

COMMONWEALTH OF PENNSYLVANIA

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PUBLIC UTILITY COMMISSION

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SECRETARY'S OFFICE
Public Utility Commission

J. F. Lomma, Inc. :
 Right to begin to transport, property, which : Docket No.
 because of size and weight requires the use :
 of rigging, special handling or special : A. 105101
 equipment between points in Pennsylvania. :

Further hearing. :

Pages 64 through 162

Hearing Room 1
 State Office Building
 Broad and Spring Garden Streets
 Philadelphia, Pennsylvania

Wednesday, June 27, 1984

Met, pursuant to adjournment, at 10:00 a.m.

BEFORE:

JOSEPH J. KLOVEKORN, Administrative Law Judge

APPEARANCES:

JAMES W. PATTERSON, Esquire
 EDWARD L. CIEMNIECKI, Esquire
 Rubin, Quinn & Moss
 1800 Penn Mutual Tower
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 Philadelphia, Pennsylvania 19106
 (For the Applicant, J. F. Lomma, Inc.)

WILLIAM A. CHESNUTT, Esquire
 McNees, Wallace & Nurick
 P. O. Box 1166
 Harrisburg, Pennsylvania 17108-1166
 (For Protestants: Daily Express, Inc. and
 Moore-Flesher Company)

DOCKETED
 JUL 20 1984

Commonwealth Reporting Company, Inc.

700 Lisburn Road
 Camp Hill, Pennsylvania 17011

Camp Hill
 (717) 761-7150

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 (215) 732-1687

APPEARANCES (Continued):

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(For Protestants: Frank W. Hake, Inc.;
P. Liedtka Trucking; and David Graham Company)

-0-

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C O N T E N T S

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P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE JOSEPH J. KLOVEKORN: I call
3 to order this hearing in case A. 105101, Application of
4 J. F. Lomma, Incorporated.

5 Mr. Patterson.

6 MR. PATTERSON: Your Honor, the Applicant calls
7 William A. Miller.

8 Whereupon,

9 WILLIAM A. MILLER

10 having been duly sworn, testified as follows:

11 DIRECT EXAMINATION

12 BY MR. PATTERSON:

13 Q Mr. Miller, if you would, keep your voice up so
14 that the court reporter and Counsel can hear you, and the
15 Judge, and would you give your full name and business address
16 for the record, please?

17 A My name is William A. Miller. I'm associated
18 with Keeler/Dorr-Oliver, 238 West Street in Williamsport,
19 Pennsylvania.

20 Q And the company, for the record, is Keeler,
21 K-E-E-L-E-R, slash, Dorr, D-O-R-R, hyphen, Oliver.

22 What is your position with that company, Mr. Miller?

23 A Traffic manager.

24 Q And what are your duties and responsibilities as
25 traffic manager?

1 A. I oversee all of the freight -- mostly all of the
2 freight -- going in and out of the company's location.

3 Q. With specific reference to freight handled by
4 heavy haulers, do you oversee that freight?

5 A. I oversee all of the heavy haul freight.

6 Q. How long have you been with your company?

7 A. I've been with the company 42 years come September.

8 Q. And how long have you been traffic manager?

9 A. Five years.

10 Q. Now, in the recent past was the name of the company
11 different?

12 A. Yes. It was known as E. Keeler Company.

13 Q. And in the recent past was E. Keeler acquired
14 by Dorr-Oliver?

15 A. Right, in the past three years.

16 Q. Now, the business address that you gave for the
17 record, is that the location of the company's plant in
18 Williamsport?

19 A. Right.

20 Q. What does Keeler/Dorr-Oliver manufacture?

21 A. At the Keeler Division we manufacture boilers,
22 heat and power, with or without burners, stacks, breachings,
23 whatever is involved in power and heat.

24 Q. About how big is the plant in terms of employees
25 that are located there?

1 A. Our average employment is around 250.

2 Q. And what is a ballpark figure of the annual sales
3 of the Boiler -- is it Boiler Division?

4 A. The Boiler Division, yes.

5 Q. What are the annual sales, approximately?

6 (Pause.)

7 Q. Or of the whole company, if that's easier.

8 A. Well, I think it's around something like \$60
9 million.

10 Q. Have you brought with you -- when you talk about
11 boilers it's hard to visualize one -- have you brought with
12 you a couple of photographs?

13 A. I have some photographs of our larger, newer
14 units, which is going to be our future.

15 MR. PATTERSON: Your Honor, as Applicant's Exhibit
16 3, a single paged document which is a photograph of a large
17 piece of machinery which says Keeler/Dorr-Oliver on the back
18 of it.

19 (Whereupon, the document was
20 marked as Applicant's Exhibit
No. 3 for identification.)

21 BY MR. PATTERSON:

22 Q. Mr. Miller, do you have a copy of what has been
23 marked as Exhibit 3 in front of you?

24 A. Yes.

25 Q. What does that photograph depict?

1 garbage a day.

2 Q. And what is the approximate weight of that?

3 A. The approximate weight on that is around 70,000.

4 Q. Now, what kind of customers order and use these
5 kinds of boiler units -- boiler and stoker units, I should say?

6 A. This type of unit here is used by NASA, the U. S.
7 Navy base down at Cherry Point, the U. S. Marine Corps. So
8 far our installations have been mostly with government
9 installations.

10 Q. Of this particular type of unit?

11 A. Of this particular unit.

12 Q. Does Keeler/Dorr-Oliver in Williamsport manufacture
13 other types of boiler and stoker units?

14 A. Yes.

15 Q. What is the range in terms of weight of your
16 product line of boilers and stoker units?

17 A. Our smaller boilers have a boiler designed to
18 burn gas or oil. They will range anywhere from 40,000 up to
19 as high as 120,000.

20 Q. And that's pounds?

21 A. That's pounds.

22 Q. And does Keeler/Dorr-Oliver at the Williamsport
23 location manufacture other pieces of equipment other than
24 boilers and stokers?

25 A. We manufacture burners, which I have no pictures

1 of, and we also manufacture stacks, breachings, et cetera,
2 which are part of the units.

3 Q But in terms of heavy hauling commodities, that is,
4 commodities of substantial size and weight, is your principal
5 product boilers and stokers?

6 A Yes, size and weight.

7 Q Now, across your product line what kind of
8 customers use the various sizes of boilers and stokers? You
9 told us about who uses these very large units. What other
10 categories of customers are there?

11 A Schools, hospitals, small and larger businesses,
12 just about anybody that has a use for heat or power, steam.

13 Q What is the range in terms of dimension rather
14 than weight of your product line? What's the low end and
15 what's the high end?

16 A The low, our smallest unit, is 11 foot-6 wide,
17 12 foot-6 high and 17 foot long. And that would weigh
18 roughly 40,000 pounds.

19 Our largest unit, which you have a picture of here in
20 front of you, that would be 12 foot-2 wide, 14 foot-2 high,
21 and 36 foot long and weighs approximately 140,000 pounds.

22 Q Does even the smallest unit which you just talked
23 about, the one that weighs 40,000 pounds but whose dimensions
24 are, I believe you said, in excess of 12 feet high, does that
25 kind of unit if it's going to be transported over the road

1 require lowboy, drop-deck or some other kind of specialized
2 equipment?

3 A. Yes. We require lowboys.

4 Q. Why?

5 A. Because of the dimension in height, more than
6 weight, in that small unit.

7 Q. Why does that height require you to put the unit
8 on a trailer with a lower bed?

9 A. To try to stay as low as possible and to try to
10 stay within your height limits of your distribution area.
11 Today your limits are 13-6 high and if you load 12-6 on a
12 standard two foot trailer and you're automatically at 14-6 so
13 you're over your standard height allowed.

14 Q. Does that have an effect if, in order to get the
15 unit delivered to its destination, it has to go under a
16 bridge?

17 A. Bridges and underpasses are our problems.

18 Q. Do you ship the boiler units that you've referred
19 to -- not just those in the photographs, but others -- to
20 points in Pennsylvania?

21 A. Yes.

22 Q. About how often do you ship to a Pennsylvania
23 point?

24 A. Using last year's figures, 1983 figures, we shipped
25 about one every two months, two to three months.

1 Q Do you remember some of the destinations in
2 Pennsylvania to which you shipped?

3 A Sayre, Pennsylvania; we just recently had one for
4 Swarthmore College -- that's this year.

5 Q That's in Swarthmore, Pennsylvania?

6 A Right; Philadelphia, and Wilkes-Barre. Wilkes-
7 Barre was one of these large units. Those are the more
8 recent ones that I recall.

9 Q In those shipments who chooses the carrier, you
10 or the consignee?

11 A I do if Keeler is going to haul. Occasionally
12 the customer will haul.

13 Q With respect to the shipments to Pennsylvania
14 points which you've mentioned, who chose the carriers?

15 A I did.

16 Q And with respect to your overall business is it
17 generally the majority of times Keeler/Dorr-Oliver that
18 chooses the carrier or is it generally in the majority of
19 times the consignee?

20 A The majority of the times it's Keeler/Dorr-Oliver.

21 Q Is your company undergoing any change with respect
22 to its product line?

23 A Our company is now in a very extensive growing
24 situation. Our company is figuring on spending within the
25 next five years approximately \$15 million in expansion. It

1 will be for building the type of boilers that you have here
2 on the exhibits.

3 Q That is you're shifting to building the larger
4 ones such as are depicted on Exhibits 3 and 4?

5 A Right.

6 Q Do you receive any commodities which you categorize
7 as size and weight commodities, that is, commodities that
8 heavy haulers normally transport, inbound to your facility
9 from any points in Pennsylvania?

10 A No.

11 Q Do you control any heavy hauler traffic which
12 moves from one point in Pennsylvania to another not touching
13 your facility?

14 A Not within the state, no.

15 Q Have you used the services of Moore-Flesher
16 Hauling within Pennsylvania on heavy hauling shipments?

17 A No.

18 Q Are you familiar with that carrier at all?

19 A No, I'm not.

20 Q Have you ever been solicited by them?

21 A Not in my recollection.

22 Q Have you ever used the services of David Graham
23 Company?

24 A On extreme loads, no, on overweight/oversize
25 shipments. I have used them for regular 40 foot flatbeds,

1 yes.

2 Q. But you've never used them in connection with
3 the specialized equipment such as we are talking about in
4 this application?

5 A. No.

6 Q. How about P. Liedtka Trucking, Inc.? Have you
7 ever heard of that carrier?

8 A. Never heard of them.

9 Q. And Frank Hake -- I don't have the full name.

10 MR. KAHN: Frank W. Hake, Inc.

11 BY MR. PATTERSON:

12 Q. Frank W. Hake, Inc. Do you know that carrier?

13 A. No, I don't.

14 Q. Have they ever solicited your traffic?

15 A. Not to my knowledge.

16 Q. If they were to solicit your traffic are you the
17 man to see?

18 A. I'm the man to see.

19 Q. How about Daily Express? Have you used their
20 services?

21 A. Quite often.

22 Q. Do you use them in connection with the large loads,
23 large pieces, such as are shown on Exhibits 3 and 4?

24 A. I haven't as of yet, no.

25 Q. Have they solicited that traffic?

1 A. They solicit our traffic regularly, yes.

2 Q. Why haven't you used them on that type of traffic?

3 A. Number one, these are so few built so far I haven't
4 had to use that many carriers. And I use a quote system
5 on all my shipments where I contact five or more carriers and
6 I use the lowest quote, mostly, to haul my goods.

7 (Pause.)

8 A. The particular one here that went to Wilkes-
9 Barre in the past year, Daily did quote on it but they were
10 not the low quote.

11 Q. And is that the particular reason why you didn't
12 use them in connection with that job?

13 A. I would say yes.

14 Q. In the past couple of years have you used any
15 other companies in Pennsylvania for your heavy hauling
16 intrastate shipments?

17 (Pause.)

18 Q. Other than the five that I've asked you about?

19 A. Not to my recollection I haven't, no.

20 Q. Have you ever used the services of this Applicant,
21 J. F. Lomma, Inc.?

22 A. Yes; within the state of Pennsylvania, no.

23 Q. How often or how many times have you used Lomma
24 within 1984?

25 A. To my knowledge I have only used them once this

1 year.

2 Q What was that for?

3 A No, I used them twice. Sorry. I used them twice
4 this year.

5 Q When was the last time?

6 A Within the past week.

7 Q Where did that load go?

8 A Winchester, Virginia.

9 Q Was the service satisfactory?

10 A Yes, sir.

11 Q And was it a heavy hauling load, that is, on a
12 drop-deck or a drop frame trailer?

13 A Yes. It was a 60,000 pound load.

14 Q Was there anything unusual about that service
15 either in terms of service difficulty or timing?

16 A Yes. I had a very short notice on acquiring a
17 truck. I had no time to do my normal quoting situation. I
18 didn't have the time to do that. As a matter of fact, I
19 originally had only about three days but I managed to talk
20 the customer into letting me have a week to get a truck to
21 haul it.

22 Q And Lomma made a truck available to you?

23 A I called Lomma and they made a truck available
24 immediately.

25 Q If Lomma was to get the authority it seeks in this

1 proceeding, what portion of your intrastate heavy hauling
2 shipments would you tender to Lomma?

3 A. It would depend upon their quotes.

4 Q. Why are you here in this hearing room supporting
5 this Application, Mr. Miller?

6 A. To have available for my needs more than one
7 carrier or even two carriers that I can depend upon.

8 Q. Why is that important to you?

9 A. Our delivery schedules are set up with heavy
10 rigging cranes, et cetera, at the receiving end and that
11 delivery must be met. I just had a very sad situation here
12 within the past year which is all the more reason to get a
13 Pennsylvania hauler.

14 Q. Who was that sad situation with?

15 A. Barkley.

16 Q. Dan Barkley?

17 A. Dan Barkley, Inc.

18 Q. Are they a Pennsylvania-based heavy hauler?

19 A. No.

20 Q. Was the service that you had problems on a matter
21 of intrastate commerce, that is, a pickup at your facility
22 in Williamsport and delivery to some point in Pennsylvania?

23 A. It was picked up in Williamsport and it was
24 delivered to Wilkes-Barre.

25 Q. What happened that made it a sad experience?

1 A. They got the haul because of the low quote.
2 They delivered the lower half of this unit with no problem.
3 The upper half was to go there on Monday and we asked them to
4 deliver it on a Friday and they come over with a truck that's
5 known as a stretch drop lowboy. They knew the weight, they
6 knew the dimensions and everything. They said the trailer
7 could handle it.

8 They came in and we set it down and they couldn't
9 get it off the ground with the hydraulic system. The
10 trailer bellied-out.

11 They said "We will be back Monday morning with a
12 suitable trailer." Monday morning they was there with a
13 trailer, which we had to load with part of the load sticking
14 out over the back wheels, right to the very end of the
15 trailer. They have to build up the center of the trailer
16 to do this.

17 They left our plant to go to Wilkes-Barre --

18 Q. How far away is that, sir?

19 A. Wilkes-Barre is approximately 80 miles from
20 Williamsport.

21 Q. They left our plant and went to 15, down to 80
22 and then east on 80. The first underpass they come to --
23 I think it was the first one -- they encountered problems.
24 They were a little too high to go under the underpass.

25 They therefore stopped and removed the wire boards

1 which you see on Exhibit 3.

2 Q. Those are the board on top?

3 A. The boards on top. They are commonly known as
4 wire boards. They are there to lift the wires over the load.

5 They removed those boards. They took considerable
6 time. They moved underneath the bridge, put the board back
7 on. In the meantime, while they were doing this, the
8 Pennsylvania Department of Transportation was working on
9 that bridge.

10 When they proceeded on down the road the supervisor
11 called the Pennsylvania State Police who in turn got ahold
12 of the PUC. They pulled the load off at the Danville exit
13 on 80.

14 The report was they hit the bridge, which later
15 proved to be false. They did not hit the bridge. But in
16 the proceedings it was found out that they did not bother
17 to change their permit from the load they had scheduled
18 to load on Friday -- the trailer they had scheduled to
19 load -- to the trailer they actually loaded on Monday.
20 Therefore, the load was higher, the trailer license number
21 was wrong and they were detained approximately two days in
22 detention until a unit arrived on the job.

23 Q. How did that impact on your company?

24 A. About \$5,000.

25 Q. Now, sir, you have mentioned several times a

1 quote system. When you ask a carrier to quote on a given
2 job, that is, the movement of a given piece of bulky or
3 heavy equipment from one point to another, what are the
4 elements of that carrier's quote to you? Does he split it
5 up as between transportation costs and other costs?

6 A. I ask for what is known as a bottom line quote.

7 Q. And what does that include?

8 A. That will include everything involved in hauling
9 the unit from my door to the customer's door; their escorts,
10 their flagmen, wiremen, whatever is required, the permits,
11 the actual hauling rate, whatever is involved in that move.

12 Q. The hauling rate, that is, the tariff rate, is
13 only one element of the carrier's quote or bid -- call it
14 what you like -- to your company for the movement of a
15 given load?

16 A. The tariff rate can be in most cases the lesser
17 amount of the haul.

18 Q. But when you receive a bid all you get is one
19 number which is inclusive of all of those services?

20 A. Right.

21 MR. PATTERSON: Thank you. That's all I have and I
22 tender the witness for cross-examination.

23 MR. CHESNUTT: I'm going to defer to Mr. Kahn.

24 MR. PATTERSON: I might, by the way, move the admission
25 of Exhibit 3 and 4.

1 MR. CHESNUTT: I can find nothing to object to about
2 these, so I won't.

3 JUDGE KLOVEKORN: Without objection, they are received
4 in evidence.

5 (Whereupon, the documents marked
6 as Applicant's Exhibits Nos.
7 3 and 4 were received in
8 evidence.)

9 CROSS-EXAMINATION

10 BY MR. KAHN:

11 Q Mr. Miller, as I understand your testimony, all
12 of your traffic involves permit loads, isn't that correct?

13 A No.

14 Q Aren't they all more than 13-6 high?

15 A No.

16 Q Well, I misunderstood you. I thought you said
17 the smallest boiler was 12 foot-6 high.

18 A We are talking about a shop assembled boiler.
19 We have fielderected boilers.

20 Q In which you ship the components?

21 A We ship the components on regular flats.

22 Q I see. I didn't understand that.

23 Well, we are talking today about the heavy hauling
24 traffic.

25 A Right.

Q And you gave us an estimate of one move every
two months within Pennsylvania. Were you talking then about

1 the assembled boilers?

2 A. Yes.

3 Q. And of the assembled boilers are those all
4 permit loads?

5 A. Yes.

6 Q. Now, the moves which you told us about specifically
7 involved, first, Sayre, Pennsylvania. Where is that?

8 A. Sayre, Pennsylvania is up near the New York state
9 line. I would say the best way to go up there would be
10 220 North out of Williamsport.

11 Q. Who handled that load?

12 A. McCormick Dray Line.

13 Q. And did you have any problems with the move?

14 A. I had a small damage claim.

15 Q. A small damage claim?

16 A. Yes.

17 Q. Did McCormick work out the claim with you?

18 A. Oh, yes.

19 Q. And then you mentioned Swarthmore College in
20 Swarthmore, Pennsylvania. Who handled that move?

21 A. In this case the customer did.

22 Q. The customer's own vehicle?

23 A. The customer came in and picked it up with his
24 own -- I won't say his own tractor and trailer, but he hired
25 a tractor and trailer.

1 Q On these over-sized boilers that we are talking
2 about, could you tell us what percentage of the moves within
3 Pennsylvania are handled by customer pickup?

4 A I'd say one percent; very, very minimal.

5 Q Very seldom. And you mentioned Philadelphia.
6 Who handled that one?

7 A McCormick.

8 Q Any problems with that move?

9 A No -- truckers problems, not McCormick. I
10 had other problems but not truckers problems.

11 Q No problems to you as a shipper?

12 A No.

13 Q And then there was Wilkes-Barre. Who handled
14 that for you?

15 A Wilkes-Barre was handled by Dan Barkley.

16 Q That's the one you described?

17 A That was my headache...

18 Q That's the one you did have problems with?

19 A Yes.

20 Q How far is Williamsport from Lehigh County?

21 A Lehigh County?

22 Q From the edge of Lehigh County.

23 A I would roughly guess 75, 80 miles. I'm not
24 accurate. It's in that range somewhere.

25 Q And how far is Williamsport from Philadelphia,

1 from the center of Philadelphia?

2 A. Well, I just drove down; 188 miles. That includes
3 my trip around Philadelphia when I got lost.

4 Q. Now, sir, you told us you are not familiar with
5 Frank W. Hake.

6 A. Not to my knowledge I'm not.

7 Q. If they solicited you and upon learning of a
8 job that you had submitted a bid and they were the lowest
9 bidder would you use their services?

10 A. If they would meet the insurance qualifications,
11 which I'm sure they would, and they were the low bidder,
12 I certainly would.

13 Q. And assuming further that they were a qualified
14 carrier?

15 A. A qualified carrier, yes.

16 Q. And is the same true of the others, David Graham,
17 who you said you've only used for flatbed work?

18 A. Yes.

19 Q. If they submitted a bid and were the lowest
20 bidder on one of your big moves would you use them?

21 A. They have submitted a bid but they never were the
22 lowest bidder.

23 Q. And would the same be true of Liedtka Trucking
24 if they could handle a move within the scope of their
25 authority?

1 A. If anybody would submit a low bid and are able
2 of efficiently handling it and are financially insured,
3 et cetera, yes.

4 Q. So is it fair to say that you would give the
5 move to the lowest qualified bidder?

6 A. Right.

7 MR. KAHN: I think that's all I have.

8 CROSS-EXAMINATION

9 BY MR. CHESNUTT:

10 Q. Mr. Miller, I represent Daily Express.

11 A. Yes, sir.

12 Q. Suppose on the next job you have here in Pennsyl-
13 vania Daily submits a bid, as they have done in the past,
14 for one of these oversized boilers, and their bid is \$100
15 higher than the bid submitted by Dan Barkley, Inc. Which
16 carrier would you use?

17 A. The lowest bidder.

18 Q. Dan Barkley?

19 A. Yes.

20 Q. Notwithstanding your bad experience with them?

21 A. Right now, Dan Barkley's experience -- they are
22 out of the picture for the time being.

23 Q. But under the hypothetical that I gave you,
24 for the next job --

25 A. I did not catch that part.

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Q. Okay. In the next job --

A. You are saying between Daily and Barkley?

Q. That's correct, and Barkley is the low bid.

A. Daily would get the haul.

Q. What if the difference was \$1,000 on the job?

A. Let me put it this way: Number one, Dan Barkley would not be bidding right now.

Q. You're not going to invite Dan Barkley --

A. They are not going to be invited in for the time being anyway. I value my job; I almost lost it.

Q. At what point would Dan Barkley come back into your transportation picture? What would they have to do in order to --

A. If I was to the point where I could not find a carrier who said they could handle it and Dan Barkley said they could, I would converse with my boss and maybe have to use them.

Q. It is true, is it not, Mr. Miller, that Dan Barkley got its authorization to perform services in Pennsylvania as a result of support from you?

A. Right.

Q. And that authorization was awarded by this Commission in a -- this is for the record, Your Honor, -- in a proceeding docketed at A. 103913 -- and I don't expect you to know that, Mr. Miller. But it was an authorization,

1 do you agree, that was given in the middle of last year,
2 1983?

3 A. Correct.

4 MR. CHESNUTT: For the record, Your Honor, the order
5 was approved by the Commission at a public meeting held
6 July 22, 1983, at the docket number I gave you earlier.

7 BY MR. CHESNUTT:

8 Q. And the authorization that Dan Barkley got in
9 that proceeding was one, Mr. Miller, was it not, that
10 authorized them to perform services specifically for E.
11 Keeler Company? Do you remember that?

12 A. At the time they made the application I think
13 we were still basically E. Keeler.

14 Q. But you understand that he's authorized to serve
15 your company specifically?

16 A. I did not. I knew he was -- I did not know that
17 it was specifically for E. Keeler Company, no.

18 Q. Do you recognize that Dan Barkley, Inc. can
19 handle inbound to your company, products other than those
20 that require special equipment?

21 A. I think that was brought up, yes.

22 MR. CHESNUTT: Those are all the questions I have.
23 Thank you, sir.

24 MR. PATTERSON: That's all I have, Your Honor. Thank
25 you, Mr. Miller.

1 JUDGE KLOVEKORN: If there's nothing further of the
2 witness, the witness is excused. Thank you very much, sir.

3 (Witness excused.)

4 MR. PATTERSON: I call Mr. Frye, Your Honor.
5 Whereupon,

6 ROBERT L. FRYE

7 having been duly sworn, testified as follows:

8 DIRECT EXAMINATION.

9 BY MR. PATTERSON:

10 Q Mr. Frye, if you would, state your full name and
11 business address and spell your last name for the record.

12 A Robert L. Frye, F-R-Y-E, Zurn, Z-U-R-N, Industries,
13 Energy Division, 1422 East Avenue, Erie, Pennsylvania 16503.

14 Q What's your position with Zurn Industries, Mr.
15 Frye?

16 A The traffic manager.

17 Q And is that specifically with respect to the
18 Energy Division?

19 A Yes, sir.

20 Q And how long have you been traffic manager?

21 A I've been traffic manager two years and assistant
22 traffic manager for two years previous to that.

23 Q All with the Energy Division?

24 A Yes, sir.

25 Q And all at the address you've given us?

1 A. Yes, sir.

2 Q. Now, what is the business of the Energy Division
3 of Zurn Industries?

4 A. We manufacture steel power boilers and related
5 equipment.

6 Q. Are you a competitor of Keeler/Dorr-Oliver in
7 terms of the type of product, without judging which one is
8 better?

9 A. Yes, sir, we are competitors. In fact, we do
10 some work for them.

11 Q. What work do you do for them?

12 A. We roll drums, steel drums for them. We have
13 one of the largest sets of rolls in that part of the country.
14 We have the capacity, I think, of rolling up to six inch
15 thick steel.

16 Q. And that turns that steel into a cylindrical
17 shape?

18 A. Yes, sir.

19 Q. How does that steel come into your place of
20 business in Erie?

21 A. Most of the steel for our purposes comes in via
22 trucking company out of Coatesville, Pennsylvania, Lukens
23 Steel. Some of it does come in via rail, which is deemed
24 too large to go by truck. I question that at times.

25 Q. Does the steel pieces that you -- describe the

1 steel that you roll for Keeler/Dorr-Oliver. First of all,
2 does it come from Coatesville as well?

3 A. That I'm not sure of. I'm not sure whether it
4 comes in direct out of their plant or whether it comes from
5 the steel supplier in to us.

6 Q. Where would the steel supplier be located?

7 A. With them I'm not sure.

8 Q. What is the size of that steel as it comes in to
9 you? Is it plate?

10 A. It's steel plate. It's flat plate and it varies
11 in lengths and widths depending on the diameters and thick-
12 ness, depending on the pressure or size of the vessels. It
13 can -- often times it comes in in oversized loads on flatbeds.

14 Q. What's the size of the load? What's the dimension
15 of the flat piece of steel?

16 A. I would say they come in approximately about
17 10 foot-6 in width and 15 foot long.

18 Q. That's over-width?

19 A. Yes, that's over-width.

20 Q. Does that kind of load require a permit?

21 A. Yes, sir. It exceeds 8 foot-6 inches in width.

22 Q. So you roll that steel in your whatever you call
23 the machine that turns it into a vessel?

24 A. Right. We hot roll it.

25 Q. And then what do you do, at least with respect to

1 the vessels you're rolling for Keeler/Dorr-Oliver?

2 A. Then we weld the seams and Keeler makes arrange-
3 ments to pick up the welding cylinder.

4 Q. And what is the range of the size of those
5 cylinders that you make for Keeler/Dorr-Oliver?

6 A. Most of them are probably 60 inches in diameter
7 and maybe up to 40 foot long.

8 Q. And the weight?

9 A. Weight, I would say they run around 40,000 and
10 they may go even higher.

11 Q. Now, give us and the record an idea of the size
12 of the Energy Division there in Erie of Zurn Industries in
13 terms of number of employees or some other indication of
14 its size.

15 A. The Energy Division, we have approximately 350
16 union employees. We have sales volume of approximately
17 \$50-plus million a year.

18 Q. Now, the steel power boilers that you make, what
19 is their range in weight?

20 A. Well, the lightest packaged boiler would be about
21 40,000 pounds, up to the largest single packaged unit is
22 over 300,000 pounds, one piece.

23 Q. And what is their range in terms of dimension?

24 A. The smallest will go approximately 8 foot wide,
25 15, 16 foot long, and probably 10 to 12 foot in height. The

1 largest is approximately 20 foot high, 45 foot long and
2 approximately 15 foot wide.

3 Q Do you make these things generally and hold them
4 in stock, in inventory, waiting for a buyer or are they
5 normally made on some other basis?

6 A They are all custom built to customer specifica-
7 tions and needs.

8 Q Now, sir, you've talked about boilers that are
9 shipped out as packaged, that is, the whole thing in one
10 unit. Do you also ship out pieces of this equipment that is
11 assembled at the site where it is going to be used?

12 A Yes. We build a field erected unit, which are
13 your larger, more specialized type units.

14 Q Now, the components of those field erected units,
15 are any of the components of a size in terms of weight or
16 dimension which require a heavy hauling service?

17 A Many of the parts in that do require special
18 trucking services due to both weight and dimension.

19 Q Now, sir, on your smallest packaged boiler, which
20 I think you said was either 10 or 12 feet high or in that
21 range and 40,000 pounds, what kind of trailer equipment does
22 that require to move it over the highway?

23 A That requires a double-drop lowboy.

24 Q Why does it require a double-drop trailer?

25 A Well, because of the height. It would end up

1 being permitted anyhow because it normally would exceed the
2 13-6 legal limits. The carriers we select, we try to use
3 carriers that have the expertise in determining the equipment
4 needed to keep the cost as low as possible and using the
5 proper equipment to transport it.

6 Q In addition to having equipment which is low
7 enough, or has a deck level to handle this traffic over the
8 highways of Pennsylvania, is it necessary also that the
9 lowest deck portion of the lowboy trailer be long enough to
10 accommodate the length of some of these pieces of equipment?

11 A Yes, sir. Sometimes on extreme heights, I know
12 with Daily Express, and using the weights, we have a good
13 working relationship with Daily but once we exceed 21 foot
14 we do have problems because when you stretch out the trailers
15 normally you lose in your overall weight capacity that you
16 can place on that platform.

17 Q Why is that?

18 A Normally because of the size of the way the
19 equipment is built, if you just overload it you stress the
20 trailer too bad.

21 Q What happens to the middle of the trailer?

22 A It usually bellies-out, hits the ground, or it
23 could possibly break the trailer and damage the equipment.

24 Q Now, sir, what kind of end users utilize your
25 range of products, what categories of end users?

1 A. Just about anybody: hospitals, schools, municipi-
2 palities, institutions, large corporations, power companies,
3 electric power companies -- anything that can be used where
4 you take a boiler to generate steam to either run other
5 equipment for electricity, to run turbines, up to air
6 conditioning, heating, plant equipment, this type of thing.
7 They are used everywhere.

8 Q. Does the Energy Division of Zurn have a marketing
9 or sales department?

10 A. Yes, we do.

11 Q. Do they contract potential customers in Pennsyl-
12 vania?

13 A. Yes, sir.

14 Q. Can you tell from one year to the next who is
15 going to be the next buyer or who the next buyers of this
16 type of equipment is going to be and where they will be?

17 A. No, sir. There's no way of telling.

18 Q. Now, sir, do you also use rail service in shipping
19 your product?

20 A. Yes, quite often we do.

21 Q. If you have a choice as between shipping by rail
22 and shipping by truck which do you prefer?

23 A. If I can conceivably put it on a truck it goes on
24 a truck.

25 Q. Why?

1 A. I am on the main line of Conrail and Conrail has
2 just caused me to go bald and gray everyday. They are very
3 difficult to deal with, the damage factor is terrible,
4 claims are almost impossible to collect. The minimum that
5 I have in my four years with Zurn has been two years on
6 getting payments on legitimate claims.

7 Q. Now, sir, are there some loads which either because
8 of their dimension or because of their weight just have to
9 go by rail?

10 A. Yes, sir, just no equipment can handle them.

11 Q. Where would you put that level, at least at the
12 present time?

13 A. At the present time, once I exceed about 14 foot
14 in height and exceed about 25 foot in length with weight
15 at those measurements of 60,000, 70,000 pounds, then I have
16 to start considering the rails.

17 Q. Is there any shift or any possibility in your
18 mind of increasing the weight and size of the traffic that
19 you can ship by truck, thus diverting a little bit more
20 from the rails?

21 A. Could you repeat your question?

22 Q. Let me try it another way. Does the possibility
23 of J. F. Lomma, Inc. becoming available to you in Pennsyl-
24 vania suggest to you the possibility of diverting additional
25 traffic from the rails?

1 A. Yes. They do have equipment that can handle some
2 of the heavier weights and the bigger pieces that now go by
3 rail.

4 Q. And if they obtained this operating authority
5 would you in fact divert traffic from Conrail to Lomma for
6 delivery?

7 A. We would consider using them, yes.

8 Q. Now, sir, again with respect to the use of rail,
9 is there trend in your view in regard to the number of rail-
10 heads available at which to terminate this traffic?

11 A. Well, especially within Pennsylvania with Conrail
12 and their -- I can't think of the word --

13 Q. Abandonment?

14 A. Abandonment of rail lines, unprofitable lines, it
15 becomes more and more that we have to look to try to get
16 there by rail -- or by truck. And if we can't we often have
17 to consider rigging at the nearest rail siding, so we involve
18 there trucking companies and rigging companies; a lot of
19 coordination, and a lot of expense.

20 Q. So if I understand you, the rail siding, rather
21 than being within yards of the final resting place of the
22 boiler, it is several miles away and is going to involve
23 truck service at that end of the move?

24 A. Yes.

25 Q. Have you shipped your products to points in

1 Pennsylvania?

2 A. Yes, we have had some, yes.

3 Q. And using the last two years as an example, that
4 is, '82 and '83, approximately how many heavy hauler shipments
5 have you moved to points in Pennsylvania?

6 A. We have had about 12 a year.

7 Q. Is this year it going to be more or less?

8 A. This year it will be more.

9 Q. How many this year?

10 A. At this time I can't say. I do have a contract
11 pending with shipping that is coming up to Morrisville,
12 Pennsylvania, and I do know there will be several dimensional
13 loads, so it will probably exceed 12 shipments this year
14 within Pennsylvania.

15 Q. Within the last year to what points in Pennsylvania
16 did you ship?

17 A. Pittsburgh, Philadelphia, Altoona, Allentown,
18 the Marcus Hook area, Warren, Pennsylvania, Lock Haven and
19 some into Coatesville back into Lukens. Philadelphia is a
20 fairly decent area because of the refinery companies along
21 the river.

22 Q. And when you ship who is the -- do you choose
23 the carrier or does the consignee choose the carrier?

24 A. Normally I choose the carrier.

25 Q. And normally what are the terms with respect to

1 the freight?

2 A. Most of it is F.O.B. Erie, Pennsylvania, freight
3 prepaid. We are coming more and more into F.O.B. destinations
4 where I'm responsible for all the claims and damages.
5 That's becoming more prevalent today.

6 Q. What carriers have you used within Pennsylvania
7 to deliver these heavy hauler shipments?

8 A. I'm sure Daily Express has been involved in them,
9 and Gottry Corporation, G-O-T-T-R-Y.

10 Q. Where are they headquartered?

11 A. Daily Express is located --

12 Q. I'm sorry. I meant Gottry.

13 A. Gottry is located in Rochester, New York. That's
14 their home office.

15 Q. Among Gottry and Daily Express which carrier
16 got the most of the approximate 12 loads?

17 A. I would say Gottry got the majority of it.

18 Q. Why are you here supporting, on behalf of your
19 company, supporting the application of J. F. Lomma, Inc.?

20 A. Being in northwestern Pennsylvania, the number of
21 carriers that solicit me is very few. The number of intra-
22 state, reliable intrastate carrier, heavy haulers, are
23 limited up there. I'm always looking for more competition
24 price-wise and equipment-wise.

25 Q. What do you mean "equipment-wise"?

1 A. Carriers today, especially the heavy haulers,
2 are getting into more and more exotic equipment that can
3 handle larger and larger pieces that a few years ago were
4 almost impossible to move by truck due to technology and
5 engineering. They have invested a lot of money to help my
6 kind of equipment move safer, quicker and at a competitive
7 price with the rails. Northwest Pennsylvania in some respects
8 is forgotten when it comes to heavy haulers and especially
9 intra-Pennsylvania. The number of carriers that are available
10 to me, that solicit, that I know are very few.

11 MR. PATTERSON: Thank you very much. I tender the
12 witness for cross-examination.

13 CROSS-EXAMINATION

14 BY MR. CHESNUTT:

15 Q Mr. Frye, do you remember the series of questions
16 Mr. Patterson asked you about this traffic that could be
17 switched from rail to motor carrier, or it might be, and
18 he asked you whether the presence of Lomma in Pennsylvania
19 would change your thinking about that, and you said you would
20 consider using them. What would be the considerations that
21 you would give? What are the criteria?

22 A. We would look at the job site, considering, you
23 know, where we want to put the unit. Another thing with
24 Lomma, he is also a rigger and could possibly be involved in
25 the off-loading, having both hauling and unloading with one

1 contractual price.

2 Q Is that unusual in the usual run of your business,
3 to have the organization that performs the transportation
4 also perform the rigging? Is that the exception?

5 A It is unusual.

6 Q So it's the rigging aspect of their business that
7 is attractive to you?

8 MR. PATTERSON: I'm not sure he finished answering the
9 criteria.

10 MR. CHESNUTT: Okay.

11 A Equipment is also a consideration, and the price,
12 you know, the comparison between rail and trucking. If it's
13 within a reasonable price we can do that.

14 The other consideration I have to think about is the
15 service that I receive in rail.

16 BY MR. CHESNUTT:

17 Q When was the last time that you made a shipment
18 to a point in Pennsylvania by rail that you could have given
19 to Lomma if Lomma were in operation in Pennsylvania?

20 A I would say last fall, winter, November, December.

21 Q Where was that going?

22 A That went into Pittsburgh.

23 Q And what were the dimensions of that?

24 A Off the top of my head, I couldn't really say.

25 We were on the borderline of rail and truck.

1 Q. And you chose rail?

2 A. Yes.

3 Q. You've indicated that you have used Daily Express
4 for some of your intrastate Pennsylvania moves, is that
5 correct?

6 A. I'm sure I have, yes, sir.

7 Q. Well, you say you're sure you have, but that
8 suggests to me you're really not sure. I mean, I don't
9 understand. You really don't know?

10 A. Without going back through my records and pulling
11 each bill that went through Pennsylvania, I can't really
12 determine that. I don't recall off-hand a Pennsylvania
13 Daily recently, if that's your question.

14 Q. If you're not using Daily to points in Pennsylvania
15 who are you using?

16 - A. I have used Gottry Corporation. I believe we
17 have through Erie Warehousing, material that went into
18 warehousing and out under Hardinger Transfer in Erie.

19 Q. Is that for heavy hauling type transportation?

20 A. It would have been, yes, a flatbed, over-dimen-
21 sional type load.

22 Q. Have you used Ranger Nationwide, Inc. for that
23 type of transportation?

24 A. No, sir.

25 Q. You did recently support an application by

1 Ryder/P-I-E Nationwide, did you not?

2 Q Yes.

3 Q Do you recall specifically the last time that
4 Daily Express furnished your company a unit to perform
5 transportation of a heavy hauling nature within Pennsylvania?

6 A I can't recall one, no.

7 Q Can you tell me the last time that Daily furnished
8 you a trailer which when you loaded it it bellied-out?

9 A I don't think we have every had one with Daily
10 that bellied-out. They are a very reputable company, very
11 dependable. I have a good working relationship with them.

12 Q On the inbound moves that you mentioned my notes
13 about them indicate a certain -- well, you said you think
14 they may come from Lukens but you weren't sure. Do you not
15 control the inbound move? Is that where the uncertainty
16 arises?

17 A If you're familiar with the steel companies you'll
18 find that they control the outbound steel very much. You
19 can break into it but it's very difficult.

20 Q And you don't, as a matter of fact, break into it,
21 do you?

22 A Not unless I'm asked to.

23 Q Asked by whom?

24 A Our purchasing people.

25 Q Do you recall ever specifying on an inbound move

1 to Erie the carrier to be used from Lukens Steel in
2 Coatesville?

3 A. No, sir, I have not.

4 Q. Have you ever made a comparison of the rates
5 charged by Daily Express for Pennsylvania intrastate trans-
6 portation with the rates charged by Gottry Corporation for
7 that same transportation?

8 A. On this Morrisville, Pennsylvania, I have not
9 contacted Daily but I do plan on contacting them.

10 Q. But have you ever compared the Gottry and Daily
11 rates for Pennsylvania intrastate?

12 A. Yes -- well, not on intra-Pennsylvania but on
13 other hauls I have, yes.

14 Q. Are Gottry's lower generally?

15 MR. PATTERSON: Object. I don't think it makes any
16 difference if their rates to California are more or less.

17 MR. CHESNUTT: I think Mr. Patterson is probably right.

18 BY MR. CHESNUTT:

19 Q. On your use of Gottry Corporation within Pennsyl-
20 vania, have you asked that company to submit a quote or a
21 bid or some indication of what it would cost you to use their
22 services in Pennsylvania?

23 A. I usually call for a rate, yes.

24 Q. And when you do that with Gottry, who as I under-
25 stand your testimony, that's the carrier you use most of the

1 time within Pennsylvania?

2 A. Yes, because they have a terminal in Erie,
3 Pennsylvania.

4 Q. When you call them and ask them for a rate on a
5 move within Pennsylvania who do you compare that rate with?

6 A. A lot of times I don't do a comparison.

7 Q. You just ask them how much it costs and then you
8 ask for the truck? Is that it effectively?

9 A. Unless I feel it's way too high. Then I will
10 check somebody else out. But I do know in my dealings with
11 Gottry their rates are high.

12 Q. You feel their rates are high?

13 A. Yes.

14 Q. Do you expect that Lomma's rates would be lower
15 if they were granted this authority?

16 A. At this time I don't know because I've had no
17 occasion to check out Lomma.

18 Q. If their rates do prove to be lower would you
19 use the Lomma service rather than the Gottry service?

20 A. It would depend on equipment availability.

21 Q. Has Lomma given you any indication that they would
22 acquire a terminal in Erie?

23 A. They are presently working on a terminal in the
24 Pittsburgh area.

25 MR. CHESNUTT: I think those are all the questions I

1 have. Thank you, sir.

2 CROSS-EXAMINATION

3 BY MR. KAHN:

4 Q The moves that you had in the recent past in
5 Pennsylvania that you named, do I understand that they were
6 all handled either by Gottry or Daily?

7 A I would say that would be the majority of them,
8 yes.

9 Q Where there any others? You mentioned Erie some-
10 thing. I missed the last name.

11 A It's Erie Warehouse. It's an old Hardinger
12 Transfer. They have intra-Pennsylvania authority on a
13 move, I believe, from the warehouse, material from the
14 warehouse.

15 Q From their warehouse?

16 A Yes.

17 MR. CHESNUTT: Is that H-A-R-T-I-N-G-E-R?

18 THE WITNESS: H-A-R-D-I-N-G-E-R, Hardinger.

19 BY MR. KAHN:

20 Q Have you warehoused with them?

21 A Yes.

22 Q So it's only as to material warehoused with them
23 that you are able to use them?

24 A Yes.

25 Q And I assume that doesn't happen very often?

1 A. No, sir.

2 Q. So virtually all of your other intrastate traffic
3 has been handled by either Daily or Gottry?

4 A. Yes. I have used Preston Special Commodities
5 Division with a limited number of shipments within Pennsylv-
6 ania.

7 Q. Would those three be about all the carriers you have
8 used?

9 A. I would have to say yes, sir.

10 Q. Now, as to the points you were able to recall,
11 which I have done as Pittsburg, Philadelphia, Altoona,
12 Allentown, Marcus Hook, Warren, Lock Haven and Coatesville,
13 did those moves all go uneventfully as far as you are concerned?

14 A. Yes, sir.

15 Q. I gather from your testimony that you don't
16 take bids when you have a move to make?

17 A. I don't put it out for bids normally, no, sir.
18 I do usually check a couple of rates. I don't have the time
19 or the people to go into great depth on bidding.

20 Q. And if you checked a couple of rates and both were
21 qualified carriers and had equipment available is it fair to
22 assume you would give the job to the lower of the two?

23 A. The majority of the time, yes.

24 Q. Of the approximately 12 moves that you in the
25 last year did any of them involve one of these combination

1 moves from a railhead to a point of installation?

2 A. I can't think of -- well, the moves that I gave
3 you were trucking shipments.

4 Q. They were all truck?

5 A. Yes.

6 Q. But in the last year did you have any, within
7 Pennsylvania, combinations where you had railhead to the
8 point of installation?

9 A. Yes.

10 Q. And have you ever used the services of Frank W.
11 Hake?

12 A. I'm not familiar with the name.

13 Q. If they solicited you and submitted a quote on a
14 particular job would you consider using their services?

15 A. I would consider them, yes.

16 Q. And would you in particular consider using their
17 services if it were shown that they could do the rigging work
18 as well as the over the road transportation?

19 A. Yes, if we were involved with that need, yes,
20 we would consider them.

21 Q. Don't all of these oversized pieces involve some
22 rigging?

23 A. Yes.

24 Q. Onto the truck and off of the truck at the point
25 of destination?

1 A. Yes.

2 Q. Have you used the services of David Graham? ..

3 A. I do not recall ever using them, no, in my
4 capacity at Zurn Industries.

5 Q. And if they solicited you for work and submitted
6 a bid would you consider using their services?

7 A. Yes.

8 MR. KAHN: I think that's all I have.

9 REDIRECT EXAMINATION

10 BY MR. PATTERSON:

11 Q. Mr. Frye, you've indicated in response to a
12 question by Mr. Chesnutt that you are in the process of
13 supporting or have supported the Ryder/P-I-E application
14 before this Commission. Is that for heavy hauling service?

15 A. My impression is it's for LTL common carrier
16 business only.

17 Q. Not the heavy hauling?

18 A. Not the heavy hauling.

19 Q. And you said that you used the service of the
20 Preston Special Commodity Division. Was that in connection
21 with heavy hauling shipments?

22 A. That would be considered that because it was
23 over-dimensional and possibly over-width. But it would be
24 a flatbed type load.

25 Q. Now, in discussing the shipment that you decided

1 to send by rail to Pittsburgh where it was, I think in your
2 words, borderline between rail and truck, if J. F. Lomma
3 had been available to you back when you made that decision
4 would your decision have been the same, to use rail, or
5 would you have used Lomma, assuming that his rate was
6 competitive?

7 A. I believe we would have used Lomma. I would have
8 to say we would have used Lomma.

9 Q. Now, you testified in response to one of Mr. Kahn's
10 questions that the destinations which you listed involved
11 shipments which traveled from origin to destination over the
12 highway but indicated that there had been -- you had an
13 example of a shipment, or perhaps more than one, which moved
14 from a railhead somewhere in Pennsylvania to the ultimate
15 point of installation. Can you tell us about that shipment
16 or those shipments as the case may be?

17 A. That particular shipment went into downtown
18 Pittsburgh, Pennsylvania, which had to be offloaded from the
19 railhead, placed on a truck, moved on a Sunday through
20 the City of Pittsburgh to the ultimate destination. The
21 rigging company involved -- I don't know who the rigging
22 company involved was. My portion ended at the rail siding
23 in Pittsburgh.

24 Q. Do you know who the motor carrier involved was?

25 A. At the end?

1 Q Yes.

2 A In Pittsburgh?

3 Q In Pittsburgh.

4 A I'm not sure who it was, but I did ship a portion
5 of that to Pittsburgh by truck and it went with Gottry
6 on a single drop trailer.

7 MR. PATTERSON: All right, sir. That's all I have.

8 RE-CROSS-EXAMINATION

9 BY MR. KAHN:

10 Q With regard to that last move, your responsibility
11 ended at the rail head? You didn't have anything to do with
12 the movement from the rail head to the destination?

13 A No. My only portion that I was involved in was
14 coordinating that Conrail get the boiler to the proper
15 place of unloading so that rigging and trucking could be
16 handled from that point.

17 MR. KAHN: Thank you.

18 JUDGE KLOVEKORN: If there is nothing further of the
19 witness, the witness is excused. Thank you very much, sir.

20 (Witness excused.)

21 JUDGE KLOVEKORN: Why don't we take a five minute
22 break.

23 (Recess.)

24 JUDGE KLOVEKORN: Back on the record.

25 MR. CIEMNIECKI: I call Mr. Presto to the stand, please.

1 Whereupon,

2 JOSEPH PAUL PRESTO

3 having been duly sworn, testified as follows:

4 DIRECT EXAMINATION

5 BY MR. CIEMNIECKI:

6 Q Mr. Presto, would you please state your name
7 and your business address for the record?

8 A Joseph Paul Presto, Senior, South Tenth and
9 Mill Streets, Allentown, Pennsylvania.

10 Q Is that P-R-E-S-T-O, sir?

11 A Yes.

12 Q Sir, with what company are you associated?

13 A Fuller Company, GATX Company.

14 Q What does GATX stand for?

15 A General American Transportation Corporation.

16 Q And what is your position with Fuller?

17 A Corporate traffic manager.

18 Q And how long have you been with the company, sir?

19 A Twenty-six years.

20 Q And how long have you been corporate traffic
21 manager?

22 A About eight years.

23 Q And as corporate traffic manager could you briefly
24 describe some of your duties and responsibilities?

25 A We are responsible for the cost of transportation

1 to and from all our plants and as a result we control all
2 the transportation to and from all our plants.

3 Q Sir, do you become involved in selecting the
4 heavy haulers that your company utilizes?

5 A Yes, we do.

6 Q Sir, could you briefly describe the business that
7 Fuller is engaged in?

8 A We manufacture large industrial processing
9 equipment, machinery, primarily, for the processing industry
10 such as kilns, grinding mills, crushers, driers, air
11 pollution equipment, coolers for the processing industry
12 such as cement -- primarily cement -- chemicals, mining,
13 paper, sugar, et cetera.

14 Q Sir, when you gave your business address that was
15 in Allentown, is that correct?

16 A That's correct.

17 Q Does Fuller maintain a facility in Allentown, a
18 manufacturing facility?

19 A They maintain a manufacturing facility in Allen-
20 town, Pennsylvania, Catasqua, Pennsylvania and Manheim,
21 Pennsylvania -- and also Compton, California.

22 Q As corporate traffic manager are you responsible
23 for movements to and from each of your three Pennsylvania
24 facilities?

25 A Yes, we are.

1 Q Sir, with respect to traffic moving between points
2 in Pennsylvania, would that involve primarily the commodities
3 that you listed before, such as the kilns and grinding
4 machines and crushers and driers?

5 A. Yes.

6 Q And would the transportation of those specific
7 commodities require either special handling or special
8 equipment?

9 A. Yes, they do. A good part of it is very large in
10 size and very heavy in weight. It can vary, like kiln shells
11 can vary from 10 foot diameters to 16 and 17 foot diameters
12 to 40, 50 long and from 50 tons to 80, 90 tons.

13 Q Now, you indicated, for example, that a kiln shell
14 is that what you said?

15 A. Kiln shell, K-I-L-N, S-H-E-L-L.

16 Q You indicated that a kiln shell might be as small
17 as 10 foot in diameter. Now, would that 10 foot diameter
18 kiln shell require special equipment for its transportation?

19 A. Yes. There are degrees of special equipment, but
20 it would require special equipment.

21 Q I believe you did indicate that your shipments
22 move to various processing industries, is that correct?

23 A. Yes.

24 (Pause.)

25 A. I should mention the steel mills, too. We furnish

1 a lot of air pollution equipment to the steel mills.

2 Q Now, with respect to heavy hauler shipments --
3 I'm going to be concentrating on the heavy hauler shipments --
4 approximately on a monthly basis how many would you have
5 moving outbound from your three facilities?

6 A Well, you have to understand that we are capital
7 intensified and being capital intensified our movements
8 are predicated on where we have contracts. Our contracts
9 are rather large, you know, millions of dollars. So if we
10 have a contract, say, going to a cement plant in Pennsylvania
11 we could be hauling 10, 15, 20 heavy haul loads. If we don't
12 have any contracts in Pennsylvania we're not hauling anything.
13 But generally speaking, in a year's time we should have,
14 you know, either in repair orders or in major contracts,
15 because Pennsylvania is fairly intensified in cement and
16 steel, 25, 30, 50 runs.

17 Q Anywhere from 25 to 50 runs?

18 A I would say so, yes.

19 Q And again, it all depends on securing contracts?

20 A Right. We are not an inventory or a shelf item.
21 It's all capital equipment which is designed specifically
22 for a specific application and as such we manufacture according
23 to that specific application and we ship it. There is
24 nothing in inventory.

25 Q Again, the range of 25 to 50 shipments, is that

1 to Pennsylvania points?

2 A. Yes.

3 Q. Would that involve shipments which originate
4 at each -- a combined total of shipments that originate
5 at each of your three facilities?

6 A. Primarily Allentown and Catasaqua.

7 Q. You have fewer heavy hauling shipments moving
8 from your Manheim facility?

9 A. Yes.

10 Q. Is it possible to give an average weight of a
11 shipment moving to a -- a heavy hauling shipment, again, --
12 moving to a Pennsylvania point?

13 A. Fifty tons, in that area.

14 Q. And that's an average, correct?

15 A. Yes.

16 Q. You do have shipments higher and lower than that?

17 A. Yes. We just made a couple of shipments to
18 Evansville, Pennsylvania, two shipments that weighed 110 tons,
19 17 foot diameters, 65 feet long.

20 Q. How about on the lower end of the scale? What
21 would be the lowest weight of a heavy hauling shipment that
22 you would transport, or you would require transportation for?

23 A. Well, in our light over-dimensional categories
24 such as air pollution equipment they could go down to 20
25 or 30 tons but these things could be 13 foot square or 14 foot

1 square and when you put them on special equipment you're up
2 16, 17 feet, and they are 20, 30, 40 feet long. So you have
3 a lot of routing to do, with dimensional or physical problems
4 to move it between Point A and Point B.

5 Q So with those, for example, 20 ton shipments,
6 it's not necessarily the weight that would require the special
7 handling or special equipment, it's more the size or the
8 dimension of the object?

9 A In certain areas, yes.

10 Q Mr. Presto, you did indicate that you do have
11 shipments moving to Pennsylvania points, correct?

12 A Yes.

13 Q Would you give us some examples of destinations
14 to which you ship in Pennsylvania?

15 A Well, we just made a couple of shipments to
16 Evansville, as I stated earlier.

17 MR. CHESNUTT: Is that Evans, E-V-A-N-S?

18 THE WITNESS: E-V-A-N-S-V-I-L-L-E, Pennsylvania.

19 MR. CHESNUTT: Thank you.

20 THE WITNESS: York, Pennsylvania; Hanover, Pennsylvania,
21 Pittsburgh, there's heavy cement up in Wampum, Pennsylvania,
22 northeast Pennsylvania, northwestern Pennsylvania. And
23 then in the local valley area, Nazareth, Copely, Whitehall,
24 Pennsylvania -- wherever the cement industry is concentrated
25 we could be shipping.

1 BY MR. CIEMNIECKI:

2 Q Does Fuller have a sales force that operates in
3 Pennsylvania?

4 A We have a world headquarters in Bethlehem,
5 Pennsylvania, where our sales forces -- our primary sales
6 force -- is located.

7 Q I believe you did testify that your shipments
8 move basically under contract, is that correct?

9 (Pause.)

10 Q Your sales force would go out and sell a certain
11 number of kilns to a certain buyer and then you would have
12 to arrange for the transportation to wherever that contract --

13 A Yes. We are responsible for the transportation
14 once we secure the contract, yes.

15 Q Is it accurate to state that wherever your
16 sales force arranges for a contract sale you would have to
17 arrange for the transportation to that point?

18 A Ninety-nine percent of the time.

19 Q When you say 99 percent of the time, does that
20 mean Fuller is responsible for arranging the transportation
21 99 percent of the time?

22 A Fuller is responsible for arranging the transporta-
23 tion on 99 percent of the contracts we secure. There is
24 the odd contract where the customer -- say they have one or
25 two shipments -- they will send a carrier. But normally it's

1 not the highly specialized type of equipment. It could be
2 an over-dimensional shipment but they would be arranging for
3 the transportation.

4 Q Mr. Presto, does Fuller receive any inbound
5 shipments from Pennsylvania points at its three facilities?

6 A At our one facility, Allentown, Pennsylvania, we
7 secure heavy forgings and large and heavy castings that are
8 utilized in the crushers or -- primarily the crushers, yes.

9 Q And from what Pennsylvania points do those
10 shipments originate?

11 A Pittsburgh, primarily U. S. Steel, or Bethlehem
12 Steel in Bethlehem, Pennsylvania.

13 Q Now, Mr. Presto, are you familiar with a carrier
14 by the name of Moore-Flesher?

15 A Yes.

16 Q Have you ever had occasion to utilize that carrier's
17 service?

18 A We have used Moore-Flesher some years ago, maybe
19 eight, ten years ago. They started confining their authority
20 or restricted their services to the Pittsburgh area and we
21 haven't been in contact with them for a long, long time.

22 Q So they haven't solicited your traffic in the
23 recent past?

24 A No.

25 Q How about a carrier by the name of David Graham?

1 Are you familiar with that carrier?

2 A. Yes. We use them all the time for standard loads,
3 flatbed loads and to some areas in over-dimensional shipments.
4 They restrict their operating scope to specific over-dimension-
5 al equipment. Like, they won't take anything that's loaded
6 on their trailers over 14 or 14-4 or 6 in height.

7 Q. Have you requested that they handle shipments of
8 greater size and weight?

9 A. Yes. They say they can't handle them.

10 Q. How about a carrier by the name of P. Liedtka?
11 Are you familiar with that carrier's service?

12 A. I've heard of them but I've never done business
13 with them and I'm not aware that they are a heavy hauler as
14 such, the type that we are normally familiar with.

15 Q. How about a carrier by the name of Frank W. Hake,
16 Inc.?

17 A. Yes, we do business with them from time to time
18 over the years. In fact, on this Evansville move they were
19 supposed to perform the service for us and then their
20 equipment got tied up and as a result we had to use another
21 heavy hauler, W. J. Casey, and they made the arrangements for
22 Casey to make the move for us, so we have no complaints with
23 Hake. He's a very good quality carrier.

24 Q. And how about a carrier by the name of Daily
25 Express? Are you familiar with that carrier?

1 A. We use them also. They are a good quality carrier
2 but there are times that they can't handle certain types of
3 service, but they are a good carrier.

4 Q. What types of shipments has Daily been unable to
5 handle?

6 A. Well, a combination of size and weight. There's
7 a number of times we have asked them to make certain moves
8 and they weren't able to handle a specific move because of
9 size and weight because they didn't have -- they weren't able
10 to make an adequate distribution, put enough axles or a
11 combination to keep the height down or get enough axles on
12 it.

13 Q. Now, Mr. Presto, has Fuller ever utilized the
14 services of the Applicant, J. F. Lomma?

15 A. Yes.

16 Q. And to what territories has Lomma been utilized?

17 A. Philadelphia export, New York State. We have
18 used them in Texas. We have used them in Oklahoma.

19 Q. When you say Philadelphia export, is that a move
20 to the Philadelphia docks for export out of the --

21 A. The Philadelphia piers, right.

22 Q. About how often have you utilized Lomma's services,
23 say, in 1984 to date?

24 A. Half a dozen times or more.

25 Q. Did you utilize their services in 1983 as well?

1 A. Yes, we did.

2 Q. Have you been satisfied with the service provided
3 to you by Lomma?

4 A. Yes, we have.

5 Q. Now, did you have occasion to tender to Lomma
6 the type of shipment, combination size and weight shipment,
7 that Daily Express has been unable to handle?

8 A. Yes. We asked them to quote on it and they gave
9 us a quote.

10 Q. They have indicated to you that they are able to
11 handle those types of shipments?

12 A. Yes.

13 Q. Now, sir, in selecting a carrier to be utilized
14 by your company what factors do you consider?

15 A. Well, we consider quality of service and cost.
16 Quality of service is a primary factor with us because we
17 move a lot of heavy loads, a lot of over-dimensional shipments,
18 and we are concerned about public relations and we are
19 concerned about getting the necessary authority within
20 Pennsylvania to move our equipment because our plants depend
21 on this authority. So we are always concerned about the
22 quality of service.

23 But the other thing is we are also concerned about
24 cost too because in today's environment, especially in the
25 marketing environment, it's very difficult to secure contracts

1 and especially to secure contracts at even a small margin of
2 profit. As a result, we are looking for not only service
3 but we are looking for good costs in order to compete in the
4 marketplace.

5 So we need, as far as we are concerned, we need as
6 many dependable service, cost-oriented carriers in the
7 marketplace as possible because we want to be competitive.
8 We feel the only way you can be competitive is to have people
9 out there that can service you and give you a price, a good
10 price. That's the way we feel about it.

11 Q Sir, you did indicate that your primary concern is
12 quality of service. If the situation arose where a carrier
13 gives you superior service and their rate is slightly higher
14 than a carrier who gives you a lesser quality service, would
15 you use the service of the carrier who is more expensive?

16 A. There's no question about it, no question about
17 it.

18 Q Mr. Presto, if this application were granted would
19 you tender freight to J. F. Lomma?

20 A. Oh, yes.

21 Q Is it possible to give us some estimate of how
22 much freight you would tender to Lomma if the application
23 were granted?

24 A. Well, first we would have to have the contracts
25 and second if their price is competitive and if their service

1 is as it has been in the past, there's no question we would
2 give them business.

3 Q And would you please state for the record -- I
4 know you've indicated some reasons already -- could you
5 just restate why you are supporting the instant application?

6 A Primarily in order to -- let me say this: there
7 are few quality service and cost-oriented carriers in the
8 business as far as we are concerned. There are a lot of
9 carriers that have gone out of business and as a result
10 we are interested in quality and service and cost-oriented
11 carriers coming in that can handle our product lines. This
12 is why we are supporting them. We need carriers. We just
13 don't want to be tied down to one carrier or two carriers.
14 When that happens, just like some of the problems in some of
15 our moves today, we are tied down to one or two carriers and
16 as a result the prices can be all over the patch and they can
17 be high as hell.

18 MR. CIEMNIECKI: That's all I have on direct, Your
19 Honor.

20 CROSS-EXAMINATION

21 BY MR. CHESNUTT:

22 Q Mr. Presto, you ship outside of Pennsylvania too,
23 don't you?

24 A All over the country, all over the world.

25 Q And to the extent you ship outside of Pennsylvania

1 how many carriers do you use for this type of heavy hauling?

2 A. Half a dozen.

3 Q. Lomma is one of them?

4 A. Lomma is one of them, yes.

5 Q. Is Daily Express one of them?

6 A. Yes.

7 Q. During 1984 so far, and we've gone through pretty
8 much six months of it, how many shipments have you made to
9 points in Pennsylvania which required lowboy equipment?

10 A. Without researching the records I really don't
11 know, but, you know, 20, 30. I really don't know.

12 Q. To Pennsylvania in 1984 so far --

13 A. Yes, in six months, I would say so. I know we
14 ship to the west, to Medusa, and some of these other points
15 out there. I don't know the number of shipments.

16 Q. Could you indicate for us what carriers were
17 involved in making those?

18 A. I think Bob Young, David Graham, Daily -- they
19 would be the three primary carriers.

20 Q. Now, among those 20 to 30 shipments so far in
21 1984 were there any in which Daily declined to handle it
22 because they couldn't spread the load with the correct number
23 of axles, or whatever -- do I summarize that problem correctly
24 that you were explaining?

25 A. Yes. There were some out to Sharon, Pennsylvania.

1 These were not actually moves. These were quotations.
2 But we do have the contract now. They could not physically
3 handle the moves out to Sharon. Some of them were outside
4 of Pennsylvania, but we are talking about 17 foot diameters
5 and I think 60 or 70 tons and they were something like 30
6 feet long or 28 feet long. I just don't remember all the
7 details.

8 Q They were 17 foot diameter, 60 to 70 tons -- and
9 what was the length?

10 A About 30 feet or so.

11 Q And you asked Daily whether they could handle
12 that -- this is a prospective situation?

13 A Right.

14 Q You asked them whether they could handle such a
15 load and they said they could not?

16 A Yes.

17 Q And could you give us some idea when it was that
18 you asked for that --

19 A Within the last two or three months or so.
20 We have quotations on file. I'm sure they have them also.

21 Q I'm sure they do.

22 Have you settled on -- is that move now scheduled to
23 be made for certain?

24 A The contract was just released several weeks ago.
25 It won't be moving for at least three months. So have I

1 reviewed it or anything? No.

2 Q. You haven't settled on who's going to do that move?

3 A. No, we haven't settled.

4 Q. Can you remember a shipment preceding this one
5 that you've just described where Daily on a move to Pennsyl-
6 vania has said they couldn't furnish the appropriate equipment?

7 A. No. There were moves outside of Pennsylvania but
8 I can't think of any other -- there might have been moves to
9 Philadelphia piers. I'm not sure.

10 Q. But they were --

11 A. They were exports, yes.

12 Q. And you have Lomma available for those now?

13 A. They quoted, Bob Young quoted and --

14 Q. Did Lomma get that move?

15 A. No. These were all in the quotation stage. Some
16 of these have not been secured yet. In fact, our business
17 climate has been very poor for the last three years, I'm
18 sorry to say.

19 Q. I'm sorry to hear it is.

20 Now, the 20 to 30 shipments that have moved to points
21 in Pennsylvania so far in 1984, how many of them moved from
22 Manheim?

23 A. I don't remember any of them. Manheim is not
24 over-dimensional loads or overweight oriented. The Catasaqua
25 plant is primarily over-dimensional oriented and Allentown

1 is over-dimensional and overweight oriented.

2 Q You had indicated there are degrees -- that's the
3 way my notes read -- of special equipment. Could you explain
4 for me a little bit, what you mean by "degrees of special
5 equipment"?

6 A Yes. Sometimes in order to satisfy a move a
7 single drop would do, other times a double-drop. When I
8 think of special equipment I think of a bathtub-type lowboy
9 where you can get your equipment into the lowboy and be able
10 to physically lower your equipment down to the ground to
11 one inch and as a result maintain as much overhead clearance
12 as possible in order to permit you to move under overhead
13 structures. Like these moves I'm talking about that are
14 coming up are 17 foot diameters, 17-6 some of them. So
15 once you hit 18 feet then you have all kinds of wire problems
16 and it's very costly once you're over 18 feet. The utilities
17 want you to pay for raising wires. So you have to utilize
18 the equipment that you can get right down to the ground,
19 to one inch or something like that and travel under these
20 overhead structures or overhead problems and still be able
21 to spread your load out and get enough axles under it and
22 make the adequate distribution so that the state issues
23 the permit. These are the types of things I think in my
24 own mind are really special-special, and Lomma is a carrier
25 that has that type of equipment and there aren't many carriers

1 in the country that have that type of equipment.

2 Q That's really the attraction of their proposal
3 here?

4 A You can get all types of stepdowns and double-
5 drops and all kinds of things. Any number of carriers have
6 them. They knock on your door every day.

7 Q How many of the 20 to 30 shipments that have
8 moved so far in 1984 were in the category that you just
9 spoke of, that is, of the super-large size requiring the
10 well-type lowboys?

11 A Right off the top of my head I would say only
12 two of the super-super, the moves that went out to Evansville,
13 Pennsylvania, which were, like, 110 ton, 65 feet and about
14 17 foot in diameter. There might have been some over-dimen-
15 sional but not overweight, like, 16, 17 foot high but not
16 overweight.

17 Q The use of Moore-Flesher which you made was eight
18 to ten years ago, I believe you indicated. You have not
19 called on them for service since that time?

20 A Well, we called on them years and years ago and
21 they restricted their operation out there and we couldn't
22 get any satisfaction from them. We are not only talking
23 about movements out of our plant. We used to subcontract
24 kiln shells to our Sharon, Pennsylvania plant. GATX has a
25 plant out there. We used to manufacture out there and we

1 used to ship all over the state from out there. We used to
2 get quotations from them plus some of the other people out
3 in that area and that's when we utilized them.

4 Q. I see.

5 A. I don't ever remember utilizing Moore-Flesher
6 out of our eastern plants.

7 Q. Do you recall speaking to anyone in the Moore-
8 Flesher organization who told you that they would not serve
9 Catasaqua or Allentown?

10 A. If I said I did, you know, I don't think it's
11 possible for me -- it's been such a long time.

12 Q. You can't --

13 A. I used to talk to Mr. Moore when he was tied in
14 with the business. I don't think he's tied in with the
15 business anymore. This was a long time ago.

16 Q. If they were to solicit your traffic and assure
17 you of appropriate rates and availability of equipment would
18 you have any objection to trying their service?

19 A. No, none at all.

20 MR. CHESNUTT: Thank you, sir. Those are all the
21 questions I have.

22 CROSS-EXAMINATION

23 BY MS. ZIMMERMAN:

24 Q. Mr. Presot, my name is Taylor Zimmerman and I
25 am going to be substituting for Mr. Kahn for a little while.

1 I have just a few questions to ask you.

2 In all the moves that you described as heavy hauling
3 moves was the equipment that you were shipping being loaded
4 by the carrier? How is the equipment loaded?

5 A. We load with overhead cranes in our plant and it
6 is discharged with mobile cranes either at the piers or
7 at the destination point. We have never, to my knowledge,
8 utilized a piece of equipment where the carrier was able to
9 discharge it himself.

10 Q. Now, you said that -- and correct me if I'm wrong --
11 that most of your traffic is interstate, is that correct?

12 A. Interstate?

13 Q. Interstate and not Pennsylvania.

14 A. Yes.

15 Q. Can you give us a percentage of your traffic, how
16 much is interstate and how much is Pennsylvania traffic?

17 A. Well, that would be difficult. I would say 10 or
18 15 percent, something like that.

19 Q. Ten or 15 percent is Pennsylvania traffic?

20 A. Yes, Pennsylvania traffic.

21 Q. And you said that all of the shipments, heavy
22 hauling shipments in Pennsylvania, are custom pieces, contract
23 pieces?

24 A. Yes.

25 Q. So that you really can't predict where and when

1 a shipment would be made in Pennsylvania?

2 A. Right.

3 Q. You gave us a list of representative Pennsylvania
4 points. You mentioned Evansville, York, Pittsburgh, Wampum --

5 A. Medusa Cement is out in Wampum.

6 Q. I don't know Wampum.

7 A. That's in northwest Pennsylvania, below Erie.

8 Q. And you mentioned Nazareth, Copely and Whitehall.

9 When were these shipments made? I didn't catch the date.

10 Were those made within the past year?

11 A. Well, past several years, like, in Hanover,
12 Bethlehem Steel has a limestone plant down there which we
13 furnished a very large kiln. York is -- I think it's
14 Medusa Cement there also. I think Pittsburgh could be one
15 of the steel mills, basically, U. S. or one of the other
16 steel mills where we furnish air pollution equipment. Wampum
17 would be a cement plant. These other locations in the Lehigh
18 Valley would all be cement plants like Copely Cement and
19 Whitehall Cement.

20 Q. So those shipments were made over a period of the
21 last several years?

22 A. A period of time, yes. Every one of those plants
23 have been modernized so we furnished equipment to every one
24 of those plants at one time or another in the last several
25 years.

1 Q When you say last several years, do you mean ten?

2 A No, no, the last three or four or five years.

3 Q You said you were not familiar with P. Liedtka
4 Trucking Company.

5 A No.

6 Q You said you're not familiar with their heavy
7 hauling equipment?

8 A Right.

9 Q If they solicited your traffic and showed them-
10 selves to be qualified would you be open to having them
11 handle some hauls for you?

12 A Sure.

13 Q Have you supported other applications, similar
14 applications, for heavy hauling before the PUC recently?

15 A Yes -- recently?

16 Q Or are you supporting any now?

17 A We support Casey out of Jersey, we supported
18 Daily recently. The last two that I can think of, yes.

19 Q And are you supporting any at the present time?

20 A Other than Lomma, no.

21 MS. ZIMMERMAN: I think that's the extent of my
22 questions. Thank you.

23 MR. CIEMNIECKI: I have just a couple questions on
24 redirect, Your Honor.
25

REDIRECT EXAMINATION

1
2 BY MR. CIEMNIECKI:

3 Q. These moves to Evansville, they were recent, is
4 that correct?

5 A. Three months ago, less than three months.

6 Q. And those were the moves that you had that were
7 super-super heavy and that needed the very special equipment?

8 A. Right.

9 Q. Is the product that you move to Evansville, is
10 that a new product developed by your company?

11 A. No, no. We have been shipping these product lines
12 for ages. Only, you know, as time goes on -- there was a
13 time here 15, 18 years ago, to give you a little background,
14 the largest kiln we shipped was 12 foot by 450 long. We cut
15 it in sections and we shipped in 100 foot sections. Most of it
16 was rail. But then our people come up with new designed
17 kilns; the bigger the kiln the greater the production and
18 the lower the unit cost. So when that happened about 15
19 years ago -- I think the first one we put in was up in the
20 Michigan area somewhere -- it revolutionized the whole cement
21 industry.

22 So this meant that every cement plant had to expand
23 or modernize their plant or eventually go out of business,
24 and that's when this happened. We would have to put in a
25 15 foot diameter or 16 foot diameter kiln to increase their

1 production and lower their unit costs to compete in the
2 marketplace.

3 We had to do the same thing. You know, we are located
4 in a landlocked area. A lot of this stuff has to go water.
5 We have to be able to transport it from our area to Pittsburgh
6 or Philadelphia to put it on the water to get it to many
7 areas of the country. This is what we've been able to do
8 and this is why it's important for us to have good public
9 relations with the state of Pennsylvania in order to secure
10 adequate authority in order to move these things.

11 Q You indicated, I believe, that these very large
12 items that require the super-super equipment are a method of
13 modernizing certain facilities?

14 A Right.

15 Q Do you anticipate having more shipments of those
16 coming up in the near future?

17 A The whole industry is based on that. It's not
18 going the other way. It's going larger and larger.

19 Q So you would anticipate having more shipments?

20 A Oh, yes.

21 MR. CIEMNIECKI: That's all I have on redirect, Your
22 Honor.

23 JUDGE KLOVEKORN: If there's nothing further of the
24 witness, the witness is excused. Thank you very much.

25 (Witness excused.)

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MR. CHESNUTT: May we go off the record for a moment?

JUDGE KLOVEKORN: Off the record.

(Discussion off the record.)

(Whereupon, at 12:07 p.m., the hearing was adjourned,
to be reconvened at 1:00 p.m., this same day.)

AFTERNOON SESSION

(1:10 p.m.)

JUDGE KLOVEKORN: Let's go back on the record.

MR. CIEMNIECKI: I would like to call Charles Cochran to the stand, please.

Whereupon,

CHARLES COCHRAN

having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. CIEMNIECKI:

Q. Sir, would you please state your name and your business address for the record?

A. Charles Cochran. The business address is Ecolaire Heat Transfer Company, 1550 Lehigh Drive, West Easton, Pennsylvania.

Q. And what is your position with Ecolaire?

A. Presently, traffic manager.

Q. Just for the court reporter's benefit, please spell the company's name.

A. E-C-O-L-A-I-R-E.

Q. And you indicated that you're the traffic manager?

A. Yes.

Q. And how long have you been traffic manager?

A. Approximately a year and a half, two years. I've been in the shipping department for seven years, but I have

1 had full responsibility for all shipping really the last
2 year-and-a-half.

3 Q. Could you briefly describe your responsibilities
4 as traffic manager?

5 A. Well, among other things I'm responsible for, as
6 far as foreman, packaging the shipments and having the
7 men -- supervising the packaging and the loading, the routing
8 of the shipments, the selecting of the carriers, the motor
9 transportation, be it rail, truck, air freight, whatever the
10 case may be.

11 I also make all -- personally make -- all the packing
12 lists, the bills of lading, all documentation that is needed
13 for the shipment and then keep the records of all shipments.

14 Q. And as part of your responsibility for selecting
15 carriers do you select those motor carriers who are utilized
16 to handle shipments which require special handling or special
17 equipment?

18 A. Yes, I do.

19 Q. Could you give a brief description of the nature
20 of the business of Ecolaire?

21 A. Well, it's a welding fabrication shop. Located
22 at our facility is the complete engineering, design, marketing
23 as well as fabrication of steam condensers, heat exchangers
24 and related type of vessels. This involves, generally speaking,
25 a tubed shell, whether it be for a heat exchanger or for a

1 condenser which in some cases is a coated vessel, and various
2 related apparatus, the piping and things of this nature that
3 have to connect into a turbine in the condenser area for
4 power plant usage, or in other applications for other types
5 of industry.

6 Q The address that you gave before, in West Easton,
7 is that a manufacturing facility of Ecolaire?

8 A Yes, it is.

9 Q Is that the only facility of Ecolaire within
10 Pennsylvania?

11 A It's the only facility of Ecolaire Heat Transfer
12 Company. We are a company owned by Ecolaire, Incorporated,
13 which has other divisions. But we all operate independently.
14 So it's the only division of Ecolaire Heat Transfer.

15 Q So all of the manufacturing and distribution done
16 by Ecolaire Heat Transfer Company takes place out of the
17 West Easton facility?

18 A That's correct.

19 Q Could you describe for the record the types of
20 commodities that you produce in West Easton and for which
21 you require transportation services?

22 A By National Motor Freight classification they would
23 be described as steam condensers, heat exchangers, turbine
24 condensers and parts, tube bundles, heat exchanger tube
25 bundles, the shielding parts. There are also heat exchanger

1 products such as pipe coils and related items. But for the
2 most part it would be steam condensers and heat exchangers.

3 Q. You had a rather lengthy list of the commodities
4 that you do ship. Of those which require special handling and
5 special equipment?

6 A. Usually the steam condensers; occasionally a heat
7 exchanger may be built that large, though not usually. It's
8 generally the steam condensers.

9 Q. Why would a steam condenser require special
10 handling or special equipment?

11 A. Well, simply because of the size of it. Condensers
12 can come in all different sizes depending on the application
13 that is needed by the customer. A small condenser may be
14 fully piped and built and may be less than a trailerload
15 size, a few thousand pounds. A larger condenser, on the
16 other hand, may take up multiple railroad cars or trucks
17 all components together which would only make one condenser.
18 And those components could be hundreds of thousands of pounds,
19 and of course, on occasion, wider or higher than what would
20 legally go on a flatbed trailer. So it would require permits
21 for special hauling.

22 Q. So it's because of both size and weight that they
23 would sometimes require special handling or equipment?

24 A. Yes.

25 Q. And I also take it from your description that

1 these steam condensers are shipped both intact and in
2 component parts, is that correct?

3 A. Depending on the size of them, yes. Obviously,
4 a larger one we couldn't ship in one piece. You would have to
5 take many different trucks or railroad cars and then it
6 would be assembled in the field whereas a smaller one in
7 its entirety can be shipped in one piece.

8 Q. Is it correct that even some of the component
9 parts of a steam condenser require special handling and
10 special equipment?

11 A. Yes.

12 Q. And could you give us some idea of the types of
13 customers to which you ship?

14 A. As I mentioned, the condensers are usually for
15 application in a power plant. The condenser condenses the
16 water coming down out of the turbine, which drives the generator
17 making electricity. So whether the power plant is operated
18 by nuclear or coal, it doesn't matter. There is always a
19 condenser which condenses the water.

20 So that's where usually condensers are sent, although
21 as I mentioned we also manufacture heat exchangers and smaller
22 condensers which sometimes are used in other industrial
23 applications, sometimes oil refineries or other industries
24 that would use something that could be used in the heat
25 exchanger line.

1 Q Do you also have occasion to ship your condensers
2 or component parts to other than end users?

3 A Yes. Often times a component needs to be sent to
4 a subcontractor for work that we cannot do in-house. As an
5 example, lining, a special type of lining of the water box,
6 special painting, special machining or heat treating perhaps
7 that we are not capable of doing at our facility, we will
8 send them out to a subcontractor to do the work and then
9 they will return to our plant for final manufacturing and then
10 shipping.

11 Q Mr. Cochran, does Ecolaire have occasion to ship
12 from its West Easton facility to points in Pennsylvania?

13 A Yes.

14 Q And with what frequency does that occur?

15 A Well, of course, it depends on the orders we have
16 in-house. As I mentioned before, a large condenser may take
17 up many, many trailers. If it happens to be that the order
18 is located with a customer in Pennsylvania then that's where
19 it would go. If it's located somewhere else, then that's
20 where it would go. There is no set pattern to where we ship
21 and I imagine, like, most other industries our orders are
22 down considerably right now whereas in the past we would
23 sometimes ship out dozens and dozens of trucks and rail cars
24 per month. Now we are down to merely a handful.

25 But there are occasions where, of course, depending on

1 where it's located we will ship to points in Pennsylvania and
2 outside of Pennsylvania.

3 Q And again, that is strictly dependant upon the
4 orders the company receives?

5 A Yes.

6 Q For the year 1983 could you give me an approximate
7 average weight which you shipped, say, per month to Pennsyl-
8 vania points?

9 A I believe the figure I had put down in the document
10 was 8,000 pounds. Of course, that's merely an average. What
11 that means is you may in one month ship one piece that weighs
12 35,000 pounds and then for a few months you don't have any-
13 thing. So that is an average figure based upon 12 months
14 divided by 12.

15 Q So you take your total volume for the year and
16 divide it by 12 to come up with an average number of pounds?

17 A Yes.

18 Q Now, on shipments moving from your facility to a
19 Pennsylvania point who would route that traffic, sir?

20 A I do that myself.

21 Q So Ecolaire does control the routing of that
22 traffic?

23 A Yes.

24 Q And how about movements -- does that include move-
25 ments to subcontractors if it goes out for other work?

1 A. Yes. I should mention that there are occasions
2 where our customers, because of the nature of the F.O.B.
3 terms in the contract, stipulates the carrier or wishes to
4 have some say as to which carrier is used. Of course, when
5 that is the case I will always comply with that request. It
6 doesn't usually happen, but it has happened so I should state
7 that.

8 Q. Is it possible to give us a percentage of the
9 outbound traffic that you route?

10 A. A percentage would probably be up to 90, 95
11 percent.

12 Q. Would you please state for the record some
13 Pennsylvania destinations to which Ecolaire has shipped in
14 the past?

15 A. We did furnish, although it was before my time,
16 the condenser for the Three Mile Island. We furnished the
17 condenser for the Berwick Power Station. There have been
18 numerous shipments that have gone through the Port of
19 Philadelphia on an export. Beyond that I can't think of any
20 but there have been occasions when we shipped large pieces
21 to Pennsylvania.

22 Q. Is it foreseeable that you will have additional
23 destinations within Pennsylvania?

24 A. It's possible, yes. There is no order in-house
25 right now but of course as I said every order stands on its

1 own and there potentially could be Pennsylvania shipments.

2 Q. Is your company actively soliciting orders
3 in Pennsylvania at this time?

4 A. I would say yes without real exact knowledge of
5 that. I mean, we have a sales force in all 48 states and
6 internationally, and specifically who does that I don't know
7 but I'm sure that, yes, they are soliciting business in this
8 state.

9 Q. Is it an accurate statement that wherever your
10 company solicits an order that you will ship the product
11 sold to that particular destination?

12 A. Yes.

13 Q. And is it correct that you have the potentiality
14 to ship to almost any point in the state?

15 A. Yes.

16 Q. Sir, on an inbound basis, shipments moving to
17 your facility in West Easton, do you receive any shipments
18 from Pennsylvania points?

19 A. Yes, the raw materials that we use in manufacturing
20 the condensers, which is mostly steel plates, very often are
21 wide loads, wider than eight-and-a-half feet, and they come
22 from points outside of Pennsylvania but they do come from
23 points inside Pennsylvania also.

24 Q. And as a result of the size of those steel plates
25 would they require special handling or special equipment?

1 A. Yes. If they are not routed by rail, they come
2 by truck, they would have to require special permits to
3 haul them.

4 Q. And approximately how often do you receive an
5 inbound shipment from a Pennsylvania point?

6 A. Again, I say that depends upon the orders we have
7 in-house presently. We are working on an order where we
8 have received three railroad cars with, I'd say, over
9 200,000 pounds of steel plate. In this case the supplier
10 was not within Pennsylvania but it could have been and has
11 been in the past and no doubt will be in the future. So, as
12 I say, depending upon the orders that we receive some of
13 our steel suppliers are within Pennsylvania so they do
14 bring in permit loads.

15 Q. Have you in the past received inbound shipments
16 by motor vehicle from Pennsylvania points?

17 A. Yes.

18 Q. From what origins have you received inbound
19 shipments?

20 MR. CHESNUTT: I would object unless they involve
21 size or weight commodities. That's all he's applying for.
22 The fact that he gets truck shipments from some point in
23 Pennsylvania doesn't do much for this application unless
24 it comes within the scope of this Applicant's proposal.

25 MR. CIEMNIECKI: And I will restrict my question

1 accordingly, Mr. Chesnutt.

2 BY MR. CIEMNIECKI:

3 Q. From what Pennsylvania origins have you received
4 inbound shipments of commodities that require special
5 handling or special equipment?

6 A. Okay. I honestly can't state with certainty.
7 We purchase steel plates from Lukens Steel in Coatesville.
8 I can't in my memory say with certainty that we have received
9 permit loads from them. I would tend to think yes we did
10 because we purchase so much steel and it doesn't always come
11 by rail and it isn't always legal. But I wouldn't want to
12 go on record saying that I remember a definite shipment.

13 Q. Is the Lukens facility in Coatesville the only
14 origin of Pennsylvania traffic that you receive on an inbound
15 basis?

16 A. Again, I'm not sure because I don't get involved --
17 or haven't in the past gotten involved -- in the routing of
18 those shipments. I don't have too much control or too much
19 knowledge of those inbound shipments because I'm primarily
20 involved with outbound. So it's not an area I'm that
21 knowledgeable of.

22 I would tend to think that yes we have, but I would not
23 want to say so with certainty.

24 Q. Now, sir, who pays the freight charges on shipments
25 moving inbound to your facility?

1 A. Inbound they are almost always collect. We pay
2 the freight.

3 Q. And do you retain the right to select the carrier
4 utilized for inbound shipments? Now, again, I'm restricting
5 my question to size and weight commodities, those that
6 require special handling and equipment.

7 A. Yes. Again, in the past, the purchasing department
8 did not involve themselves at all with traffic in making
9 such decisions. When I first took over I was a little
10 concerned with that because we are paying the freight and I
11 thought that it is only appropriate since we are paying the
12 freight that we have some say as to who the carriers are that
13 are bringing that steel in.

14 Upon investigation it was determined that for the most
15 part the steel suppliers have carriers they are used to
16 using, they are pretty happy with them and frankly are a
17 little ornery if you try to bring your own carrier in there.
18 So I found that the rates they had from these suppliers were
19 good and it really wasn't worth getting involved in the hassle.

20 But ultimately I would say yes because we are paying
21 the freight so we could. I could demand that I want to send
22 this carrier in to get that load, but it's not really worth
23 the hassle.

24 Q. Sir, are you familiar with a carrier by the name
25 of Moore-Flesher?

1 A. I don't believe I've ever heard of them, no.

2 Q. How about Daily Express, Inc.?

3 A. Yes.

4 Q. Have you ever utilized their services, sir?

5 A. Yes, I have.

6 Q. Have you utilized their services on commodities
7 that require special handling and special equipment?

8 A. Yes.

9 Q. And have you utilized their services to Pennsyl-
10 vania points on commodities that require special handling
11 or special equipment?

12 A. Yes, I believe I have.

13 Q. How about a carrier by the name of David Graham?
14 Have you utilized that carrier?

15 A. I've never used David Graham on an outbound ship-
16 ment. I know they have brought shipments into our facility.

17 Q. But you have never arranged to utilize their
18 services?

19 A. No, I haven't.

20 Q. Sir, do you know whether or not David Graham
21 has provided inbound service in the transportation of
22 commodities that require special handling or special equipment?

23 A. I don't believe they have. I think the shipment
24 they brought in was a legal load.

25 Q. When you say "legal" --

1 A. I mean it didn't involve permits.

2 Q. Have you any familiarity with a carrier by the
3 name of P. Liedtka?

4 A. No, I don't believe so.

5 Q. How about Frank W. Hake?

6 A. Yes. I've heard of them and I think we have had
7 some dealings with them.

8 Q. To what extent have you dealt with that carrier,
9 sir?

10 A. I believe that a number of years ago we contracted
11 with a carrier who subcontracted the work to Hake. So they
12 were utilized in rigging and hauling, and I believe also
13 that there was, as I think about it now, one of our customers
14 who furnished tube for a condenser had some left-over tube
15 and arranged with Hake to take those tubes out of our
16 facility. I believe that was Hake. Again, the customer made
17 that decision and at the time I think that was the carrier
18 they used.

19 Q. So the customer arranged for that transportation?

20 A. Yes.

21 Q. And those steel tubes, were they a size and weight
22 commodity that required special handling?

23 A. They may have been long, longer than the normal
24 load and may have required a permit because they were long.
25 I don't recall.

1 Q And you, yourself, never contacted Hake to
2 provide service for Ecolaire?

3 A No.

4 Q Have you ever been solicited by Hake?

5 A I believe I received a phone call from Hake within
6 the last couple of months about a bid that we had made for an
7 order in the state of Maine. I don't know how they got
8 my name, to tell you the truth, or the fact that we were
9 even bidding that order, but the fellow called me.

10 Q You said that was in the past couple of months,
11 sir?

12 A Yes.

13 Q Would that have been in 1984, sometime in 1984?

14 A Definitely, yes.

15 Q Sir, has Liedtka ever solicited your traffic?

16 A Not to my knowledge, no.

17 Q Have you had occasion to utilize the services of
18 the Applicant, J. F. Lomma?

19 A Yes, I have.

20 Q Has that service been to points in interstate
21 commerce?

22 A Yes.

23 Q About how often have you utilized their services,
24 say, so far in 1984?

25 A I believe that Lomma has had at least a half a

1 dozen loads out of Ecolaire this year.

2 Q Did you use them in 1983 at all?

3 A Yes, perhaps more than that, maybe a dozen loads.
4 I don't have those exact figures.

5 Q Was that also service provided in interstate
6 commerce?

7 A Yes.

8 Q And was that on the transportation of commodities
9 that required special handling or special equipment?

10 A Yes, it did.

11 Q How was the service provided by J. F. Lomma?

12 A We were very happy with it.

13 Q Was Lomma able to provide the type of equipment
14 that you required?

15 A Yes.

16 Q Sir, do you have any special requirements for
17 particular types of equipment?

18 A Yes. Very often we do because of the nature of the
19 commodity we ship, the size of the pieces. Often times we
20 will need stretch equipment, single-drop or double-drop
21 trailers, or sometimes other types of equipment depending
22 which item we are shipping.

23 Q Have all of the carriers you've utilized been able
24 to provide the special type of equipment that you require?

25 A To some extent, yes. I mean, I'm aware of some

1 carriers' fleets to some extent. I ask for what I know they
2 have and what they don't have I wouldn't ask for because
3 some things are rather unusual. But each carrier specializes
4 perhaps, in certain things.

5 Q. When you say "some things are rather unusual" what
6 do you mean by that?

7 A. Well, I have in mind one type of trailer I know
8 that Lomma has that I'm not aware that anybody else has, and
9 for our particular needs it's very well suited.

10 Q. Could you describe that trailer for us, please?

11 A. The trailer is a cambered design single-drop
12 stretch trailer. It's manufactured by Birmingham and as a
13 matter of fact the particular trailer under discussion was
14 manufactured and brought directly into our plant from the
15 manufacturer for a piece that we had going to California.

16 I will explain why it's well-suited for our condensers.
17 I have in mind a shell section that we often times manufacture
18 It's one of the largest components in the condenser and in this
19 particular order there were four shell sections that were
20 over 95,000, 100,000, pounds each, about 40 foot long. They
21 were wide and they were high, and because of the nature of
22 the tube bundle it's flexible, which means it needs good
23 support underneath it.

24 Generally speaking, when you take that type of
25 flexible tube bundle and you place it on a stretch trailer,

1 because the trailer is stretched out so far and you have an
2 opening where the rails are stretched in the middle of the
3 trailer, the trailer tends to sag in the middle and belly-out.
4 When that happens that causes the whole tube bundle then to
5 sag with potential damage to the tube bundle itself because
6 the ends of the tubes are sealed and are rolled into a tube-
7 sheet.

8 So in the past when we have had these large tube
9 bundles it's preferable to go by rail because you have a
10 flat railcar 65 foot long, but because of the tie-down and
11 the time involved and the possibility of damage we prefer to
12 go by truck if it's possible.

13 Now, on a stretch trailer in the past what they did
14 several years ago, they would then build up between the
15 trailer, which has now sagged, to the tube bundle, trying to
16 support the middle. Of course, that doesn't really do the
17 job because what happens is you're pushing the trailer down,
18 which causes possible damage to the trailer -- in fact, I know it
19 happened with one carrier's trailer in the past -- and you're
20 not really getting good support for that tube bundle so that
21 it stays rigid.

22 With this camber design trailer, which is the first
23 one I've ever seen, as a matter of fact, the trailer has
24 a bow in it, an upward bow, built into the steel itself so
25 that when you put that heavy piece on there now the trailer

1 becomes flat and it supports the full weight of that tube
2 bundle in a flat manner. When you chain onto that it becomes
3 rigid and it is very safe. So we were very, very happy
4 with that type of trailer. It's safe.

5 There may be other carriers that have them but I'm
6 not aware of them. So since I know Lomma has that type of
7 trailer for that particular type of shipment I would like
8 to use them because of their trailer.

9 Q If this application were granted would you tender
10 freight to Lomma?

11 A Well, yes, I have and I will. As far as Pennsyl-
12 vania is concerned if we got an order for that type of
13 commodity in Pennsylvania that's the way I would want to
14 ship it.

15 MR. CIEMNIECKI: That's all I have on direct, Your
16 Honor.

17 CROSS-EXAMINATION

18 BY MR. KAHN: =

19 Q That average of 8,000 pounds a month that you
20 figure you shipped to Pennsylvania points in 1983, were
21 those all size and weight commodities?

22 A No, they were not. I received a census form from
23 somebody, the Department of Transportation, I believe,
24 early in the year and I went through all of last year's
25 figures. That's total weight of all shipments. That's

1 including UPS and air freight and LTL. I didn't for this
2 document separate the special permit loads.

3 Q Did you have anything of size and weight loads
4 that moved by truck to a Pennsylvania point in 1983?

5 A Not that I know of. I'm not aware of it, no.

6 Q How about so far in 1984?

7 A No, I don't believe so.

8 Q The condenser that you shipped to Three Mile
9 Island, did that move by truck or rail?

10 A That was before my time; I really don't know.

11 Q And I think you mentioned Berwick. Was that by
12 truck or rail?

13 A ~~Again, I don't know, -- I can say this, though:~~
14 ~~knowing the way the previous traffic manager operated,~~
15 ~~because I was with him for a number of years, I would say~~
16 ~~it was probably 50/50, -- You don't ship all by truck and you~~
17 ~~don't ship all by rail because of the components of the~~
18 ~~condenser, -- Some components are better by rail, some by~~
19 ~~truck, -- That doesn't help you a whole lot, but --~~

20 MR. KAHN: I think I'm going to move to strike that
21 answer because it's based on speculation. --

22 THE WITNESS: It is.

23 MR. KAHN: -- As to how it went.

24 MR. CIEMNIECKI: Your Honor, he's indicated that he
25 was working with the traffic manager at the time -- or he

1 was familiar with him. He worked with the traffic manager
2 for -- he didn't say how many years, but he was familiar with
3 the way the previous man operated.

4 MR. KAHN: It was a guess.

5 JUDGE KLOVEKORN: I will grant your motion to strike.
6 I don't think it adds that much to the record.

7 BY MR. KAHN:

8 Q. Isn't it correct, Mr. Cochran, that you haven't
9 had a heavy haul move by truck to a Pennsylvania point
10 since you've been traffic manager?

11 A. That's probably correct, yes.

12 Q. You know the Hake Company, I take it, from the
13 work they did for you, even though it wasn't your routing.

14 A. Uh huh.

15 Q. Do you know that they do rigging as well as
16 heavy hauling?

17 A. Yes.

18 Q. And regarding the David Graham Company, you said
19 what they brought in was not -- did not involve permit loads.
20 Do you recall whether it involved special highway equipment?

21 A. I believe they brought in a load of tubes that
22 was less than 40 feet. So I believe it didn't involve
23 anything special beyond a flatbed trailer.

24 Q. And if you should develop any heavy haul traffic
25 to Pennsylvania points in the future would you consider using

1 those two carriers, Graham and Hake?

2 A. I would consider it. I imagine I have a list in
3 my office of about 40 different trucking companies. People
4 have called on me and I try to be fair, but I don't have
5 freight for everybody and I would tend to use people I'm
6 familiar with who give me good service and I know can handle
7 what I have. So I wouldn't make any promises but I would
8 say that I have used Daily Express and they are one of the
9 carriers that perhaps I would use before I would use David
10 Graham or Hake.

11 MR. KAHN: I think that's all I have.

12 CROSS-EXAMINATION

13 BY MR. CHESNUTT:

14 Q. I represent Daily Express and I thank you.

15 In your movement of traffic as a general proposition,
16 Mr. Cochran, is it true that on the multiple truckloads
17 that you described, that some of those trucks -- that you
18 use only flatbed equipment for some of those?

19 A. Oh, yes.

20 Q. And that the flatbed trailers carry the parts and
21 accessories for field assembly of some of your units?

22 A. Yes.

23 Q. And in loading both that type of commodity onto
24 a trailer and in loading the larger units, do you expect the
25 carrier to furnish the rigging and loading services or is

1 that done by your personnel?

2 A. We load the trailer ourselves.

3 Q. One final question: Do you have an "e" at the
4 end of your last name?

5 A. No.

6 Q. C-O-C-H-R-A-N?

7 A. Yes, sir.

8 MR. CHESNUTT: Thank you. That's all the questions
9 I have.

10 MR. CIEMNIECKI: Just briefly, Your Honor.

11 REDIRECT EXAMINATION

12 BY MR. CIEMNIECKI:

13 Q. Mr. Cochran, you indicated that you have a list
14 of 40 different companies or carriers that have either
15 solicited you or sent you material, something along those
16 lines. Do all of those companies provide special handling
17 and special equipment services?

18 A. I'm not aware of that because what I did when I
19 took over that position is I went through the card file and
20 I went through the literature in there, and that added to
21 the names of the ones that called on me personally, I
22 developed that list just to get a knowledge of who was in the
23 business and who to call, perhaps, for rates and who I could
24 use. But I'm not aware of what everybody does because I
25 haven't talked to all of those carriers personally.

1 Q So that list of carriers that you mentioned, that
2 includes everyone who can provide you with LTL service, or
3 UPS, or any type of trucking service, is that correct?

4 A I'm not talking about common carriers. I'm
5 talking about special haulers. I would presume that most if
6 not all of them could handle wide loads, heavy loads,
7 possibly. But as far as special equipment, you know, drop-
8 decks or stretch-drops or things like that, I don't really
9 know what each of them has or what they are capable of.

10 Q Do you know how many of those have authority to
11 provide transportation services between points in Pennsylvania
12 for the type of commodities that require special handling
13 or equipment?

14 A I haven't listed them as such. I think I have a
15 general knowledge that probably -- I'm guessing -- 25
16 percent of them may have authority in Pennsylvania; or
17 specifically if I had a shipment and I was going to use some-
18 body I never used before I would have to ask them if they
19 had authority to handle something in Pennsylvania.

20 MR. CIEMNIECKI: I have nothing further, Your Honor.

21 MR. KAHN: Nothing further, Your Honor.

22 JUDGE KLOVEKORN: If there are no further questions
23 of the witness, Mr. Cochran, you're excused. Thank you very
24 much, sir.

25 (Witness excused.)

1 JUDGE KLOVEKORN: Let's go off the record.

2 (Discussion off the record.)

3 JUDGE KLOVEKORN: Back on the record.

4 Before we adjourn, yesterday, Mr. Patterson, you made
5 a motion to strike certain Protestants who had not appeared.

6 MR. PATTERSON: Yes, sir, that's correct.

7 JUDGE KLOVEKORN: The motion is granted.

8 If there is nothing further this afternoon this
9 hearing will stand adjourned until a time and place to be
10 set later.

11 Thank you.

12 (Whereupon, at 1:48 p.m., the hearing was adjourned,
13 to be reconvened at a time and place to be established by
14 the Commission.)

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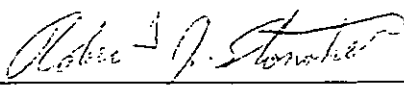
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C E R T I F I C A T E

I hereby certify, as the stenographic reporter,
that the foregoing proceedings were taken stenographically
by me and thereafter reduced to typewriting by me or under
my direction; and that this transcript is a true and accurate
record to the best of my ability.

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Robert J. Stonaker