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COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG, Pa. 17120
August 22, 1985

IN REPLY PLEASE
REFER TO OUR FILE

A-105101

To All Parties

Application of J. F. Lomma, Inc.

TO WHOM IT MAY CONCERN:

Enclosed is a copy of the Initial Decision of Administrative Law Judge Joseph J. Klovekorn.

If you do not agree with any part of this Decision, you may send written comments (called Exceptions) to the Commission. Specifically, an original and nine (9) copies of your signed exceptions MUST BE SERVED ON THE SECRETARY OF THE COMMISSION IN ROOM B-18, NORTH OFFICE BUILDING, NORTH STREET AND COMMONWEALTH AVENUE, HARRISBURG, PA OR MAILED TO P.O. BOX 3265, HARRISBURG, PA 17120, within fifteen (15) days of the date of this letter. This exception period is fixed by statute. The signed exceptions will be deemed filed on the date actually received by the Secretary of the Commission or on the date deposited in the mail as shown on U.S. Postal Service Form 3817 certificate of mailing attached to the cover of the original document (52 Pa. Code §1.11(a)). If your exceptions are sent by mail, please use the address shown at the top of this letter. A copy of your exceptions must be served on each party of record and to the Administrative Law Judge whose address is Pennsylvania Public Utility Commission, 1310 Philadelphia State Office Building, 1400 West Spring Garden Street, Philadelphia, Pennsylvania 19130.

If you receive exceptions from other parties, you may submit written replies to those exceptions in the manner described above within ten (10) days of the date that the exceptions are due.

Exceptions and reply exceptions shall obey 52 Pa. Code 5.533 and 5.535 particularly the 40 page limit for exceptions and the 25 page limit for replies to exceptions. Exceptions should clearly be labeled as "EXCEPTIONS OF (Name of Party) - (protestant, complainant, staff, etc)".

If no exceptions are received within fifteen (15) days, the decision of the Administrative Law Judge may become final without further Commission action. You will receive written notification if this occurs.

cc:ALJ Klovekorn/Office of ALJ/Bureau of Trans./Law Bureau/Mr. Bramson/OSA/Chairman/Commissioners
Correspondence/our file
lg

Very truly yours,

William H. Smith

Encls.
Certified Mail
Receipt Requested

William H. Smith
Chief Administrative Law Judge

Similar letter to: See attached list.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of	:	Docket Number
	:	
J. F. Lomma, Inc.	:	A-105101

INITIAL DECISION

Before
Joseph J. Klovekorn
Administrative Law Judge

HISTORY OF PROCEEDINGS

By application docketed November 4, 1983, J. F. Lomma, Inc. (Lomma) applied for the right to begin to transport, as a common carrier, by motor vehicle, property, which because of size or weight, requires the use of rigging, special handling, or special equipment between points in Pennsylvania.

The application was duly noticed and some eleven carriers filed protests in opposition to the application.

At the initial hearing held in this proceeding, the applicant submitted a restrictive amendment limiting the authority requested to the following:

> Property, which because of size or weight requires the use of rigging, special handling or special equipment, between points in Pennsylvania
>
> Provided that no right, power or privilege is granted:
>
> 1. To provide service in connection with any shipment weighing less than thirty-five (35) tons to or from the Monroe County facilities of:
>
> a. Pocono Fabricators, Division of Patterson-Kelly Company, Inc.

b. Patterson-Kelly Company, Inc., Division of Harsco Corp.

c. International Boiler Works

2. To transport bulldozers, graders, draglines and other earth moving and coal moving equipment between points in and west of the Counties of Potter, Clinton, Centre, Blair and Bradord.

After submission of the restrictive amendment, four protestants remained. They are Frank W. Hake, Incorporated (Hake), David Graham Company (David Graham), Daily Express, Inc. and Moore-Flesher Hauling Company, Inc. (Moore-Flesher).

Five hearings were held before the undersigned Administrative Law Judge in Philadelphia and Pittsburgh, concluding on December 6, 1984. The applicant presented some fifteen witnesses while the protestants presented four. A transcript of some 556 pages was adduced. Briefs and reply briefs were filed on March 1, 1985 and April 1, 1985, respectively.

SUMMARY OF TESTIMONY

Angelo M. Monaco

Mr. Monaco is Vice-President of J. F. Lomma, Inc. He testified that J. F. Lomma, Inc. is a New Jersey corporation domiciled at 286 Central Avenue, South Kearny, New Jersey. Lomma qualified to do business in Pennsylvania by registering with the Secretary of the Commonwealth in December of 1983.

Mr. Monaco is Vice-President of Lomma and has been in that position since May 1980. Mr. Monaco is familiar with the equipment, facilities, operations, finances and administration of Lomma (Exhibit A-1, p. 1).

By this application, Lomma seeks to provide traditional "heavy hauling" service, such as the right to transport heavy and bulky articles required to be handled on special vehicles such as pole trailers, winch trucks,

lowboys, drop-decks and the like, or which require the carrier to employ special rigging or handling devices to load or unload the lading. The applicant is not seeking the right to transport general commodities or iron and steel on ordinary flatbed equipment (Exhibit A-1, p. 2).

Lomma is providing service in interstate commerce and holds authority to transport general commodities throughout 15 states in the eastern United States including Pennsylvania and all states contiguous to Pennsylvania. Lomma also holds authority to provide service from that territory to the rest of the continental United States and vice versa (Exhibit A-1, p. 2, Appendix 1). Lomma has been transporting "size and weight" commodities for approximately ten years in interstate commerce.

Lomma operates to and from Pennsylvania points on a regular basis in transporting interstate shipments. Mr. Monaco identified 19 Pennsylvania origins and 19 destinations to and from which Lomma provided interstate service during 1984. He stated that the specific points identified were representative of service provided by Lomma, and did not amount to a complete compilation of all points served during the stated period (Exhibit A-1, pp. 2-4).

He testified that Lomma is best known for its services involving the transportation of super-heavy loads - laods in the 40 ton to 400 ton range. On a revenue basis, Lomma attributes somewhat less than 40% of its sales to these super-heavy types of service. Approximately 60 to 65% of its revenues is attributable to more conventional heavy hauling involving the transportation of machinery and other articles of lesser size and weight. The applicant expects to participate in both types of heavy hauling service in Pennsylvania (Exhibit A-1, p. 4).

Lomma maintains its principal terminal in South Kearny, Essex County, New Jersey. The South Kearny terminal is owned by Lomma and consists of corporate offices, a five bay maintenance facility, parking area for equipment and warehouse space. The facility is located on 4 and 1/2 acres of ground. Lomma also maintains facilities in Shrewsbury, Massachusetts and Baltimore, Maryland. Both the Shrewsbury and Baltimore facilities are used in connection with Lomma's heavy hauling operation. Lomma has also recently opened a terminal in Pittsburgh, Pennsylvania (Exhibit A-1, pp. 4-5; Tr. 167). All terminals are linked by WATS lines. All local equipment is two-way radio equipped and the entire fleet is presently in the process of being two-way radio equipped (Exhibit A-1, p. 5).

He stated that at the present time, Lomma employs 61 employees divided into the following categories: Management - 3; Supervisory - 5; Office - 6; Drivers - 32; Dispatchers - 3; Platform - 2; Mechanics - 7; and Sales - 3. During the first ten months of 1983, Lomma employed approximately 33 people. Approximately mid-November of 1983, the applicant began increasing the number of employees. At present, it is still adding additional employees to its payroll (Tr. 10).

He testified that with only an occasional exception, Lomma utilizes company-employed drivers and helpers. Owner-operators are not utilized because, in Lomma's view, the utilization of employees rather than independent contractors maximizes the ability of management to directly control operations (Exhibit A-1, p. 5).

Lomma operates a total of 38 tractors, all of which are suitable for heavy hauling service. The applicant operates one tractor that has been totally refurbished and rebuilt with power train rears and which is utilized

for super heavy loads in excess of 250 tons. Lomma also has 5 other tractors that have special rears and transmission systems and are four-axle units (Exhibit A-1, Appendix 3; Tr. 13-14). Lomma also operates 29 flatbed and stretch flatbed trailers, several of which are specially designed for heavy hauling service in that they are heavy duty capacity and capable of handling shipments in excess of 35 tons (Tr. 14).

He stated that Lomma has certain pieces of equipment that are utilized as a dolly system. This equipment is used to either raise, lower or steer equipment. On most occasions, the dolly system would be located at the rear of the transport system or under the load at some designated stress point. The dollies are slid under a trailer to support extra weight. Lomma also operates level deck lowboy equipment, or drop-frame equipment. Included among this equipment are extendibles or stretch equipment and tri-axle configurations (Tr. 15-16). Lomma also operates 17 double-drop trailers. A level deck drop-frame trailer generally has a loading platform not lower than 36 inches. A double-drop trailer would be one which is lower than 36 inches for its loading platform. On both the double-drop and the drop-frame trailers, the loading deck of the trailer is normally lower than the top of the rear wheels of the tractor. This type of equipment is utilized in order to keep a particularly high load under the maximum height requirements (Tr. 11, 16-17).

On Appendix 3 of Exhibit A-1, 7 of the trailers listed are other than regular flatbed trailers. Those 7 trailers have a loading capacity of 50 tons for only 12 feet of loading platform. There is a premium of 18 to 24% above the price for a standard flatbed trailer for these specialized trailers (Tr. 25-26). All of the units listed on that exhibit from 302 through 341-S are level deck lowboys with a loading platform from 33 inches to 37 inches from

the ground. Of the level deck lowboys, at least 10 of them have extendible and/or stretch capabilities (Tr. 28-29).

He stated that Lomma has a number of highly specialized pieces of trailer equipment. It operates a 75 ton detachable gooseneck trailer with interchangeable decks and interchangeable rear bridge suspension systems. The interchangeable deck, which would be only 24 inches off the ground, is designed to enable Lomma to match the size and weight of the lading to the trailer's capacity. Lomma also has a specially-designed 50 ton four-axle stretch lowboy which is designed to accommodate extremely long ladings of extreme weight. The applicant also has a specially-designed trailer which was built overseas and, to his knowledge, is the only type of its kind in the United States. The trailer allows for the movement of an operable railcar vehicle over the road and to accommodate the loading and unloading of the railcar with no additional equipment required. It has a winching system and a hydraulic system involved with ramps which is manned by a specially-trained crew. This special trailer has been utilized well over 100 times in the past year and one-half, and has been utilized to service Boeing, a shipper which is located in the suburban Philadelphia area (Tr. 18-20).

Three trailers utilized by Lomma are designed as a transport system capable of handling various size or various shaped materials in order to permit the hauling of loading configurations based upon the client's needs (Tr. 20).

All of the equipment utilized by Lomma is owned by a commonly-controlled leasing company (J.F.L. Leasing Co., Inc.). The equipment is not utilized to capacity and is available for the transportation service proposed. Should additional equipment be required to meet the demands for service made

upon Lomma by shippers located in Pennsylvania, Lomma is financially capable of acquiring such equipment (Exhibit A-1, pp. 5-6).

The applicant has designed a formal program of preventive maintenance and inspection which is followed for all vehicles. The program utilizes fixed time and mileage schedules for the physical inspection, adjustment and/or correction of all component systems on each vehicle in addition to daily inspection and maintenance routines. Lomma's ongoing safety program employs a Safety Supervisor to monitor the safety program, including driver training, review of driving procedures and DOT compliance. Drivers are specifically trained in order to insure competence in handling overdimensional and heavy weight loads, working in conjunction with rigging operations and operating the highly specialized transport systems utilized by Lomma (Exhibit A-1, pp. 6-7).

As at December 31, 1983, Lomma had total assets of $1,110,784 and retained earnings of $950,803. For the period January 1, 1983 through December 31, 1983, Lomma generated net profits of $174,735 on revenues amounting to $2,813,226 (Exhibit A-1, Appendices 4 and 5).

Lomma carries public liability insurance in the amount of $10,000 (combined single limit) and cargo insurance in the amount of $1 million. To the extent additional coverage is required for a given job, it is obtained on an "as needed" basis (Exhibit A-1, p. 7).

If the application is approved, Lomma intends to concentrate initially on the movement of super-heavy loads, those exceeding 35 to 40 tons. It expects to somewhat more gradually become involved in more conventional heavy hauling service, transporting size and weight commodities such as machinery, electrical equipment, pollution control devices and chemical

processing equipment of lesser weight. Its proposal includes planning (route of movement, bridges, loading and unloading, site evaluation, and so forth), preparation (bridge reinforcement; contact and coordination with utility companies whose facilities are located on, under or over the route of movement; and contact and coordination with state permitting agencies, engineers and police, and with local authorities), and use of professional, experienced riggers (Exhibit A-1, p. 8).

He identified 22 Pennsylvania companies for which Lomma is now providing service in interstate commerce. Lomma views this application as a natural extension of the service which it is presently providing to these customers (Exhibit A-1, p. 9).

Mr. Monaco interprets special handling as that which goes beyond the requirements of a standard platform trailer in over-the-road transportation as well as that which is beyond standard loading by forklift or crane or unloading by forklift or crane (Tr. 30). If and when Lomma receives Pennsylvania intrastate operating authority, it intends to seek legal advice with respect to the appropriate Pennsylvania definition of heavy hauling and the various types of equipment which may or may not fit that description, and intends to provide service pursuant to and in accordance with that advice (Tr. 37-38).

All of the service provided by Lomma in interstate commerce has been in the transportation of size and weight commodities (Tr. 32-33).

Lomma does intend to provide transportation on conventional flatbed trailers where it provides the rigging services (Tr. 35). Lomma owns one crane.

Joseph H. Kuhn

Mr. Kuhn is Traffic Administrator for Metropolitan Edison Company. He stated that Met Ed requires the transportation of transformers weighing

from 8,000 pounds to 200 tons. Its service territory extends from 20 miles west of Gettysburg to Stroudsburg with the exception of a small area near Allentown. Its facility for the shipping and receiving of traffic is located in Reading (Tr. 41-42).

Met Ed has approximately 10 to 15 shipments of transformers per year moving to Pennsylvania points. Service would be required on either an emergency type basis when a transformer has failed, or when a transformer has to be returned for general maintenance or if a transformer has reached the end of its service period and the customer does not wish to extend their use of the transformer. Because of the large size of the transformers, maintenance cannot be done on-site (Tr. 43).

Met Ed has its major facilities located in Reading, York, Lebanon and Easton, with generating stations in Portland and Reading. It also has transformers interspersed throughout its entire service territory and in hundreds of other substations. When service is required on the transformers, they are transported to maintenance facilities in Philadelphia, Cannonsburg and the Pittsburgh area (Tr. 44). Mr. Kuhn estimated that there were probably 20 to 30 instances when transformers had to be transported to a maintenance site within Pennsylvania during the past two to three years (Tr. 45).

On occasions when Met Ed has to move a transformer of 50 tons or more, it expects the carrier that is chosen for the job to move the transformer off its stanchion and on the vehicle. It also expects the carrier to unload the transformer at the other end of the job. When a transformer is taken in for maintenance, it is eventually returned to its location after it has been repaired and refurbished (Tr. 46). Met Ed also has occasion to move transformers from place to place within its service territory. This would occur

if it suspects that a transformer is failing. It has additional spare transformers scattered throughout the territory which it would move to replace the transformer that is in doubt (Tr. 47).

It has a need for emergency service which comes about when a transformer fails. This occurs two to five times per year (Tr. 47-48). When these situations arise, action must be taken that day in order to prevent extended power outages (Tr. 48).

It has utilized the heavy hauling services of Daily Express for transformer movements within Pennsylvania (Tr. 48). He has never heard of either Moore-Flesher Hauling or P. Liedtka. He has never utilized the services of Frank Hake, but has used David Graham Company within Pennsylvania. However, Graham has been utilized only for shipments under 40,000 pounds (Tr. 48-49).

It is supporting the application of J. F. Lomma because it desires to have the option, especially in emergency situations, to have more than one or two carriers available. Because of the nature of the commodities shipped by Met Ed, they can tie up a carrier's equipment and leave them unavailable to provide any other service. There have been occasions when it has called a carrier for service within Pennsylvania and the carriers have indicated that they were unable to provide the requested service (Tr. 50).

Of the ten shipments of transformers that Met Ed would have within a year's time, approximately eight would be of the less than 50 ton variety. Shipments of transformers in excess of 50 tons is a rather specialized event (Tr. 52). The last time a carrier was utilized for such a movement, the carrier called for service was Kreitz (Tr. 52-53).

From January to June of 1984, Met Ed had three or four shipments of transformers weighing between 8,000 pounds and almost 50 tons. Of these, the one shipment handled by Kreitz was an emergency movement handled on short notice (Tr. 54).

It utilized the services of J. F. Lomma in interstate commerce for the transportation of a transformer weighing approximately 200 tons.

On the movement of transformers weighing approximately 8,000 pounds, the carrier supplies the cranes or rigging and slides them onto the trailers (Tr. 55). In all instances when it uses a motor carrier service, it requires the carrier to supply the rigging with his own equipment or to arrange for the supply of the rigging service (Tr. 55-56).

The transformers shipped by Met Ed have various configurations. The height of the item does not necessarily correspond to the weight. Therefore, there may be instances where an 8,000 pound transformer would require a lowboy for its proper transportation (Tr. 59). Mr. Kuhn testified that any transformer over eight feet in height would require special equipment (Tr. 59). He stated that a majority of the ten transformer moves per year are of transformers over eight feet tall (Tr. 59-60).

He testified that Met Ed has two extra heavy moves already scheduled for 1984 (Tr. 61).

William A. Miller

Mr. Miller is Traffic Manager for Keeler/Dorr-Oliver. Keeler/Dorr-Oliver is located in Williamsport, Pennsylvania which is the site of its manufacturing facilities. It manufactures boilers with or without burners, stacks and breachings (Tr. 67). The company has 250 employees and has approximately $60 million in annual sales (Tr. 68).

Mr. Miller introduced Exhibit 3 consisting of a photograph of a new type boiler weighing 140,000 pounds and Exhibit 4 constituting a photograph of a stoker fuel section which burns garbage to produce heat and which weighs approximately 70,000 pounds. The heavy hauling with which it is involved consists of the boiler and stokers used by schools, hospitals and businesses (Tr. 71).

The shipper's smallest unit is 11'6" wide; 12'6" high; 17' long; and weighs roughly 40,000 pounds. Its largest unit is 12'2" high; 36' long and weighs 140,000 pounds (Tr. 71). The smaller unit requires heavy hauling equipment (lowboys) more as a result of its height than its weight (Tr. 71).

Mr. Miller testified that during 1983 Keeler shipped heavy hauling pieces every two to three months to such destinations as Swarthmore, Wilkes-Barre, Savre and Philadelphia (Tr. 73). Only 1% of its moves is handled by customer pick-ups (Tr. 74).

It does not receive any inbound shipments; all shipments originate at the shipper's manufacturing facility in Williamsport (Tr. 74).

The company has used David Graham, but not for heavy hauling (Tr. 74). It has used Daily Express, but not for the heavier pieces because Daily Express has not provided the low bid on any such piece (Tr. 76). The shipper utilized Lomma twice this year for interstate traffic (Tr. 77). The company would tender intrastate shipments to Lomma if Lomma is successful in this application and if it provides the low bid (Tr. 78).

Mr. Miller testified that he was supporting this application because he would like to have one or two carriers he could depend upon. He had one bad experience with Dan Barcley, Inc. on a move from Williamsport to Wilkes-Barre.

He has also utilized McCormick Dray Line on a move to Sayre, Pennsylvania, which resulted in a small damage claim. The witness also testified that if any of a number of carriers submitted the lowest bid and had the authority, the witness would select such carrier to handle heavy hauling movements (Tr. 84).

Robert L. Frye

Mr. Frye is Traffic Manager for Zurn Industries - Energy Division. Zurn manufactures steel power boilers and related equipment at its facility in Erie (Tr. 90). He has been the company's traffic manager for two years and assistant traffic manager for two years prior to that period (Tr. 89). Zurn employs 350 persons, and has $50 million in sales per year (Tr. 92). It is involved in a commercial relationship with Keeler/Dorr-Oliver, receiving steel on an inbound basis in oversized loads. Each steel piece is 10'6" wide and 15' long. This is overwide since it exceeds 8'6" in width and therefore requires a permit (Tr. 91). Such steel is hotrolled and welded for Keeler and shipped out in pieces 60" in diameter; 40' long; and weighing 40,000 pounds or more.

Zurn also receives steel pieces inbound via rail from Lukens Steel in Coatesville, Pennsylvania. However, the witness testified on cross-examination that he could not recall ever specifying the carrier to be used by Lukens Steel (Tr. 104) and further testified that the steel companies control their outbound shipments (Tr. 103). Zurn manufactures steel power boilers which generate steam to run equipment, turbines, air conditioning, heating or other plant equipment, and to generate electricity. Zurn's customers include hospitals, schools, municipalities, institutions, large corporations and power companies (Tr. 95).

Their smallest boilers are 8' wide; 15'10" long; 10-12' high and weigh 40,000 pounds. The largest are 20' high; 45' long; 15' wide and weigh up to 300,000 pounds (Tr. 92).

Zurn ships field-erected units, but many component parts of the units also require heavy hauling service (Tr. 93). All units are custom-made and built to the customer's specifications and needs (Tr. 93).

Within the last year, Zurn has shipped to Pittsburgh, Philadelphia, Altoona, Allentown, the Marcus Hook area, Warren, Lock Haven and Coatesville (Tr. 98). In 1982 and 1983, Zurn shipped approximately 12 heavy hauling shipments. He stated that his company would require the transportation of more loads in 1984 within Pennsylvania (Tr. 98). Normally, he chooses the carrier utilized for service (Tr. 98).

He stated that he was unable to predict the users of the equipment on a move-to-move basis (Tr. 95). Now, anything over 14' in height, 25' in length, and with a weight of 60-70,000 pounds must be shipped by rail (Tr. 96). However, the witness testified that the applicant had equipment which could handle heavier weights and bigger pieces than are presently handled intrastate by truck for the shipper (Tr. 97). He said that if he had a choice, he would chose truck over rail shipments (Tr. 96).

Other carriers used by the shipper for intrastate heavy hauling have been Gottry Corporation (Tr. 99), who handles the majority of the shipper's intrastate heavy hauling traffic, Hardinger, on materials warehoused with them (Tr. 106), and Preston Special Commodities Division, on a limited basis (Tr. 107). The witness testified that his reason for supporting the application was the limited number of carriers in northwestern Pennsylvania, his desire for more competitive pricing and his need for more specialized equipment utilizing advanced technology and engineering (Tr. 100).

He testified that the applicant is particularly attractive to the shipper because it can perform both rigging and transportation, which the witness stated was unusual in the business (Tr. 100-101).

Joseph Paul Presto

Mr. Presto has been Traffic Manager for Fuller Company for eight years. He selects the heavy haulers used by Fuller. Fuller manufactures large industrial processing equipment such as kilns, grinding mills, crushers, dryers, air pollution equipment and coolers for the cement industry. Other industries that utilize Fuller's products include the chemical, mining, paper and sugar industries.

The company's manufacturing facilities within Pennsylvania are located in Allentown, Catasauqua and Manheim (Tr. 113). Primarily, the Allentown and Catasauqua facilities are involved in shipping overdimensional and overweight heavy hauling pieces (Tr. 116; 127). Heavy hauling moves primarily involve kilns, grinding machines, crushers and dryers (Tr. 114). The pieces are very large in size: from 10' to 16-17' in diameter; 40-50' long and 50-90 tons in weight.

Moves are primarily to the processing industry and steel mills (Tr. 114) but the destinations vary unpredictably. The shipper is not involved in inventory or shelf items. Instead, the product is manufactured on an ad hoc basis, designed for a specific application (Tr. 115).

Because this state is fairly intensified in the cement and steel industries, service to Pennsylvania is frequent. The company has 25-50 shipments to Pennsylvania points per year (Tr. 115), which the witness estimated constitutes 10-15% of his total traffic (Tr. 131). The Pennsylvania destinations to which the company ships are Evansville, York, Hanover, Wampum and

other sites in northeastern and northwestern Pennsylvania, and other sites in a local area, including Nazareth, Copely and Whitehall (Tr. 117). The shipper's sales force is located in Bethlehem (Tr. 118). The shipper arranges for the carrier on its movements approximately 99% of the time (Tr. 118).

The average shipment is 50 tons, with shipments ranging much higher and lower than the average. The company had two recent shipments to Evansville, Pennsylvania that weighed 110 tons and were 17' in diameter and 65' long. The lowest weight of a heavy hauling shipment that Fuller would ship in the light overdimensional category would weigh 20-30 tons but would be 13'-14' square and 20-40' long (Tr. 116-117). The size or dimension of the product as well as its weight could give rise to a need for heavy hauling (Tr. 117).

The company's primary heavy hauling carriers are Bob Young, David Graham and Daily Express. David Graham is limited in scope to specific areas of overdimensional loads, such as, a maximum of 14' in height (Tr. 120). Despite requests, David Graham cannot handle anything larger. The shipper has done business with Frank W. Hake and considers Hake a good carrier. However, the witness recalled one recent move to Evansville which Hake was scheduled to carry but its equipment was tied up and Fuller was forced to use another carrier (Tr. 120).

Daily Express is also a good quality carrier, but it is unable to handle specific types of size and weight combinations (Tr. 121). The witness recalled one shipment in 1984 to Sharon, Pennsylvania that Daily could not handle (Tr. 125-126). The shipment was 17' in diameter, weighed 60 or 70 tons and was 28-30' long (Tr. 126).

The witness testified that Fuller had used Lomma in interstate service six times or more in 1984. The witness is satisfied with the service

provided by Lomma and has tendered shipments to Lomma that Daily has been unable to handle (Tr. 122). Lomma has exotic special equipment capable of handling loads that are 17-18' in diameter (Tr. 128-129). Only two of the super-dimensional or super-weight loads in 1984 required the super exotic equipment (Tr. 129). However, he expects that the trend in the industry is towards the larger items which it offers, because the use of the larger equipment marketed by Fuller is a method of modernizing certain facilities (Tr. 135).

He testified that he would have no objection to using Moore-Flesher's service or P. Liedtka Trucking Company's services upon proper quotes from them (Tr. 130; 133). He requires as many quality, dependable, service and cost-oriented carriers as possible (Tr. 123). There is no question that he would pay slightly higher prices for good quality service, and would tender freight to the applicant if this application is successful (Tr. 123).

The witness feels that there is a lack of quality, cost-oriented carriers because some have gone out of business, and for that reason supports this application. He is unhappy with being tied to a limited number of carriers (Tr. 124).

Charles Cochran

Mr. Cochran is Traffic Manager for Ecolaire Heat Transfer Company (Tr. 137-138). Ecolaire manufactures steel condensers, heat exhangers and related types of vessels generally involving a tubed shell, and various related apparatus (Tr. 138). All such items are manufactured and distributed from the West Easton facility (Tr. 139).

Its steam condensers require special handling and special equipment (Tr. 140). They vary in size and weight, and are generally shipped in one piece except for the very largest which may be assembled in the field (Tr. 140-141). Of the field-assembled pieces, some components require special handling and special equipment. The product is shipped to subcontractors as well as to end-users (Tr. 142).

There is no set pattern to the distribution movements. They are down to a handful in Pennsylvania (Tr. 142). He stated on cross-examination that no size and weight loads had been shipped to Pennsylvania in 1983 or 1984 (Tr. 150) and in fact there had been no Pennsylvania heavy hauls since he became traffic manager (Tr. 157).

The witness was aware of heavy hauling shipments which moved to Three Mile Island and the Berwick power station (Tr. 144). However, he stated on cross-examination that he was not sure whether the shipments moved by truck or by rail (Tr. 156).

Ecolaire controls 90-95% of the routings on outbound moves (Tr. 143). It receives shipments of steel plates inbound from suppliers, very often as wide loads, by rail or by truck. The witness recalls that steel plates had been purchased from Lukens Steel in Coatesville but could not say with certainty that they had received permit loads from Lukens. However, Mr. Cochran felt that he has received size and weight shipments inbound from Lukens because Ecolaire purchases a great deal of steel which does not move by rail and which is of a size which would require a permit for its lawful transportation (Tr. 147). The witness was not certain that the Lukens facility in Coatesville was the only origin of Pennsylvania traffic received on an inbound basis because he is primarily involved with outbound traffic, but tended to

think that Ecolaire does receive traffic on an inbound basis from other suppliers in Pennsylvania (Tr. 147). While Mr. Cochran stated that Ecolaire retained the right to select carriers used on inbound shipments because it paid the freight, he stated that they generally go along with the steel supplier's choice of carrier (Tr. 148).

The shipper has utilized Daily Express in the past. David Graham has brought supplies inbound to Ecolaire's facility, but the witness did not believe that such shipments involved permits (Tr. 149-140). One of Ecolaire's subcontractors dealt with Hake, and Hake has solicited the shipper in the last couple of months (Tr. 150-151). He testified that he might use Graham or Hake if solicited on future shipments, but he would more likely be inclined to use Daily Express (Tr. 158).

The shipper has used Lomma on interstate movements; he estimated six movements in 1984, and maybe possibly 12 in 1983 (Tr. 152).

The handling of its product requires special equipment, including stretch equipment, single-drop or double-drop trailers, and other types of equipment (Tr. 152). Mr. Cochran discussed in detail one special trailer provided by Lomma that was particularly well-suited for Ecolaire's traffic (Tr. 153). Lomma's cambered design single-drop stretch trailer contains an upward bow built into the steel so that when an especially heavy load is put onto the trailer the trailer becomes flat and supports the full weight of the tube bundle in a flat manner. This makes the shipment rigid and very safe (Tr. 154-155). The trailer was used on one particular trip involving four shell sections, each weighing 95-100,000 pounds, each 40' long, wide and high. This tube bundle was particularly flexible and required good support. An ordinary stretch trailer, when laden with such a load, might sag in the middle and

belly out. In the past, such a shipment went by rail, but, because of the tie-down, the time involved and the likelihood of damage involved in rail shipments, Mr. Cochran prefers to move these types of shipments by truck.

James H. Kramer

Mr. Kramer is Sales Manager of Pennsylvania Electric Coil, Inc. Pennsylvania Electric Coil is a subsidiary of Allis-Chalmers. In the near future, the name of this company will be changed to Siemens-Allis. However, Mr. Kramer's responsibilities in connection with choosing and paying for heavy hauler service will remain unchanged (Exhibit A-5; Tr. 168).

Pennsylvania Electric Coil manufactures coils and repairs motors. It has two facilities, both situated in Pittsburgh, Pennsylvania. It employs 129 people and does approximately $7 million of sales annually (Exhibit A-5, p. 1).

Pennsylvania Electric Coil ships motors, generators and transformers, primarily to steel plants. Principal identified Pennsylvania destinations include Sharon, Brackenridge, Monessen, Allenport, Leechburg and Dravosburg. The average weight of a shipment is between 45,000 and 50,000 pounds. Outbound shipments of repaired equipment range from 0 to 4 shipments per month (Exhibit A-5, pp. 1-2).

Pennsylvania Electric Coil receives motors and transformers requiring repairs on an inbound basis from the same facilities to which it ships. Pennsylvania Electric Coil initiates the pick up and directs the movement of the inbound shipments approximately 90% of the time (Exhibit A-5, p. 2).

Pennsylvania Electric Coil's need for heavy hauling transportation arises on an emergency basis as a result of a breakdown at a particular facility. It initiates both pick up of an apparatus at the site and the delivery

back to that site following repairs. Consequently, most jobs are undertaken on a "rush" overtime basis and immediate service, often on four hours notice, is a necessity. Because of the nature of heavy hauling, the possibility always exists that a carrier's specialized equipment may be tied up. That problem has been intensified due to the loss of one of Pennsylvania Electric Coil's principal carriers (Benkhart), which has gone bankrupt. Pennsylvania Electric Coil requires an additional carrier which it can depend upon for expeditious service (Exhibit A-5, p. 2).

Mr. Kramer indicated that J. F. Lomma had opened up a terminal in Bridgeville, which is in the Pittsburgh area, just one week prior to his testifying in this proceeding. The location of a terminal near his facility was attractive to Mr. Kramer since it may assist him in acquiring service on an expedited basis (Tr. 167-168).

Mr. Kramer testified that certain of his products, even though they are not overweight, would require lowboy trailers because they are over-dimensional in nature (Tr. 169).

Most of the heavy hauling traffic of Pennsylvania Electric Coil emanates to and from this shipper's Saw Mill Run Boulevard facility. That facility operates as the motor repair section (Tr. 171).

The stators for which this shipper would require heavy hauling service could weigh anywhere from 15 to 60 tons and range from 12 to 20 feet in diameter (Tr. 173-174).

The last heavy hauling shipment discovered by Mr. Kramer was the movement of a 25 ton generator from Pennsylvania Electric Coil's mill to United States Steel in Irwin. That shipment occurrred in January of 1984, moved on a lowboy trailer and was handled by Moore-Flesher. This shipper

also had two heavy hauler movements to Sharon Steel in May of 1983 and one to Dravosburg in June of 1983. The May 1983 shipment to Sharon Steel was 32,000 pounds and moved on a lowboy trailer. That was handled by Benkhart. The other shipment to Sharon Steel was 36,000 pounds and was also handled by Benkhart. Mr. Kramer was not sure of the type of equipment that was used for the second shipment. In July of 1983, this shipper required transportation to United States Steel Irwin Works. Such service was provided by Moore-Flesher (Tr. 175-177).

The witness considers Moore-Flesher to be one of his principal carriers (Tr. 178). Mr. Kramer was under the impression that he has used the service of Daily Express but does not know whether or not Daily has handled any intrastate shipment for him. He has never utilized any other western Pennsylvania local carriers besides Moore-Flesher and Benkhart (Tr. 179). There has not been any service that Pennsylvania Electric Coil has required that Moore-Flesher has not been able to provide (Tr. 179).

Mr. Kramer controls both the inbound and the outbound routings of his traffic (Tr. 179-180). Shipments that do not require the use of a heavy hauler are handled in private carriage (Tr. 180).

The heavy hauler shipments to which Mr. Kramer testified were shipments destined to only two of his customers, Sharon Steel of Farrell, Pennsylvania and U.S. Steel Irwin Works in Dravosburg (Tr. 181-182).

James J. Malani

Mr. Malani is Traffic Manager for Ionics, Inc. Ionics, Inc. manufactures steel weldments used by the nuclear power industry. A steel weldment can vary from a frame, to a cylinder, to a vessel. They are fabricated in accordance with the customers' designs (Exhibit A-7, p. 1; Tr. 185).

Ionics maintains a facility located in Bridgeville, Pennsylvania. It ships its steel weldments from this facility to nuclear power facilities located at such points as York and Mechanicsburg. The average weight of a shipment would be approximately 50,000 pounds. These shipments are frequently oversized, with the dimensions varying dramatically from piece to piece since each piece is custom-made to the customer's specifications. Ionics has approximately two to three heavy hauling shipments per month outbound, with one to two of those shipments being destined to a Pennsylvania point (Exhibit A-7, pp. 1-2).

Ionics has customers located in both York and Mechanicsburg. Ionics controls the routing of those shipments, and is presently utilizing the services of David Graham. Shipments moving to York and Mechanicsburg have been transported primarily on flatbed or lowboy trailers, depending upon the size of the equipment being transported. Normally, 90% of the shipments moving to those destinations requires a heavy hauler (Tr. 187-188).

Ionics has been utilizing the services of David Graham for approximately a year and one-half. Prior to that, Ionics utilized Benkhart (Tr. 188-189).

Mr. Malani testified that he is sure that within the past two years Ionics has made shipments to points in Pennsylvania other than York and Mechanicsburg. However, he could not identify any other actual destinations of his Pennsylvania traffic (Tr. 189).

Ionics has never utilized the services of either Daily Express or Moore-Flesher. He is not familiar with Moore-Flesher and has never been solicited by that company (Tr. 189-191).

In addition to the weight of a given weldment, the dimensions of the shipment also determine whether or not Ionics requires specialized equipment.

There may be weldments weighing less than 50,000 pounds that, because of their dimensions, require the use of specialized equipment. Ionics does ship this type of weldment in Pennsylvania (Tr. 191-192).

Robert J. Casey Jr.

Mr. Casey is Vice-President of Sales for Duquesne Electric and Manufacturing Co. Duquesne Electric is a large dealer of used electrical equipment such as transformers and generators. It becomes involved in both the purchase and sale of these commodities. These products are purchased from companies engaged in the metal, mining, chemical and paper industries, as well as from the Federal Government. Included among the customers to which it sells its products are Bethlehem Steel and U.S. Steel.

Duquesne Electric's sole facility is located at 475 Butler Street in Pittsburgh (Exhibit A-8, p. 1).

The specific commodites shipped and received by Duquesne Electric include AC/DC motors, transformers, electric switch gear, switches and motor generator sets. The motors, transformers and motor generator sets require special handling or special equipment. Duquesne Electric purchases this electrical equipment and then remanufactures it for resale (Exhibit A-8, p. 2; Tr. 196).

Duquesne Electric has approximately three shipments per month that require special handling or special equipment. An average "heavy hauling" shipment moving to a Pennsylvania point would range between 30,000 and 60,000 pounds, and would be between 8 and 10 feet wide. On an inbound basis, this shipper receives approximately two heavy hauling shipments per month, with total Pennsylvania inbound tonnage approximating 40 tons per month (Exhibit A-8, p. 2).

Representative destinations of Duquesne Electric's traffic include Milton, Bethlehem, Sharon, Fairless Hills and Philadelphia. Included among the origins of shipments moving inbound to this shipper's Pittsburgh facility are the facilities of Bethlehem Steel in Bethlehem, those of Allegheny Ludlum in Brackenridge, and the facilities of U.S. Steel in Braddock, Duquesne, West Mifflin, Homestead, Fairless Hills and Johnstown (Exhibit A-8, p. 2; Tr. 195).

Because of the weight of the motors and transformers for which transportation is required, Duquesne Electric requires 30 to 50 ton double-drop lowboy trailers. Approximately 20% of Duquesne Electric's freight utilizes this type of equipment (Exhibit A-8, p. 2; Tr. 197).

He stated that since federal deregulation of the motor transportation industry, there has been a noticeable decrease in the amount of specialty heavy hauling equipment available to transport its products. Smaller carriers that have been serving Duquesne Electric have either ceased operating or no longer provide the type of equipment that it requires. Specifically, Duquesne Electric is having difficulty obtaining double-drop lowboy trailers, and is supporting this application in order to acquire an additional source of specialty equipment. It therefore desires the availability of the service proposed by Lomma in order to help reduce or eliminate the problems it now encounters with respect to equipment availability (Exhibit A-8, p. 2; Tr. 198).

He stated that there was a shipment which required a 30 to 50 ton double-drop lowboy trailer approximately three weeks before. It was destined to Carnegie, Pennsylvania and was handled by Haser Trucking. Haser has been utilized by Duquesne Electric approximately one to two times per month over the last six months. Mr. Casey testified that he has had difficulty obtaining equipment. One to two years ago Duquesne Electric utilized the services of

Benkhart, but, with their demise, has relied solely on Haser (Tr. 199-200). Haser has been utilized on a statewide basis (Tr. 200-201).

Mr. Casey recognizes Moore-Flesher as a heavy hauler, but has not called upon that carrier for service. He was not familiar with Daily Express (Tr. 203-204).

In addition to the other shipments testified to by Mr. Casey, he also had an overheight and overwidth shipment approximately five weeks before which moved to Carnegie, Pennsylvania. That shipment was handled by Haser (Tr. 204-205).

John M. White

Mr. White is Traffic Manager for Tippins Machinery Company. Tippins Machinery is a manufacturer and dealer of equipment utilized by metal processors, including members of the steel, aluminum, brass, titanium and copper industries. It maintains its main business office and manufacturing facility at 435 Butler Street, Etna, Pennsylvania. It also has two warehouse facilities situated in Pittsburgh. Outbound heavy hauling shipments originate primarily from the Etna facility (Exhibit A-9, p. 1; Tr. 207-208).

The commodities shipped and received by Tippins Machinery in Pennsylvania include metal rolling mill machinery and machinery parts, metal processing machinery, electrical motors and generators, electrical control equipment, construction equipment and construction materials. All of these products, with the exception of the electrical control equipment, require special handling or special equipment (Exhibit A-9, p. 2).

Tippins generally ships and receives its products as a result of projects entered into by its customers. As a result, the volume of traffic

shipped fluctuates significantly based upon the customers' needs. During the past year, Tippins Machinery had approximately 12 heavy hauling shipments moving to Pennsylvania points. These shipments had an average weight of approximately 90,000 pounds, although some of the shipments can weigh as much as 160,000 pounds each (Exhibit A-9, p. 2).

The 12 shipments referred to above were handled by Haser Trucking Company and Moore-Flesher. In the past, this shipper also utilized the services of Benkhart. It was Mr. White's understanding that Benkhart's authority had been acquired by Haser through Reinsfelder, a subsidiary. Mr. White has utilized the services of Reinsfelder, and recognizes that carrier as a heavy hauler (Tr. 209). Mr. White considers Haser to be his primary carrier.

Tippins Machinery has shipments moving from its Etna manufacturing facility to its two Pittsburgh warehouses, as well as occasional shipments moving between the warehouses. In addition, it has shipments moving from the warehouses to other Pennsylvania points such as Washington, Brackenridge, Pittsburgh and Philadelphia.

The products shipped by Tippins Machinery are sometimes returned to it by its customers for servicing or repairs. Consequently, each of the destinations can also serve as an origin for inbound shipments. In addition, Tippins Machinery purchases used machinery from mills, and requires inbound transportation services to handle those types of movements (Exhibit A-9, p. 2).

Haser has been providing service between Tippins Machinery's facilities as well as to Brackenridge, West Leechburg and Washington (Tr. 210). In terms of volume, the primary move that Haser is involved in is a movement between Etna and Pittsburgh. Of the 12 moves requiring specialized equipment made by Tippins Machinery during the past year, at least half were handled by

Haser. Of those handled by Haser, at least two-thirds were interplant movements. Moore-Flesher was utilized to Brackenridge (Tr. 211).

The service provided by Moore-Flesher was the movement of armatures to and from Brackenridge. The service provided by that carrier was satisfactory. In connection with the armatures, additional equipment, motor parts, covers, bearings and bases were also transported. Some of these additional products moved on ordinary flatbed trailers (Tr. 212-213).

In addition to having shipments which are extremely heavy, Tippins Machinery also has occasional shipments of equipment that can reach 15 feet in height. It requires the type of equipment that can properly transport these oversized loads over the highways. Tippins requires the availability of tri-axle, double-drop lowboy trailers (Exhibit A-9, p. 2).

The past year, during which Tippins had 12 heavy hauling shipments moving to points in Pennsylvania, was a poor one for this company. Mr. White thoroughly expects business in Pennsylvania to improve and would like to have Lomma's service available to handle the expected increase in traffic (Exhibit A-9, p. 2).

Mr. White indicated that he was familiar with Daily Express but had only utilized their services in interstate commerce. He was aware that they held Pennsylvania intrastate authority, but did not know that they were heavy haulers (Tr. 214).

Edward Haynor

Mr. Haynor is Materials Manager for Erie Strayer Company. Erie Strayer is fabricator of heavy construction equipment including concrete batching and mixing plants, material handling conveyors, and clamshell buckets.

Erie Strayer is supporting this application for heavy hauling shipments moving outbound from its Erie, Pennsylvania facility. Such shipments would consist of conrete batching plants and material handling buckets to any site where a concrete batching plant is being constructed. These shipments are overwidth, overheight and occasionally overweight. The average weight of a heavy hauling shipment is between 35,000 and 40,000 pounds. Most of these outbound shipments are 12 feet in width, necessitating the use of a carrier with heavy hauling capability (Exhibit A-10, pp. 1-2; Tr. 219-220).

Erie Strayer averages approximately 10 to 15 heavy hauling shipments per month, with one to two heavy hauling shipments moving to Pennsylvania destinations. Because of the nature of the receivers of these products, Erie Strayer's destinations are unpredictable. However, there has been a concentration of traffic in Harrisburg and Philadelphia (Exhibit A-10, pp. 1, 2).

Heavy hauling shipments have been handled by Hardinger Transfer and by Erie Strayer's own private fleet. Erie Strayer's private carriage operation handles approximately 10% of its total outbound heavy hauling traffic. Erie Strayer also loans equipment to Hardinger in order to assist that carrier in providing heavy hauling service. Erie Strayer loans Hardinger drop-deck trailers and lowboys (Tr. 220-221).

Mr. Haynor was not familiar with Moore-Flesher but has utilized the services of Daily Express in interstate commerce. Mr. Haynor was unsure as to whether or not he has utilized Daily Express' intrastate service, but did recognize Daily Express as a heavy hauler. Similarly, the witness recognized Gottry Corporation as a heavy hauling company, but has not called upon them for service (Tr. 221-222).

Due to the limited number of heavy hauling carriers, Mr. Haynor feels that he requires another carrier in the marketplace which can offer competitive

pricing and quality service. Because the possibility always exists that a carrier's special equipment is tied up when Erie Strayer requires service, an additional carrier capable of meeting this shipper's equipment needs would help insure dependable service (Exhibit A-10, p. 2).

Mr. Haynor testified that he believes that his volume will increase and return to the volume that he had prior to the recession. He feels that this will result in an increase in his need for heavy hauling service. This is a result of the thousands of concrete batching plants situated within the state of Pennsylvania. Mr. Haynor said that he could conceivably have six loads in one week moving to one particular batch plant. It was Mr. Haynor's experience that such volume of traffic does occur (Tr. 223-224).

Vincent G. Guinto

Mr. Guinto is Manager of Traffic, Shipping and Receiving for Westinghouse Electric Corporation's East Pittsburgh large rotating apparatus plant. Westinghouse Electric manufactures electrical generators. At its East Pittsburgh facility, Westinghouse manufactures heavy machinery which is shipped to points throughout the world. On an outbound basis, Westinghouse's East Pittsburgh facility ships turbine generators, turbine generator rotors, turbine generator stators, electric motors and reactor coolant pump motors. All of these commodities require either special handling or special equipment (Exhibit A-11, p. 1). On an inbound basis, Westinghouse receives used generators, rotors, stators and motors.

Westinghouse Electric has between 10 and 20 heavy hauling shipments per month moving from its East Pittsburgh facility on an outbound basis. Of these, up to six shipments per month would be destined to Pennsylvania points. An average heavy hauling shipment weighs approximately 70,000 pounds, with

average monthly volume to Pennsylvania points averaging 200,000 pounds per month. Component parts can weigh as much as 1,000,000 pounds per unit.

Inbound shipments moving to the East Pittsburgh facility average six per month, with two originating in Pennsylvania. In addition, it ships to other major users of power such as pulp mills, paper mills and industrial complexes. Specific examples of past Pennsylvania destinations include Lester and Philadelphia.

The destinations of Westinghouse's traffic also serve as origins of inbound movements. Westinghouse also has its products move back to the East Pittsburgh facility for repairs. Once the repairs are completed, the product is returned to its original location. Westinghouse also has inbound movements of raw materials utilized in manufacturing its finished products. Inbound commodities such as forgings would require special equipment for their proper handling. Commodities moving on an inbound basis would originate at the facilities of such companies as U.S. Steel and Bethlehem Steel (Exhibit A-11, p. 2).

Westinghouse requires such special equipment as lowboy trailers, double-drop trailers and multi-wheeled vehicles. Westinghouse's products can be overdimensional in terms of height, width, length or weight. Consequently, the normal practice utilized by Westinghouse is to inform the carrier of the dimensions and weight of the particular item for which transportation is required and then allow the carrier to select the particular type of special equipment to be utilized based upon the weight and dimensions of the item to be transported (Exhibit A-11, p. 2).

Westinghouse has experienced difficulty in acquiring the type of equipment it requires to safely move its products. Also, Westinghouse has

discovered that some carriers possess incomplete authority and are therefore unable to meet all of this shipper's service needs. The approval of the Lomma application as applied for will insure the availability of additional equipment to Westinghouse, as well as affording the applicant the broad geographical coverage necessary to satisfy all of this shipper's intrastate heavy hauling requirements (Exhibit A-11, pp. 2-3).

He stated that Westinghouse has utilized the services of Protestant Frank Hake, but not for heavy hauling service. Hake has solicited Westinghouse's rigging business, which is ancillary to the actual transportation. Westinghouse has not been solicited by Moore-Flesher within the past ten years, and has therefore not utilized that carrier during that period of time. Westinghouse does utilize the services of David Graham, and has called upon that carrier to transport a generator from East Pittsburgh to Philadelphia. It took Graham approximately one week to furnish a tractor for Westinghouse's shipment. The only tractor that Graham has which is capable of hauling a 126,000 pound generator was in Texas at the time Westinghouse required service, and this shipper had to wait for that tractor to complete its Texas job and return to Pennsylvania. The one week delay in service caused aggravation for Westinghouse (Tr. 231-233).

Westinghouse has not utilized the services of Daily Express for 10 to 12 years. This is due to the fact that Daily has not aggressively solicited Westinghouse's business, and this shipper has found alternative carriers that can satisfy its needs (Tr. 233, 235).

Of the approximately six shipments per month that Westinghouse has moving to Pennsylvania destinations, two may move to Philadelphia for export and two may move on regular flatbed trailers (Tr. 238-239). A majority of

Westinghouse's inbound shipments are components being shipped by electric power plants to the East Pittsburgh facility for repairs. Since most of the electric utility companies do not have professional traffic departments, they allow Westinghouse to arrange for the transportation of those shipments moving to East Pittsburgh (Tr. 239). Of the inbound shipments, approximately 30% moves on regular flatbed trailers (Tr. 240). In past years, in addition to Lester and Philadelphia, Westinghouse has had heavy hauling shipments to Shelocta, Erie and Scranton (Tr. 240-241).

Westinghouse has inbound shipments which orignate at the U.S. Steel facility in Homestead, the Bethlehem Steel Facility in Bethlehem and the Lukens Steel facility in Coatesville. Westinghouse pays the freight on approximately 95% of those inbound shipments and selects the carriers for those shipments for which it pays the freight charges (Tr. 242). Shipments moving inbound from Homestead occur on regular flatbed trailers, while some of the shipments coming from Bethlehem move on multi-axled trailers. The majority of the shipments moving into East Pittsburgh from Lukens Steel are handled on regular flatbed trailers (Tr. 252-253).

Moore-Flesher has provided inbound service to East Pittsburgh on shipments routed by a utility (Tr. 243-244).

Westinghouse does have a private carriage operation with limited heavy hauling capabilities. They have a couple of drop-frame trailers which are situated in High Point, North Carolina and which are utilized to serve all of Westinghouse's nationwide facilities (Tr. 247-248). It is a rare occasion that Westinghouse uses its private fleet for heavy hauling shipments in Pennsylvania. This is because Westinghouse does not have the equipment available

at the time that the East Pittsburgh facility requires it. Consequently, most of Westinghouse's heavy hauling shipments go by for-hire carriers (Tr. 254).

David Graham was utilized to handle Westinghouse's most recent shipment to Lester. That occurred approximately two weeks prior to Mr. Guinto's testimony. That shipment was a component which weighed approximately 126,000 pounds and which moved on a multi-wheeled vehicle with a flat configuration (Tr. 248).

On cross-examination, he stated that the last shipment to Shelocta that was not transported on a flatbed trailer occurred approximately two years ago, and the most recent shipment to Erie occurred approximately one to two years ago. The heavy hauling shipment into the Scranton area occurred a couple of years ago, and was transported by Benkhart on a multi-wheeled vehicle. Westinghouse's most recent shipment to Philadelphia occurred less than one year ago (Tr. 250-252).

When Westinghouse's products move on flatbed trailers, they are always loaded in the plant by overhead cranes. Unloading is also done by overhead cranes or by various rigging means. Generally, it is the customer at the destination that makes the unloading arrangements (Tr. 254-255).

Westinghouse had utilized the services of Moore-Flesher years ago. He believes that following the sale of their interstate authority, Moore-Flesher's service deteriorated (Tr. 263-264).

The weights and dimensions of Westinghouse's components determine whether they move on flatbed equipment or more specialized trailer equipment. They range in weight from 30,000 pounds to over 1,000,000 pounds (Tr. 255-256).

Outbound shipments are determined by orders received by Westinghouse for the components. Westinghouse must send the components on time in order to

satisfy the customer's requirements and to meet specific construction schedules. Inbound shipments from the power plants are generally on an emergency basis where the equipment is needed immediately (Tr. 256-257). Mr. Guinto estimated that 50% of all of his loads required emergency service (Tr. 269).

Mr. Guinto indicated that he is convinced that Westinghouse requires the availability of Lomma within Pennsylvania. This is due to the fact that, because of the nature of Westinghouse's business, it needs equipment on a moment's notice and it has been unable to obtain that type of service from existing carriers. Also, because Lomma has a facility in the Pittsburgh area, it will greatly enhance Westinghouse's ability to satisfy its customers and get Westinghouse's product to the electric power plants in a timely fashion (Tr. 261-262).

Charles W. Rhinier

Mr. Rhinier is Manager - Traffic, Shipping and Packaging for Schramm, Inc. and Traffic Manager for Pneumatic Electric and Equipment Company. Schramm is engaged in the manufacture of heavy drilling equipment, portable, stationary and high-pressure air compressors and pneumatractors. Pneumatic Electric and Equipment Company is a sales and service organization that is a wholly-owned subsidiary of Schramm. It is involved in selling the products manufactured by Schramm and its sales territory includes Pennsylvania. Both companies require transportation of air compressors, and parts therefore, portable drilling equipment, parts and accessories, drill pipes for water-well drilling and portable tractors with back hoes. Their portable drills, portable tractors and high-pressure air compressors are all heavy, bulky items, with a single tractor weighing as much as 15,000 pounds and a single compressor weighing between

12,000 and 18,000 pounds. The drills, tractors and compressors all require special handling or special equipment (Exhibit A-12, pp. 1-2).

Out of a total of five to ten outbound shipments per month, two to five heavy hauling shipments move to Pennsylvania points. The average monthly total tonnage is 219,616 pounds, with tonnage to Pennsylvania points being 164,712 pounds per month. These volume figures represent traffic of both companies (Exhibit A-12, p. 2; Tr. 272). All of this Pennsylvania traffic moved on detachable gooseneck lowboys or drop-deck trailers (Tr. 276-277).

Both companies sell their products to a network of dealers and distributors and therefore require service to the facilities of these dealers and distributors on a regular basis. Both also have a need for delivery service directly to their customers. These can be situated in any point in Pennsylvania. Some representative destinations of past heavy hauling shipments include Clearfield, Oil City, Uniontown, Harrisburg, Downingtown and West Chester. These are locations of distributors as well as customers of dealers or distributors. In addition to these specific destinations, both companies have heavy hauling shipments moving to the facilities of PennDOT and the Turnpike Commission. Those customers receive the shipments at their maintenance garages, which are spread throughout Pennsylvania (Exhibit A-12, p. 2; Tr. 272-273).

Both companies require drop-deck stretch trailers which are required for handling portable tractors which can be as high as 108 inches. Also, these shippers have a need for detachable, gooseneck lowboy trailers. The need for these specialized trailers is particularly acute in connection with movements to customer jobsite locations. The detachable gooseneck facilitates

the loading and unloading of the product at those jobsites (Exhibit A-12, p. 2; Tr. 273-274).

He is supporting the application because of his belief that there is a definite need for an additional carrier to handle the type of traffic for which he requires transportation. The authorization of Lomma in Pennsylvania will help these shippers insure the availability of the special type of equipment both companies require, when they require it (Exhibit A-12, p. 2; Tr. 274-275).

He considers Daily Express to be his primary carrier. He had supported the application of Robbins Transportation, but was unaware that they received the authority that they requested. No one from Robbins has contacted him since he testified on their behalf, and he therefore has not given that carrier any traffic (Tr. 277-278, 282).

Mr. Rhinier could not recall the last time he had a shipment to any of the listed destinations (Tr. 280). All of his traffic does originate in West Chester (Tr. 280).

Approximately 5% of Mr. Rhinier's outbound intrastate heavy hauling shipments has been routed by his customers (Tr. 283). Even if this application is approved, Daily will probably remain his primary carrier (Tr. 283-284).

J. R. Aylsworth

Mr. Aylsworth is Traffic Manager for Seco/Warwick Corporation. Seco/Warwick is a manufacturer of industrial furnaces which are used in heat treating a variety of products. Its furnaces are utilized by such diverse companies as Caterpillar Tractors and Timex Watches as well as steel and aluminum mills. Also, as of May 18, 1984, Seco/Warwick moved the fabricating operation that

was previously being conducted in Illinois to Meadville (Exhibit A-13, p. 1; Tr. 286-287).

Seco/Warwick ships industrial heat treating furnaces and aluminum holding furnaces, as well as parts for these products, from Meadville to points in Pennsylvania. Its furnaces are of the nature that they require special handling or special equipment for their proper transportation. For example, a single furnace can require 50 to 55 tractor-trailer movements for its complete transportation. Each of those movements could be of an over-dimensional component part that would require special equipment or special handling. Also, this shipper has a casemaster unit that measures 15 feet in height and 15 feet in width and is 30 to 40 feet in length and weighs between 100,000 and 120,000 pounds and requires specialized equipment (Exhibit A-13, pp. 1-2).

Mr. Aylsworth estimated that his total outbound heavy hauler shipments approximate 20 per month, with 3 per month destined to Pennsylvania points. Each of these shipments averages approximately 50,000 pounds. In 1982, Seco/Warwick utilized specialized common carrier service to transport 6,873,000 pounds. This figure for 1983 was 4,566,000 pounds (Exhibit A-13, p. 2; Tr. 287). Also, because of the transfer of the fabricating operation from Illinois to Meadville, it is anticipated that Meadville's outbound volume will double in the near future. The percentage of heavy hauling shipments will increase as a result of the consolidation of the Illinois and Meadville operations (Tr. 287-288). In actuality, the percentage of traffic that would be considered heavy hauling would be greatly increased because of the fact that they require specialized equipment although they are not extremely heavy in nature (Tr. 289-290). Mr. Aylsworth indicated that there

would be a significant increase in the number of heavy hauling shipments that he has because of his new understanding of the definition of heavy hauling in Pennsylvania, but he was unable to give specific volume figures (Tr. 292).

Seco/Warwick has sales representatives operating throughout the United States and throughout the Commonwealth of Pennsylvania. Any point at which a new manufacturing facility is being constructed is a potential destination for this shipper's traffic. Seco/Warwick's traffic patterns are irregular, with shipments moving ten miles from its Meadville facility one week and 300 miles the next. It is therefore supporting the statewide application of J. F. Lomma (Exhibit A-13, p. 2).

Seco/Warwick has a distinct need for specialized transportation equipment. It requires double-drop, single-drop, stretch double-drop, and stretch flatbed trailers. Also, because of the enormous weight of some of its products, and in order to comply with Pennsylvania bridge and axle weight laws, Seco/Warwick sometimes requires equipment with more than five axles. It is Mr. Aylsworth's understanding that Lomma has available each variety of equipment that he requires. In addition to specialized equipment, Seco/Warwick also has special service requirements, including jobsite deliveries, and scheduled, date and time deliveries (Exhibit A-13, p. 2).

On an intrastate basis, Daniel Transport is the only carrier which is presently being utilized. However, Daniel Transport does not have available the type of specialized equipment that Seco/Warwick requires. This forces Seco/Warwick to break down its shipments into component parts which is an unsatisfactory method of operating. The breaking down of shipments into component parts forces Seco/Warwick to employ construction crews to erect the unit "on site." The additional expense incurred in employing construction

crews has adversely affected Seco/Warwick's profitability. In fact, Seco/Warwick has declined certain Pennsylvania business because of the absence of satisfactory intrastate carriers and the resulting increased costs involved in erecting furnaces that have been shipped piecemeal. Lomma would be utilized to handle a complete unit, thereby reducing Seco/Warwick's costs and enabling it to accept business that it previously declined.

Another basis for this shipper's support is the termination of rail service. Previously, it relied heavily upon Conrail for its intrastate transportation needs. However, within the past 24 months, Conrail's service has been almost totally non-existent. It therefore desires to use Lomma to replace its prior rail service (Exhibit A-13, pp. 2-3).

In the past, some of Seco/Warwick's smaller units have been handled in conventional van type trailers or on flatbed trailers. However, because of the new federal law dealing with asbestos, Seco/Warwick has changed its transportation and installation procedures. Presently, most of their shipments are transported on detachable gooseneck trailers which facilitate the unloading of the equipment at a jobsite and eliminate the need for rigging at the destination point (Tr. 293-294).

Of the volume figures that he gave, none of it moved to points in Pennsylvania. All of the shipments destined to Pennsylvania were knocked down and field erected (Tr. 295-296).

In addition to the specific destinations of York, Philadelphia and Pittsburgh, Seco/Warwick also had heavy hauling shipments moving to Bloomsburg and to points in the Meadville vicinity. The movement to Meadville was handled on equipment leased by Seco/Warwick. This was done because Mr. Aylsworth was unable to find a carrier willing to handle the move because

it was of a very short distance. Seco/Warwick has no plans to make other moves to Pennsylvania points on leased equipment (Tr. 297-298).

Mr. Aylsworth is aware of the availability of Daily Express. He testified that he has contacted Daily no less than 12 times within the last 12 months and was informed each time there was no equipment available (Tr. 301). Mr. Aylsworth has never heard of either Moore-Flesher or Reinsfelder (Tr. 302).

Mr. Aylsworth has portions of shipments going on regular flatbed trailers and other portions of the same shipment being handled by heavy haulers. It would be most convenient for him to have the same carrier handle both aspects of the transportation (Tr. 303-304). However, it is not essential for him to use the same carrier to handle both large components and the smaller components with respect to a particular installation job. Mr. Aylsworth indicated that it is certainly not unusual for him to use a number of carriers in connection with an installation job (Tr. 314-315).

On outbound shipments, Seco/Warwick performs rigging at the origin and either uses its own construction group or hires a rigging outfit to unload the material at the drop site (Tr. 305).

The witness testified that certain component parts for knockeddown equipment are overdimensional and require specialized trailer equipment (Tr. 312-313).

Eugene S. Ackerman

Mr. Ackerman is Traffic Manager for Ambridge Division of H. H. Roberston Company. That division is engaged in the development, manufacture and erection of non-residential metal building products. It manufactures

component parts such as floors and exterior walls that are combined on site to produce a finished building. These products are utilized entirely for commercial purposes, including the erection of warehouses as well as floor systems for high rise office buildings and hospitals. All of the outbound traffic originates at the Ambridge facility (Exhibit A-14; Tr. 320).

The specific commodities shipped by H. H. Robertson include a variety of products utilized in metal buildings, including entire sections of those buildings. This would include both plain and corrugated steel roofing, steel beams, steel sheets and building construction sections, together with accessories for the metal buildings. These products can range up to 45 feet in length. Inbound shipments from Pennsylvania points would involve steel coils moving in 45,000 pound truckload shipments.

From January 1 through August 31, 1984, H. H. Robertson had a total of 2,029 shipments moving outbound from its Ambridge facility. Of this total, 152 went to Pennsylvania points. Shipments moving to points in Pennsylvania had an average weight of 20,825 pounds. During that period, the average monthly volume to Pennsylvania points was 395,675 pounds. For this period, H. H. Robertson had a total of 54 inbound shipments from Pennsylvania points out of 103 total inbound shipments. Total inbound tonnage for the period in question approximated 4,230,000 pounds (Exhibit A-14, p. 2). This inbound volume is not limited to shipments originating in Pennsylvania, but includes traffic moving inbound to Ambridge from all sources (Tr. 319).

The following is a listing of Pennsylvania points to which H. H. Robertson has had shipments: Philadelphia, Pittsburgh, Reading, Allentown, Upper Merion, Horsham, Enon, Erie, Shippingport, University Park, Ebbensburg, Altoona, Johnstown and Midland. Inbound shipments originate primarily at Irwin, Allenport and Fairless Hills, Pennsylvania (Exhibit A-14, p. 2).

He stated that the company requires timed, scheduled deliveries. For example, it may require that a certain delivery be made at 8:00 a.m., a second delivery at 9:30 a.m., and a third delivery at 1:30 p.m. Such service is necessary in order to meet the construction schedules of the workers erecting the completed building. Also, because its products are utilized primarily in new construction, H. H. Robertson requires jobsite deliveries. This is particularly true with respect to traffic moving to Pennsylvania points (Exhibit A-14, p. 2).

H. H. Robertson has utilized the services of J. F. Lomma on an interstate basis and has been well pleased with the service that the applicant has supplied to it. H. H. Robertson would very much like to have Lomma's availability to handle its Pennsylvania intrastate traffic (Exhibit A-14, p. 2).

H. H. Robertson is basically a flatbed shipper. The flatbeds are loaded at origin by H. H. Robertson and are unloaded at destination by either the consignee or crews employed by H. H. Robertson (Tr. 320). H. H. Robertson's inbound traffic also moves on flatbed equipment (Tr. 321).

H. H. Robertson does not always ship on flatbed trailers (Tr. 324). One of the bases for this shipper's support is the present unavailability of a choice of the type of equipment required. Now, he only has available to him a choice of flatbed equipment. This is unsatisfactory because he does not ship his products by weight, but ships by square foot and prefers to load either stretch trailers or lowboy trailers when they are available. He utilizes this type of equipment in interstate commerce and wishes to utilize special equipment in intrastate commerce as well (Tr. 326-327). Mr. Ackerman indicated that he is very limited in the amount of square footage that he can place on a 40 foot trailer and because of the loading methods and the type of

material that he has and the length of the materials that he ships he could increase his shipping volume if he could utilize a lowboy trailer (Tr. 328). In previous years, Mr. Ackerman has used lowboy trailers when available to points in Pennsylvania (Tr. 330).

Accessories that move with main loads are generally transported on the same trailer with the main load, if room permits (Tr. 331). Mr. Ackerman would prefer to have the same carrier transport both the main shipment and the accessories (Tr. 333-334). A 48 foot non-stretch trailer would be sufficient to satisfy this shipper's needs (Tr. 334).

Paul F. McCann

Mr. McCann is Traffic Manager of Pittsburgh-Des Moines Corporation. Pittsburgh-Des Moines is a steel fabricator and erector. It maintains a manufacturing facility in Warren, Pennsylvania and a tool house situated in Neville Island, Pennsylvania. It also has tentative plans to reopen a manufacturing facility in Neville Island.

Pittsburgh-Des Moines ships iron and steel items used on flat bottom cone roof tanks, flat bottom dome roof tanks, bridges, liquid and natural gas tanks, spheres, elevated water storage tanks and construction equipment, as well as shipping entire tanks when their size permits their over-the-road transportation. Inbound shipments consist of steel plates, beams and angles, as well as girders used in building bridges. Pittsburgh-Des Moines has ten outbound shipments per month, with four of these moving to points in Pennsylvania. The average weight of an outbound heavy hauling shipment is 40,000 pounds. This traffic all originates at Neville Island (Exhibit A-15, p. 2; Tr. 342).

Inbound shipments occur approximately 15 times per month. Of these, five originate at Pennsylvania points. Total inbound tonnage from Pennsylvania points averages 45 tons per month and moves inbound to the manufacturing facility in Warren (Exhibit A-15, p. 2; Tr. 344).

Representative points within Pennsylvania to which Pittsburgh-Des Moines has shipped products requiring heavy hauling include Shippingport, Neville Island, Warren, New Sewickley, Bradford, Elrama and Ardara. Pittsburgh-Des Moines also has shipments moving between jobsites located in Pennsylvania without having the products move back to either Warren or Neville Island. Most of these shipments involve the movements of cranes. Inbound origins include Homestead, Bethlehem, Washington, Johnstown and Conshohocken (Exhibit A-14; Tr. 342).

Pittsburgh-Des Moines requires drop-deck trailers and double-drop trailers. Also, because it requires deliveries to jobsites, Pittsburgh-Des Moines requires equipment that is powerful enough to make deliveries of its heavy equipment at unpaved locations. In addition to jobsite deliveries, it requires timed, scheduled deliveries. Since it not only manufactures the commodities in question but also erects them at destination, it is very important that deliveries arrive on time in order to keep the erection crews on schedule and in full operation. Late deliveries do not only cause construction delays but also result in additional expenses for it by causing this shipper to pay its workers while they remain idle awaiting the arrival of a shipment (Exhibit A-15, p. 2).

Pittsburgh-Des Moines is supporting the application of J. F. Lomma in part because of an anticipated increase in the amount of traffic it will have

moving between points in the application territory. This is particularly true if the Neville Island manufacturing facility opens as anticipated. The authorization of Lomma in Pennsylvania will afford Pittsburgh-Des Moines greater access to heavy hauling service by making available to it additional equipment. This will, in turn, insure the dependable service which Pittsburgh-Des Moines requires (Exhibit A-15, pp. 2-3).

When Pittsburgh-Des Moines tools up a job, it usually requires five loads of equipment. One of those loads would be a shipment requiring heavy hauling services. Outbound shipments of materials for a particular job, and not necessarily the tools utilized in erecting those materials, may also involve the use of specialized trailer equipment (Tr. 344-346).

Most of the steel moving inbound to Warren moves on regular flatbed trailers (Tr. 347).

Pittsburgh-Des Moines has utilized the services of Moore-Flesher, Daily Express and Frank Hake. It is Mr. McCann's position that the carriers presently available to him do not have sufficient amounts of special equipment to handle all of his traffic. This is particularly true in view of his expected expanded operations (Tr. 348-349).

If the bridge business expands as expected, Pittsburgh-Des Moines will require specialized trailers for inbound shipments moving to Warren (Tr. 349).

An additional basis for Mr. McCann's support is that as a result of his business increasing, he will require larger quantities of large pole trailers, drop-deck trailers and double-deck trailers (Tr. 351).

Frank W. Hake, II

Mr. Hake is Vice-President of Frank W. Hake, Incorporated. Hake is a motor carrier concentrating in heavy specialized transportation, primarily

those shipments over 50 tons in weight. It holds authority from the Pennsylvania Public Utility Commission to provide heavy hauling service between points in the city and county of Philadelphia and within an airline distance of 150 statute miles of City Hall in Philadelphia. It also holds heavy hauling authority to provide service from railhead to railhead, or from railheads to points of installation, between points in Pennsylvania (Tr. 358; Hake Exhibit 1).

Hake operates seven specialized heavy hauling tractors, two of which are capable of pulling loads up to 500 tons. Hake also operates eight tandem stretch trailers, nine lowbed trailers, six various types of special trailers, five cranes and two crawler transporters (Tr. 359-361; Hake Exhibit 2).

Hake maintains a terminal in Eddystone, Pennsylvania which has rail service into and out of the facility, with inside overhead cranage, outside overhead cranage, approximately 40,000 square feet of inside storage which is serviced by overhead cranes, a 5,000 square foot service shop and approximately 10,000 square feet of office space. The terminal facility has a telecopy machine, as well as a telex machine which are capable of obtaining permits from the Department of Highways (Tr. 364).

Hake provides rigging as well as transportation services. It also provides escorts as required for superheavy loads (Tr. 364-365).

Hake has solicited both rigging and hauling work from Westinghouse Electric Corporation in East Pittsburgh and has provided service for that shipper. Mr. Hake was not aware of any complaints from Westinghouse regarding the services which he has provided for them. Hake has also solicited Schramm, Inc., but has not been given the opportunity to perform any services for that company (Tr. 365-366).

Hake has solicited and performed work for Pittsburgh-Des Moines when that shipper's Neville Island facility was open. It is Mr. Hake's impression

that the Neville Island facility was still closed at the time of his testimony (Tr. 367-368). Hake has also solicited and performed work for the Fuller Corporation. Such work has been provided for in excess of 20 years and Mr. Hake did not have knowledge of any complaints received from that shipper (Tr. 369).

Service provided by Hake for Metropolitan Edison has included rigging as well as transportation. Again, no complaints were received regarding Hake's services (Tr. 369). Hake has solicited work from Ecolaire Heat Transfer Company but has not received any request for transportation services from them, although Hake has been in Ecolaire's facility at the request of that shipper's customers (Tr. 370).

Hake's heavy hauling equipment, 50 tons and over in capacity, is utilized approximately 30% to 35% of the time. It was Mr. Hake's opinion that there is no need for another heavy hauler in Pennsylvania due to the economic climate as well as the high dollar investment that heavy haulers have made in their equipment and the under-utilization of that equipment that they are presently experiencing (Tr. 370-371). Mr. Hake estimated that his company has invested in excess of $2.5 million on specialized equipment (Tr. 372).

In 1983, Hake had gross operating revenues of approximately $216,000. Of this, approximately $188,000 was derived from service provided in Pennsylvania intrastate commerce. In addition to providing heavy hauling service, Hake also acts as a rigger and a millwright. In 1983, Hake employed approximately 16 people in the motor carrier business, while employing an additional 1,100 people in the rigging, millwrighting and warehousing aspect of its operation. In 1983, Hake earned a profit from its motor carrier operations, but reported a loss from non-carrier operations of approximately $345,000 (Tr. 373-376).

Hake had overall revenues of between $10 million and $11 million in 1983, with $188,000 being derived from service rendered in Pennsylvania intrastate commerce. In that same year, the cost of conducting Hake's non-carrier operations amounted to approximately $9,800,000. The equipment reflected on Hake's equipment list is utilized in operations other than PUC activities (Tr. 376-377).

Hake served Westinghouse approximately a month before this witness' testimony in this proceeding. The transportation services rendered took place between Chester, Pennsylvania and Philadelphia. Mr. Hake stated that his company could not serve Westinghouse's East Pittsburgh facility unless the shipment either originated at or terminated at a railhead (Tr. 384-385).

George Krom

Mr. Krom is Vice-President of Sales for David Graham Company. David Graham specializes in service provided on flatbed and specialized equipment capable of handling shipments up to 70 tons. It holds authority from the Commission which authorizes the provision of heavy hauling services between points in the city and county of Philadelphia and points within 170 miles of said city. It also holds authority to provide service from this territory to the remainder of Pennsylvania. This latter authority is subject to several shipper and territorial restrictions (Tr. 387; Graham Exhibit 1).

Graham maintains its main terminal in Tullytown, Pennsylvania, with an additional company-owned terminal in Harrisburg and agency terminals in Allentown, Smithton and Coraopolis. Graham operates 28 company-owned tractors and utilizes 200 trailers, of which 61 qualify as "specialized" according to the definition utilized by the Pennsylvania Public Utility Commission (Tr. 388-

389). Graham has a transceiver, which is utilized in obtaining permits, and provides escorts on loads that require permits (Tr. 391).

In addition to 20 owned tractors, Graham also leases 185 additional tractors (Tr. 402). Of the owned tractors, only one is suitable for handling a load in excess of 50 tons (Tr. 404). Of the tractors owned by Graham, only one is registered in Pennsylvania. Although the owned trailers are domiciled in Pennsylvania, they are not utilized for handling intrastate traffic. Similarly, only 11 of the leased tractors are registered in Pennsylvania, and none of those are capable of handling a 50 ton load (Tr. 404-406). The leased trailers that are registered in Pennsylvania are not utilized exclusively for intrastate service, but are also utilized for providing service in interstate commerce (Tr. 406).

Graham has provided heavy hauling service for Westinghouse Electric Company on shipments moving in Pennsylvania intrastate commerce. Graham has also provided heavy hauling service for the Fuller Company, but has never been offered any heavy hauling shipments moving between Pennsylvania points (Tr. 392-393).

Graham has solicited, but not received any Pennsylvania intrastate heavy hauling traffic from H. H. Robertson Company, Pittsburgh-Des Moines Company and the Schramm Company. This protestant has also solicited the Seco/Warwick Company and has been offered Pennsylvania intrastate work by that shipper (Tr. 394-395).

Graham has invested approximately $1.5 million in specialized trailer equipment, while its investment in tractors accounted for another $3.5 million (Tr. 397). Graham's heavy hauling facilities and equipment are presently being utilized approximately 80% of the time (Tr. 395-396).

The tractors in which Graham has its $3.5 million investment are not utilized in Pennsylvania intrastate heavy hauling service (Tr. 409).

Graham has not provided any heavy hauling services for supporting shippers other than Westinghouse in intrastate commerce (Tr. 399, 411-412).

In 1983, Graham had total intrastate revenues of approximately $622,000. A large portion of Graham's non-heavy hauling intrastate service is related to the transportation of iron and steel. Mr. Krom could not estimate what percentage of his intrastate revenue was derived from heavy hauling service (Tr. 399-400).

Graham had total operating revenues of approximately $11.5 million in 1983, and Mr. Krom estimated that total revenue for 1984 would approximate $17 million (Tr. 413-414).

Mr. Krom indicated that he has handled overdimensional loads for Fuller Company on an interstate basis, and stated that he has no information regarding his company's refusal to handle an intrastate overdimensional load for that shipper (Tr. 414-415).

E. S. Moore, Jr.

Mr. Moore is Corporate Director of Traffic and Special Projects for Daily Express, Inc. Daily Express holds authority from the Commission which authorizes the transportation of property (excluding commodities in bulk and household goods in use) between points in Pennsylvania, subject to nine specific restrictions (Daily Exhibit 1, Appendix A). The statewide authority presently held by Daily was obtained in early 1984 (Tr. 441).

Daily maintains its main office in Carlisle, Pennsylvania, with additional Pennsylvania terminals located at Allentown, Harrisburg, Johnstown,

New Kensington, Towanda and Williamsport. Terminals located at Hamburg, New York, Elkton, Maryland and Wheeling, West Virginia are also utilized to supply equipment and service to customers located in Pennsylvania (Daily Exhibit 1, pp. 2, 4). Daily's terminals are connected by a systemwide computer housed at the main terminal in Carlisle.

Systemwide, Daily Express maintains approximately 35 terminals, with the majority of those being located in northeastern United States. Daily stations equipment at each of these terminals. The number of pieces situated at a particular terminal varies depending upon the needs of shippers in that particular area (Tr. 442-443).

Daily's fleet of highly-specialized trailer equipment is controlled by a special team located at Carlisle. Individual regional terminals have day-to-day access to the specialized equipment, but overall supervision of Daily's fleet of 75 to 100 units is maintained by the special team in Carlisle (Daily Exhibit 1, p. 3).

It was Mr. Moore's contention that due to the various locations of Daily's terminals, Daily was reasonably certain that any Pennsylvania customer would have an appropriate tractor/trailer unit at its door within an hour or two of requesting service (Daily Exhibit 1, pp. 4-5).

Daily currently operates approximately 129 tractors and more than 950 trailers of various design. Trailers include 399 flats, 129 stretch-flats, 2 steerable dollies, 27 single-drops, 246 level-decks, 79 lowboy fixed necks, 48 lowboy detachable goosenecks, 8 stretch detachable goosenecks, 7 vans and 7 glass hauler trailers (Daily Exhibit 1, p. 5, Appendix B).

Daily has an active safety and maintenance program (Daily Exhibit 3).

Daily provides service in interstate commerce pursuant to nationwide non-radial general commodity authority. Daily attempts to complement or

supplement its interstate operations from and to Pennsylvania points with its intrastate operation. Intrastate operations in 1982 grossed approximately $1.8 million. In 1983, Daily's intrastate revenue was $1.5 million while its systemwide revenue was between $40 and $42 million. Consequently, Daily's intrastate revenue amounted to approximately 3 or 3 1/2% of its systemwide revenue. Mr. Moore anticipated that intrastate revenues in 1984 would approximate $2 million. This would result in a growth of approximately 25% over the previous year.

During the first 8 1/2 months of 1983, Daily handled 3,175 loads in Pennsylvania, while for the first 10 months of 1984, it handled 5,135 such shipments (Tr. 446-448). These 1984 shipments generated gross revenues of in excess of $1.7 million (Daily Exhibit 1, p. 6).

Mr. Moore could not identify the number of heavy hauling shipments Daily Express handled between Pennsylvania points during the first ten months of 1984. Mr. Moore similarly could not indicate the amount of revenues derived from Pennsylvania intrastate heavy hauling service during the stated period (Tr. 450-453).

Daily normally keeps its stretch equipment and lowboys at only one place in western Pennsylvania, one in central Pennsylvania and one in eastern Pennsylvania (Tr. 420). Daily does not have any specific equipment with 100 ton capacity, but does possess equipment capable of handling shipments of 80 to 90 tons (Tr. 423).

In addition to its present complement of equipment, Daily Express has 16 additional pieces ordered for 1985. The ordered equipment is very special in nature. In addition, within the past two weeks, Daily Express accepted delivery on a lowboy trailer which has rails and is capable of transporting a railroad car (Tr. 424-425).

In its office in Carlisle, Daily has a transceiver and telex equipment capable of receiving permits (Tr. 425).

During the first ten months of 1984, Daily provided service in intrastate commerce for approximately 161 shippers.

Daily is opposing the instant application because it has built its business in intrastate commerce to the point where it can provide service within an hour or two of receiving the service request and that if it lost any of its traffic, it would lose the ability to keep moving its equipment in an efficient fashion (Tr. 430-431).

Mr. Moore could not identify how many of the 161 Pennsylvania shippers that he has serviced required heavy hauling service (Tr. 463).

The shipments handled for Metropolitan Edison and Keeler/Dorr-Oliver were heavy hauler shipments (Tr. 463-464).

All of Daily's over-the-road equipment, with the exception of 18 pieces, is owned and operated by independent contractors. All of the 18 tractors owned by Daily are based in Harrisburg. Daily owns 31 tractors that are used at the terminals. Except for these 49 pieces, the remaining tractors (of the 829 total tractors) are leased from owner-operators (Tr. 455-457).

W. Dennis Kerr

Mr. Kerr is President of Moore-Flesher Hauling Corporation. Moore-Flesher maintains its business office in Zelienople, which is in Butler County approximately 30 miles north of Pittsburgh. Moore-Flesher is a specialized heavy hauler and transporter of size and weight type shipments. Moore-Flesher is presently in the process of transferring a portion of its rights to Moore-Flesher Trucking Corporation, with the remainder of the rights being transferred

to a company called W. D. Kerr & Sons (Tr. 465-468). If the transfer applications are approved, Moore-Flesher Trucking Company would be authorized to provide service in the area west of and including the Counties of McKean, Cameron, Clearfield, Cambria and Bedford, while W. D. Kerr & Sons would have authority to provide service from points west of those counties to points east of those counties (Tr. 474).

This protestant's Zelienople facility consists of 8 1/2 acres of ground with an 8,000 square foot building that houses its shops and a small warehouse. There is also an office building with approximately nine offices. In addition, there is a maintenance facility situated at this location (Tr. 476). Moore-Flesher utilizes the services of four company drivers and approximately 30 owner-operators. The owner-operators lease primarily tractors and semi-trailers to Moore-Flesher (Tr. 477-478). W. D. Kerr & Sons also operates out of the Zelienople facility and, although it does not own any motor vehicle equipment, it leases approximately 20 tractors and semi-trailers. W. D. Kerr & Sons does engage in heavy hauling service with equipment that it leases from Moore-Flesher Hauling Company (Tr. 478-479). Moore-Flesher has the capacity to handle shipments up to approximately 200 tons (Tr. 479).

The power equipment owned by Moore-Flesher has been fully depreciated so that its book value is now zero (Tr. 538-539). The present depreciated value of the trailer equipment owned by Moore-Flesher is approximately $21,000 (Tr. 539).

The four drivers presently employed by Moore-Flesher are engaged in both heavy hauling transportation and rigging work. At one time, Moore-Flesher utilized approximately 36 company drivers but reduced its work force because of economic conditions (Tr. 482-483).

He believes that Moore-Flesher presently provides all of the services proposed by J. F. Lomma, Inc. (Tr. 494).

In November of 1983, Moore-Flesher handled 21 size and weight shipments between points in Pennsylvania. Five of these shipments may fall within the restrictive amendment which has been agreed to by the applicant (Moore-Flesher Exhibit 13; Tr. 500-501). Mr. Kerr also offered into evidence an exhibit which reflects 25 Pennsylvania intrastate heavy hauling shipments handled during the period February to May, 1984. These shipments accounted for approximately 25% of Moore-Flesher's intrastate size and weight shipments during that period (Moore-Flesher Exhibit 13; Tr. 502). The revenue derived from the heavy hauling service provided in November of 1983 totalled $17,690.25, while the representative sample for the months of February to May, 1984 generated revenue for Moore-Flesher of $11,019.15 (Tr. 503).

A preponderance of Moore-Flesher's heavy hauling traffic is handled between points in western Pennsylvania. However, it does hold itself out to provide service to eastern Pennsylvania, and has never refused to handle a shipment moving to eastern Pennsylvania (Tr. 510-511).

Moore-Flesher is opposing the instant application because it has a great deal of money tied up in its equipment and is only utilizing approximately 25% of that equipment at present. Approval of this application would adversely affect Moore-Flesher because it would authorize an additional size and weight carrier who would be competing for the same traffic handled by Moore-Flesher. If Moore-Flesher loses additional size and weight traffic, it would either have to get out of the heavy hauling business or at least sell some of its equipment (Tr. 529-530). Approximately 30% of Moore-Flesher's $1,300,000 gross operating revenue for 1983 was derived from heavy hauling service. In 1983, Moore-Flesher

operated at a loss with an operating ratio of 102 (Tr. 531-532). The remaining 70% of Moore-Flesher's revenues are derived from the transportation of iron and steel. Mr. Kerr felt that many customers utilize Moore-Flesher's service because it can offer both size and weight service and conventional flatbed service (Tr. 532).

In 1983, Moore-Flesher lost $22,904, which approximates its depreciation expense for that same year. On an overall basis, Moore-Flesher generated a profit of $104,000 company-wide (Tr. 541, 548).

FINDINGS OF FACT

1. J. F. Lomma, Inc. (applicant) is a New Jersey corporation, qualified to do business in Pennsylvania (Applicant's Exh. 1, p. 1).

2. The applicant is now providing service in interstate commerce throughout a 15 state base territory in the eastern United States, including Pennsylvania, and from that territory to the rest of the continental United States (Applicant's Exhibit 1, p. 2).

3. Applicant has provided heavy hauling service in interstate commerce for about ten years (Ibid).

4. Applicant maintains its principal terminal in South Kearny, New Jersey, as well as additional facilities in Shrewsbury, Massachusetts, Baltimore, Maryland and Bridgeville, Pennsylvania (Applicant's Exhibit 1, p. 4; Tr. 167).

5. Applicant operates an extensive fleet of specialized equipment capable of providing the service proposed in its application (Applicant's Exhibit 1, App. 3).

6. The equipment used by the applicant is owned by a commonly-controlled leasing company (J.F.L. Leasing Co., Inc.). If additional equipment

is required to meet demands for its service, Lomma is financially capable of acquiring such equipment (Applicant's Exhibit 1, pp. 5-6).

7. Applicant has a formal program of preventive maintenance and inspection which is followed for all vehicles (Applicant's Exhibit 1, pp. 6-7).

8. Applicant has an ongoing safety program which includes driver training and review of driving procedures. Drivers are specifically trained to insure competence in handling overdimensional and heavy weight loads (Ibid).

9. As at December 31, 1983, applicant had total assets of $1,110,784 and retained earnings of $950,803. For the period January 1, 1983 through December 31, 1983, applicant generated net profits of $174,735 on revenues amounting to $2,813,226 (Applicant's Exhibit 1, Appendices 4 & 5).

10. Applicant carries public liability insurance and cargo insurance in amounts which meet or exceed the levels required by this Commission (Applicant's Exhibit 1, p. 7).

11. Applicant is presently providing service to twenty-two (22) Pennsylvania companies in interstate commerce (Applicant's Exhibit 1, p. 9).

12. Fifteen witnesses, representing sixteen shippers, appeared and testified in support of the instant application (Tr. 41-351).

13. The supporting shippers indicated that they have a substantial amount of traffic moving between a wide variety of points in the application territory (Tr. 44; 73; 98; 115; 116; 117; 127; 187-188; 195; 224; 240; 272; 298; 342; Applicant's Exhibit 5, pp. 1-2; Applicant's Exhibit 8, p. 2; Applicant's Exhibit 9, p. 2; Applicant's Exhibit 10, p. 2; Applicant's Exhibit 11, p. 2; Applicant's Exhibit 13, p. 2; Applicant's Exhibit 14, p. 2; Applicant's Exhibit 15, p. 2).

14. The supporting shippers indicated some dissatisfaction with service provided by Protestants and other carriers (Tr. 50; 78-80; 83; 94;

120-121; 198; 232-233; 262; 301; 348; Applicant's Exhibit 5, p. 2; Applicant's Exhibit 11, p. 2; Applicant's Exhibit 13, pp. 2-3).

15. Protestant Frank W. Hake, Incorporated engages in heavy hauling, primarily handling shipments in excess of 50 tons. Hake holds intrastate authority to provide heavy hauling service between points in Philadelphia and within an airline distance of 150 statute miles of City Hall in Philadelphia and in conjunction with shipments moving from railheads to other railheads or to points of installation, on a statewide basis (Tr. 358).

16. Hake maintains a terminal in Eddystone, Pennsylvania which is equipped with a telecopying machine and a telex machine capable of obtaining permits from the Department of Highways (Tr. 364).

17. Hake's principal business is the provision of rigging service as well as transportation services (Tr. 364-365). It employs 16 people in transportation and 1,100 in its other businesses (Tr. 373-376).

18. In 1983, Hake had gross carrier operating revenues of approximately $216,000, with approximately $188,000 of that amount derived from Pennsylvania intrastate service. Hake's overall revenues for 1983 were between $10-$11 million dollars; some 2% of Hake's revenue is generated by trucking service. Hake's motor carrier operations generated a profit in 1983; its non-carrier operations lost approximately $245,000 (Tr. 376-377).

19. Protestant David Graham Company holds authority from the Pennsylvania Public Utility Commission which authorizes a range of motor carrier service, including heavy hauling service between points in the city and county of Philadelphia and points within 170 miles of said city and from this territory to the remainder of Pennsylvania and vice versa (Graham Exhibit 1).

20. Graham maintains its main terminal in Tullytown, Pennsylvania, with an additional company-owned terminal in Harrisburg and agency terminals in Allentown, Smithton and Coraopolis (Tr. 388).

21. Graham operates twenty-eight (28) company-owned tractors and utilizes two hundred (200) trailers, of which sixty-one (61) qualify as "specialized" as defined by the Pennsylvania Public Utility Commission (Tr. 389).

22. In 1983, Graham generated Pennsylvania intrastate revenues of approximately $622,000 and system operating revenues of approximately $11.5 million (Tr. 399; 413). Pennsylvania revenues represent some 5% of Graham's total. It is unknown what amount of Graham's Pennsylvania revenues are attributable to heavy hauling service (Tr. 400). Graham's total revenues for 1984 were projected to approximate $17 million (Tr. 414).

23. Daily Express holds authority from this Commission which authorizes transportation of property (excluding commodities in bulk and household goods in use) between points in Pennsylvania, subject to several additional restrictions (Daily Exhibit 1, App. A).

24. Daily Express maintains its main office in Carlisle, Pennsylvania, with additional Pennsylvania terminals located in Allentown, Harrisburg, Johnstown, New Kensington, Towanda and Williamsport (Daily Exhibit 1, p. 2).

25. In the first 8 1/2 months of 1983, Daily handled 3,175 loads in Pennsylvania while for the first 10 months of 1984 it handled 5,135 such shipments (Tr. 446-448). In 1983, Daily's intrastate revenue was approximately $1.5 million, while its systemwide revenue was between $40-$42 million (Tr. 447). Daily Express' 1984 intrastate revenue was projected to be approximately $2 million (Tr. 447). It was not known what amount of Daily Express' Pennsylvania revenues are attributable to heavy hauling service (Tr. 453).

26. Moore-Flesher maintains its business office in Zelienople and holds authority from this Commission to provide a range of motor carrier services, including heavy hauling service between points in western Pennsylvania and from points in western Pennsylvania to points in eastern Pennsylvania, and vice versa (Tr. 471-473; 476).

27. Protestant Moore-Flesher is in the process of transferring its operating authority to two buyers: W. D. Kerr & Sons and Moore-Flesher Trucking Company (Tr. 474-476).

28. In November 1983, Moore-Flesher handled 21 size and weight shipments between points in western Pennsylvania (Moore-Flesher Exhibit 13).

29. A preponderance of Moore-Flesher's heavy hauling traffic is handled between points in western Pennsylvania (Tr. 511). On an operating basis in 1983, Moore-Flesher lost $23,904 (Tr. 541). Moore-Flesher generated a profit of $104,000 in 1983 as a result of non-carrier income (Tr. 548).

DISCUSSION

This is an application for heavy hauling authority, with certain restrictions, between points in Pennsylvania. Heavy hauling authority refers to the transport of large objects which requires or takes place on specialized transportation equipment. As the Commission noted in Application of Jacoby Transportation System, 44 Pa. P.U.C. 809 (1970), special equipment is generally considered to be specialized trailers, such as lowboys, pole trailers, drop trailers, trailers which can be expanded in length, and other specialized vehicles. The items transported are heavy and bulky items such as road building equipment, machinery, huge tanks and other fabricated items which could not be readily transported upon ordinary motor vehicles.

In Pa. P.U.C. v. John P. Sorice t/d/b/a John P. Sorice Trucking, 48 Pa. P.U.C. 268 (1974), the Commission stated that the concept of special equipment encompasses the actual transportation equipment and the loading and unloading equipment.[1/] Loading and unloading equipment encompassed within the term special equipment includes cranes, boom and other similar equipment. Western Pennsylvania Intrastate Steel Haulers' Conference v. John P. Sorice Trucking, 42 Pa. P.U.C. 110 (1965).

Under the regulations established by the Commission, an applicant seeking motor common carrier authority has the burden of demonstrating that it possesses the technical and financial ability to provide the proposed service. In addition, the applicant has a burden of demonstrating that approval of the application will serve a useful public purpose, responsive to a public demand or need. An application may be denied if the record demonstrates that the applicant lacks a propensity to operate safely and legally. It may also be denied if it is established that the entry of a new carrier into the field would endanger or impair the operations of existing common carriers to such an extent that its grant would be contrary to the public interest. 52 Pa. Code §41.14.

We will consider each criterion separately.

Technical Ability

The applicant has been providing the service proposed here under its interstate operating authority for ten years. It has its corporate offices, a

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1/ The loading devices used by either the shipper or the consignee do not constitute special handling. Pa. P.U.C. v. A. Sanguigni Sons Co., 25 Pa. P.U.C. 535 (1946).

five bay maintenance facility, a parking area for equipment and warehouse space in South Kearny, New Jersey. It also has facilities in Shrewsbury, Massachusetts and Baltimore, Maryland and a terminal facility in Bridgeville, Pennsylvania. The applicant operates 38 tractors and has 7 reinforced flatbed trailers capable of holding 50 tons of freight on a 12 foot loading area; 1 dolly system which is used to raise, lower or steer equipment; 39 level-deck lowboys, 10 of which have extendible and/or stretch capabilities; 9 stretch flatbed trailers; 17 double-drop trailers; 1 75 ton detachable gooseneck trailer with interchangeable decks and interchangeable rear bridge suspension systems; 1 50 ton four-axle stretch lowboy designed to accommodate extremely long ladings of extreme weight; and 1 trailer equipped with an hydraulic winching system and ramps capable of transporting an operable railcar. There is a formal program of preventive maintenance. Its drivers participate in a special training program to insure safety in handling heavy and overdimensional loads.

Moore-Flesher contends that the applicant has not sustained its burden of showing technical competence in western Pennsylvania. The record does not bear out this contention. First, the applicant has demonstrated its technical fitness on a company-wide basis. In addition, it has identified nine western Pennsylvania destinations which Lomma has served under its interstate authority during the first half of 1984. The record also shows that it has opened a terminal in western Pennsylvania and that it is in the process of staffing that operation.

The record clearly shows that the applicant has the technical fitness necessary under our statute.

Financial Fitness

Applicant's financial fitness is unchallenged. At December 31, 1983, Lomma had total assets of $1,110,784 and retained earnings of $950,803. For

the year ending December 31, 1983, Lomma generated revenues of $2,813,226 with total operating expenses of $2,608,561. The applicant's net profit (after taxes) for 1983 was $174,735 (Exhibits A-4, A-5). Clearly, Lomma possesses the ability to provide the proposed service in an efficient manner and maintains the financial capability necessary to carry out the proposed operation.

Safe and Legal Operations

There is nothing on this record to show that the applicant would not operate in a safe and legal manner. On the contrary, the record shows that the applicant does operate safely and legally. It has a formal program of preventive maintenance and inspection. It employs a Safety Supervisor who monitors the safety program and who is responsible for driver training, reviewing driving procedures and insuring compliance with D.O.T. regulations.

It has public liability insurance in the amount of $10,000 (combined single limit) and cargo insurance in the amount of $1 million.

As far as this record indicates, the applicant is in compliance with the regulations of each regulatory body to which it is subject.

Need For Service

While an applicant must prove the need for the proposed service, it has only to show that the proposed service is reasonably necessary for the accommodation and convenience of the public. It is not required to show absolute necessity for the service. E.g., Pa. P.U.C. v. Purolator Courier Corp, 24 Pa. Commw. 301, 355 A.2d 850 (1976); Carl R. Bieber, Inc. v. Pa. P.U.C., 3 Pa. Commw. 236, 281 A.2d 351 (1971).

Similarly, an applicant for operating authority is not required to show the necessity for service in every square mile proposed to be served. The

courts and the Commission have held that a showing of a more generalized need for service is adequate to support an application for authority. E.g., Reeder v. Pa. P.U.C., 192 Pa. Super. 298, 162 A.2d 231 (1960); Application of Lyons Transportation Lines, Inc., 42 Pa. P.U.C. 605 (1966). This is especially true where, as here, the nature of the authority sought is rather specialized.

In Application of Allied Asphalt Co., Inc., 43 Pa. P.U.C. 622 (1968), the Commission stated (43 Pa. P.U.C. at 626-27):

> The Commission has followed a policy of granting wide geographical rights to carriers engaged in hauling commodities where a specialized service is performed requiring special equipment. For example, this policy was mentioned in Rule against W. J. Dillner Transfer Co., 30 Pa. P.U.C., 362, 365 (1952), and reads as follows:
>
> > "The transportation of such property (heavy or bulky articles) is a specialized transportation service which requires for its efficient conduct inherently special vehicular equipment * * * We have always recognized that heavy machinery equipment or materials do not move with regularity or frequency between definite points. We have recognized, too, that the specialized equipment necessary to perform such services requires a heavy initial investment which would be difficult to recoup if the heavy-hauler were confined to a relatively small area. The Commission's policy under the circumstances, therefore, has been to grant heavy-hauling rights throughout a wide territory, between unspecified points of origin and unspecified points of destination over any routes available."
>
> The same considerations should obtain here. The commodity involved here requires specialized handling as well as special equipment. The equipment is expensive, running as high as $25,000 for a trailer. The drivers must be specially trained. Liquid asphalt does not move with the same regularity or frequency as general commodities. Hence, similar consideration is due here.

The applicant here presented fifteen witnesses representing sixteen shippers who testified as to their desire to use the applicant's service. These shippers testified as to thirty-eight origins of traffic and fifty-eight

specific destinations. In addition, several witnesses testified as to a general need for this service throughout the state (Tr. 44-47, 117, 118; Applicant's Exhibit 10, p. 1; Applicant's Exhibit 12, p. 2).

Most of the supporting shippers indicated an average of one to two Pennsylvania intrastate heavy hauling shipments per month (Tr. 43-44, 98, 238-239; Applicant's Exhibit 5, p. 2; Applicant's Exhibit 7, p. 2; Applicant's Exhibit 9, p. 2; Applicant's Exhibit 10, p. 2; Applicant's Exhibit 12, p. 2; Applicant's Exhibit 13, p. 2; Applicant's Exhibit 14, p. 2). Several supporting shippers also testified that they expect their Pennsylvania heavy hauling volume to increase and cited this increased volume as one of the bases of their support for the instant application (Tr. 73, 98, 223; Applicant's Exhibit 9, p. 2; Applicant's Exhibit 15, pp. 2-3).

Moore-Flesher argues that there are twenty-two counties in western Pennsylvania from which there is no shipper support. This, however, ignores the fact that several shippers indicated that they have origins of traffic spread through Pennsylvania. For example, one shipper receives motors and transformers requiring repairs from the same facilities to which it ships new or repaired products. Mercer, Westmoreland, Washington and Armstrong Counties were identified as destinations, and consequently, inbound origins of traffic (Applicant's Exhibit 5, pp. 1-2).

The record also indicates that outbound heavy hauling shipments of Tippins Machinery and Westinghouse Electric many times return to those shippers for repairs (Applicant's Exhibit 9, p. 2; Applicant's Exhibit 11, p. 2). Many times, in addition, a shipper has shipments moving directly between jobsites, without coming through his facility (Applicant's Exhibit 15; Tr. 342).

As the Commission noted, however, in Application of Richard L. Kinard, Inc. (A-00095829, F.1, Am-D) (Order adopted October 19, 1984), the public need criterion is not satisfied merely by testimony of shipper support. Instead, the Commission listed other criteria for showing that the proposed service will serve a useful public purpose, responsive to a public demand or need.

One such criterion is that of different service. Here, the applicant has indicated its intention to service super heavy loads such as those exceeding 35 to 40 tons, which are generally not handled by conventional heavy haulers (Applicant's Exhibit 1, p. 8).

In addition, the applicant argues that its ability to provide specialized equipment on a short notice basis qualifies it as a different service under Kinard.

The Kinard decision also includes backup service as an alternative. Several witnesses have stated that there was a shortage of specialized equipment available and that the applicant's certification would insure the availability of equipment (Tr. 47-50, 100, 121-122, 198, 261-262, 283-284, 348-349; Applicant's Exhibit 5, p. 2; Applicant's Exhibit 10, p. 2; Applicant's Exhibit 13, p. 3).

The applicant points to its service under its ICC authority to 19 Pennsylvania origins and destinations in the first six months of 1984. It now serves 22 Pennsylvania-based shippers in interstate commerce (Applicant's Exhibit 1, p. 9). The applicant argues that approval of the application would allow it to serve its existing Pennsylvania customers on an intrastate basis - another alternative listed in the Kinard decision.

On the basis of the record here, and in light of the Commission's special policy with respect to heavy hauling applications, as set forth in

the Dillner decision cited above, the applicant has established that grant of the application would serve a useful public purpose, responsive to a public demand or need.

Adverse Impact on Existing Common Carriers

The record indicates that grant of the application will have little adverse impact on existing carriers. For example, Hake had Pennsylvania intrastate motor carrier revenues in 1983 of approximately $188,000 compared to gross operating revenues of over $10 million (Tr. 376-377). Hake could not state the amount of Pennsylvania intrastate heavy hauling service that it has provided or the revenues generated by such service. Clearly, it has not demonstrated that grant of this application would endanger or impair its operations.

Protestant David Graham had total annual revenues of $11.5 million in 1983. Only $622,000 came from intrastate service and only a part of this came from heavy hauling service (Tr. 399-400, 413). It expected its revenues to grow to $17 million in 1984 (Tr. 413-414). Obviously, heavy hauling is only a very small part of its operations.

The record indicates that Daily Express had systemwide revenues of $40-$42 million in 1983. Pennsylvania intrastate revenues were $1.5 million (Tr. 446-448). Its 1984 intrastate revenues were expected to be $2,000,000. It could not indicate the amount of Pennsylvania heavy hauling service it has provided or the amount of revenues derived from such service. Under these circumstances, it cannot be said that grant of this application would endanger or impair its operations.

Moore-Flesher argues that it has experienced a severe decline in heavy hauling business, that it is operating at 25 percent capacity and has eight drivers on part-time status and only four on its payroll full-time.

During the proceedings, the Moore-Flesher witness testified that the company operated at a loss for the year 1983. It appears, however, that the amount of the loss actually equals its depreciation expense for 1983 (Tr. 541). On a company-wide basis, Moore-Flesher had a profit of approximately $104,000 in 1983 (Tr. 541). Furthermore, although Moore-Flesher utilizes only four full-time drivers and eight part-time drivers, it uses 30 owner-operators (Tr. 477-478).

Furthermore, Moore-Flesher is in the process of transferring all of its intrastate authority to two buyers, Moore-Flesher Trucking Corporation and W. D. Kerr & Sons (Tr. 465-468). These buyers have not yet begun intrastate operations pursuant to Moore-Flesher's authority. It is not possible on this record to determine the effect that the applicant's proposed service will have on these new companies. Finally, it appears that actual heavy hauling loads, of the kind subject to diversion by this application, amounted to approximately ten percent of the protestant's 1983 gross Pennsylvania operating revenues (Tr. 535).

It has not been established on this record that grant of the application would so endanger or impair the protestant's operations as to result in injury to the public interest.

Miscellaneous

Counsel for Daily Express points out that the Commission has held that heavy hauling refers to the transportation of property which because of size or weight, requires the use of rigging, special handling and special equipment. The application here refers to "property, which because of size or weight requires the use of rigging, special handling or special equipment."

The point is well taken. See Rule Against W. J. Dillner Transfer Co., 30 Pa. P.U.C. 362 (1952). The application will be so modified.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and parties involved in this proceeding.

2. The application is properly before the Commission.

3. The applicant has met its burden of proof required for a certificate of public convenience.

THEREFORE,

IT IS ORDERED:

1. That the Application of J. F. Lomma, Inc. at A-105101, be and is hereby approved and that a certificate be issued granting the following rights:

> To transport, as a Class D carrier, property, which because of size or weight, requires the use of rigging, special handling and special equipment, between points in Pennsylvania.
>
> Subject to the following restrictions:
>
> That no right, power or privilege is granted:
>
> A. To provide service in connection with any shipment weighing less than thirty-five (35) tons to or from the Monroe County facilities of:
>
> a. Pocono Fabricators, Division of Patterson-Kelly Company, Inc.
>
> b. Patterson-Kelly Company, Inc. Division of Harsco Corp.
>
> c. International Boiler Works
>
> B. To transport bulldozers, graders, draglines and other earth moving and coal moving equipment between points in and west of the counties of Potter, Clinton, Centre, Blair and Beford.

2. That the certificate holder shall comply with all of the provisions of the Public Utility Code as now existing or as hereafter may be amended, and all of the existing rules and regulations as may hereafter be prescribed by the Commission. Failure on the part of the certificate holder to so comply shall be sufficient cause to suspend, revoke or rescind the rights and privileges conferred by the certificate.

3. That the applicant shall not engage in any transportation granted herein (except with express permission from the Commission) until it shall have complied with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of this Commission relative to the filing of insurance and the filing and acceptance of a tariff establishing just and reasonable rates.

4. That the authority granted herein, to the extent that it duplicates authority now held by or subsequently granted to the carrier, shall not be construed as conferring more than one operating right.

5. That in the event said applicant has not, on or before sixty (60) days from the date of service of this order, complied with the requirements set forth above, application shall be dismissed without further proceedings.

Date: August 8, 1985

Joseph J. Klovekorn

JOSEPH J. KLOVEKORN
Administrative Law Judge

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9/6

ACT 294

Case Identification: A-105101; Application of J. F. Lomma, Inc.

Initial Decision by: ALJ Joseph J. Klovekorn

Date Issued for Exceptions: August 22, 1985

ALJ Recommendation: That the application, as restricted, is approved.

* * * *

I want full Commission review of this decision.

WRS
Commissioner

9/6/85
DATE

I do not want full Commission review of this decision.

WRS
Commissioner

9/5/85
DATE

ACT 294

Case Identification:	A-105101; Application of J. F. Lomma, Inc.
Initial Decision by:	ALJ Joseph J. Klovekorn
Date Issued for Exceptions:	August 22, 1985
ALJ Recommendation:	That the application, as restricted, is approved.

* * * *

I want full Commission review of this decision.

Commissioner — DATE 9-6-85

I do not want full Commission review of this decision.

Commissioner — DATE

9/6

ACT 294

Case Identification:	A-105101; Application of J. F. Lomma, Inc.
Initial Decision by:	ALJ Joseph J. Klovekorn
Date Issued for Exceptions:	August 22, 1985
ALJ Recommendation:	That the application, as restricted, is approved.

* * * *

I want full Commission review of this decision.

_____ _____

Commissioner DATE

I do not want full Commission review of this decision.

Linda L Taliaferro 9-6-85

Commissioner DATE

ACT 294

Case Identification:	A-105101; Application of J. F. Lomma, Inc.
Initial Decision by:	ALJ Joseph J. Klovekorn
Date Issued for Exceptions:	August 22, 1985
ALJ Recommendation:	That the application, as restricted, is approved.

* * * *

I want full Commission review of this decision.

_____ _____

Commissioner DATE

I do not want full Commission review of this decision.

James H Cawley 9/3/85

Commissioner DATE