in the field, steel tanks fabricated and assembled, and machinery and equipment used for the erection of tanks. The inbound freight consists of steel plates and structurals. Approximately 250 truckloads are shipped annually, divided equally between inbound and outbound, and it arranges transportation on almost every shipment. About 50 percent of the traffic would be given to the applicant.

The traffic is now moving by common carrier and by private carriage. Its major difficulty with the common carriers has been delayed pickups and deliveries. The applicant has provided timely service however, and the shipper feels that if the additional service proposed here was available, it could then operate more efficiently.

Darlene Watson is traffic manager for Keystone Honing Corp. (or shipper) which operates a general machine shop at Titusville, Crawford County, and supports the applicant. It ships approximately 500 tons of

steel tubing and scrap iron per year to points in Pennsylvania. It receives about 400 tons of steel tubing from Pennsylvania suppliers. The routing and carrier selection is done by the witness personally.

The outbound shipments will be destined to points such as Darlington, New Castle, Pittsburgh, Reading, Mercersburg, King of Prussia, Philadelphia and Bradford. The inbound is presently received from Beaver Falls, Pittsburgh, New Castle and Butler. It estimates that the applicant would be given 320 tons per year.

The company relies solely upon common carriers but they have been missing pick ups and making late deliveries. It is very much interested in securing the services of an additional carrier which is experienced in handling the type of products involved. The applicant's terminal is only 15 miles from the Titusville plant and therefore it has been able to provide timely pick up service and it has the proper equipment to handle scrap in both dump trucks and roll off containers.

Peter R. Solle is plant manager for Shaw Industries, Inc. (or shipper), located in Franklin, Venango County, and among his duties is the responsibility for the transportation functions. The company manufactures steel molds for the plastics industry and performs general machining of steel castings and fabrications. It has facilities located in Franklin and Oil City.

The outbound from both plants consists of finished steel molds and machined parts for castings. The inbound consists of steel forgings and castings, structural steel, flat bars and cold rolled bars. Approximately 250 tons are shipped outbound and 300 tons are received inbound annually. The outbound moves to such points as Erie, Pittsburgh, Scranton and Bedford, while the inbound is received from Erie, Pittsburgh, Latrobe, Lancaster and Scranton. 25 percent moves by common carrier and 75 percent by private carriage.

The existing common carriers have created so many problems that it became necessary to purchase its own equipment. Because the applicant's terminal is within one mile of the Oil City plant and within eight miles of the Franklin plant, the shipper feels it should be able to provide a more dependable service. Additional improvements should be seen since the applicant has the kind of equipment that is so necessary. It supports the application accordingly and would tender the applicant approximately 90 tons inbound and 63 tons outbound annually.

Francis P. Johnson, executive vice president of Centerville Castings, Inc. (or shipper), located in Centerville, Crawford County, has submitted a supporting verified statement. It ships steel and high-alloy castings outbound and receives sand, binders and scrap inbound. About 100 shipments are made outbound annually and it receives about 150 shipments inbound annually, all moving by common carrier.

Representative points of outbound traffic include Morgan, Oil City, Blairsville, Wheatland, Pittsburgh, Erie and Lenape. Inbound points of origin include Pittsburgh, Erie, Oil City, Franklin, Mercer and Coatesville. As a result of its plant being in an out-of-the-way place, the shipper feels that the carriers do not render prompt service. The applicant however, is located near the plant and therefore should be able to provide prompt service. It has used Klapec on interstate shipments and has been well satisfied.

Cynthia Lander is vice president of Bert Klapec, Inc. (or shipper) which is located at R.D. 1, Oil City, Venango County, and sets forth in a verified statement that she has responsibility for the company's transportation function. The company is engaged in railroad contracting, site preparation, construction and equipment and machinery rental. It has need for the transportation of structural steel of various shapes, supplies related to railroad operations, and machinery. During 1982 it shipped 2,200 tons outbound and received the same amount inbound, all moving to and from Pennsylvania points.

All of the outbound shipments originate at Oil City and Reno (Venango County) and move to Williamsport, Sharon, Polk, Sandy Lake, Greenville, New Castle, Sligo and Shippenville. The inbound which is destined to both places originates at the same locations. It has relied solely on its private fleet but with the proposed service available, it would consider the elimination of private carriage. The structural steel requires heavy duty trailers which the applicant does have and the carrier must also be able to handle rough scrap at job sites when track is dismantled.

Paul S. Somers is the secretary and controller for GKO Enterprises, Inc. (or shipper), located in Titusville, Crawford County, and supports the application for the transportation of steel rolls, machine parts and custom rebuilt coal crusher cones. It will also use the applicant to haul scrap, flux waste and grindings which moves to scrap processors or to waste dumps.

The company manufactures steel rolls and machine parts for the steel industry and is a custom rebuilder of coal crusher cones for public utilities. It makes approximately 75 outbound shipments per year to points in Pennsylvania. Any traffic not handled by its own trucks will be given to the applicant. Recent shipments have been made to Pittsburgh, Johnstown, Canonsburg, Erie and Irvine. The traffic is handled primarily by the company's own trucks and the applicant is the only outside carrier used but its present authority is not broad enough.

K. P. Lehman is traffic manager-USS Division of United States Steel Corporation with its headquarters in Pittsburgh, and has submitted a supporting verified statement. As pertinent here, its USS Oilwell Division, Imperial Works Plant, has a facility located at Oil City, where it manufactures oil field machinery, parts and equipment, reduction gears, bi-metallic cylinders and casters and molds for steel mills.

During 1982, the division shipped approximately 1,200 tons within Pennsylvania. It estimates that it will tender the applicant 600 tons outbound each year and will also use it for inbound movements of mining equipment. Shipments are made to Bradford, Mars, Erie, Homestead, Johnstown, McKeesport, Pittsburgh, Reno, Titusville and other points throughout the state. Inbound shipments will move from Uniontown and the Pittsburgh area.

Due to a lack of available intrastate carriers in the Oil City area with flatbed equipment, the company has been forced to use general commodity carriers such as Lyons Transportation who can only provide van equipment. This often requires long transit times due to delays at terminals and also requires special handling equipment other than overhead loading. It requires the services of a carrier with flatbed equipment which can provide dependable service. Emergency orders must be handled without abnormal delays and trailers should be spotted and picked up with dispatch. Since the applicant has a terminal located about five miles from the plant and has flatbed equipment, it should be able to meet the requirements.

Gray S. Tarleton is traffic manager for Franklin Steel Company (or shipper), with its general business office and plant in Franklin, Venango County, and supports the application. The company operates a rolling mill, utilizing scrap railway track as raw materials. The rails are heated, slit and re-rolled into various products and shapes such as steel channel sign posts, steel fence posts, steel reinforcing bars and various bar shapes.

The company ships approximately 300 truckloads outbound annually, of which, it would tender the applicant about 25 percent. Representative destinations include Phoenixville, Philidelphia, Harrisburg, New Holland and Lewistown. It states that the recent closing of Hall's Motor Bengal Division (special commodities division) has created delays in those areas they previously served. Due to a lack of warehouse space, the shipments must move out almost immediately after fabrication. The shipments move primarily on flatbed trailers and require a minimum of six chains and binders, along with tarps. The applicant's facilities are very close to the plant and it has the proper equipment.

DISCUSSION AND FINDINGS

With certain exclusions imposed by restrictive amendment, Klapec Trucking Company seeks the right to transport iron and steel, iron and steel articles, and machinery and machinery parts, between points in the city of Oil City, Venango County, and within an airline distance of 30 statute miles of the limits thereof, and from points in that territory, to points in Pennsylvania, and vice versa. Considering the substantial showing of need by the ten supporting shippers and the applicant's sound financial position, we feel that a public need for the service, as amended, does exist and that the applicant is well-qualified to provide it.

Each of the shippers attest to the need for flatbed trailers and, in several instances, other specialized units such as reinforced trailers, dump vehicles and lowboys. Equipment of this type has not been readily available from existing carriers on a consistent basis in the Oil City area. Conversely, the applicant's fleet is made up of the desired equipment and its terminal is conveniently located with respect to the shippers' plants. We can only conclude that the availability of the applicant's specialized service would be a welcome addition to the shipping public within the area under consideration here.

As pertinent to the applicant's fitness, the record reveals that its financial structure is sound and although its recent earnings, like others in the current economic downturn, are minimal, it nevertheless has been operating at a profit. The additional revenue to be attracted from the proposed service should enhance the operation even more. The applicant is familiar with most of the shippers' needs, having provided them with service in either interstate, or within its existing intrastate authority.

We find:

1. That the applicant has shown that a public need for the service as proposed and amended does exist.

2. That the applicant is fit, ready, willing and able to adequately provide the service as proposed and amended.

3. That the authority as proposed and amended is necessary for the accommodation and convenience of the public; THEREFORE,

IT IS ORDERED: That the application be and is hereby approved as amended and that the certificate issued to the applicant on March 12, 1981, as amended, be further amended to include the following right:

To transport, as a Class D carrier, iron and steel, iron and steel articles, and machinery and machinery parts, between points in the city of Oil City, Venango County, and within an airline distance of thirty (30) statute miles of the limits of said city, and from points in said territory, to points in Pennsylvania, and vice versa;

subject to the following conditions:

- (1) Provided that no right, power or privilege is granted to transport property in bulk in dump vehicles, between points within fifty (50) miles of the limits of the borough of Homestead, Allegheny County, and from points in said territory to points in Pennsylvania, and vice versa;

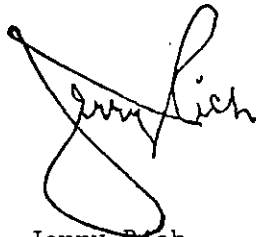
- (2) Provided that no right, power or privilege is granted to transport used and rebuilt equipment that is used in the deep mining of coal, for the Barnes and Tucker Company, from points in the counties of Cambria and Indiana to points within an airline distance of seventy-five (75) statute miles of the limits of the borough of Barnesboro, Cambria County, and vice versa;
- (3) Provided that no right, power or privilege is granted to transport new, used and rebuilt machinery, equipment, supplies and parts for Greenwich Collieries Company, from the plant site of the Joy Manufacturing Company located in the city of Franklin, Venango County, and from points in Pennsylvania east of the eastern boundaries of the counties of McKean, Cameron, Clearfield, Indiana and Bedford, to its mines located in the counties of Indiana, Clearfield and Cambria;
- (4) Provided that no right, power or privilege is granted to transport property for Cyclops Corp. and its divisions located at plants in the city of Titusville, Crawford County, the city of Pittsburgh and the township of Collier, Allegheny County, and West Aliquippa, Beaver County.

IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it shall have complied with the requirements of the Pennsylvania Public Utility Law and the rules and regulations of the Commission relative to the filing and acceptance of a tariff establishing just and reasonable rates.

IT IS FURTHER ORDERED: That in the event the applicant has not, on or before sixty (60) days from the date of the service of this order, complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

IT IS FURTHER ORDERED: That the authority granted herein to the extent it duplicates authority now held by or subsequently granted to the applicant, shall not be construed as conferring more than one operating right.

BY THE COMMISSION,



Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: June 10, 1983

ORDER ENTERED: JUN 17 1983

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery ..
 RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

A.102306, F.1, Am-C TOTAL \$

3. ARTICLE ADDRESSED TO:
Henry M. Wick, Jr., Esq.

Modification

4. TYPE OF SERVICE: <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COD <input type="checkbox"/> EXPRESS MAIL	ARTICLE NUMBER 44189
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(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

Donna Beere

5. DATE OF DELIVERY JUN 20 1983	POSTMARK
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6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:	7a. EMPLOYEE'S INITIALS
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PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER: Complete items 1, 2, 3, and 4.
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(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery ..
 RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

A.102306, F.1, Am-C TOTAL \$

3. ARTICLE ADDRESSED TO:
D. Schuller

Copy of order

4. TYPE OF SERVICE: <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COD <input type="checkbox"/> EXPRESS MAIL	ARTICLE NUMBER 44188
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(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

Justin R. ...

5. DATE OF DELIVERY	POSTMARK
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6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:	7a. EMPLOYEE'S INITIALS
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(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered
 Show to whom, date, and address of delivery ..
 RESTRICTED DELIVERY
(The restricted delivery fee is charged in addition to the return receipt fee.)

A.102306, F.1, Am-C TOTAL \$

3. ARTICLE ADDRESSED TO:
Thomas M. Mulroy, Esquire

Copy of order

4. TYPE OF SERVICE: <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COD <input type="checkbox"/> EXPRESS MAIL	ARTICLE NUMBER 44187
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(Always obtain signature of addressee or agent)

I have received the article described above.
SIGNATURE Addressee Authorized agent

Jan ...

5. DATE OF DELIVERY 6.21.83	POSTMARK PITTSBURGH PA OFFICE DEL 1983
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6. ADDRESSEE'S ADDRESS (Only if requested)

7. UNABLE TO DELIVER BECAUSE:	7a. EMPLOYEE'S INITIALS
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