

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

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

Pages 355 through 556

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

Thursday, December 6, 1984

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

BEFORE;

JOSEPH J. KLOVEKORN, Administrative Law Judge

APPEARANCES:

JAMES W. PATTERSON, Esquire
Rubin, Quinn & Moss
1800 Penn Mutual Tower
510 Walnut Street
Philadelphia, Pennsylvania
(For the Applicant, J. F. Lomma, Inc.)

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Commonwealth Reporting Company, Inc.

700 Lisburn Road
Camp Hill, Pennsylvania 17011

Camp Hill
(717) 761-7150

Philadelphia
(215) 732-1687

1 APPEARANCES (Continued):

2 WILLIAM A. CHESNUTT, Esquire
3 McNees, Wallace & Nurick
4 100 Pine Street
5 P. O. Box 1166
6 Harrisburg, Pennsylvania 17108-1166
7 (For Protestant, Daily Express, Inc.)

8 ALAN KAHN, Esquire
9 Abrahams and Loewenstein
10 1400 Land Title Building
11 100 South Broad Street
12 Philadelphia, Pennsylvania 19110
13 (For Protestants, Frank W. Hake, Inc. and
14 David Graham Company)

15 JOHN A. PILLAR, Esquire
16 Pillar & Mulroy, P. C.
17 1500 Bank Tower
18 307 Fourth Avenue
19 Pittsburgh, Pennsylvania 15222
20 (For Protestant, Moore-Flesher Hauling Company, Inc.
21 and Intervenors, Moore-Flesher Trucking, Inc.
22 Company and W. D. Kerr and Sons, Inc.)
23
24
25

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C O N T E N T S

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
Frank W. Hake, II	357	373	385	---
George Krom	387	397	414	---
E. S. Moore, Jr.	417	440	---	---
W. Dennis Kerr	465	533	553	---

E X H I B I T S

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✓ No. 3 (Photograph)	361	372
✓ No. 4 (Photograph)	363	372
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<u>Protestant-Graham</u>		
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2	<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
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4	✓ No. 1 (Prepared Testimony, E. S. Moore, Jr.)	418	464
5	✓ No. 2 (Sales Brochure)	421	464
6	✓ No. 3 (Safety Program Outline)	422	464
7	✓ No. 4 (Photographs)	422	464
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9	<u>Protestant-Moore-Flesher</u>		
10	✓ No. 1 (Operating Authority, Moore-Flesher Hauling Co.)	470	555
11	✓ No. 2 (Summary of Authority to be Transferred from Moore- Flesher Hauling Co. to Moore- Flesher Trucking Co.)	473	555
12	✓ No. 3 (Summary of Authority to be Transferred from Moore- Flesher Hauling Co. to W. D. Kerr and Sons Co.)	473	555
13	✓ No. 4 (Photograph)	488	555
14	✓ No. 5 (Photograph)	488	555
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P R O C E E D I N G S

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

5 Do we have any preliminary matters before we begin
6 with today's witnesses?

7 (No response.)

8 JUDGE KLOVEKORN: If not, let's proceed.

9 MR. KAHN: I think I'm going to go first, Your Honor.

10 JUDGE KLOVEKORN: Fine.

11 MR. KAHN: Mr. Hake, will you take the stand, please?

12 Whereupon,

13 FRANK W. HAKE, II

14 having been duly sworn, testified as follows:

15 DIRECT EXAMINATION

16 BY MR. KAHN:

17 Q Will you give us your full name and business
18 address, please?

19 A Frank W. Hake, II, Frank W. Hake, Incorporated,
20 1500 Chester Pike, Eddystone, Pennsylvania.

21 Q What is your connection with the Protestant,
22 Frank W. Hake, Incorporated?

23 A My connection is I'm a Vice-President of Frank
24 W. Hake, Incorporated.

25 Q Are you authorized to appear here today and

1 testify in this proceeding?

2 A. Yes, I am.

3 Q. How old is your company?

4 A. Our company was established in 1919.

5 Q. And how long have you been with it?

6 A. Since 1972 full-time.

7 Q. Does it hold operating authority from the
8 Pennsylvania PUC?

9 A. Yes, sir.

10 Q. Does it hold operating authority from the Inter-
11 state Commerce Commission?

12 A. Yes, sir.

13 Q. That's as a motor carrier?

14 A. Yes, sir.

15 Q. As a motor carrier does your company specialize
16 in any particular type of transportation?

17 A. Yes. We specialize in heavy specialized
18 transportation, basically over 50 tons in weight, the
19 component being over 50 tons in weight.

20 MR. KAHN: May we have marked for identification,
21 first, a document headed "Application of Frank W. Hake,
22 Incorporated," as Hake No. 1?

23 JUDGE KLOVEKORN: Without objection it will be so
24 identified.

25

1 (Whereupon, the document was
2 marked as Protestant-Hake
Exhibit No. 1 for identification.)

3 MR. KAHN: And as Hake No. 2 I would like to have
4 another document headed "Frank W. Hake, Inc. Equipment
5 List."

6 JUDGE KLOVEKORN: Without objection it will be so
7 identified.

8 (Whereupon, the document was
9 marked as Protestant-Hake
Exhibit No. 2 for identification.)

10 BY MR. KAHN:

11 Q Mr. Hake, would you identify the document that has
12 been marked as Hake No. 1?

13 A It's our PUC certificate.

14 Q Does that describe all the authority held by your
15 company at the present time?

16 A Yes, sir, to the best of my knowledge.

17 Q Is that authority active and in good standing at
18 the present time?

19 A Yes, sir.

20 Q Will you refer now, please, to Hake No. 2, the
21 equipment list, and tell us what does that show generally?

22 A Generally it shows every piece of equipment we
23 have located presently in Pennsylvania. The top units,
24 code number 911 through 926, are specialized heavy haul
25 tractors which can accept a minimum of 50 ton fifth wheel

1 load and all but two tractors with planetary rears, that
2 type of thing, special rears so each one drives and geared
3 down.

4 Q Is that so -- does that mean they are designed
5 to handle the extra-heavy loads?

6 A That's correct.

7 Q Do you have any extra-specialized -- if I may
8 use that phrase -- heavy haul tractors?

9 A Yes. The extra-specialized are equipment number
10 925 and 926, which are two four-axle specialized tractors
11 each with two 250 horsepower engines, one driving each rear
12 and each one planetary that can accept a fifth wheel load of
13 150 tons.

14 Q How heavy a load can tractors like that pull?

15 A We have these tractors pulling loads to 400 --
16 excuse me -- 500 tons.

17 Q Now, will you just go through this and tell us
18 about the specialized trailers that you operate?

19 A The specialized trailers are page two, although
20 it's not identified as such. They are specialized for
21 weight. We have what we show here as 50, 75 to 100, 125 ton,
22 150, 200, 400, 500 low beds. They are the capacities.
23 As well as on the following page there is Scheuerle multi-
24 axle hydraulic trailer which consists of two six-axle
25 platforms with each having a capacity of 183 tons by

1 themselves and a combined capacity of 376 tons, and that is
2 without utilizing a gooseneck which is adaptable if you
3 wanted to change the configuration.

4 Not listed here is a recently purchased insert that
5 would go between each six-line unit to give the ability to
6 keep an extra-heavy load closer to the ground and thus
7 restrict the height of the lading.

8 Q To further explain that special trailer, is this
9 a photograph of it?

10 A Yes, in one configuration.

11 MR. KAHN: May we have this marked as Hake No. 3;
12 and I will provide copies at the recess.

13 JUDGE KLOVEKORN: Without objection it will be so
14 identified.

15 (Whereupon, the document was
16 marked as Protestant-Hake
Exhibit No. 3 for identification.)

17 BY MR. KAHN:

18 Q Can you tell us a little bit about the special
19 trailer shown in Hake 3?

20 A Well, it's of German manufacture. The value of the
21 trailer, with associated hardware, is somewhere in the
22 vicinity of a half a million dollars. It can be utilized in
23 several configurations. This one is showing the side by
24 side. It can also be used end to end, with a gooseneck,
25 without the gooseneck, with a special insert between it to

1 keep the load low, as individual six-line units.

2 Q. When it is used side by side what's the width of
3 the platform?

4 A. Twenty-four feet.

5 Q. And when it's used end to end, how many axles is
6 that?

7 A. Twelve, eight tires per axle, with a capacity of
8 376 tons.

9 Q. Have you in your company's operations actually
10 hauled loads that heavy?

11 A. Yes, sir.

12 Q. How heavy are the loads you've hauled?

13 A. The heaviest to date was 859 tons that we hauled
14 and that was in Pennsylvania. It was the Peach Bottom
15 Unit 2 reactor -- Unit 2 and Unit 3.

16 Q. While we are on the subject, can you identify
17 these other photographs we have here and just tell us
18 generally what they show?

19 A. The second picture that I will hand over to you
20 is a 387 ton nuclear reactor, the infamous Three Mile
21 Island reactor, which was hauled approximately 17 miles over
22 Pennsylvania highways and then railed from York to Three
23 Mile Island. That was two years in the planning stages
24 before the move was ever accomplished.

25 MR. KAHN: This one we will call Hake 4.

1 JUDGE KLOVEKORN: Without objection it will be so
2 marked.

3 (Whereupon, the document was
4 marked as Protestant-Hake
Exhibit No. 4 for identification.)

5 A. The third picture is a picture of a nuclear
6 reactor on the 12-line multi-axle trailer with gooseneck,
7 weighing in at 387 tons with two specialized tractors, the
8 units I identified previously, pulling the load. One is
9 there for an assist. We were required by the highway
10 department to have one there in case one broke down. We
11 had to be able to replace it and get the load off the road.

12 BY MR. KAHN:

13 Q. I don't see the name Hake in the picture, but
14 this is your equipment moving the load.

15 A. Yes. Hake owns that.

16 MR. KAHN: This is H-5.

17 (Whereupon, the document was
18 marked as Protestant-Hake
Exhibit No. 5 for identification.)

19 A. The fourth picture is the Unit 2 or Unit 3 --
20 they are double units -- nuclear reactor for Peach Bottom
21 Generating Station shown on a pair of 1,000 ton capacity
22 Manitowic crawler transporter.

23 BY MR. KAHN:

24 Q. And these are track vehicles you operate for the
25 super loads?

1 A. That is correct.

2 (Whereupon, the document was
3 marked as Protestant-Hake
Exhibit No. 6 for identification.)

4 Q. Where is your terminal located?

5 A. Eddystone, Pennsylvania.

6 Q. What facilities do you have there?

7 A. We are located on about seven and three-quarters
8 acres. We have rail service into and out of the facility
9 with inside overhead crange, outside overhead crange,
10 approximately 40,000 square feet of inside storage serviced
11 by overhead cranes, a 5,000 square foot service shop for
12 all our vehicles, and approximately 10,000 square feet of
13 office space.

14 Q. In connection with these super-heavy loads you've
15 been describing does your company provide the rigging as
16 well as the transportation over the highway?

17 A. Yes, sir.

18 Q. And you employ people who are trained to do that
19 kind of work?

20 A. Absolutely.

21 Q. Do you have facilities for obtaining quickly
22 permits from the department of highways?

23 A. Yes, sir. We have a telecopy machine as well as
24 a telex machine.

25 Q. And with those can you get the permits right in

1 your own terminal?

2 A. Yes, sir.

3 Q. Do you provide escorts as required for these
4 super-heavy loads?

5 A. Yes, sir, as required and as we see necessary
6 even though at times the highway department doesn't mandate
7 the use of escorts. When we feel it's a matter of safety
8 we provide them ourselves.

9 Q. Now, have you at my request reviewed some of the
10 prepared testimony of the witnesses who have testified
11 in support of this application?

12 A. Yes, sir.

13 Q. And can you refer to any notes you have and tell
14 us -- or perhaps you can without notes -- tell us have you
15 done any work for the Westinghouse Electric Corporation?

16 A. Yes, we have.

17 Q. What kind of work have you done for them?

18 A. We have solicited both rigging and hauling work
19 from Vince Guinto with Westinghouse Electric Corporation
20 in East Pittsburgh.

21 Q. And have you performed work, besides solicited
22 work, for Westinghouse?

23 A. Yes.

24 Q. Have they had any complaints about the work you
25 have provided for them?

1 A. No, sir, not to the best of my knowledge.

2 Q. How about the company Schramm, Incorporated?

3 Have you solicited that company?

4 A. We have solicited work from Schramm, both
5 transportation -- basically transportation work -- and
6 never have been given the opportunity to perform any work
7 for them.

8 Q. Do you recall who you contacted at Schramm?

9 A. , No, sir. The gentleman listed. I don't recall
10 his name.

11 Q. Is that Charles W. Rhinier?

12 A. That's correct.

13 Q. Have you been given any work for Schramm? I
14 think you said you have not.

15 A. No, sir.

16 Q. Have you been told why not?

17 A. No, sir.

18 Q. Well, have they commented or explained whether
19 they had the work or didn't, have the work?

20 A. They commented that they were slow and that there
21 were very few outbound shipments.

22 MR. PATTERSON: We are going to object to that, Your
23 Honor, as pure and unadulterated hearsay; and we would
24 ask that that be stricken.

25 We don't mind this witness giving his impression, but

1 if he's going to repeat what someone who is not in the
2 hearing room said, I don't think even under the relaxed
3 rules that we indulge ourselves in before the PUC that that
4 is permissible.

5 MR. KAHN: Well, if Your Honor please, it's not
6 really offered for the truth of the matter asserted, but
7 it's offered just to show the statement that was just
8 made.

9 MR. PATTERSON: Then it's totally irrelevant, Your
10 Honor. Either it's offered for some probative purpose or
11 it oughtn't be heard.

12 MR. KAHN: There's a probative purpose but I think
13 it's a recognized exception to the hearsay rule because it's
14 the excuse he gave, whether it's true or not.

15 MR. PATTERSON: Excuse me, sir. I don't know of any
16 recognized exception to the hearsay rule -- this is not a
17 business document or something which is proposed to be
18 put in. This is just rank hearsay.

19 We can't have carrier witnesses getting on the stand
20 and repeating what some shipper supposedly told them.

21 JUDGE KLOVEKORN: I will sustain the objection.

22 BY MR. KAHN:

23 Q How about the Pittsburgh/Des Moines Company?
24 What is your experience with that company?

25 A We have solicited and performed work for

1 Pittsburgh/Des Moines when their Neville Island plant was
2 open. We haven't performed any work, although we have
3 solicited, through corporate work from Pittsburgh/Des Moines.

4 Q Do you know the name of the person you solicited
5 at Pittsburgh/Des Moines?

6 A No, sir.

7 Q If I tell you that the witness who appeared for
8 them was Paul F. McCann, does that sound like a name you
9 recognize?

10 A No. No, it doesn't.

11 Q Is it your information that the Neville Island
12 facility is closed at the present time?

13 A Yes, sir.

14 MR. PATTESSON: We are going to object to that unless
15 the witness is qualified as to how he knows that the Neville
16 Island facility is closed. It's another company. He has to
17 lay some basis for that. We had a witness on for that
18 company and he testified as to what facilities were open,
19 what were to be closed, what were to be opened. Now we have
20 someone who has not been qualified at all to speak to it
21 saying whether it is opened or closed. It's not his facility.

22 MR. KAHN: The company's own witness said it was
23 closed but that they intend to open it. I don't see what
24 the issue is. He admitted it was closed.

25 MR. PATTERSON: Then why do we need the testimony?

1 MR. KAHN: Just to confirm that.

2 JUDGE KLOVEKORN: I will overrule the objection.

3 BY MR. KAHN:

4 Q I'm going to ask you next, Mr. Hake, about the
5 Fuller Corporation. Have you done work for that company?

6 A We have solicited and performed work for the
7 Fuller Corporation.

8 Q For how long a period of time?

9 A We have been working for Fuller probably over
10 20 years.

11 Q Have you had any complaint from them to your
12 knowledge on the work that you've performed for them?

13 A No, sir.

14 Q How about the Metropolitan Edison Company?

15 A We have performed work for Metropolitan Edison
16 Company. As a matter of fact, the photo that I gave you of
17 the nuclear reactor, that was for Metropolitan Edison.

18 Q And have you solicited additional work from them?

19 A Yes, sir, we have.

20 Q Does that work involve rigging as well as
21 transportation?

22 A Yes, it has.

23 Q Have they made any complaints to you about the
24 work you have provided?

25 A No, sir.

1 Q. How about the Ecolaire Heat Transfer Company?

2 A. We have solicited work from Ecolaire and not
3 obtained any from them, although we have been in there at the
4 request of their customers to pick up cargo or to deliver
5 cargo for them.

6 Q. So you have performed transportation to or from
7 Ecolaire at the routing of other companies?

8 A. Correct.

9 Q. Can you tell us at the present time what
10 percentage of your heavy hauling equipment is being utilized?

11 A. Our heavy hauling equipment -- and the heavy
12 hauling equipment I'll qualify as being 50 tons and over in
13 capacity -- has an approximately 30 to 35 percent usage rate.

14 Q. So does that mean that 65 to 70 percent of your
15 capacity is available for additional work?

16 A. That is correct.

17 Q. And is your company ready, willing and able to
18 perform additional work if called upon to do so?

19 A. Yes, sir.

20 Q. Can you tell us in your opinion is there any
21 need for an additional heavy hauler of the type that your
22 company is in the state of Pennsylvania?

23 A. In my opinion there is no need for another
24 heavy hauler in the state of Pennsylvania due to the
25 economic climate as well as the high dollar investment that

1 heavy haulers in Pennsylvania have in their equipment and
2 the underutilization they are experiencing.

3 MR. PATTERSON: We are going to object to that and
4 ask that it be stricken. I don't have any objection to this
5 witness speaking for his own company, but let's not get him
6 into speaking for the industry in Pennsylvania. He hasn't
7 been qualified to do that and I think that's overreaching.

8 MR. KAHN: He was asked his own opinion, which he is
9 entitled to give, as to the need for additional heavy
10 hauling service.

11 MR. PATTERSON: With respect to his company. I say
12 I have no objection to that. But now he's testifying for the
13 industry; I don't think they have appointed him as their
14 spokesman.

15 BY MR. KAHN:

16 Q With regard to your own company, Mr. Hake, can
17 you give us an idea of the kind of investment, just generally
18 that you have in the highway equipment that has been
19 described in your equipment list.

20 MR. PATTERSON: Excuse me, just a minute. I have no
21 objection to that question, but I would like to get a ruling
22 on my prior objection and on my motion to strike the prior
23 testimony which related to the industry.

24 JUDGE KLOVEKORN: Overruled.

25 A The question was the amount of investment in our

1 present equipment?

2 BY MR. KAHN:

3 Q. Just give us a few examples. I don't mean item
4 by item.

5 A. The multi-axle trailer, the photo of which was
6 submitted, is upwards of \$500,000. The replacement value
7 for each of the heavy haul tractors, the twin engine tractors,
8 would be approximately \$250,000 per tractor. The other
9 specialized equipment I would have to put a ballpark on
10 of over \$2.5 million, the specialized equipment.

11 MR. KAHN: I think that's all I have; and I offer
12 in evidence the exhibits which have been identified subject
13 to cross-examination.

14 JUDGE KLOVEKORN: Without objection they will be
15 received into evidence.

16 (Whereupon, the documents marked
17 as Protestant-Hake Exhibits Nos.
18 1 through 6 were received in
evidence.)

19 MR. PATTERSON: May we take a moment, Your Honor? I
20 don't know which of these photographs is which and I don't
21 want to foul the record up.

22 JUDGE KLOVEKORN: We will take a brief recess.

23 (Recess.)

24 JUDGE KLOVEKORN: Back on the record.

25 Mr. Patterson.

1 CROSS-EXAMINATION

2 BY MR. PATTERSON:

3 Q Mr. Hake, have you brought with you any financial
4 reports, either recent or old, with respect to your company?

5 A No, sir.

6 Q Is your company doing about the same amount of
7 heavy hauling business in Pennsylvania this year as it has
8 in the last few years, essentially?

9 A Essentially, yes.

10 Q Would you disagree with me if I indicated for the
11 record that your gross intrastate operating revenues in 1983
12 were \$188,000, rounded?

13 A Somewhere around \$200,000, yes, I'd say.

14 Q Your company is known, in addition to being a
15 heavy hauler, as a rigger and a millwright; isn't that a
16 fair statement?17 A That is a fair statement, a qualified fair state-
18 ment -- a little bit more than that, I would hope.

19 Q And warehousing services?

20 A Correct.

21 Q And that's all under the same corporation, isn't
22 it, all of those services?

23 A That's correct.

24 Q I always get confused between riggers and
25 millwrights. What is the difference?

1 A. Riggers are typically classified as truckmen.
2 As we utilize riggers they come out of an iron workers local.
3 Truckmen come out of a Teamsters local and millwrights come
4 out of a millwrights local. Millwrights are basically
5 machinery assemblers.

6 Q. That is on-site, when the piece of machinery is
7 on-site?

8 A. Yes, of course.

9 Q. Or to get it ready to move?

10 A. That's correct.

11 Q. And the riggers are those who get it on and
12 off the truck and get it placed where it's eventually going
13 to be? Is that a fair statement?

14 A. Yes, basically.

15 Q. So with this upwards of \$3 million invested in
16 transportation equipment that I think you testified to, if
17 you add it all together, you generated PUC revenues of
18 about \$188,000 in 1983 and are running about the same rate in
19 1984?

20 A. Uh huh.

21 Q. And your interstate revenues are considerably
22 less than that, are they not? That is, less than \$188,000?

23 A. Yes.

24 Q. So your whole hauling revenue, if we can
25 characterize it as that, is in the vicinity of \$216,000,

1 \$217,000 for 1983?

2 A. I guess that would be accurate. I don't know.

3 Q. Let me show you -- and I won't mark it at this
4 point -- let me ask you if you recognize this document that
5 I'm handing to you as your PUC assessment report filed by
6 your company last year, along with the annual report pages
7 attached to it.

8 A. Yes, I recognize the handwriting, yes.

9 Q. The number that I gave you of 216,000 and some
10 odd hundreds of dollars would be the gross carrier operating
11 revenue of your company for 1983, both inter and intrastate;
12 is that correct?

13 A. That's correct.

14 Q. And during 1983 you employed approximately 16
15 people in the carrier business, did you not, that is, as
16 drivers or supervisors or whatever?

17 A. That's what this says, yes.

18 Q. And in your other business, your rigging and
19 millwrighting and warehousing, about how many people did you
20 employ in 1983? About 1,100?

21 A. Other operations, 1,100 -- this says 1,100, yes.

22 Q. That's 1,108?

23 A. And eight, yes.

24 Q. So you profitted in 1983, did you not, from your
25 carrier operations?

1 A. To the best of my knowledge.

2 Q. But you lost on the other operations, that is,
3 the millwrighting, the warehousing and the rigging?

4 A. I can't say that to be a fact.

5 Q. Let me show you, if I may, sir, category 300 from
6 your 1983 annual report, indicating a loss from non-carrier
7 operations of some \$345,000. Is that a fair number?

8 A. I can't interpret this figure that has been
9 handed to me, no. I would have to sit down and study it.

10 Q. Why don't you take a moment to look at it and
11 tell me whether that's accurate.

12 (Witness perusing document.)

13 A. It doesn't show where it came from.

14 Q. It's on your annual report.

15 A. If it's the annual report it's the truth.

16 Q. I would assume that the annual report was made
17 up from the books and records of your company?

18 A. I sure hope it was.

19 Q. All in all, from a revenue standpoint, your
20 carrier operations, particularly your PUC heavy hauling
21 operations, are a tiny portion of your overall revenue, are
22 they not?

23 (Pause.)

24 Q. Let me not use the word "tiny." Let me assume
25 that you have overall revenues of somewhere between \$10 and

1 \$11 million and that your PUC revenues are \$188,000. Is that
2 essentially the relationship, rather than trying to force you
3 to use the word "tiny"?

4 A. I don't mind the word tiny when it's tiny. Those
5 numbers are accurate.

6 Q. Is \$10 to \$11 million the total revenue of your
7 company or am I low?

8 A. Last year I believe it was more than that, \$10 or
9 \$11 million.

10 Q. How much was it?

11 A. I don't recall. I don't know. \$10 or \$11 million
12 does not ring a bell, though. But I could have them
13 confused with the consolidated report of all the companies.

14 Q. Well, is it safe to say that in 1983 the expenses,
15 the cost of conducting your other operations, was about
16 \$9,800,000, to give us some idea of the relationship between
17 your hauling function and your other functions?

18 A. Uh huh.

19 Q. Now, sir, I take it that the substantial amount
20 of equipment that you have shown on your Exhibit 2 is used in
21 these other operations that generate somewhere in excess of
22 \$10 million a year?

23 A. The equipment is utilized in places other than
24 PUC activity; that's correct -- if that's what you asked.

25 Q. In fact, the great majority of its use is in other

1 than PUC activity, judging by the amount of revenue attribut-
2 able to that other service in comparison to the less than
3 \$200,000 revenue attributable to PUC service?

4 A. Not necessarily true.

5 Q. Now, sir, let's go to the photograph which has
6 been marked as Exhibit No. 4, which I show you. Is that the
7 Three Mile Island reactor?

8 A. That's one of them, yes.

9 Q. When did that move take place?

10 A. In the '70s, '73, '74, sometime in that time frame.

11 Q. You don't know which reactor that is, do you?

12 A. It says "Three Mile Island" on it. I know it's a
13 Three Mile Island reactor because I worked on the job.

14 Q. You didn't drop it, did you?

15 A. Yes, we did. We hit a telephone pole with the
16 one that acted up. We also installed it.

17 Q. You've been involved to some extent in the heavy
18 hauler industry associated, have you?

19 A. Yes, sir.

20 Q. What distinction do you make, from your standpoint,
21 between a company like your's, which deals in the extra-heavy
22 exotic kinds of moves, and other heavy haulers which deal
23 more with the repetitive transportation of overheight,
24 overwidth, overweight -- but not colossally so -- equipment?
25 Do you have names or some description that helps to separate

1 those two categories?

2 A. No, sir.

3 Q. Is there a separation which you recognize as
4 between those two types of heavy hauling, that is recognized
5 in the industry?

6 A. A strict recognition that you don't call somebody
7 with equipment -- if you need capacity for 400 tons and
8 they only have 100 ton capacity, that's the only differentia-
9 tion I would ever make.

10 Q. And you're one of the companies who would be
11 called in the case of having to move something with a 400
12 ton capacity?

13 A. Yes. Not often enough, though.

14 Q. Are you familiar with David Graham Company?

15 A. Yes, sir.

16 Q. Now, that's not one of the companies you would
17 call to move something in excess of -- in the 400 ton range?

18 MR. KAHN: I object. This witness isn't qualified to
19 speak for David Graham. We have a witness here from David
20 Graham.

21 MR. PATTERSON: I'm asking this witness as a
22 Protestant about the industry. My recollection is that
23 Your Honor overruled an objection with respect to that
24 somewhat earlier.

25 JUDGE KLOVEKORN: Overruled.

1 BY MR. PATTERSON:

2 Q You wouldn't call, naturally, David Graham for a
3 move of that sort, would you?

4 A David Graham, to the best of my knowledge, does
5 not have equipment to handle 400 tons, although he may very
6 well have a leasing company.

7 Q I understand there may be exceptions. But what
8 I'm trying to get to is whether there is a recognized
9 division somewhere in the industry where some are recognized
10 as specialists in the super-heavy stuff and others are
11 recognized more as fleet operators who handle on a regular
12 basis from certain facilities heavy hauler traffic. That is
13 what I'm pointing out, that's all.

14 A Yes, they could be divided that way. Sure.

15 Q And you would put Graham in the latter category
16 that I mentioned rather than the super-heavyies?

17 A I tend not to put people in categories. If I had
18 to, if someone said it was either one or the other, you make
19 up your mind, I would have to say that he's the fleet type.

20 Q Where would you put Daily?

21 A I can't speak for Daily.

22 Q You don't know anything about them?

23 A Very little.

24 Q So they are not in your -- you don't regard them
25 as a competitor?

1 A. You didn't ask that, did you?

2 Q. I'm asking it now. No, I didn't ask it before.
3 I'm asking it now.

4 A. Yes, on certain types of jobs I guess I would have
5 to, yes.

6 Q. How about Moore-Flesher? Do you know that company
7 at all?

8 A. I know the name. They are located in the Pitts-
9 burgh area.

10 Q. What category would you put them in?

11 A. I don't know. What category would I put them in?

12 Q. Of the two simplified categories, recognizing that
13 there are going to be exceptions.

14 A. I don't know.

15 Q. You don't know them well enough either?

16 A. No.

17 Q. Do you see Daily as a competitor for the 400 ton
18 variety or 200 ton variety?

19 A. Not to the best of my knowledge.

20 Q. You've been with Hake since the early 70's, did you
21 say?

22 A. That's when I started full-time, yes.

23 Q. Are any of the moves shown on -- are either, I
24 should say, of the events shown on Exhibits 5 and 6 of
25 recent vintage or are they all 1970's?

1 A. Five or six? 1979, 1980. These are 70's. It
2 just happened to be that these are the ones we had photos
3 of that are typical of our work, not because we don't do that
4 work.

5 Q. I understand.

6 Did you say that you have not provided service for
7 Schramm?

8 A. That's correct.

9 Q. Was that your testimony?

10 A. We have not been requested to provide service.

11 Q. Then you haven't done it?

12 A. That's correct.

13 Q. When was Schramm solicited?

14 A. Within the last two years. I can't give you a
15 day or date.

16 Q. Who did that solicitation for you?

17 A. Allen Sheeler.

18 Q. How about Fuller Corporation? Did I understand you
19 to say that you do provide service for Fuller?

20 A. Yes, sir.

21 Q. When was the last traffic that you handled for
22 Fuller within Pennsylvania?

23 A. I can't say.

24 Q. Which is, of course, the subject of this
25 application.

1 A. I can't say.

2 Q. I can't recall what you said about Ecolaire. Did
3 you say you solicit them but have not been tendered any
4 traffic?

5 A. That's correct.

6 Q. Who solicited them?

7 A. Allen Sheeler.

8 Q. When was that?

9 A. In the last few years, the last two to three years.

10 Q. You can't get any closer than that?

11 A. No. If I could I would tell you.

12 Q. Do you provide service for Met Ed? You have in
13 the past.

14 A. Do we provide service for Met Ed?

15 Q. That's probably an unfair question. Let me
16 restate it.

17 Have you provided service within Pennsylvania for
18 Met Ed within the last year?

19 A. No.

20 Q. As a heavy hauler.

21 A. We have not been successful -- we have not bid
22 successfully on the transformers they have had available for
23 hauling.

24 Q. When was the last time you provided service for
25 Met Ed in Pennsylvania?

1 A. We had interstate movements for Met Ed within
2 the last two years.

3 Q. I said within Pennsylvania.

4 A. I'm trying to think. I'm speaking aloud.

5 Q. If you would, think quietly and speak loudly.

6 (Pause.)

7 A. I can't say.

8 Q. And Westinghouse, I understand that you provide
9 service for Westinghouse from time to time?

10 A. That's correct.

11 Q. When was the last time you served Westinghouse
12 within Pennsylvania?

13 A. A month ago.

14 Q. Where did that move take place, sir?

15 A. The move took place between Chester, Pennsylvania
16 and Philadelphia, Pennsylvania.

17 Q. I think you testified that you solicited Mr.
18 Guinto for business out of the Westinghouse East Pittsburgh
19 facility.

20 (Witness nods head in affirmative response.)

21 Q. Now, sir, am I correct that unless the shipment
22 happens to hit a railhead in Pennsylvania that you cannot
23 within Pennsylvania provide service out of that East
24 Pittsburgh facility for Westinghouse?

25 A. That's correct.

1 Q So that you couldn't pick up at East Pittsburgh
2 and bring it into Harrisburg, Philadelphia or wherever unless
3 a railroad happened to be utilized for a portion of that
4 trip?

5 A That's correct.

6 MR. PATTERSON: That's all I have, sir. Thank you.

7 MR. KAHN: Just a few other things.

8 REDIRECT EXAMINATION

9 BY MR. KAHN:

10 Q About some of these revenues from hauling and
11 rigging, have you had jobs where the rigging cost was higher
12 than the transportation cost?

13 A Ten-fold, a minimum of ten-fold, yes, at times.

14 Q And regarding the use of the equipment, do you
15 use tractors and trailers for anything besides transportation?

16 A Besides transportation for hire, yes, absolutely,
17 for our own use, to haul equipment to and from jobs.

18 Q To haul your own equipment?

19 A Yes.

20 Q I see.

21 You were asked about Ecolaire and I'm not sure of
22 your testimony on direct. Have you provided transportation
23 into and out of Ecolaire at the routing of other companies?

24 A Yes, sir.

25 Q So you're familiar with the facility and what's

1 moving in and out?

2 A. I am not personally familiar with the facility.

3 Q. I mean with the kind of transportation that's
4 going in and out of there.

5 A. Yes.

6 Q. Because you did it for other shippers.

7 A. To the best of my knowledge, yes.

8 Q. According to my notes, the witness from Westinghouse
9 said that Hake solicited him for rigging work only. I gather
10 from your answer just a little while ago you have done
11 transportation for Westinghouse?

12 A. That's correct.

13 MR. KAHN: That's all I have.

14 JUDGE KLOVEKORN: Any further questions of the
15 witness?

16 (No response.)

17 JUDGE KLOVEKORN: If not, the witness is excused.
18 Thank you very much.

19 MR. KAHN: I move the admission of H-1 through 6.

20 JUDGE KLOVEKORN: Without objection they will be
21 received into evidence.

22 Five minute recess.

23 (Recess.)

24 JUDGE KLOVEKORN: Let's proceed.

25 MR. KAHN: Mr. Krom.

1 Whereupon,

2 GEORGE KROM

3 having been duly sworn, testified as follows:

4 DIRECT EXAMINATION

5 BY MR. KAHN:

6 Q. Would you give us your full name and business
7 address, please?

8 A. George Krom. The business address is Old Route
9 13, Tullytown, Pennsylvania.

10 Q. What company are you connected with, Mr. Krom?

11 A. The David Graham Company.

12 Q. And what's your position with the company?

13 A. Vice-President of Sales.

14 Q. Are you authorized and directed to appear here
15 to testify in this proceeding?

16 A. Yes.

17 Q. What is the business of David Graham Company?

18 A. Trucking, over the road trucking.

19 Q. And as a trucker, do you specialize in a particular
20 type of transportation?

21 A. Yes, we do.

22 Q. What is that?

23 A. Flatbed and specialized equipment up to 70 tons.

24 Q. Do you hold operating authority from the Pennsyl-
25 vania PUC?

1 A. Yes, we do.

2 MR. KAHN: May we have identified as Graham No. 1
3 a copy of the operating authority?

4 JUDGE KLOVEKORN: Without objection it will be so
5 identified.

6 (Whereupon, the document was
7 marked as Protestant-Graham
Exhibit No. 1 for identification.)

8 BY MR. KAHN:

9 Q. Will you look at Graham No. 1, Mr. Krom, and
10 tell us what that shows?

11 A. It's our Pennsylvania intrastate certificate.

12 Q. Is that authority active and in good standing at
13 the present time?

14 A. To the best of my knowledge, yes.

15 Q. Do you also hold operating authority from the
16 Interstate Commerce Commission?

17 A. Yes, 48 state.

18 Q. Forty-eight states for what types of commodities?

19 A. Heavy hauling, size and weight and general
20 commodity.

21 Q. Where is your main terminal?

22 A. Tullytown, Pennsylvania.

23 Q. What facilities do you have at Tullytown?

24 A. We have a 7.5 acres tract of both office and
25 maintenance facilities and yard operations.

1 Q. Do you have terminals at other locations in
2 Pennsylvania?

3 A. Yes. We have our company-owned terminal in
4 Harrisburg, Pennsylvania; we have three agent terminals,
5 one at Allentown, Smithton, Pennsylvania, and Coraopolis,
6 Pennsylvania.

7 Q. Do you also have terminals in other states?

8 A. Yes, we do.

9 Q. What equipment does the company operate? Do you
10 have an equipment list with you?

11 A. Yes, I do. We operate 28 company-owned tractors
12 and some 200 specialized trailers.

13 Q. What do you mean by "specialized trailers"?

14 A. Well, we have approximately 61 specialized trailers
15 by the definition of the PUC, other than flatbeds, which would
16 be extendables, level decks, extendable level decks, lowboys
17 with or without removable goosenecks, and then some other
18 speciality trailers for handling cylindrical-type freight.

19 MR. PATTERSON: May I have that answer read back? I
20 didn't get the first number.

21 (Whereupon, the reporter read from the record as
22 requested.)

23 BY MR. KAHN:

24 Q. So the balance of the trailers are flatbeds?

25 A. For the most part. There are a couple vans.

1 Q And I think you described the types of specialized
2 trailers you operate?

3 A That's correct.

4 Q And these will accommodate loads up to 70 tons?

5 A That's correct.

6 Q That's the load weight, not the gross weight?

7 A That's correct.

8 Q Do you have with you an equipment list showing
9 this equipment?

10 A Yes, I do.

11 MR. KAHN: May we have this marked as Graham No. 2?

12 JUDGE KLOVEKORN: Without objection it will be so
13 identified.

14 (Whereupon, the document was
15 marked as Protestant-Graham.
16 Exhibit No. 2 for identification.)

17 BY MR. KAHN:

18 Q How do you maintain communications with your
19 equipment once it's on the highway, Mr. Krom?

20 A Well, to begin with our dispatch is on computer,
21 and beyond that it's by telephone, WATS lines and transceiver.

22 Q Are your drivers under instructions to call into
23 the terminal?

24 A Routinely, yes.

25 Q I don't think I asked you this: Do you also
operate terminals in other states?

1 A. Yes asked me that; yes, we do.

2 Q. How many are there?

3 A. We have five additional company terminals.

4 Q. Do you have a list of the total terminals operated
5 by the company?

6 A. Yes, I do.

7 MR. KAHN: Can we make that Exhibit Graham No. 3?

8 JUDGE KLOVEKORN: Without objection.

9 (Whereupon, the document was
10 marked as Protestant-Graham
Exhibit No. 3 for identification.)

11 BY MR. KAHN:

12 Q. Do you have the facilities for obtaining permits
13 at your terminals for permit loads?

14 A. At all of our locations.

15 Q. Is that the transceiver that you referred to?

16 A. That's correct.

17 Q. Do you provide escorts for permit loads?

18 A. Yes, both in-house and by contract.

19 Q. And you have escort personnel available to you,
20 do you?

21 A. Yes, we do.

22 Q. Will you tell us, did you at our request review
23 a summary of the testimony of the public witnesses who are
24 supporting this application?

25 A. Yes.

1 Q Let me ask you about some of them, what
2 experience, if any, your company has had with them. First,
3 Westinghouse Corporation.

4 A Yes.

5 Q Have you done work for that company?

6 A Yes, we do.

7 Q Have you also solicited that company?

8 A Yes, we do.

9 Q Can you tell us have you done work for them which
10 is of a heavy hauling nature?

11 MR. PATTERSON: I don't want to do this in the nature
12 of an objection, but if I might could we confine this to
13 Pennsylvania? Is it confined?

14 MR. KAHN: I didn't make it clear, but that's what
15 I'm speaking about.

16 BY MR. KAHN:

17 Q Do you do Pennsylvania PUC transportation for
18 Westinghouse?

19 A Yes.

20 Q Have you specifically handled heavy hauling type
21 loads for the Westinghouse Electric Company?

22 A Yes, we do.

23 Q Do you have examples of those loads that you can
24 refer to?

25 A Yes. I have provided them here.

1 Q Will you just run through them and give us an
2 idea of what kinds of loads?

3 A These particular loads are loads that are over-
4 dimensional and overweight at 126,000 pounds moving from
5 East Pittsburgh, Westinghouse, to Westinghouse in Lester,
6 Pennsylvania.

7 Q How many of those do you have with you?

8 A At least a half a dozen, as recent as November or
9 October.

10 Q Of this year?

11 A Yes.

12 Q Do you solicit Westinghouse on a regular basis?

13 A Yes.

14 Q Let me ask you about the Fuller Company. Have you
15 done work for that shipper?

16 A Yes, regularly.

17 Q And have you handled heavy hauling loads for the
18 Fuller Company in Pennsylvania?

19 A We have never been offered any Pennsylvania
20 requiring specialized equipment.

21 Q Have you done any interstate work for Fuller
22 Company?

23 A A good amount.

24 Q Was that heavy hauling work?

25 A That's correct.

1 Q Do you have any examples of those shipping documents
2 with you?

3 A Yes, I do.

4 Q How many such examples do you have?

5 A Oh, another half a dozen or so on interstate
6 movements.

7 Q Have you solicited the H. H. Robertson Company?

8 A Yes.

9 Q Have you been favored with any Pennsylvania PUC
10 traffic from that shipper?

11 A We've never been offered any.

12 Q Have you solicited them on a regular basis?

13 A That's correct.

14 Q Have you solicited the Seco/Warwick Company?

15 A Yes, we have.

16 Q Have you been offered any Pennsylvania PUC work
17 from them?

18 A Yes.

19 Q Have you solicited the Pittsburgh/Des Moines
20 Company?

21 A In particular, yes.

22 Q Is that on a regular basis?

23 A Yes..

24 Q Have you received any Pennsylvania PUC heavy
25 hauling traffic from that shipper?

1 A. We've never been offered any.

2 Q. And have you solicited the Schramm Company?

3 A. Yes.

4 Q. Do you know who you called on as to that shipper?

5 A. I personally called on Charlie Rhinier.

6 Q. And were you given any PUC heavy hauling traffic
7 by that shipper?

8 A. No. I have not been offered any.

9 Q. Can you give us an approximation of the invest-
10 ment you company has in heavy hauling vehicles and equipment?

11 A. Probably about \$250,000.

12 Q. I mean all the equipment, the total equipment,
13 trailers and tractors.

14 A. Specialized?

15 Q. Specialized.

16 A. A quarter of a million dollars, in trailers only.

17 Q. In trailers only?

18 A. Correct.

19 Q. In your opinion, is there a need for an additional
20 heavy hauler in Pennsylvania?

21 A. My opinion as it relates to our company is that
22 there is a need for more business of this type with our
23 company.

24 Q. But is there a need for another carrier of this
25 type?

1 A. I don't really need further competition.

2 Q. Can you tell us to what extent are your heavy
3 hauling facilities and equipment being utilized at the
4 present time?

5 A. Probably, maybe, 80 percent.

6 Q. Eighty percent utilized?

7 A. Utilized.

8 MR. KAHN: I think that's all I have. The witness is
9 available for cross-examination.

10 MR. PATTERSON: I need a few minutes, Your Honor, to
11 go over some of these documents. Some of them are fairly
12 extensive.

13 JUDGE KLOVEKORN: We will take a brief recess.

14 MR. KAHN: Well, if I may, before we have our recess,
15 and before I turn the witness over for cross, I have one
16 other exhibit.

17 BY MR. KAHN:

18 Q. Mr. Krom, will you take a look at this document
19 and tell us what this is?

20 A. This is our sales brochure which depicts the
21 equipment that we have routinely available and also a
22 description of our authorities, insurance coverage.

23 MR. KAHN: May we mark this as Graham Exhibit 4?

24 JUDGE KLOVEKORN: Without objection it will be so
25 marked.

1 (Whereupon, the document was
2 marked as Protestant-Graham
Exhibit No. 4 for identification.)

3 JUDGE KLOVEKORN: We will take a brief recess.

4 (Recess.)

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

6 MR. KAHN: Before cross-examination starts, may I
7 ask one more question of my witness?

8 JUDGE KLOVEKORN: Sure.

9 BY MR. KAHN:

10 Q. Mr. Krom, did you at my request recalculate the
11 investment your company has in heavy hauling equipment?

12 A. Yes, I did.

13 Q. You testified, I think, that it was \$250,000.
14 Did you take another look at that?

15 A. Yes. The trailers alone are more like \$1.5 million.
16 The tractors are another \$3.5 million.

17 MR. KAHN: That's all I have.

18 JUDGE KLOVEKORN: Cross-examine.

19 CROSS-EXAMINATION

20 BY MR. PATTERSON:

21 Q. Mr. Krom, have you brought with you any kind of
22 financial reports of the company, either current or a year
23 old or anything like that?

24 A. No, I haven't.

25 Q. Did you do any traffic study of any sort

1 for the last three months or six months or a year to indicate
2 what kind of heavy hauling service David Graham Company has
3 provided within Pennsylvania?

4 A. I didn't make a specific overall study, only
5 relating to those people that were involved here in the
6 hearing.

7 Q. What did you review to determine what those
8 witnesses testified to, the shipper witnesses?

9 A. Well, earlier I called those people that were
10 charged with calling on certain accounts to determine why
11 we weren't doing business with them. As it related to those
12 that we were doing business with I just pulled the various
13 bills and also referred to numerous rate quotes.

14 Q. So the companies you testified to as providing
15 heavy hauling service within Pennsylvania are the only ones
16 of the supporting shipper witnesses that you have provided
17 heavy hauling service for within Pennsylvania within the
18 past year?

19 A. That's not clear to me, your question.

20 Q. Well, you mentioned several companies of the
21 number of witnesses that had been on the stand -- shipper
22 witnesses -- and you testified with respect to some of those
23 companies -- Westinghouse, for example -- that you provided
24 certain heavy hauling service.

25 A. Correct.

1 Q I take it for all of the other supporting shipper
2 witnesses you have provided no heavy hauling service within
3 Pennsylvania.

4 A We haven't been requested to furnish service.

5 MR. KAHN: Westinghouse and Fuller were the two.

6 BY MR. PATTERSON:

7 Q Whoever they were, you haven't provided service
8 for the other supporting shippers in Pennsylvania?

9 A Not relating to heavy hauling.

10 Q Well, you understand that that's the scope of this
11 application?

12 A That's correct.

13 Q If I were to tell you that your company's overall
14 intrastate Pennsylvania revenues last year were some
15 \$622,000 for all of the service in Pennsylvania would you
16 disagree with me?

17 A I wouldn't have those figures and I wouldn't
18 disagree with you.

19 Q Do you recognize the document that I'm placing in
20 front of you?

21 (Document handed to witness.)

22 Q Is that not a Pennsylvania Public Utility Commission
23 assessment report for the year 1983 filed by your company?

24 A Yes, it is.

25 Q And what's the figure shown for intrastate

1 revenues?

2 A. It's shown as \$622,000.

3 Q. And that's for all of the PUC service that you
4 provided, is it not?

5 A. That's correct.

6 Q. Heavy hauling and whatever else you do intrastate?

7 A. Most likely I didn't prepare this report. I
8 would assume that would be the case.

9 Q. What else do you do in Pennsylvania other than
10 heavy hauling?

11 A. We provide all trucking service relating to
12 specialized equipment and flatbeds.

13 Q. Would the other parts of your service be accurately
14 characterized as iron and steel transportation, largely?

15 A. That's correct.

16 Q. Do you transport anything else other than iron
17 and steel plus the heavy hauling?

18 A. Not routinely.

19 Q. You have some vans I think you testified.

20 A. We have two.

21 Q. Do you know what part of that \$622,000 of revenue
22 in 1983 is attributable to heavy hauling service?

23 A. I could only guess at a figure.

24 Q. You don't know?

25 A. I wouldn't have accurate figures relating to that.

1 Q. Does the company keep figures on that basis?

2 A. Not separately. Well, they may only for reporting
3 purposes, yes.

4 Q. They do keep them?

5 A. Certainly.

6 Q. Now, sir, how many terminals do you operate
7 either through owned facilities or through agents nationwide,
8 including Pennsylvania?

9 A. Somewheres around 50, including the agents.

10 Q. And they are as far-flung as Florida and Louisiana
11 and Kentucky and Indiana and so forth?

12 A. That's correct.

13 Q. Do you have equipment at those facilities?

14 A. Most of our equipment -- specialized equipment --
15 is domiciled in the state of Pennsylvania.

16 A. Do you domicile any specialized equipment at the
17 other 50-some -- 49-some -- facilities?

18 A. Not on a routine basis.

19 Q. Do you domicile flatbeds at those other facilities?

20 A. To some extent, yes.

21 Q. When you said Philadelphia did you mean Tullytown,
22 the Philadelphia area? Is that what you meant?

23 A. The Philadelphia area. The headquarters are in
24 Tullytown, right.

25 Q. Now, sir, we have as your Exhibit 2 a computer run

1 showing a number of pieces of tractor and trailer equipment.
2 Am I correct that the great bulk of your fleet of tractors is
3 leased?

4 A. That's correct.

5 Q. You own, what did you say, 28 tractors?

6 A. Twenty-eight company owned tractors.

7 Q. And how many are leased?

8 A. One hundred and eighty-five.

9 Q. Who are they leased from, generally speaking.
10 Not individual's names, but are they leased from individual
11 owner/operators?

12 A. Both individual owner/operators and fleet
13 owner/operators, multiple units.

14 Q. Now, sir, where on your equipment list are the
15 28 owned tractors shown?

16 MR. KAHN: Can I give the witness a copy?

17 MR. PATTERSON: It might be easier if we both had
18 one.

19 (Document handed to witness.)

20 A. I don't know if I could quickly identify that
21 for you, to be honest with you.

22 (Witness perusing document.)

23 A. Well, generally speaking, if you look for a six
24 digit series starting with 1010-00.

25

1 BY MR. PATTERSON:

2 Q Well, across from that particular one, Mr. Krom,
3 it shows that the owner is Ronald Holland, doesn't it? Isn't
4 that on the fifth page of the exhibit?

5 A That's correct.

6 Q So that wouldn't be owned by -- if it says it's
7 owned by Ronald Holland it's not owned by David Graham
8 Company, is it?

9 A That's correct. I'm just pointing out where the
10 tractor equipment list begins.

11 Q Are the 20 on the first page, sir, the top of
12 the first page, starting with unit number 60, are they
13 the company owned tractors?

14 A What page are you on?

15 Q Well, it's the first page of the list given to
16 me, sir.

17 A Oh, that's correct.

18 Q There is a driver name shown opposite each piece
19 of tractor equipment. Do you see that?

20 A That's who it's assigned to, right.

21 Q Which of those pieces of tractor equipment is
22 specially designed for heavy hauling, if any?

23 A All of these are, incidently, three-axle screw
24 tractors, some of which are set up for add-on axles.

25 Q When you say "three-axle" you're counting the

1 steering axle, right?

2 A. Correct.

3 Q. The front wheels, that is?

4 A. Correct.

5 Q. Well, which ones are suitable for handling, say,
6 an over 50 ton load?

7 A. Unit 63.

8 Q. Any other?

9 A. No..

10 Q. How about a 40 ton load? Which ones are set up
11 for a 40 ton load, to pull something which weighs that much?

12 A. Most likely all of the Fords, starting with 79.

13 Q. Do you know that, sir?

14 A. I feel that is accurate.

15 Q. I note that none of those -- I beg your pardon.
16 Only one of those owned tractors, that is, the ones owned
17 by David Graham, are registered in Pennsylvania.

18 A. That's correct.

19 Q. So I take it they are domiciled elsewhere?

20 A. No. Many of them are domiciled in Pennsylvania.

21 Q. Do they engage in handling intrastate traffic?

22 A. No.

23 Q. What are they used for, sir?

24 A. They are used for interstate movements anywhere
25 in the United States.

1 Q. So they wouldn't be useable to handle a heavy
2 hauling load in Pennsylvania?

3 A. No. We have other leased equipment for that.

4 Q. Where is the leased equipment that you use for
5 heavy hauling in Pennsylvania, the tractors, on this list?

6 A. That is when we get back to where I was referring
7 to before, the 1000 series.

8 Q. I see.

9 A. They would be intermixed in that list.

10 Q. How many of those are registered in Pennsylvania,
11 sir, those leased tractors that start on page five with the
12 number 1010-00?

13 A. I would have to count them.

14 Q. Would you mind? I think it's very few.

15 (Witness perusing document.)

16 MR. KAHN: I get seven on that page.

17 MR. PATTERSON: Yes.

18 A. Seven.

19 BY MR. PATTERSON:

20 Q. It's a total of 11 if you take the two pages.

21 Isn't that a fair statement?

22 A. Yes.

23 Q. The next page has some on it too?

24 A. Uh huh.

25 Q. Now, am I correct that none of those are suitable

1 for a 50 ton load? None of them have been set up for a 50
2 ton load?

3 A. That's correct.

4 Q. Are any of them suitable for off-road use, that
5 is, set up to go into construction sites and so forth with
6 heavy and bulky loads?

7 A. They regularly do.

8 Q. All right, sir. Now, are the tractors, the leased
9 tractors, that are plated in Pennsylvania, are they used
10 in Pennsylvania?

11 A. Not exclusively.

12 Q. They are used in interstate commerce as well?

13 A. As well, that's correct.

14 Q. Now, sir, you've testified that -- I don't know
15 how many trailer you operate. How many do you operate?

16 A. Owned?

17 Q. Let's take the overall number first and then we
18 will work down from that.

19 A. Well, we are only dealing with specialized, right?
20 Sixty-one.

21 Q. Are they all owned?

22 A. That's correct.

23 Q. Where are they shown on the equipment list,
24 Exhibit 2?

25 A. I've marked them, starting with 301.

1 Q That's on the third page of the exhibit, sir?

2 A Uh huh.

3 Q And what are the tractors shown from unit number
4 301 through unit number 351? What kind of specialized
5 equipment is that?

6 A These are trailers. These are not tractors.

7 Q Yes, I understand that. But I think you testified--

8 MR. KAHN: The question said tractors.

9 MR. PATTERSON: I beg your pardon. I meant trailers.

10 BY MR. PATTERSON:

11 Q They are specialized trailers?

12 A That's correct.

13 Q What kind of specialized trailers?

14 A Well, from 301 to 351 they are 40 to 65 foot
15 extendable flatbed trailers.

16 Q How about 401 and 402? What kind of trailers
17 are they?

18 A They are 40 foot vans. They are nothing special.

19 Q And 501 through 519, I think, is the next set of
20 trailers. What kind are they, sir?

21 A Two axle level deck, 42 foot overall length.

22 Q And the next category, sir, could you tell us
23 where the next category begins and ends and tell us what they
24 are if you would.

25 A From 550 to 556, they are three-axle level deck

1 42 foot overall.

2 Q Do you know what the rated capacity on the two-
3 axle level decks is?

4 A Thirty-five tons.

5 Q How about the three-axle?

6 A Forty.

7 Q Forty tons?

8 (No response..)

9 Q And the next category, which appears to be from
10 650 to 653, a total there of three trailers, what kinds of
11 trailer are they?

12 A They are extendable level deck trailers.

13 Q And the next category from 703 to 801, what are
14 they, sir?

15 A Double drop lowboy trailers.

16 Q And how many are in that category, double drop
17 lowboys?

18 A Fourteen.

19 Q Now, you say that that specialized equipment is
20 substantially kept in Tullytown or in the Philadelphia area?

21 A Well, it's domiciled there by record. But it's
22 used nationally as well as for the short haul.

23 Q And I think your testimony was that you get about
24 an 80 percent usage out of that equipment?

25 A That's correct.

1 Q. And the trailers that you just identified, does
2 that make up the \$1.5 million investment that you estimated?

3 A. I would estimate that, yes.

4 Q. What do you estimate that on, sir? What's the
5 basis of that estimate for the equipment, the trailer
6 equipment that we just went over in some detail?

7 A. I was looking at it as an average.

8 Q. For 61 pieces at what?

9 A. \$25,000.

10 Q. When you said you have \$3.5 million in tractor
11 investment, investment in tractor power equipment, what did
12 you base that on, sir, the 28 units?

13 A. That's correct.

14 Q. What did you average that out to be, or what does
15 that average out to be approximately?

16 A. Well, 14 of them, which are brand new, shown as
17 84, I believe, forward, were upwards of \$70,000, and the
18 remaining ones would probably average \$50,000.

19 Q. But that is not an investment that you use in
20 Pennsylvania anyway for heavy hauling service, is it? Those
21 tractors are not used in the state, you testified, for
22 heavy hauling?

23 A. That's correct.

24 Q. Now, sir, I recall that you brought with you
25 some freight documentation, bills of lading or something.

1 I didn't look at what you had in your hand when you were
2 testifying on direct.

3 A. They were freight bills and bills of lading.

4 Q. Do you have those handy, sir?

5 (Witness perusing documents.)

6 Q. And may I look at them?

7 (Documents handed to Mr. Patterson.)

8 Q. Mr. Krom, you've handed me seven bills of lading
9 and freight bills showing movement from Westinghouse Electric
10 in Pittsburgh into Westinghouse Electric in Lester.

11 A. They are all the same, I think.

12 Q. Were you apprised of Mr. Guinto's testimony of
13 Westinghouse Electric regarding obtaining equipment from
14 David Graham Company for such movements?

15 A. If my memory serves right, he referred to having
16 used us but having a problem with getting a small generator
17 picked up; not beyond that.

18 Q. Did your Counsel show you testimony involving a
19 126,000 pound generator where the equipment that you had to
20 use had to be brought up from Texas? Do you recall that?
21 Were you apprised of that testimony?

22 A. No.

23 Q. Do you recall that instance?

24 A. No.

25 Q. Did your Counsel advise you that Mr. Guinto

1 testified that he had to wait a week to get the appropriate
2 tractor?

3 A. No.

4 Q. And you don't recall that circumstance?

5 A. No, not at all.

6 MR. KAHN: Is that the same move you're talking about?

7 MR. PATTERSON: I don't know whether it's one of these

8 A. It said a small generator and 126,000 pounds is
9 not small.

10 BY MR. PATTERSON:

11 Q. Well, 126,000 is the same size as the generators
12 that you handled on these bills of lading, is it not?

13 (Witness perusing documents.)

14 A. What I'm looking at here, it says that he had to
15 wait a week, two weeks -- two weeks ago he had to wait to
16 move a small generator

17 Q. What says that, sir?

18 MR. KAHN: My letter to the witness.

19 MR. PATTERSON: I can't argue that Mr. Kahn's letter
20 says that. All I'm asking -- well, I think I've already
21 asked and he's already answered my question in that regard.

22 BY MR. PATTERSON:

23 Q. The Fuller Company. Have you provided Pennsylvania
24 intrastate heavy hauling for Fuller?

25 A. We have offered it and we haven't been requested

1 to furnish it.

2 Q So the only company of the witnesses who appeared
3 and testified -- the shipper witnesses -- that you have
4 served in intrastate commerce in Pennsylvania is Westinghouse?

5 A That's correct.

6 MR. KAHN: That's within the scope of this application.

7 MR. PATTERSON: Within Pennsylvania. It's a statewide
8 application.

9 MR. KAHN: And the commodities within this application.

10 MR. PATTERSON: I thought I said heavy hauling. If
11 I didn't, I meant to say heavy hauling.

12 A That's correct.

13 BY MR. PATTERSON:

14 Q Do you ever recall or did your Counsel advise you
15 of Mr. Presto's testimony of the Fuller Company?

16 A Yes.

17 Q Did he advise you that Mr. Presto testified that
18 he has requested that David Graham Company handle large
19 loads, heavy hauler loads, and been turned down -- over-
20 dimensional loads?

21 A I'm aware of the statement, but we have never been
22 required or requested that. We have never even quoted any
23 rates relating to intrastate except in one instance, and it
24 didn't require special equipment.

25 Q Well, if you couldn't do it you wouldn't be

1 quoting rates, would you?

2 A. We have not been offered the opportunity.

3 Q. Not to your knowledge, anyway. Who in your
4 company calls on Fuller? Do you?

5 A. No, not personally. I have a salesman that calls on
6 them.

7 Q. Who is that, sir?

8 A. The name is Jerry Nepon.

9 Q. Did you ask Mr. Nepon if he had ever been asked by
10 Mr. Presto of the Fuller Company to handle overdimensional
11 loads?

12 A. They regularly discuss handling over loads.

13 Q. In Pennsylvania?

14 A. I have no information that we have been asked to
15 provide intrastate overdimensional service for Fuller Company.

16 MR. PATTERSON: One moment, sir.

17 (Pause.)

18 BY MR. PATTERSON:

19 Q. Your company's system revenues, that is, all
20 of the operating revenues, in 1983 were about \$11 million,
21 \$11.5 million, weren't they?

22 A. That's fairly accurate, yes.

23 Q. And are you running on an interstate basis at
24 about the same rate as you ran last year? I don't mean your
25 tariffs, I mean your operating level.

1 A. No, not at all.

2 Q. What are you this year? Better? Higher revenues?

3 A. Considerably better, yes.

4 Q. By ---

5 A. \$5 to \$5.5 million.

6 Q. To date of that's the projection through the year?

7 A. To date.

8 Q. What do you project it will be when this year
9 ends in terms of total revenue?

10 A. Close to \$17 million.

11 Q. What do you project for the end of this year
12 for PUC revenue? Do you know?

13 A. I wish I could answer that.

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

15 REDIRECT EXAMINATION

16 BY MR. KAHN:

17 Q. Mr. Krom, the tractors which are registered in
18 other states and are used in interstate commerce -- I'm
19 speaking of the ones suitable for heavy hauling loads -- are
20 they sometimes used in Pennsylvania?

21 A. Not on intrastate.

22 Q. On intrastate?

23 A. They are not used on intrastate.

24 Q. I think -- I want to be clear on this -- I think
25 you testified before, but have you handled overdimensional

1 loads for Fuller Company interstate?

2 A. Numerous times, yes.

3 Q. And do you have any information that you have ever
4 turned down Fuller for an intrastate overdimensional load?

5 A. No information.

6 Q. So would you say the witness from Fuller who said
7 that is wrong?

8 A. It's possible.

9 MR. PATTERSON: Let's not get into that, Your Honor.
10 Now, obviously we have one witness saying one thing and the
11 other saying the other. I don't think it's necessary.

12 MR. KAHN: Well, to the extent that he's right, the
13 other witness is wrong.

14 MR. PATTERSON: To the extent he's right the other one
15 is wrong; to the extent the other one is right he's wrong.
16 That's obvious.

17 MR. KAHN: I don't see what's wrong with the question.

18 MR. PATTERSON: I'll withdraw my objection. I'm
19 sorry, Your Honor.

20 BY MR. KAHN:

21 Q. Can I see that letter that I handed you, Mr.
22 Krom?

23 (Document handed to Mr. Kahn.)

24 Q. Did I advise you that the witness from Westinghouse
25 testified he called David Graham -- these are my words --

1 to move a small generator and that it took a week before
2 Graham got a truck into his facility? Did I tell you that?

3 A. Yes.

4 Q. Now, do you have any recollection of that or why
5 it took a week to get a truck in there to the Westinghouse
6 facility?

7 A. I have no personal knowledge of that situation at
8 all.

9 MR. KAHN: That's all I have.

10 JUDGE KLOVEKORN: Thank you.

11 Any other questions for Mr. Krom?

12 MR. PATTERSON: No, sir.

13 JUDGE KLOVEKORN: If not, the witness is excused.

14 Thank you very much, sir.

15 (Witness excused.)

16 MR. KAHN: I just wanted to offer my exhibits.

17 JUDGE KLOVEKORN: Without objection the exhibits will
18 be received into evidence.

19 MR. PATTERSON: I have no objection.

20 (Whereupon, the documents marked
21 as Protestant-Graham Exhibits
22 Nos. 1 through 4 were received
in evidence.)

23 JUDGE KLOVEKORN: This hearing will stand adjourned
24 until 1:30.

25 (Whereupon, at 12:20 p.m., the hearing was adjourned,
to be reconvened at 1:30 p.m., this same day.)

1 MR. CHESNUTT: Your Honor, might we have marked a
2 multipaged document entitled, "Prepared Testimony of E. S.
3 Moore, Jr.," as Daily Exhibit No. 1?

4 JUDGE KLOVEKORN: Without objection it will be so
5 identified.

6 (Whereupon, the document was
7 marked as Protestant-Daily
8 Exhibit No. 1 for identification.)

9 MR. CHESNUTT: And I might point out for the record,
10 Your Honor, that there are attached to that statement
11 Appendices A through D.

12 BY MR. CHESNUTT:

13 Q The written answers on there require some
14 corrections, do they not, Mr. Moore?

15 A Yes, sir.

16 Q Would you indicate what those corrections are?

17 A On page four, the terminal at the bottom of the
18 page is Elkton, Maryland, E-L-K-T-O-N.

19 On page six, the figure to be put in the blank space
20 there on the third line from the bottom is 5,135; the first
21 word in the final line should be "therefrom" instead of
22 "therefore," and strike the words "attached" and "Appendix
23 E" and fill in the words, "is sponsored as Exhibit 5."

24 Q With those corrections, Mr. Moore, if I were to
25 ask you the questions that are written out in Daily Exhibit
1 would your answers orally be the same as the written answers

1 that are given in that exhibit?

2 A. Yes, sir.

3 Q. And with respect to the information attached as
4 Appendices A through D, is that information true and correct
5 to the best of your knowledge, information and belief?

6 A. Yes, sir.

7 Q. Let me direct your attention to Appendix A,
8 original page 15-A, which sets forth your Amendment J
9 authorization at Folder 3 before this Commission. Is that
10 the principal authority at issue in your protest of this
11 application?

12 A. Yes, sir.

13 Q. And that statement is made at page two of your
14 testimony, too, I believe.

15 A. Yes, sir.

16 Q. Direct your attention, if you would, Mr. Moore,
17 to page four of your statement on which you have a three
18 column representation of terminal locations, power equipment
19 and what you describe as other facilities at each of those
20 locations.

21 Under the other facilities columns there seems to be
22 some variations in the compliments of equipment that are at
23 various terminals. Let me suggest to you that at Johnstown,
24 for example, there is a reference to flatbed trailers and
25 stepdeck trailers but no lowboys or stretch equipment.

1 Would you explain what the difference are and why they
2 occur in the equipment compliments of the various terminals?

3 A. Equipment is stationed at each terminal according
4 to the regular or normal needs of the shippers served by that
5 terminal. It's augmented as necessary through the use of
6 tractor trailer units delivering shipments in that territory
7 or in the event of a special move where four or five pieces of
8 special equipment would be needed they will be sent in from
9 someplace else in the state or another state as needed.

10 Normally, we only keep stretch equipment and lowboys
11 at one place in the western part of the state and, of course,
12 in the central part of the state and the eastern part of
13 the state. As you can see there, Allentown has a supply of
14 lowboys, Harrisburg has a supply of lowboys and stretch
15 equipment and New Kensington on the other side of the state
16 has the same type of equipment. Then our terminal up in
17 Hamburg, New York, for example, which you would normally use
18 to serve the city of Erie and that area out there, we have
19 a supply of lowboys and that type of equipment.

20 Q. Mr. Moore, there has been distributed to opposing
21 Counsel, the Judge and the record a booklet entitled Daily
22 Express, Inc., and marked as Exhibit 2, Daily Exhibit 2, in
23 this proceeding --

24 MR. CHESNUTT: Can you accept that marking, Your
25 Honor?

1 JUDGE KLOVEKORN: Yes. It may be so identified.

2 (Whereupon, the document was
3 marked as Protestant-Daily
Exhibit No. 2 for identification.)

4 BY MR. CHESNUTT:

5 Q. Would you explain to us, Mr. Moore, what the
6 purpose of this exhibit is and what all those numbers are
7 doing on the pictures of all those trucks?

8 A. This cover on this little atlas carries a
9 variety of pictures depicting the various types of equipment
10 Daily Express owns and operates and the types of commodities
11 that Daily regularly transports on that equipment. The
12 numbers on each of the photos on the outside are then shown
13 again beside the specification for the particular type of
14 trailer which appears on the inside rear cover.

15 So if you were to open it up and look you'll see a
16 flatbed with the numbers 6, 7, 9, 15, 17 and 18 there. That
17 refers to the picture on the outside cover. Picture number
18 six shows some air conditioning equipment on a flatbed.
19 Picture number seven shows coils on another flatbed, et
20 cetera, et cetera.

21 That's the purpose of this exhibit.

22 Q. To show that there's a relationship between the
23 schematic drawings on the inside of the back cover and the
24 pictures of the loaded equipment as they appear on the front
25 and back covers of the atlas; is that correct?

1 A. Yes, sir.

2 Q. Is Exhibit 3 essentially a self-explanatory
3 exhibit?

4 A. Yes, sir. That's a rundown of our safety program
5 and the awards that we have acquired.

6 MR. CHESNUTT: Your Honor, might we have a two-paged
7 document identified as "Daily Express, Inc. Safety Program"
8 marked as Daily Exhibit No. 3?

9 JUDGE KLOVEKORN: Without objection it will be so
10 identified.

11 (Whereupon, the document was
12 marked as Protestant-Daily
13 Exhibit No. 3 for identification.)

14 MR. CHESNUTT: Your Honor, there has been distributed
15 to yourself and the record and to opposing Counsel a single
16 sheet exhibit, which I would ask be marked as Daily Exhibit
17 4, depicting three pictures of tractor trailer units.

18 JUDGE KLOVEKORN: Without objection it will be so
19 identified.

20 (Whereupon, the document was
21 marked as Protestant-Daily
22 Exhibit No. 4 for identification.)

23 BY MR. CHESNUTT:

24 Q. Mr. Moore, would you explain to us what the
25 purpose of presenting Daily Exhibit 4 is?

A. As Daily Express has grown and as it has
diversified in its activities with a number of different

1 shippers we have acquired from very, very specific types of
2 equipment. Although we do not have any specific equipment in
3 the 100 ton capacity range, these units that are depicted
4 here are capable of hauling shipments of 80 and 90 tons.

5 The purpose of this is to show that we do have this
6 type of very, very specialized equipment utilized for the
7 heavier, larger loads.

8 The load on the top, for example, weighed 130,000 --
9 the gross on that was 130,000 pounds, 95 feet in length,
10 15 feet in height, 14 feet in width and went all the way
11 from New Hampshire to Washington.

12 The second shipment there is part of Demag continuous
13 caster line that was moved into Bethlehem Steel's plant
14 in Steelton, Pennsylvania earlier this year from the Port
15 of Baltimore. It also was a very, very large load: 50
16 feet long, 16.5 feet wide and weighed 72 tons. That's
17 144,000 pounds.

18 The bottom trailer is a piece of equipment that we
19 acquired in the purchase of H. J. Jeffries Truck Lines
20 of Oklahoma City. That transaction took place in December
21 of 1983 and it now is operated as a division of Daily Express,
22 Inc.

23 This bottom piece here, of course, is a very, very
24 specialized piece of trailer equipment and tractor equipment.
25 This G-9 on there weighed 111,000 pounds. I don't have the

1 actual gross available on that.

2 Q Does Daily have plans to continue acquisitions
3 of this type of equipment, and can you tell us something
4 about those plans?

5 A Daily Express has throughout its 50 year career
6 purchased -- either designed or built or purchased equipment
7 that was available to meet the needs of its customers as it
8 experienced the need. One or two shipments a year is not
9 enough to justify to Daily the investment in extremely large
10 pieces. When there is some kind of future, some kind of
11 a way of defining exactly how much traffic will be available
12 Daily has gone ahead and purchased additional equipment such
13 as here. We could see where there was a definite need where
14 we could earn some money, where we could pay for the equipment,
15 where we could pay for its maintenance; so we invested in it.

16 Q Do you have equipment on order now of any
17 specialized nature, and could you tell us something about
18 that?

19 A Yes, sir. We have 16 pieces ordered for 1985.
20 The money has already been allocated. This is very special
21 equipment. I do not have the specifications on the equipment,
22 what it's capacity would be at this particular time. But in
23 the last two weeks we did accept delivery of a new lowboy
24 trailer with a fixed axle assembly with a 50,000 pound
25 capacity. It's a trailer equiped similar to other trailers.

1 It has rails for a railroad car already mounted on it. The
2 actual loading bed, or the bed for loading, is 49 feet long.
3 The overall length is in excess of legal dimensions so even
4 when you're moving it it will have to be permitted with
5 special hauling permits.

6 Q Tell us a little bit about permitted, how it
7 occurs and how Daily responds to the need for the permitting
8 of loads.

9 A We have in our central office in Carlisle a
10 permit supervisor and two or three permanent full-time
11 employees--depending on the need it could be augmented
12 because there are other people in the company trained in the
13 acquisition of permits. Basically the permit acquisition
14 program is administered from there. However, each of the
15 terminals, as necessary, are required on any shipments to
16 assist in securing permits.

17 This reduces our cost. The permits are transmitted
18 either through telex equipment or transceiver or Western
19 Union to our various terminals, which are equipped according-
20 ly to handle this type of permit or to some truck stop on
21 the route depending on how the permits are required.

22 Q Mr. Moore, do you ever have occasion to furnish
23 escort vehicles for over the road transportation in
24 Pennsylvania?

25 A Yes. On occasion we will use our own company

1 employees and our own vehicle to provide escorts or we will
2 contract the service from somebody providing that service on
3 a contract basis.

4 Q Mr. Moore, let me show you what has been received
5 into evidence in this proceeding as Applicant's Exhibit No.
6 2, which is -- and I think Mr. Patterson will agree -- the
7 statement of amended authorization being sought by this
8 application.

9 Would you, in reference to that exhibit, explain for
10 this record why Daily Express has authorized you to appear
11 in opposition to this application?

12 A We feel that a large portion of the traffic and
13 many of the shippers we now serve could be subjected to
14 diversion or could be subjected to severe competitive forces
15 because this particular restriction does not restrict this
16 carrier to what he has testified and to what those people in
17 support of the application have testified as to need. The
18 fact that it says, "requires the use of rigging, special
19 handling or," leaves an option so that if the shipment did
20 require rigging, okay, it could be handled, or if it only
21 required special handling, which has never been clearly
22 defined by this Commission, or special equipment. Special
23 equipment is some type of equipment other than flatbed.

24 There is no restriction at all, and certainly from
25 the testimony that I have read or have been made aware of

1 that has been presented by the supporting shippers, that
2 would not be sufficient to protect Daily Express.

3 Q Do you have with you a summary of the traffic that
4 Daily has participated in in Pennsylvania intrastate commerce
5 during 1984 to date?

6 A Yes, sir.

7 MR. CHESNUTT: Your Honor, might we have marked as the
8 final exhibit being sponsored by Mr. Moore a 96 page document
9 entitled Daily Exhibit 5, which is a computer printout of
10 traffic data?

11 JUDGE KLOVEKORN: Without objection it will be so
12 identified.

13 (Whereupon, the document was
14 marked as Protestant-Daily
15 Exhibit No. 5 for identification.)

16 BY MR. CHESNUTT:

17 Q Mr. Moore, to what extent does Daily rely on
18 computer generated information in the recording of the
19 transportation transactions that it performs?

20 A Daily Express is completely oriented towards its
21 computer. From the time a call is received from a customer
22 until the shipment has been delivered and the bill is sent
23 out, a file commences with the issuance of a pro number,
24 which in this particular exhibit here is the very first number
25 on that table.

Q The seven digit number on the first page?

1 A. Yes.

2 Q Generally beginning with the number five?

3 A. Yes. The first two digits pertain to the month,
4 the second four digits are the load number for that month
5 and the last digit is merely a control number to make sure
6 that the number is not ever used again.

7 The initial information that goes into the computer
8 is who the shipper is, where he's located, where the pickup
9 is to be made, what the commodity is to be transported, where
10 it's going to, who the consignee is, the billing and all of
11 the particular features about the load. At that point that
12 file starts.

13 Then that is directed into the computer and the
14 dispatcher in the particular area where that computer message
15 is to be picked up is alerted to the fact that that load is
16 there. Then when he receives the information that it's
17 there he starts scanning the list of available power and
18 power coming into his area to try to make a match-up.

19 Upon making the match-up and upon talking to the
20 contractor or the person who is driving the vehicle, that
21 equipment is then assigned to it. Then that information about
22 the tractor, the trailer, the driver and any information
23 pertaining to billing or settlements or if the contractor
24 or the person should want to buy fuel, they need an advance,
25 if there are any permits or anything like that necessary,

1 all that additional information would become part of the
2 file.

3 So consequently, from the time we get the initial
4 call all the way through to final delivery everything contained
5 in that shipment goes under that one same number.

6 This printout here is a synopsis of the pertinent
7 features of every shipment that we have handled between two
8 points in the state of Pennsylvania in intrastate commerce
9 since the beginning of the year until sometime in mid-October
10 or November.

11 I think the billing are not completed into mid-November,
12 so the billing are complete through October.

13 Q Looking at the first six lines of page one of the
14 Exhibit No. 5, Mr. Moore, can that information be essentially
15 disregarded for purposes of this hearing in as much as,
16 first of all, they show 1983 dates and there are no revenue
17 figures associated with those transactions?

18 A Yes. And the reason why there is no revenue
19 there is because these loads were not billed. I have a
20 notion that these loads from Parkesburg to York were some
21 scrap cable for AT&T which has been pulled out of the ground,
22 and a lot of that goes into storage. We will bring it to
23 Carlisle or it sits someplace else on a trailer and will go
24 into storage.

25 The same is true of that first shipment there. Those

1 two crates moved from Carlisle to York. They are in storage
2 so there is no billing on that yet.

3 Q But looking at the rest of the transactions on
4 here, to the extent there are revenues and weights and
5 information associated with those, do they represent concerns
6 that you have about diversion of traffic if this application
7 is granted?

8 A Yes, sir.

9 Q And are these reports of this nature and type used
10 in the ordinary and regular course of Daily's business?

11 A Yes. There is a dispatch board or a dispatch
12 sheet that comes out every morning and it is updated four
13 times during the day, maybe six times during the day, as
14 new loads are added to it in each of the terminals. A new
15 hard copy of the reports comes out alerting the dispatchers
16 to what's available.

17 Q Mr. Moore, there has been an indication or --
18 and I think Mr. Patterson would agree with me -- there has
19 been a presentation in this record of testimony by 15 shippers
20 of various commodities. How many shippers were served by
21 Daily in this intrastate commerce participation during the
22 first ten months of 1984?

23 A I think there's 161 shippers that were readily
24 available for identification. It might be a few more.

25 Q What difference does it make to you in making this

1 presentation here today how many shippers you served in 1984
2 in Pennsylvania intrastate commerce?

3 A. We have built the business in intrastate commerce
4 in Pennsylvania up to the point where we are not capable of
5 providing service between any two points within an hour or
6 two of the request within Pennsylvania. If we lose any of
7 that traffic we feel that we will lose the ability to keep
8 moving this equipment in intrastate commerce in the way in
9 which we are now.

10 We have been able to become a little more economical
11 in our operations and some of our customers have enjoyed some
12 rate breaks because now we have steady flows of equipment
13 moving between certain points. Some of our customers who
14 previously had trouble getting equipment from other carriers
15 now have regular supplies of equipment available to them.
16 Any diversion of any of this traffic would severely, we feel,
17 impact this service we are able to provide right now.

18 Q. Do you understand that Lomma, the Applicant here,
19 would confine any service that was granted under its amended
20 proposal to the 15 shippers that appeared in support of this
21 application?

22 A. No.

23 Q. If the authority granted to the carrier Applicant
24 were restricted in that fashion would that change or affect
25 at all Daily's opposition to this application?

1 A. Yes, sir, it would.

2 Q. Would you explain in what way it would change or
3 affect it?

4 A. My exhibits sort of speak for themselves. As we
5 are able to afford it, we are acquiring equipment and we do
6 change our types of service and we offer different services.
7 Currently we have no equipment that could handle a 200 ton
8 shipment or a 400 ton shipment. We maybe get two calls in
9 the course of a year from someone interested in moving that
10 type of stuff because we are not identifiable as that type
11 of a rigger or a millwright or a rigger/cARRIER, and usually
12 the people who do this type of business are in the rigging
13 and transportation business.

14 So for the time being and right now we have no
15 intention, to my knowledge, of acquiring this very expensive,
16 very large equipment because we just do not have the business
17 to justify it. So our concern right now is that what traffic
18 we do enjoy remains with Daily.

19 Q. Suppose the Applicant's authority as set forth in
20 its Exhibit 2 were to read that it was seeking property
21 which because of size or weight requires the use of rigging,
22 special handling and special equipment rather than or special
23 equipment. Would that change at all the position that Daily
24 takes with respect to this application?

25 A. Yes, it would.

1 Q Explain why.

2 A My interpretation of that and my understanding of
3 that would be that unless the shipment required the special
4 equipment and the special handling and the rigging that the
5 traffic could not be handled.

6 Q In other words, all conditions would have to be
7 satisfied?

8 A That's right.

9 Q And would it be your interpretation that as it
10 now reads only one of the three need be satisfied on any
11 particular move?

12 A That's correct. And as I pointed out in my
13 initial statement, or I did comment before, we still do not
14 know what specialized handling means.

15 Q So if rigging or other mechanical means or
16 protection of the lading were involved in a move on a flatbed
17 trailer would you be concerned about whether this authority
18 might be broad enough to enable the Applicant to handle that
19 type of transportation?

20 A That's correct.

21 Q Looking at your Exhibit 5, Mr. Moore, the
22 reference to it in Exhibit 1, which is your prepared testi-
23 mony, indicates 5,135 shipments and revenues of approximately
24 \$1,700,000. This is, essentially, a ten month of 1984
25 study?

1 A. That's correct.

2 Q. Would it be fair to project this data for 1984 on
3 an annual basis, on an averaging or a division, pro rated?

4 A. I would say it would be pretty close to it, because
5 there is 166 shipments in here which have not been billed.
6 There are other shipments, of course, that are not in here
7 that were transported during November and, of course, in
8 December. I would say, yes, that 175,000 or so is pretty
9 good for a monthly average.

10 Q. On Exhibit 5, staying with that for a minute,
11 can you point out for the Judge and the record certain
12 instances in which Daily has been called upon to supply and
13 has, in fact, supplied multiple trailer units for a single
14 day's move?

15 A. Yes. I left my paper with the specific pages
16 on it back here somewhere.

17 MR. CHESNUTT: May he be excused from the stand,
18 Your Honor, to fetch his paper?

19 JUDGE KLOVEKORN: Certainly.

20 (Witness retrieving document from briefcase.)

21 A. On page two, commencing with the shipment
22 identified as 5901327, which appears here on marked line
23 20, there are six shipments all required to be moved at the
24 same -- on the same date from Milton to Steelton, Pennsylvania.
25 They are all listed right there. Those were all picked up

1 in accordance with that shipper's request.

2 Again, on page eight, there's another example of
3 multiple trailer requirements. We start with two shipments,
4 5927066, which appears on line 21, the date being the 24th
5 of February, a shipment from York, Pennsylvania to
6 Chambersburg, Pennsylvania.

7 Then you drop down to shipment 5928692, --

8 Q. Line 45?

9 A. Yes, line 45. We have another shipment, also from
10 York to Chambersburg.

11 Then two lines down, 5928718, another shipment of
12 the same; and the last line there, 5928726, there are four
13 shipments requiring detachable gooseneck tandem axle or
14 tri-axle trailers. The shipments in each instance were a
15 self-propelled M-109 howitzer weighing 50,200 pounds,
16 oversize and overwidth and legal height on these trailers.
17 Those four trailers were provided on that date to move those
18 four shipments.

19 Another example, page 13. In this case here we have
20 five detachable goosenecks commencing with 6016216 on line
21 40. These shipments all moved on the 14th of March, again,
22 the M-109 howitzers.

23 On page 44 is another example of multiple units being
24 required to make a pickup. Even though Daily does not
25 participate in rigging, Daily Express has quite a few of its

1 operators who are very familiar with how certain cranes and
2 so on are dismantled. We will send a team in when requested
3 who will supervise the dismantling and work with the person
4 who either owns the equipment or who has it under their
5 control to prepare it for shipment.

6 Commencing with the shipment 6328744 on line 12,
7 we moved on the 19th five flatbed loads of parts of a
8 P&H 5150 crawler crane from Philadelphia to Pittsburgh.
9 Those five flatbed loads consisted of the boom point, the
10 boom butt, counter weight and 30 foot boom section, counter
11 weight and 40 foot boom and counter weight and 40 foot boom.

12 Also, on that day we supplied a four-axle trailer
13 and a four-axle tractor to move the house, which was mounted
14 on the main carrier, under 6328819.

15 The following day, two additional lowboys were sent
16 in to pick up the two side frames, the side frame being the
17 track assembly on either side of the crane.

18 Q Mr. Moore, the shippers that have testified in
19 this proceeding number 15, as we have indicated before.
20 There are five of them, I believe, for whom Daily Express
21 has performed transportation services in intrastate commerce
22 during 1984; is that correct?

23 A That's correct, sir.

24 Q And would you briefly indicate for the record the
25 nature of those services and make available to Mr. Patterson

1 copies of information about those moves?

2 A. This first series of documents cover a stop-off
3 shipment -- two stop-offs, final destination for the McGraw-
4 Edison Company, Power Systems Group, Fogelsville, Pennsylvania,
5 to Honedale, Pennsylvania, with stop-offs at Wilkes-Barre
6 and Scranton, Pa.

7 The second document is another straight shipment of
8 55 pallets that were stoppéd-off in Allentown for partial
9 unloading. It moved from Fogelsville to Telford, Pa. The
10 number on this one would be 6633358.

11 Another shipment for McGraw-Edison from Fogelsville,
12 Pennsylvania to Connellsville, Pennsylvania, 24,026 pounds.
13 The bill on that one is 6606081.

14 Another one for McGraw-Edison in October of this year,
15 Fogelsville to Allentown, straight shipment, on 6717342.

16 Q. Excuse me. Let me interrupt you at this point.
17 You're reading off some pro numbers there. Are those
18 shipments also incorporated in your Exhibit 5?

19 A. Yes, sir.

20 Q. So the reference allows us to tie your oral
21 testimony about them here to your Exhibit 5; is that correct?

22 A. Yes, sir.

23 Another shipment from Fogelsville, Pennsylvania to
24 Tannersville, Pennsylvania, with a pro 6717391.

25 I have a shipment here from Westinghouse Electric

1 System-Nuclear Service Division, Pittsburgh, Pa. to Beaver
2 Valley Nuclear Station, Shippingsport, Pennsylvania. That's
3 also in the exhibit.

4 There's a shipment here from Keeler/Dorr-Oliver from
5 Williamsport, Pa. to Reading, Pa., pro number 6615926.

6 I have several shipments from the Fuller Company,
7 Allentown, Pa., one to Hellertown, Pa., one to Wescosville,
8 Pa., another one to Wescosville, another one to Wescosville,
9 another to Blandon, another one to Blandon.

10 The final shipment in this group is for the Metro-
11 politan Edison Company from their substation at York, Pa.
12 to their substation at Ortanna, Pa., one transformer,
13 109,000 pounds net weight, 16 foot-4 inches high loaded.

14 Q. Mr. Moore, assume with me that the record in this
15 proceeding will indicate that some of the shippers that
16 have testified have talked about asking Daily to bid on
17 certain intrastate moves of traffic and that Daily has not
18 been the low bidder or has not been selected to perform the
19 move. Would you indicate for the record how it is that
20 Daily would become involved in bidding for intrastate
21 traffic when for all the world I thought that motor common
22 carriers in Pennsylvania got involved in moving traffic on
23 the basis of published tariffs?

24 A. Motor carriers in Pennsylvania and everywhere else
25 to my knowledge all conform to the tariff publication rules

1 and they observe their tariff rates. However, Daily is
2 called upon by many shippers on a daily basis to provide a
3 quote as close as possible to the actual cost based upon the
4 information that is known at that particular time about the
5 shipment. Frequently we receive calls from these shippers,
6 as well as all of these other shippers here, and they will
7 say, "I've got this piece," "I have that piece, I want to
8 move from here to here, give me your best shot." So you
9 figure out what the rates would be, if there are permits
10 involved, extra vehicles involved or if there is rigging
11 involved.

12 We don't provide the rigging so we have to go out and
13 subcontract or we have to go to a rigger and say here's what
14 this shipper wants us to move, et cetera, et cetera, what
15 would you charge to do this and that. And then we will
16 give them a turnkey bid where we will incorporate the rigger's
17 bid in our cost along with escorts and everything else.

18 Now, when we are bidding on that basis against other
19 carriers, they are bidding, we presume, on their own tariff
20 publications also. We do not come in low. In fact, quite a
21 few times we are a little bit higher and sometimes a lot
22 higher.

23 For example, right now, our traffic that we have been
24 handling for Westinghouse Electric Corporation is down because
25 of the competitive situation in the state of Pennsylvania

1 on intrastate and interstate for a lot of these big shipments
2 for people such as Westinghouse at Essington or Lester, as
3 we mentioned earlier this morning, or Westinghouse in East
4 Pittsburgh. It has really become very competitive and a lot
5 of these carrier who are now in business have undercut our
6 rates and bid at a lower gross price than we can afford to
7 do.

8 Q. And is that part of your concern also in terms of
9 your opposition to the certification of Lomma?

10 A. Absolutely.

11 MR. CHESNUTT: Those are all the questions of Mr.
12 Moore. He's available for cross-examination.

13 MR. PATTERSON: May I have a few minutes, Your Honor,
14 please?

15 JUDGE KLOVEKORN: We will have a brief recess.

16 (Recess.)

17 JUDGE KLOVEKORN: Back on the record.

18 CROSS-EXAMINATION

19 BY MR. PATTERSON:

20 Q. Mr. Moore, how long have you been with Daily?

21 A. I've been in the office of Daily for 25 years.

22 Q. During all that time Daily has operated in
23 intrastate commerce in Pennsylvania?

24 A. Yes, sir.

25 Q. And for most of that time Daily was recognized as

1 a so-called heavy hauler in Pennsylvania?

2 A. Specialized carrier, yes, sir.

3 Q. And last year -- I think it was last year, maybe
4 it was early this year -- Daily obtained a statewide grant
5 of authority which is not restricted to heavy hauling, is that
6 not a fair statement?

7 A. Yes. That's the Amendment J we mentioned.

8 Q. When was that received?

9 A. I think we received that in the latter part of
10 January, early February, of this year, 1984.

11 Q. So that now instead of being limited to providing
12 service in the heavy hauling field, in the size and weight
13 field of service, Daily now has the capacity, as it does in
14 interstate commerce, to provide all sorts of service not
15 related to heavy hauling?

16 A. That's correct. We were not tied down to just
17 heavy hauling before in view of the balance of the certificate
18 in Appendix A of my statement. We deal in all types of
19 commodities, not just heavy hauling.

20 Q. In any event, as of the first part of this year
21 you now have broad statewide authority?

22 A. Yes, sir.

23 Q. In that connection, I understand from your testimony
24 that early this year you acquired a company based in the
25 western part of the country by the name of Jeffries?

1 A. Yes, sir.

2 Q. Do your equipment lists or any of the other
3 documents that you have provided us with in this proceeding
4 include the Jeffries equipment?

5 A. We have merged the tractor list in, the figures
6 for the tractors. I think it's Appendix B to my statement.
7 Yes, sir. That does contain some 200 pieces of tractor
8 equipment. We did not merge the trailer equipment in because
9 as of right now we are not sure just exactly which pieces we
10 are going to retain and which we are going to replace or
11 what we are going to do there. So rather than clutter up
12 my list at this time I didn't put it in.

13 Q. What was the purpose of that acquisition?

14 A. Quite frankly?

15 Q. Well, as frank as you wish to be.

16 A. The carrier became available and it was an
17 avenue for Daily Express to expand into some markets we
18 previously did not have an entry to.

19 Q. Where are those markets?

20 A. In the central, southwest, the southwestern
21 part of the United States.

22 Q. Jeffries was not a factor in Pennsylvania, were
23 they?

24 A. No, sir.

25 Q. In your prepared testimony, Mr. Moore, you list

1 a number of terminals in Pennsylvania and in the surrounding
2 states. How many terminals in total does Daily operate?
3 I don't see that anywhere. I may have missed it.

4 A. I don't think it's in that statement. I will
5 give you a ballpark figure: 35. That's a ballpark figure.

6 Q. And where are they located generally?

7 A. Generally, with the exception of those that are in
8 Colorado, Oklahoma, Texas, they are east of the Mississippi
9 River. The predominant amount are in the northeastern part
10 of the United States.

11 Q. And you station equipment at those terminals?

12 A. Yes. The equipment which we have indicated being
13 stationed here at these.

14 Q. And if I understand correctly -- well, let me
15 ask you rather than seeing if I understand. On page four of
16 your prepared testimony you indicate a number of step decks
17 at Allentown -- you indicate that there are step decks there,
18 I should say. Do you see that?

19 A. Yes.

20 Q. How many?

21 A. It varies. It might be half a dozen there right
22 now and there might be two dozen there. It varies depending
23 upon the particular needs of the shippers in that area.

24 Q. And it moves, the trailer equipment moves from
25 terminal to terminal, doesn't it?

1 A. Not necessarily. When someone comes in they may
2 drop a step deck that is empty and pick up a step deck that
3 is loaded because we also spot trailers at these various
4 shipper's plants.

5 Q. And they may drop a flat and take a step deck?

6 A. That's correct, or drop a step deck and take a
7 flat.

8 Q. So you can't tell at any one time how much
9 trailer equipment is at any one terminal with any degree of --
10 be able to predict how much trailer equipment of any given
11 type is at any given terminal?

12 A. Well, I do have some listings on that but I don't
13 have them here right now. On the basis of the tractor
14 equipment in the different places, it's pretty safe to
15 assume that for every tractor we have established or set up
16 in one place there might be a half a trailer excess.

17 Q. Of what type?

18 A. So if we have 25 tractors working out of a
19 particular terminal we might have 12.5 or 12 other types of
20 trailers there, depending upon which of the terminals you're
21 talking about. For example, Allentown in the eastern part
22 of the state, we might have a detached there, we might have
23 a couple of stretches there, we might have a couple of fixed,
24 a couple of level decks. It varies all the time.

25 Q. Look, sir, if you will, at the bottom of page four

1 of your testimony and the top of page five. And then, if
2 you will, look over on page eight, where you talk about
3 specialized equipment in the first paragraph on page eight.

4 If my understanding is correct, the statement that you
5 make at the bottom of page four and the top of page five is
6 amended by the statement you make in that paragraph on page
7 eight of your testimony.

8 A. Well, we established the two hour period because
9 of the specialized nature of those detachable goosenecks
10 and --

11 Q. My question is --

12 A. I understand what you're getting at.

13 I would not say it's an amendment. It might be an
14 augmentation, but it's not an amendment.

15 Q. Well, one says you can get the equipment there
16 within an hour or two and the other says it takes 24 hours
17 to 36 hours to get specialized equipment.

18 A. That's correct.

19 Q. Which is correct?

20 A. I don't make the statement on the bottom of page
21 four that we are going to put a specialized piece of equip-
22 ment in there in one or two hours.

23 Q. What do you say? You say "an appropriate tractor/
24 trailer unit," don't you? I take it if that appropriate
25 tractor/trailer equipment is a piece of specialized equipment

1 it takes 24 to 36 hours, as you say on page eight. That's
2 really all I'm asking you.

3 A. Well, if you care to interpret it that way,
4 interpret it that way, Mr. Patterson. It's perfectly okay
5 with me.

6 The intent here is to demonstrate the fact that we can
7 serve any customer within two hours, but certain specialized
8 equipment -- stretch trailers, detachable goosenecks -- will
9 require a longer period of time, sometimes up to 36 hours.

10 Q. Now, your statement it usually requires about
11 24 to 36 hours, doesn't it?

12 A. For that particular type of equipment, yes, sir.
13 And the statement right above says level deck lowboys,
14 flatbeds, stepdeck flatbeds will be there in two hours.
15 That clarifies the situation.

16 Q. Is it correct?

17 A. Yes, sir.

18 Q. Were you asked to bring any financial information
19 with you?

20 A. NO, sir.

21 Q. What were Daily's revenues in Pennsylvania in the
22 last year? I think that is somewhere in the statement.

23 A. Yes, I have it in here. We checked on that.
24 It's considerably less than I thought it was. It's about
25 \$1.5 million, something like that, is what we ended up with

1 last year.

2 Q And what were your system revenues?

3 A About -- I'm not sure about the consolidated
4 revenues with H. J. Jeffries because we acquired them in
5 December. For Daily I would say somewhere in the neighborhood
6 of \$40, \$42 million.

7 Q And that makes your overall Pennsylvania revenues
8 somewhere around 3 or 3.5 percent of your system revenue?
9 Is that right?

10 A Yes, basically.

11 (Pause.)

12 A At the bottom of page six, the 1983 gross was
13 \$1,595,000.

14 Q And I think you testified, but I'm not sure I
15 got it down correctly, as to -- I think you were annualizing
16 based on Exhibit 5 what either your shipments, 1984 shipments,
17 or 1984 revenues would be. I think that is how I understood
18 the question.

19 A That's approximately right, yes, sir.

20 Q What do you expect in 1984?

21 A From the Pennsylvania revenues?

22 Q Yes.

23 A In the neighborhood of \$2 million, somewhere
24 around there.

25 Q So you expect a significant growth in Pennsylvania

1 revenues from last year, almost 25 percent?

2 A. Yes. I'd say that's the result of --

3 Q. I didn't ask you -- excuse me, sir. Just answer
4 my question.

5 A. Yes, we do expect a significant growth.

6 Q. In fact, based on your testimony during the
7 application case, that is, the Amendment J case, -- and I'll
8 show it to you so that you know I'm not fooling you --

9 (Document handed to witness.)

10 Q. -- During the first eight and a half months of
11 1983 you handled 3,175 loads in Pennsylvania -- do you see
12 that, sir?

13 A. That is correct.

14 Q. Do you recognize that as your testimony?

15 A. That's correct, sir.

16 Q. And I think your testimony is this year through
17 ten months you've handled 5,135 shipments in Pennsylvania.

18 A. That's correct, sir.

19 Q. That, likewise, is a significant growth in the
20 number of shipments, isn't it?

21 A. That's correct, sir.

22 Q. Now, sir, I didn't believe my ears, but I think
23 you testified at some point on direct that you couldn't
24 really define heavy hauling service. Was that your testimony?

25 A. No, I did not.

1 Q I'm glad I didn't believe my ears, then.

2 A Mr. Patterson, my comments were concerning the
3 meaning of the terminology "special handling". That is still
4 a fuzzy area before this Commission and in cases with this
5 Commission.

6 Q Do you understand that the commodity description
7 in the application of J. F. Lomma requires either that
8 the traffic be handled on special equipment?

9 A Yes, sir.

10 Q That's defineable within some degree of surety,
11 isn't it?

12 A I believe so.

13 Q How would you define special equipment, or,
14 likewise, how would you define unspecial equipment if that's
15 better?

16 A Special equipment is special trailer equipment.
17 An ordinary flatbed is not considered in that classification.

18 Q And a van is not?

19 A That's correct.

20 Q But a stretch flat, a lowboy, a pole trailer or
21 whatever --

22 A Or a flat bed with sides on it.

23 Q Or a flat bed with sides on it? All right, sir.
24 What do you call that, aside from being a flat bed with
25 sides on it?

1 A. Some people call them open tops.

2 Q. So your problems has to do not with the situation
3 in which special equipment is used -- that is fairly well
4 defineable -- but your concern is with the application where
5 it says requiring either rigging or specialized handling,
6 and in that connection particularly you are concerned with
7 the term "specialized handling" as being undefineable.

8 A. I think we are concerned with the entire scope of
9 that restriction. If that is where you want to restrict it,
10 that's up to you. But that restriction does not provide any
11 protection at all for Daily Express, Inc. in the business that
12 we have developed. That is our concern.

13 Q. Let's talk about the business that you've developed.
14 I'd like you to go with me into Exhibit 5, which is your
15 traffic exhibit; and tell me -- let's start with page one --
16 where on page one is there a heavy hauling shipment?

17 A. One that would require some type of special
18 equipment?

19 Q. Yes.

20 A. Well, I have my finger on the one that's on line
21 42, 5830948, which moved on March 2 from Montgomeryville,
22 Pa., to Harrisburg, Pa. It was a Liebherr America front-end
23 loader that weighed 55,000 pounds.

24 Q. Now, why did that require specialized equipment?

25 A. Because it's a very large piece of self-propelled

1 equipment that had to be picked up in the field with a
2 detachable gooseneck to run it onto the trailer and when
3 it was delivered it had to be unloaded.

4 Q. How do you know that looking at this exhibit,
5 sir?

6 A. Because I know the type of equipment we are
7 talking about.

8 Q. You know what a Liebherr is?

9 A. I know what a Liebherr is.

10 In addition, there's a "X" in the next column, which
11 is a commodity explanation.

12 Q. What is the X in the commodity code column? What
13 does that designate?

14 A. Special equipment.

15 Q. And is that the kind of special equipment we
16 talked about a few minutes ago, that is, something other than
17 a normal flatbed?

18 A. Yes, sir.

19 Then in addition to that we have a terminology here
20 which says "C", which is construction equipment. So if it
21 was construction equipment it might have moved on a lowboy
22 too. Unless you know what the commodity is, you couldn't tell
23 that.

24 Q. Might have?

25 A. That's correct.

1 Q How big is this Liebherr vehicle or whatever it
2 is, front end loader?

3 A I don't know. I'm looking at the weight of
4 55,000 and I see the X there and I put the two together
5 and I know it's oversized and requires special equipment.

6 Q Could you not put that on a normal flatbed if you
7 had the shipper load it on with a crane?

8 A I imagine you could if you had one that would,
9 say, support 55,000 pounds in a 20 foot space. There's a
10 question called bridging too, you know.

11 Q Do you know -- yes, I'm familiar with that.

12 Do you know how many shipments in this collection of
13 5,000 and some on these 96 pages of Exhibit 5 with approxi-
14 mately 55 entries per page, how many commodity code Xs
15 are there in there?

16 A I don't know, but on page one, for example, there
17 are five more right at the top. The latels from Pa. Engineer-
18 ing in New Castle, Pa. to Neville Island, Pa. are five more
19 right there.

20 Q My question is have you gone to see how many --
21 gone within your own traffic documentation -- to see how many
22 heavy hauling loads you handled during the period covered by
23 this exhibit.

24 A Between two points in Pennsylvania, no, I did
25 not.

1 Q That's the scope of the exhibit, I think.

2 A That's correct.

3 I did not.

4 Q While we are on page one, did you say that no one
5 has paid for those 1983 shipments at the top of the page?

6 A At the time they are in storage or something they
7 have not paid for them. That is the only plausible explana-
8 tion I can give.

9 Q But they have not been billed, I think you said on
10 direct.

11 A Yes. They are still in storage.

12 Q You don't provide any free service, do you?

13 A I don't think so. We try not to.

14 Q What were your Pennsylvania revenues through
15 October, approximately at the end of October, for heavy
16 hauling service?

17 A I couldn't tell you. I can't pull it out.

18 Q How many shipments did you handle in heavy hauling
19 service within Pennsylvania?

20 A I couldn't tell you, sir. It's here if you would
21 like to take the time to count them. They are there.

22 Q And was the heavy hauling service a remunerative
23 service for you or not within Pennsylvania during this period
24 of time?

25 A As I explained on my direct testimony, because of

1 the flow of the equipment through Pennsylvania, whether it's
2 equipment that's domiciled in Pennsylvania or equipment that's
3 moving through Pennsylvania, we make it remunerative even
4 though some of these shipments are highly competitive because
5 we use equipment that is emptying out of that area to move
6 equipment to other points.

7 Q That makes sense for a carrier, doesn't it.--

8 A Hopefully, yes.

9 Q -- To use equipment terminating after an interstate
10 move and use it for intrastate service or vice versa?

11 A Yes, sir.

12 Q In fact, that was one of the things you testified
13 to when you sought statewide authority, wasn't it?

14 A That's right, sir.

15 Q That the ability to handle intrastate traffic on
16 equipment terminating after unloading interstate shipments
17 would reduce your empty mileage and the non-utilization of
18 equipment and compliment your existing authority to service
19 all points in Pennsylvania in interstate commerce? Does that
20 sound like something like what you would have testified to?

21 A Yes, sir, and that's why the reflection appears
22 in the revenue.

23 Q And that would make sense for other carriers as
24 well, wouldn't it?

25 A That's correct, if they had a viable operation

1 in Pennsylvania.

2 Q. What are rebars?

3 A. Reinforcing bars.

4 Q. They put them in roads, for example?

5 A. Roads, buildings. If you notice, some of this
6 is coated rebar.

7 Q. How big are those things?

8 A. They vary from little pieces like that --

9 (Witness gesturing.)

10 A. -- To pieces 140 feet long and two inch diameter.

11 Q. The great bulk of rebars are how big, though?

12 Isn't there a fairly standardized size within about this
13 range?

14 A. No. The majority of the rebars Daily Express
15 handles are custom made or they are in response to a specific
16 order for a specific job. That is why so many of these
17 shipments go from one point to another. They are for a
18 specific job and they are engineered and designed for that
19 specific job. They could not be used someplace else.

20 Q. Mr. Moore, Daily owns a significant amount of
21 trailer equipment but it doesn't seem to own many tractors,
22 pieces of power equipment. Where do you get your power
23 equipment?

24 A. The majority of our power equipment is leased
25 from independent contractors, long-term leases.

1 Q: Independent contractors are the owner/operators,
2 individual operators?

3 A. Independent contractors.

4 Q: Is it normally the owner that is the driver as
5 well, the owner of the piece of leased equipment is also
6 the driver?

7 A. That's correct.

8 Q: What percentage of your equipment is owner-
9 operated -- what percentage of your power equipment is owner-
10 operated or leased from owner/operators?

11 A. Rather than deal in percentages, let's say that
12 the over the road equipment is, with the exception of 18
13 pieces that Daily owns, is all independent contractors. The
14 equipment that operates at the terminal level at each of our
15 terminals, the yard tractors, that is all company owned.
16 But the only over the road equipment we operate are those
17 18 tractors that are based in Harrisburg. All the other
18 equipment is leased.

19 Q: Your Appendix B shows 829 tractors in service.
20 It says current tractor equipment.

21 A. Yes, sir.

22 Q: Let's talk in raw numbers. Of those 829 approxi-
23 mately how many are leased from owner/operators?

24 A. We can go over it again. I also included there a
25 listing of the tractors that are stationed at each of our

1 terminals.

2 Q I don't want to go over anything again.

3 A What I'm telling you is that I cannot give you a
4 percentage figure.

5 Q I'm not asking you for a percentage.

6 A I'm can't tell you how many. I don't have a count.
7 If you want me to count them, I'll count them.

8 Q Mr. Moore, of the total of 829 pieces of power
9 equipment approximately how many are being obtained from
10 owner/operators? You can't tell me that number?

11 A No, sir, I can't. I do not know what the approxi-
12 mate is. I have already told you that only 18 of the over the
13 road tractors are Daily Express owned equipment. All the
14 balance of the over the road tractors are independent
15 contractors.

16 Q Tell me about the rest of them.

17 (Witness perusing document.)

18 A Thirty-one other ones are company equipment used
19 at the terminals.

20 Q So that 49 pieces of the total of 829 --

21 A I'll accept that.

22 Q Was there not a time when Daily owned a much
23 greater percentage of its power?

24 A In the years 1929 through 1955, yes, sir.

25 Q Is that when you started to make the transition

1 to more owner/operators?

2 A. That's when Daily Express was split out of the
3 parent company, Daily Motor Express. Daily Express was
4 split out in connection with certain requirements of
5 certain shippers that required local traffic. The vast
6 majority of the fleet became independent contractors.

7 Q. You have bid on some interstate traffic from
8 Keeler and Company, for example, against J. F. Lomma,
9 haven't you, in the last four months?

10 A. We might have. I haven't been party to any of
11 the bidding process. Probably, yes.

12 Q. Would you argue with me if I told you you were
13 less expensive than they were?

14 A. No.

15 Q. Would the same be true with bids on interstate
16 traffic coming out of Fuller Company, that Daily was under
17 J. F. Lomma?

18 A. It's possible. I don't know what the destination
19 was or what was involved, so I can't argue with you at all.

20 Q. I think you testified that one or two shipments
21 per year, or a few shipments per year, were really not enough
22 to justify the acquisition of some particular piece of
23 specialized equipment. Just on a financial basis it doesn't
24 make any sense?

25 A. That's correct, sir.

1 Q Isn't it true that another way to make that kind
2 of equipment available to the shipper who needs it, maybe
3 even only once or twice a year, is to authorize a carrier
4 to provide service who already has the equipment?

5 A I have no objection if he wants to provide that
6 type of equipment. That is why I keep coming back to this
7 issue about the restriction.

8 Q I'm not coming back to an issue about a restriction.
9 I'm asking you isn't it true that another way to make that
10 equipment and service available to that shipper is by
11 authorizing another carrier who already has the equipment to
12 provide the service?

13 A As long as it's restricted to just the use of
14 that equipment go ahead.

15 MR. PATTERSON: Your Honor, that's not responsive.
16 I think I'm asking straightforward questions and I think I
17 deserve straightforward answers without editorialization.

18 MR. CHESNUTT: Quite to the contrary, I think he's
19 asking for an endorsement. He wants Mr. Moore to become a
20 cheerleader for this application and Mr. Moore is not
21 willing to do that.

22 MR. PATTERSON: Not in my wildest dreams.

23 MR. CHESNUTT: Mr. Moore is willing to answer the
24 question, but he's going to do so with an explanation that
25 doesn't trap him into an endorsement.

1 MR. PATTERSON: That wasn't an explanation of the
2 answer, sir. That was a reference back to his own direct
3 testimony in some other regard.

4 But I will withdraw my objection.

5 BY MR. PATTERSON:

6 Q Mr. Moore, you have provided us with copies of
7 some shipping orders in connection with McGraw-Edison
8 Company.

9 A Yes, sir.

10 Q Were you under the impressions that McGraw-Edison
11 had testified?

12 A Yes, sir.

13 Q I don't know whether I have them in order, in the
14 order that you testified to, but what I would like you to do,
15 sir, is to take a look at the McGraw-Edison documents that
16 you handed to me -- I believe eight in number, sir -- and
17 indicate for me if any of those were handled in heavy
18 hauling service.

19 (Witness perusing documents.)

20 A I don't think any of those required the use of
21 a lowboy or special equipment. I don't know how these were
22 packaged. I don't know whether they are shrink wrapped on
23 the pallets or what they are, whether they required specialized
24 handling or not. That is part of the problem of specialized
25 handling.

1 Q So you don't know whether those shipments of that
2 type even could be diverted if Applicant got every piece of
3 authority that it asked for?

4 A That's correct.

5 We do not only haul for McGraw-Edison from that plant.
6 We also haul out of Cannonsburg.

7 MR. PATTERSON: Excuse me, sir.

8 Now the witness is talking about hauling out of
9 Canada.

10 THE WITNESS: Cannonsburg.

11 MR. PATTERSON: Cannonsburg for McGraw-Edison. I
12 haven't asked him a question about that. This record is
13 going to get very difficult to deal with.

14 BY MR. PATTERSON:

15 Q Now, sir, you showed me one -- or you talked about
16 and gave to me one bill of lading with respect to service
17 for Westinghouse Electric Corporation from Pittsburgh to
18 Shippingsport, Pennsylvania. Will you take a look at that
19 bill of lading and indicate whether that was a heavy hauler
20 type shipment?

21 A I think it would be. I can't tell what the
22 dimensions were but one piece of fabricated steel weighs
23 32,000 pounds. Certainly it was either hauled on a lowboy
24 or required some type of special equipment to load it or
25 unload it or something.

1 Q You think so?

2 A I think so. There's no way I can tell from the
3 document.

4 Q You also testified about some traffic handled
5 for the Fuller Company, and I believe you talked about some
6 six shipments handled by the Fuller Company for Daily Express
7 with weights like 6,300 pounds and 3,150 pounds. Would you
8 take a look at those documents and tell me whether heavy
9 hauling service was required on any of those?

10 (Witness perusing documents.)

11 A I doubt very much if any of these would move under--
12 this one here might have. This one to Blandon that weighed
13 40,000 pounds; there is one 40,000 -- they might have. I
14 don't know, Mr. Patterson. I don't know what the size and
15 dimensions were. I can't tell from the bill of lading.

16 Q In any event, whether it was heavy hauling or not,
17 Daily, with its expanded operating authority, was certainly
18 entitled to handle those?

19 A That's correct, sir.

20 Q Now, sir, you testified that you served or have
21 served in 1984 -- I think that's the statistic -- approximately
22 161 Pennsylvania shippers. Do you recall that testimony?

23 A Yes, sir.

24 Q Or am I misstating it?

25 A Those were the ones I was able to identify out of

1 here. I think there are possibly some others in there that
2 I could identify.

3 Q. But 161 is a safe number?

4 A. That's right.

5 Q. It's a low number, I should say?

6 A. That's right.

7 Q. How many of those 161 did you use for heavy hauling
8 service in 1984 in Pennsylvania?

9 A. I can't tell you.

10 Q. How big a company was Jeffries in terms of
11 revenue?

12 A. At one time they were fairly substantial. I'd say
13 in terms of revenue maybe 15, 18, 20 million.

14 Q. Fifteen, 18, 20 million?

15 A. Somewhere in that area. I'm not sure.

16 Q. Did you buy equipment from them as well? You
17 bought the stock?

18 A. Yes, sir.

19 Q. Have you had to move any of your own equipment
20 west?

21 A. Not to date, sir. They are operating as a
22 separate division. We interchange equipment.

23 Q. I think I may have forgotten one. You also
24 talked about a shipment from Metropolitan Edison and you
25 gave me a bill of lading or a freight bill. Does that appear

1 that it required heavy hauling service?

2 A. I think so. I think 109,000 pounds would.

3 Q. That's a safe bet?

4 A. Yes. It shows a 16 foot high load.

5 Q. I'm sorry. I missed another one. I want to make
6 sure to talk about each one.

7 There was one for Keeler/Dorr-Oliver which you have
8 done in 1984 in Pennsylvania. Was that a heavy hauler type
9 shipment?

10 A. Yes, sir.

11 Q. It looks like it to me.

12 A. Yes. That weighed 36,000 and the piece was
13 11 foot-6 inches high before being loaded.

14 MR. PATTERSON: That's all I have, sir. Thank you.

15 MR. CHESNUTT: I have nothing on redirect, Your Honor.
16 I move into evidence Daily Exhibits 1 through 5.

17 JUDGE KLOVEKORN: Without objection they will be
18 received into evidence.

19 (Whereupon, the documents marked
20 as Protestant-Daily Exhibits
21 Nos. 1 through 5 were received
in evidence.)

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

24 (Witness excused.)

25 (Recess.)

1 JUDGE KLOVEKORN: Back on the record.

2 Whereupon,

3 W. DENNIS KERR

4 having been duly sworn, testified as follows:

5 DIRECT EXAMINATION

6 BY MR. PILLAR:

7 Q. State your name and business address.

8 A. My name is W. Dennis Kerr. My business address
9 is Route 19, R. D. 2, Zelienople, Pa.

10 Q. Where is Zelienople, Pa.?

11 A. In the western part of Pennsylvania.

12 Q. And where is it in relation to Pittsburgh?

13 A. It's about 30 miles north of the city.

14 Q. In Butler County?

15 A. In Butler County, yes.

16 Q. The county right above Allegheny County?

17 A. Yes, it is.

18 Q. What is your position with Moore-Flesher Hauling
19 Corporation?

20 A. I'm the President.

21 Q. And how long has Moore-Flesher Hauling Corporation
22 been in business?

23 A. It has been in business for about 70 to 80 years.

24 Q. Has it always been in business in western
25 Pennsylvania?

1 A. Yes, sir.

2 Q. How long have you been President?

3 A. I guess about the last two, three years.

4 Q. And how long have you been with the company overall?

5 A. I've been with the company for the last 22 years
6 overall, and I worked part-time for them before that.

7 Q. What is the business of Moore-Flesher Hauling
8 Corporation?

9 A. We are a heavy specialized hauler, steel hauler,
10 size and weight type shipments.

11 Q. What are your present duties?

12 A. You name it. I do a little bit of everything.

13 Q. Do you oversee the entire operation?

14 A. Yes, I do.

15 Q. Are you actively involved in the business on a
16 day to day basis?

17 A. Yes, I am.

18 Q. Are you familiar with the equipment, authority
19 facilities and service of Moore-Flesher Hauling Corporation?

20 A. Yes, I am.

21 Q. Are you the person who calls on customers and
22 arranges for bidding on shipments and so forth?

23 A. Yes, I am.

24 Q. Are you familiar with a company called Moore-
25 Flesher Trucking Company?

- 1 A. Yes, I am.
- 2 Q. And is that a Pennsylvania business corporation?
- 3 A. Yes.
- 4 Q. What is your position with that company?
- 5 A. President.
- 6 Q. And who are the stockholders of Moore-Flesher
7 Trucking Company?
- 8 A. My wife and I.
- 9 Q. And is Moore-Flesher Trucking Corporation
10 presently involved in an application to acquire a portion of
11 the operating rights of Moore-Flesher Hauling Corporation?
- 12 A. Yes.
- 13 Q. Who are the stockholders of Moore-Flesher
14 Hauling Corporation?
- 15 A. Mr. Clyde J. Moore, an 80 percent; Mr. Joseph
16 C. Williams is a ten percent owner; and myself. I own the
17 other ten percent.
- 18 Q. Are you effectively presently managing the day to
19 day operations of the company?
- 20 A. Yes.
- 21 Q. Are Mr. Moore and Mr. Williams actively involved
22 in the business at all?
- 23 A. No, they are not.
- 24 Q. Are you familiar with a company called W. D. Kerr
25 and Sons?

1 A. Yes, I am.

2 Q. And is that a Pennsylvania corporation?

3 A. Yes.

4 Q. And are you a stockholder in that corporation?

5 A. Yes, my wife and I.

6 Q. You are the sole stockholders?

7 A. Yes.

8 Q. Are you also the President of that company?

9 A. Yes.

10 Q. What is the business of W. D. Kerr and Sons?

11 A. It's got a 48 state property authority for hauling

12 Q. And does it also presently have an application
13 pending to acquire a portion of the operating rights of
14 Moore-Flesher Hauling Company?

15 A. Yes, it does.

16 Q. Is Moore-Flesher Trucking Company presently
17 certificated?

18 A. No.

19 MR. PILLAR: Your Honor, I previously submitted to
20 you my letter to Mr. Patterson and petition to intervene on
21 behalf of Moore-Flesher Trucking and W. D. Kerr. That is
22 the original.

23 The petition, I believe is self-explanatory. Moore-
24 Flesher Hauling Corporation is going through a sale of the
25 operating rights to these two companies which Mr. Kerr owns.

1 Accordingly, we petition for leave to intervene on behalf of
2 Moore-Flesher Trucking and W. D. Kerr so that their interests
3 respectively will be protected.

4 MR. PATTERSON: Your Honor, there is no showing on
5 this record that either of those two companies, although they
6 are the intended transferees of the operating authority of
7 the Protestant, will ever become carriers. The Commission
8 might well deny the application to transfer. Certainly,
9 they are not carriers now and I don't see how at this late
10 date in this proceeding we can all of a sudden have two
11 additional parties, even though they are successors in
12 interest. Their interests may differ significantly from
13 the interests of this Protestant. We have introduced new
14 entities into the mix after a number of days of hearing and
15 many months of testimony.

16 I don't think it's as simple and neat as a straight-
17 forward replacement of one protestant with two who are
18 splitting the one's operating authority. Rather, I think
19 it's a heck of a lot more complex than that.

20 MR. PILLAR: I don't see anything complicated at all,
21 Your Honor. If the transfers are not approved Moore-Flesher
22 Hauling Corporation is still the Protestant. We simply want
23 to protect the rights of Moore-Flesher Trucking Company and
24 W. D. Kerr and Sons in the event that the transfer are
25 approved prior to a decision in this case so that if the

1 transfers are approved they will be in a position to file
2 any replies to exceptions to replies to appeals or exceptions
3 or appeals whatever the case may be so that their interests
4 are protected.

5 Mr. Kerr is here and he will testify about the service
6 and facilities of Moore-Flesher Hauling Corporation and the
7 prospective services of Moore-Flesher Trucking and W. D.
8 Kerr if the transfer are approved.

9 I don't see anything complicated about it at all.

10 JUDGE KLOVEKORN: I will grant the petition.

11 BY MR. PILLAR:

12 Q. Mr. Kerr, is Moore-Flesher Hauling Corporation
13 presently certificated by the Pennsylvania Public Utility
14 Commission?

15 A. Yes, it is.

16 MR. PILLAR: May we have marked for identification
17 as Moore-Flesher Exhibit 1 a summary of the operating
18 authority of Moore-Flesher Hauling Corporation?

19 JUDGE KLOVEKORN: Without objection it will be so
20 identified.

21 (Whereupon, the document was
22 marked as Protestant-Moore-
23 Flesher Exhibit No. 1 for
identification.)

24 BY MR. PILLAR:

25 Q. Mr. Kerr, I show you what has been marked for

1 identification as Moore-Flesher Exhibit 1, a two-paged
2 exhibit entitled, "Moore-Flesher Hauling Company Operating
3 Authority." Is this a summary of all the operating authority
4 held by Moore-Flesher Hauling Company at the present time
5 issued by the Pennsylvania Public Utility Commission?

6 A. Yes, it is.

7 Q. I ask you does Moore-Flesher Hauling Company
8 presently hold any other authority other than this from the
9 PUC?

10 A. No, sir, it does not.

11 Q. No ICC rights?

12 A. No.

13 Q. No authority from any other state?

14 A. No.

15 Q. Would you point out the portions of the authority
16 of Moore-Flesher Hauling Company that you feel are pertinent
17 to this application?

18 A. Yes. I'd say that in one way or another just about
19 ever part of it.

20 Q. Let's look at page one first. The third para-
21 graph, "property requiring trucks equipped with winches or
22 special equipment attached to truck or trucks or special
23 body construction between points in Pennsylvania west of
24 and including the counties of McKean, Cameron, Clearfield,
25 Cambria and Bedford," would that authority be pertinent to

1 this application?

2 A. It sure would.

3 Q. And does that authorize transportation of size
4 and weight commodities between all points in and west of
5 those five counties I just named?

6 A. Yes, it does.

7 Q. In addition to that authority does the company
8 also hold authority in Folder 5, Amendment B, for example,
9 to haul property for the General Electric Company?

10 A. Yes, it does.

11 Q. Are you authorized to provide size and weight
12 transportation under that portion of your authority?

13 A. Yes, we are.

14 Q. On the second page, you are also authorized to
15 provide service in Folder 6 transporting iron and steel and
16 iron and steel articles, and also in Folder 6, Amendment A.
17 Does that authority authorize you to transport articles of
18 iron and steel which, because of size and weight, require
19 special equipment or special handling?

20 A. Yes, it does.

21 Q. And in Folder 5 on page one, are you authorized in
22 that folder as a Class C carrier to transport size or
23 weight shipments to points in the City of Pittsburgh and
24 points within a radius of 50 miles thereof to points in
25 Pennsylvania east of the five counties that we previously

1 named?

2 A. Yes.

3 Q. Can you give me an estimate of how far the 50
4 mile radius stretches north, south, east and west?

5 A. Yes. It goes as far north as the Sharon,
6 Pennsylvania area, down to approximately around Grove City,
7 down through Johnstown and into the Maryland border.

8 Q. And everything west of the City of Pittsburgh?

9 A. Right.

10 MR. PILLAR: May I have marked for identification as
11 Moore-Flesher Exhibits 2 and 3 summaries of the authority
12 that is being transferred to Moore-Flesher Trucking and
13 W. D. Kerr?

14 JUDGE KLOVEKORN: Without objection they will be so
15 identified.

16 (Whereupon, the documents were
17 marked as Protestant-Moore-
18 Flesher Exhibit Nos. 2 and 3
for identification.)

19 BY MR. PILLAR:

20 Q. Will you look at what has been marked for
21 identification, Mr. Kerr, as Moore-Flesher Exhibit 2?

22 A. Yes.

23 Q. Is that a summary of the operating authority that
24 is being transferred to Moore-Flesher Trucking Company by
25 Moore-Flesher Hauling Company?

A. Yes, it is.

1 Q Can you explain, essentially, what the split of
2 the authority will be between Moore-Flesher Hauling Corporation
3 and Moore-Flesher Trucking and Moore-Flesher Hauling Corpora-
4 tion and W. D. Kerr? How is the authority going to be
5 divided?

6 A Moore-Flesher Trucking Company would have all of
7 the area west of and including the counties of McKean, Cameron,
8 Clearfield, Cambria and Bedford, and W. D. Kerr and Sons
9 would have everything to the east of that.

10 Q To the best of your knowledge in the division of
11 the operating authority is any duplicating authority going
12 to result from the transfers?

13 A None whatsoever.

14 Q Will Moore-Flesher Trucking Company be able to
15 haul anything that W. D. Kerr will be able to haul within
16 Pennsylvania?

17 A No, it won't.

18 Q And vice-versa? That would also hold true for
19 the other way around?

20 A That's correct.

21 Q With respect to the size and weight authority,
22 then, will Moore-Flesher Trucking Company be able to transport
23 size and weight commodities between all points in what we will
24 call western Pennsylvania, that is, those points in and west
25 of the five counties?

1 A. Yes.

2 Q. Will W. D. Kerr be able to transport size and
3 weight commodities from the City of Pittsburgh and points
4 within 50 miles to points east of the five counties?

5 A. Yes.

6 Q. Will you look at what has been marked for
7 identification as Moore-Flesher Exhibit 3?

8 A. Yes.

9 Q. Is that a summary of the operating rights being
10 transferred to W. D. Kerr and Sons?

11 A. Yes.

12 Q. Is the operating authority that is summarized in
13 Moore-Flesher Exhibits 2 and 3 the same authority that has
14 already been characterized in Moore-Flesher Exhibit 1?

15 A. Yes, it is.

16 Q. Why have you elected to acquire Moore-Flesher
17 Hauling Company's authority in two companies?

18 A. Well, I own W. D. Kerr and Sons and have for the
19 last year or so. It's a non-union company that is in a
20 highly competitive interstate business and my people from
21 Moore-Flesher Hauling Company for the most part didn't like
22 to go east or west very much. So what I did was I acquired
23 the eastern part of Moore-Flesher Hauling Company's authority
24 for W. D. Kerr and Sons and the western part for Moore-
25 Flesher Trucking Company so that I could keep alive the

1 fellows that had worked for so many years for Moore-Flesher
2 Hauling Company; and I was one of them.

3 Q. Moore-Flesher Hauling Company is a union company?

4 A. Yes, it is.

5 Q. And will Moore-Flesher Trucking Company acquire
6 those employees from Moore-Flesher Hauling Company?

7 A. Yes, it will.

8 Q. Will Moore-Flesher Hauling Company's equipment
9 be transferred to either of these companies?

10 A. Moore-Flesher Hauling Company's equipment will be
11 transferred to Moore-Flesher Trucking Company.

12 Q. Is Moore-Flesher Hauling Company presently holding
13 itself out to provide service under this operating authority?

14 A. Yes, it is.

15 Q. Where are the facilities of Moore-Flesher Hauling
16 Company located?

17 A. It's actually Cranberry Township, just south of
18 Zelienople, Pennsylvania.

19 Q. What type of facility do you have there?

20 A. We have eight and a half acres of ground with
21 8,000 square foot building that holds our shops and we have a
22 small warehouse. There is an office building with approxi-
23 mately nine offices in it at the front of the property.

24 Q. Do you have your maintenance facilities there?

25 A. Yes.

1 Q What type of maintenance do you provide?

2 A We do every kind of maintenance to the trucks that
3 can be done, as well as building or changing or modifying
4 the equipment that we have or building new equipment.

5 Q What type of dispatch facilities do you have?

6 A We have just a regular dispatch and a regular
7 dispatcher in the building. The whole Moore-Flesher Hauling
8 Company is located right there.

9 Q You have no other facilities?

10 A No.

11 Q Is there space there on that property to park
12 all of your equipment?

13 A Oh, yes.

14 Q Is all of your equipment parked there when it's
15 not in service?

16 A Yes.

17 Q How many drivers does Moore-Flesher Hauling
18 Company employ?;

19 A Moore-Flesher Hauling Company right at this time
20 has four.

21 Q And in addition to four company drivers do you
22 employ any owner/operators?

23 A Yes. We have about 30 owner/operators.

24 Q And what type of equipment do the owner/operators
25 lease to Moore-Flesher Hauling Company?

1 A. Mostly tractors and semi-trailers.

2 Q. How many hours per day and days per week is that
3 facility open for service?

4 A. Twenty-four hours a day, seven days a week.

5 Q. How many mechanics do you employ?

6 A. Two.

7 Q. And how many in the office?

8 A. There are seven full and part-time employees.

9 There are two-part time and five full-time, including myself.

10 Q. Including yourself?

11 A. Yes, sir.

12 Q. Is your wife also actively involved in the
13 business?

14 A. She's one of the part-time employees.

15 Q. Now, what facilities does W. D. Kerr and Sons
16 operate from?

17 A. The same facilities.

18 Q. So W. D. Kerr also operates from this facility?

19 A. Yes.

20 Q. Does W. D. Kerr and Sons presently operate any
21 motor vehicle equipment?

22 A. None.

23 Q. Does it lease any motor vehicle equipment?

24 A. Yes, it does.

25 Q. And how many does it lease?

- 1 A. About 20.
- 2 Q. And what type of equipment?
- 3 A. It's all tractors and semi-trailers.
- 4 Q. Does W. D. Kerr and Sons presently engage in any
5 heavy hauling service?
- 6 A. Yes, it does.
- 7 Q. And with what type of equipment?
- 8 A. It leases the equipment from Moore-Flesher.
- 9 Q. Moore-Flesher Hauling Company?
- 10 A. Yes.
- 11 Q. That would strictly presently be in interstate
12 commerce?
- 13 A. Yes.
- 14 Q. You have indicated that Moore-Flesher Hauling
15 Company has been in business for approximately 70 years?
- 16 A. Yes.
- 17 Q. Has it always been engaged in the heavy hauling
18 business?
- 19 A. Yes, it has.
- 20 Q. And would you describe the type of heavy hauling
21 service your company performs?
- 22 A. We provide heavy hauling service from the smallest
23 overwidth shipment to shipments up to approximately 200 tons.
- 24 Q. And does Moore-Flesher Hauling Company have
25 equipment for this purpose?

1 A. Yes, it does.

2 MR. PILLAR: This exhibit, Your Honor, is marked out
3 of order but I think it flows if I can introduce this one
4 first. This is marked for identification as Moore-Flesher
5 Exhibit No. 10.

6 JUDGE KLOVEKORN: Without objection it will be so
7 marked.

8 (Whereupon, the document was
9 marked as Protestant-Moore-
10 Flesher Exhibit No. 10 for
11 identification.)

12 BY MR. PILLAR:

13 Q I show you, Mr. Kerr, what has been marked for
14 identification as Moore-Flesher Exhibit 10, consisting of
15 two pages. Can you tell us what that is?

16 A. That is all the equipment that is owned by
17 Moore-Flesher Hauling Company.

18 Q Do you have any corrections to make to that
19 exhibit at this time?

20 A. There are three corrections.

21 Q Would you tell us what they are?

22 A. Two tractors, X 30 and X 31 are 60 ton tractors,
23 not 35 ton tractors.

24 MR. PILLAR: May we have, Your Honor, the exhibit
25 physically amended so that the numbers X 30 and X 31
reflect 60 as opposed to 35 tons?

1 JUDGE KLOVEKORN: It may be so corrected.

2 BY MR. PILLAR:

3 Q. Are there any other corrections?

4 A. Yes. Trailer L 18 is a 60 ton trailer.

5 Q. That's one page two, Trailer Unit No. L 18, a
6 Rogers Loboy? That should be 60 tons?

7 A. Yes.

8 MR. PILLAR: Could we also have that physically
9 corrected on the exhibit?

10 BY MR. PILLAR:

11 Q. Now, on Moore-Flesher Exhibit 10 tractors X 7 and
12 X 7B, would you describe those tractors, please?

13 A. Yes. Those tractors are chain-drive Sterlings
14 that are capable -- we have already used them for 200
15 ton shipments. They are very, very well constructed. In
16 fact, they are made in the '40s -- '46 I believe.

17 Q. And they are still operating and in good condition?

18 A. Every year they work.

19 Q. Is all of the tractor equipment licensed in
20 Pennsylvania?

21 A. Yes. The only ones that aren't licensed are the
22 ones that can't be licensed such as the Sterlings. They are
23 too wide to be licensed. And there are some trailers that
24 are too wide to be licensed in the state of Pennsylvania.
25 So we have to get a permit to move them through PennDOT.

1 Q So these tractors actually don't have a license
2 plate but they operate only by permit?

3 A Correct.

4 Q Are your drivers knowledgeable and experienced in
5 handling this type of equipment?

6 A Oh, absolutely.

7 Q You presently have four drivers?

8 A Yes.

9 Q Considering the amount of tractor equipment you
10 have why does the company presently only have four drivers?

11 A Well, the economic conditions in the western part
12 of Pennsylvania have gotten to the point that there is just
13 not a whole heck of a lot of heavy hauling work left in that
14 portion of the state and therefore we can only employ what
15 we have work for.

16 Q Are the four drivers that are presently employed
17 by the company, are they engaged exclusively in heavy hauling
18 work?

19 A They do heavy hauling work and some rigging work.

20 Q Rigging work?

21 A Yes.

22 Q What is rigging work?

23 A Well, rigging work is tearing down or building
24 up machinery or things of that kind, or putting it into
25 place in factories and plants and so forth or taking it out

1 of factories or plants, that kind of work.

2 Q How many years of experience collectively do these
3 four drivers have?

4 A I'd say probably 100.

5 Q Was there a time when Moore-Flesher Hauling
6 Company had more than four company drivers?

7 A At one time they had about 36 company drivers.

8 Q And is the number reduced today solely because
9 of economic conditions?

10 A Yes.

11 Q But you still keep all of this equipment?

12 A Yes, sir.

13 Q Why don't you sell it?

14 A Well, it's very specialized equipment and, you
15 know, you just don't get the money for it by selling it now
16 that you would have to pay for new equipment if the economic
17 conditions picked up. So we keep it, like I said before,
18 we maintain it in our own shops, we rebuilt it. In many
19 cases we take old frames and so on and rebuilt them into
20 new tractors.

21 Q How do you use the 35 tons tractors?

22 A They are used for hauling machinery, size and
23 weight shipments and so on, up to the 35 ton category.

24 Q And the 60 ton, that would just be a larger
25 version of the 35 ton?

1 A. Yes, sir.

2 Q. What about the V series, V 51, 52 and 53, seven
3 and a half ton trucks? What are they used for?

4 A. They are mostly used for smaller shipments.
5 When I say "smaller" I mean smaller in weight shipments.
6 And they are used for some rigging jobs.

7 Q. Are those three trucks, do they transport size
8 and weight shipments?

9 A. They can. They can haul overwidth. They are not
10 going to be used for overweight.

11 Q. These trucks already have a trailer on them?

12 A. Yes.

13 Q. It's not a tractor trailer? It's a straight
14 truck?

15 A. Yes.

16 Q. How do you use the forklifts?

17 A. Forklifts are used in many ways. We use them
18 in the rigging jobs, we use them to assemble or disassemble
19 our equipment depending on how many axles we have to put
20 on a rig, what kind of blocking for loading and unloading
21 shipments in our warehouse.

22 Q. What's a boom attachment?

23 A. A boom attachment actually turns that forklift
24 into a small crane.

25 Q. What are the miscellaneous 14 fifth wheel bolsters

1 at the bottom?

2 A. The 14 fifth wheel bolsters are used to put on the
3 fifth wheel of the tractor to act as a platform so that we
4 can put a load on the tractor that is long and stretches
5 out to a trailer maybe 80 feet away.

6 Q. What would you be transporting with something
7 like that? What might you be transporting?

8 A. For the most part you would be hauling things
9 like prestressed concrete girders, you would be hauling
10 steel girders -- mostly for bridges and things of that kind --
11 and pipe, large, very large, long tanks.

12 Q. Would you explain why you have different capacity
13 trailers, 80 ton down to 15 ton?

14 A. That's for our customers' needs. We rent -- I
15 shouldn't say we rent -- we charge the customer based on
16 what we are hauling, so we try to use the most economical
17 truck to haul that particular load.

18 Q. Under what circumstances would you use a 15
19 ton as opposed to an 80 ton?

20 A. Well, if a customer called up and said they had
21 a 5,000 pound piece that was 12 foot wide we would use a
22 15 ton. If somebody called up and said that they had an
23 80 ton piece we certainly would use a lot heavier trailer.

24 Q. Could you explain what a 40 foot flat sliding
25 tandem is? What is that?

1 A. Well, they are what some people would call normal
2 flatbed trailers that are used for hauling mostly machinery
3 and things of that sort that just need a lot of loading area.
4 We do also use those, by the way, for what we call tie-ups
5 where we have maybe an 80 or 100 foot girder. We tie that
6 trailer to the backend of the load and use the bolster in
7 the front.

8 Q. What are the 40 foot spreads used for?

9 A. The 40 foot spreads are primarily used for hauling
10 machinery and things of that sort. The 50 ton spread is
11 used mainly for hauling mining locomotives and so on that
12 are low and long and heavy.

13 Q. What are the two steerable trailers used for?

14 A. Steerable trailers are used for long shipments
15 that you need something to steer around corners and so on
16 at the back of the shipment.

17 Q. Why is the extendable tank trailer on this list?
18 Is that a size of weight --

19 A. Yes. The extendable tank trailer stretches to
20 50 foot in length at two foot high and if you've got a
21 shipment that's, for instance, 12 foot in diameter and
22 48 foot long, if you use this trailer, why, you could
23 get around quite easily in Pennsylvania. If you didn't have
24 something like that you couldn't even haul it.

25 Q. When it says it's a tank trailer, then, it's

1 used to haul tanks as opposed to a tank trailer that's used
2 to haul liquids?

3 A. Exactly. It's our kind of tank trailer, a
4 heavy hauling tank trailer.

5 Q. Now, is all of this equipment going to be
6 transferred to Moore-Flesher Trucking?

7 A. Yes.

8 Q. What will Moore-Flesher Trucking then do, assuming
9 that the transfer is approved? What kind of service will
10 it provide?

11 A. It will provide the same service that Moore-Flesher
12 Hauling Company has always provided, and that is to serve
13 the industry in Pennsylvania as quickly and as reasonably
14 priced as possible.

15 Q. And if the transfer to W. D. Kerr and Sons is
16 approved will it also offer size or weight service to the
17 eastern part of Pennsylvania?

18 A. Absolutely.

19 Q. And how will it offer that service?

20 A. In the same way. When the customer needs it
21 hauled, we'll do it.

22 Q. How will W. D. Kerr get equipment?

23 A. W. D. Kerr will get equipment from Moore-Flesher
24 Trucking Company.

25 Q. Moore-Flesher Trucking Company, then, and

1 W. D. Kerr will share the same facilities in Cranberry Town-
2 ship?

3 A. Yes.

4 Q Does Moore-Flesher Hauling Company presently also
5 transport ordinary iron and steel and other non-size or
6 weight shipments?

7 A. Yes, it does.

8 Q And what equipment does it use for that purpose?

9 A. It uses primarily the leased tractors and trailers.

10 Q You have characterized some of the equipment that
11 you use. Did you bring with you to the hearing room some
12 photographs showing historically some of the service provided
13 by Moore-Flesher Hauling Company?

14 A. Yes. I pulled some pictures from back in the
15 '40s on up to show some of the work that Moore-Flesher has
16 done to try to show the Commission that we are not a fly-by-
17 night outfit that is just starting up. We plan on staying in
18 business for a long time and have a very rich tradition.

19 MR. PILLAR: Your Honor, I'm distributing a series
20 of Moore-Flesher Exhibits, 4 through 9. I will have Mr.
21 Kerr very briefly describe them.

22 (Whereupon, the documents were
23 marked as Protestant-Moore-
24 Flesher Exhibits Nos. 4 through
25 9 for identification.)

1 BY MR. PILLAR:

2 Q Would you look at what has been marked for
3 identification as Moore-Flesher Exhibit 4?

4 A Yes.

5 Q Can you describe what's in that picture and tell
6 us about it?

7 A Well, that's a picture that is from the 1940s.
8 It's a very large, as you can see, fabrication that Moore-
9 Flesher Hauling Company was hauling.

10 If you look closely you can see that the marker lights
11 there are lanterns hanging from the side of the fabrication.

12 Q How is it done today?

13 A Today what we do is we send our mechanics to
14 wherever we load and we completely wire up that piece if
15 it's going to be trailing at night at all so that there
16 are marker lights completely around the piece.

17 Q What is that truck carrying?

18 A That's a large fabrication of some sort. I'm not
19 really sure what that is.

20 Q You weren't around at the time this picture was
21 taken?

22 A Well, I might have been a gleam.

23 Q Is the man standing to the left of the picture
24 there Mr. Moore?

25 A Yes, it is. It's kind of cut off, but that is

1 Mr. Moore, Junior. The originator of the company was much
2 older than him.

3 Q Would you look at what has been marked for
4 identification as Moore-Flesher Exhibit 5?

5 A Yes.

6 Q Did Moore-Flesher Exhibit 5 come out of -- is
7 that a copy of a page from magazine that is dated July, 1949,
8 entitled "Groundhog: The Marion"?

9 A Yes, sir.

10 Q And would you tell us what the page depicts?

11 A Well, what that page depicts as at the time we
12 hauled a very, very large dragline that was in fact over
13 80 truckloads. It was the largest undertaking of that type
14 at that time in history that anybody knew of. The Marion
15 Power Shovel Company asked Moore-Flesher to do this and
16 as it says there Moore-Flesher did quite an efficient and
17 flawless job.

18 Q Would you look at what has been marked for
19 identification as Moore-Flesher Exhibit 6?

20 A Yes.

21 Q And is that a series of six photographs?

22 A Yes.

23 Q Looking at the top left, what does that show?

24 A That machine there is a 35 ton mining locomotive
25 used in the coal mines of western Pennsylvania and West

1 Virginia and so on for towing coal cars in and out of the
2 deep mines.

3 Q Do you know when that photograph was taken?

4 A Yes. That was about two years ago.

5 Q And how about top right?

6 A Top right is an 82 foot long subway car being
7 transported, and that was this year.

8 Q Where was that transported from?

9 A That was transported from the Blawnox Company in
10 Blawnox, Pennsylvania. We hauled those to numerous places
11 around both western and eastern Pennsylvania. We, in fact,
12 brought one to Philadelphia here about three weeks ago.

13 Q Middle left, what does that show?

14 A That shows a very heavy cast iron piece that
15 is quite heavy. That's a nine-axle truck hauling that piece
16 across a bridge.

17 Q Do you know when that picture was taken?

18 A Not for sure. I believe it was in the '60s.

19 Q The '60s?

20 A Yes.

21 Q How about middle right?

22 A The middle right was a steam boiler that weighed
23 100,000 pounds. Loaded it was 18 foot-6 inches in the
24 air. That was in May of 1984. We hauled four of those.

25 Q Where did you haul them?

1 A. We hauled them from western Pennsylvania, from a
2 railroad yard, to a point in Pittsburgh for the steam heating
3 plant.

4 Q. How about the bottom left?

5 A. The bottom left is a very heavy gear that we
6 hauled for the Lange Machinery Company in Ambridge. Here
7 again, this was back about eight years ago and it shows --
8 we were backing that piece into the building and had to
9 take what we call the jodog out of the trailer to back it in.

10 Q. The jodog?

11 A. The jodog are those two axles that are shown on the
12 right-hand side being towed by a tractor.

13 Q. So that jodog had been disassembled from the
14 tractor?

15 A. Yes.

16 Q. So that you could back the machine into the plant?

17 A. Yes.

18 Q. What's on the bottom right?

19 A. The bottom right is a large fabrication that
20 we hauled from Erie, Pennsylvania to Mesta Machines in
21 New Castle and then from there to Neville Island to be worked
22 on at Pittsburgh/Des Moines Steel or the Dravo Corporation. Then
23 from there it went back to Erie. We hauled about four of those. The
24 Mesta plant, by the way, is out of business; so is the
25 Dravo plant.

1 Q. Would you look at what has been marked for
2 identification as Moore-Flesher Exhibit 7 and briefly tell
3 us what that shows?

4 A. That's another shipment from back in the late 1960s.
5 You can readily see that that is a very, very large tank.
6 I'm not sure just how large it is, but I think it speaks for
7 itself.

8 Across the back of that we had two 16 wheel dollies
9 and we had a lowboy with a bolster, a 16 wheel lowboy, plus
10 the tractor that moved it around.

11 Q. And look at what has been marked for identifica-
12 tion as Moore-Flesher Exhibit 8.

13 A. Okay. Moore-Flesher Exhibit 8 is a shipment from
14 Dorr-Oliver Company to the piers here in Philadelphia. This
15 was back in the late '50s or early '60s.

16 Q. And that was transported to here in Philadelphia?

17 A. To here in Philadelphia.

18 Q. Would you look at what has been marked for
19 identification as Moore-Flesher Exhibit 9 and tell us what
20 that is?

21 A. That is a newspaper article that relates to the
22 picture on number 6, page 6.

23 Q. Which one, which picture?

24 A. The middle one on the right-hand side.

25 Q. Okay.

1 A. That is when that piece was being loaded.

2 Q. That's one of those big boilers?

3 A. Yes.

4 Q. Are the photographs intended to depict some of the
5 types of heavy hauling services your company has provided
6 over the years?

7 A. Yes. We are trying to show that we are a heavy
8 hauler of all different sizes, shapes and forms and hopefully
9 will remain so for many, many, many more years. I just wanted
10 to show that we are not just a flatbed type steel hauler or
11 that kind of hauler.

12 Q. But you also are that too?

13 A. Yes, we are.

14 Q. Have you had a chance to look at the prepared
15 testimony for the witness for Lomma in this case?

16 A. Yes.

17 Q. And did you read specifically at my request page
18 eight of that testimony and portions of page nine?

19 A. Yes, I did.

20 Q. Are there any services that are described in that
21 testimony that are not performed presently by Moore-Flesher
22 Hauling Company?

23 A. Not at all.

24 Q. Does your company advertise its services in the
25 telephone directory?

1 A. Yes.

2 MR. PATTERSON: We are going to object to that. I
3 think it indicates that others advertise. I don't think it
4 indicates who is operating.

5 MR. PILLAR: Fine. We will just limit it to advertise.

6 BY MR. PILLAR:

7 Q Are there others that advertise?

8 A. Yes, there are.

9 Q Who are the heavy haulers who advertise in the
10 Yellow Pages?

11 MR. PATTERSON: Aren't they listed? Can't we read
12 them?

13 MR. PILLAR: I do have an exhibit. Perhaps I'll save
14 time by doing that.

15 BY MR. PILLAR:

16 Q Let me ask you this first: who are the heavy
17 haulers who advertise who are in the Yellow Pages who are
18 shown on Moore-Flesher Exhibit 11?

19 A. Haser Trucking, John W. Brown, W. J. Dillner,
20 That just specifically say heavy hauling?

21 Q The ones that you recognize as heavy haulers.

22 A. Oh, that I recognize? Okay.

23 Debolt, Dietz, Eaborn, Fayette Trucking, George
24 Transfer, Chadderton, Daily Express, Ballistreri, Ace Doran
25 but I don't know if they have Pennsylvania authority or not.

1 Q. The other ones you mentioned do?

2 A. Oh, yes. Those, I know they all do.

3 Q. Do you know from your own experience over the
4 years that you have competed with these companies for
5 business in western Pennsylvania?

6 A. We sure have.

7 Q. In addition to advertising do you from time to
8 time call on customers to solicit business?

9 A. At one time I used to solicit business most of the
10 time. Right now for the most part what I do is go out when
11 a customer calls and look at his piece or pieces or whatever
12 that he wants to move or look at blueprints to quote on jobs
13 that are going to come up in the future, that kind of
14 solicitation.

15 Q. When someone calls you you do go out and see the
16 job, look at it, give them a bid?

17 A. Just as quick as I can get there.

18 MR. PILLAR: May I have marked for identification as
19 Moore-Flesher Exhibit 13 a two-page traffic study?

20 JUDGE KLOVEKORN: Without objection it will be so
21 identified.

22 (Whereupon, the document was
23 marked as Protestant-Moore-
24 Flesher Exhibit No. 13 for
25 identification.)

1 BY MR. PILLAR:

2 Q. Would you look at what has been marked for
3 identification as Moore-Fletcher Exhibit 13 and tell us,
4 first, the first page, what is shown there?

5 A. Well, what is shown here is November, 1983,
6 size and weight shipments only.

7 Q. Now, tell us, first of all, why did you select the
8 month of November?

9 A. Because that was about the time that the Applicant
10 filed for his authority.

11 Q. So how did you prepare this exhibit? What did you
12 do?

13 A. Well, I went through all of my freight bills and
14 pulled out the ones that were size and weight.

15 Q. Did you do this personally?

16 A. Yes, I did.

17 Q. And how much time was involved in doing this?

18 A. Quite a lot.

19 Q. Why?

20 A. Well, we are not that large a company that we
21 have a whole staff of girls or whatever in the office to do
22 that. So I took the time to do it.

23 Secondly, I know all the different loads and so on
24 that we hauled and knew exactly what each one was.

25 Q. You knew what you were looking for?

1 A. Sure.

2 Q. But you don't have the size or weight shipments
3 segregated from all of the other shipments?

4 A. No.

5 Q. So that you had to go through all of your bills
6 and pull out those that were size and weight?

7 A. Yes.

8 Q. To the best of your knowledge did you pull out
9 every size or weight shipment that you had during the month
10 of November?

11 A. Well, I pulled out all the size and weight
12 shipments with the exception of, possibly, the size or
13 weight shipments that would be iron or steel. When I
14 say iron or steel I'm talking primarily of mill iron or
15 steel. For instance, we could have hauled some steel plates
16 that were ten foot wide or something like that. I didn't
17 pull that. I pulled out shipments that were size or weight
18 that either were machinery-type things or fabrications.

19 Q. And you're aware, are you not, that there is a
20 limitation in this application against the transportation of
21 bulldozers, graders, draglines and other earthmoving and
22 coalmoving equipment between points west of certain counties
23 in western Pennsylvania?

24 A. Yes.

25 Q. Are any of the shipments that are depicted on

1 Moore-Flesher Exhibit 13, might any of those fall into that
2 category?

3 A. Possibly.

4 Q. How about number six, the backhoe?

5 A. Number six, the backhoe, could be, yes.

6 The reason that I put in things like that was because
7 you can use that type of equipment for many things. There
8 are different -- most of the manufacturers of backhoes also
9 will have them set up for things like scrap grabbers and
10 so on, so that backhoe could be used for other than earth
11 moving or coal moving.

12 Q. Would that also be true for numbers seven, eight
13 and nine, the loaders?

14 A. Yes.

15 Q. How about number 21, the dozer? Is that a
16 questionable one in your opinion?

17 A. Well, it's questionable but from what I saw of
18 the Applicant's shipper witnesses, a lot of the shipper
19 witnesses really didn't seem to have anything to do with
20 size or weight shipments. So I wanted to be sure.

21 Q. So you put the dozer in there anyway?

22 A. Yes.

23 Q. But if that is a piece of equipment that would
24 be limited to earth moving or coal moving, then it wouldn't
25 be relevant?

1 A. Right.

2 Q. Could a dozer be used for something other than
3 earth moving or coal moving?

4 A. Yes, it could. Dozers sometimes have sidekicks
5 on them for use in logging operations and so on to pick up
6 logs at saw mills and so on. There are other ways of using
7 dozers besides just for earth moving or coal moving.

8 Q. Now, would you look at the second page and tell
9 us what the page shows?

10 A. The second page is random, approximately 25 percent
11 of the total size and weight shipments during the period of
12 February, March, April and May of 1984.

13 Q. And again, how did you prepare that exhibit?

14 A. Well, I went and picked at random trying to find
15 a little bit of each kind of thing that we do to show that
16 we did hold ourselves out to be heavy haulers in this period.

17 Q. Why did you select the period February through
18 May?

19 A. Well, that was about the time that the Applicant
20 had his shipper witnesses on the stand.

21 Q. Or just prior thereto?

22 A. Or just prior thereto.

23 Q. So you're attempting to show, then, here traffic
24 you handled, at least in part, during those four months?

25 A. Yes.

1 Q And how did you determine that it was 25 percent
2 of the total?

3 A Well, I took a -- I went through my files and
4 looked for helter-skelter, here there and everywhere, for
5 different kinds of things. I have a pretty good idea of how
6 much my revenue is for heavy hauling. So I knew that came
7 out to approximately 25 percent.

8 Q Now, are all of the shipments shown on Exhibit 13
9 all, in your view, size and weight shipments?

10 A Yes.

11 Q And on page two are there any shipments there that
12 could fall into the earth moving or coal moving category?

13 A Yes. It's the same as the first page. There are
14 a couple of things in there such as scrapers and graders and
15 dozer and backhoes.

16 Q Can they be used for things other than earth
17 and coal moving?

18 A Yes, absolutely.

19 Q And do you have underlying documents present in
20 the hearing room to support this and from which you prepared
21 this exhibit?

22 A Yes, I do.

23 Q What are those documents?

24 A They are invoices that -- copies of invoices that
25 we sent to our customers.

1 Q And did you and I total the revenue on page one
2 and did we come to \$17,690.25?

3 A Yes, we did.

4 Q And did we total the revenue on the second page and
5 did it come to \$11,019.15?

6 A Yes.

7 Q Now, I'd like to direct your attention to the
8 bill, the underlying bill, for the first shipment on page
9 one. I'd like you to tell us a little bit about that shipment,
10 who it was for and what you did for them. That's the
11 shipment for \$6,305.52.

12 A On the first bill here on page one was an invoice
13 to West Penn Power Company, Cabin Hill, Greensburg, Pa. What
14 we did was we hauled a generator field weighing 60 tons
15 valued at \$2.25 million from West Penn Power Company, Hatfield
16 Station, Masontown, Pa. to Westinghouse Electric Company's
17 East Pittsburgh Works.

18 What we did here was show the different things that we
19 had to do to actually haul this.

20 Q For example, what?

21 A Well, on the 4th of November, 1983, we delivered
22 an empty lowbed with tractor to Masontown for loading and a
23 service car with driver to bring the lowbed driver back to
24 the garage.

25 On the 6th of November we transported the field itself

1 to East Pittsburgh, Pa., which was a Sunday. The state
2 required a second escort and that is shown there.

3 On the 8th of November we showed that there was a
4 service car with driver to take lowbed driver to East
5 Pittsburgh to pick up empty lowbed and bring empty lowbed
6 with tractor from East Pittsburgh to Moore-Flesher garage.

7 The required permits are on here, the additional
8 insurance that our customer asked for is on here.

9 At the Hatfield power station, the reason they wanted
10 the lowbed brought down in advance was because they, when
11 we haul these, weld on special gussets to hold their cradle
12 that we haul the generator field in. So there's a charge for
13 removing all the welded gussets off the trailer and so on.

14 So the total bill was \$6,305.52.

15 Q In connection with the size and weight shipments
16 you transport, are you required occasionally to transport
17 other shipments along with the size and weight shipment?

18 A Oh, sure.

19 Q For example?

20 A For example, we do quite a bit of hauling of
21 crawler cranes and these crawler cranes can be anywhere from
22 four or five loads all the way up to 14 or 15 loads
23 depending on the size of the crawler crane and the boom
24 that is put into it and just what the restrictions are in the
25 state of Pennsylvania when you haul them, just how much you

1 have you break the load down.

2 Many times where you have, say, 12 loads only three or
3 four are size or weight shipments. The rest fall into a
4 normal type of a load.

5 Q But you transport all of it?

6 A Yes, we do.

7 Q You have the authority to do that?

8 A Yes, we do.

9 Q And under the Moore-Flesher Exhibit 13, did you
10 show all the side loads or did you show only the size and
11 weight loads?

12 A I showed only the size and weight loads.

13 Q In some of these shipments that are shown on
14 Exhibit 13, did some of them involve other truckloads of
15 non-size and weight commodities?

16 A Oh, sure. There are loads there where we hauled
17 for instance, pipe that was 65 foot long. We also hauled
18 pipe that was 40 foot long that wouldn't be termed a size
19 or weight.

20 There are fabrications. Many, many times we haul
21 fabrications that maybe one piece is ten or 12 foot wide
22 and the rest of the loads are just normal and they go on a
23 normal flatbed.

24 Q What are the types of companies that you haul
25

1 size and weight shipments for?

2 A. Well, the types of companies are just about any
3 kind of heavy industry. We haul for fabricators, we haul for
4 equipment companies, we haul for the power companies, for
5 the telephone companies --

6 Q. Coal mining companies?

7 A. Coal mining companies, coal mining manufacturers;
8 you name it.

9 Q. What has your company experienced in recent years
10 in terms of size and weight business?

11 A. What we have experienced in recent years is that
12 a large part of our customers have gone out of business,
13 that the opportunities to haul size or weight shipments
14 are slowly but surely dwindling because of a large amount of
15 industry closing up in western Pennsylvania.

16 MR. PILLAR: May I have marked for identification as
17 Moore-Flesher Exhibit 15 a one-page sheet entitled, "Major
18 Plant Closings in Western Pennsylvania - Partial."

19 (Whereupon, the document was
20 marked as Protestant-Moore-
21 Flesher Exhibit No. 15 for
identification.)

22 BY MR. PILLAR:

23 Q. Would you look at what has been marked for
24 identification as Moore-Flesher Exhibit 15?

25 A. Yes.

1 Q Did you prepare this exhibit?

2 A Yes, I did.

3 Q How did you prepare it?

4 A Well, I took from my own knowledge that plants
5 that have closed or that have-- there's four on here that
6 haven't totally closed.

7 Q Are they the ones that have 75 percent or 50
8 percent after the name?

9 A Right. That means how much of it has been closed.
10 Starting at the top the Dravo Corporation, Neville
11 Island plant, and on down the line. If you want I can read
12 through them.

13 Q What is P D M?

14 A P D M is the Applicant's --

15 Q One of the supporting shippers?

16 A Yes, one of the supporting shippers.

17 Q Is that Pittsburgh/Des Moines Steel?

18 A Yes, it is.

19 Q Is that plant closed?

20 A Yes, it is. It closed three or four years ago
21 and put a dent in us because we did quite a bit of business
22 with P D M Neville Island.

23 Q All of the companies that are shown on this Exhibit
24 15 are companies for which you have done size and weight
25 hauling?

1 A. Yes, they are.

2 Q. Why do you call this a partial list?

3 A. Well, the reason I call it a partial list is
4 because there's a lot more.

5 MR. PATTERSON: We are going to object to that, Your
6 Honor. I don't mind this witness -- although I might --
7 giving this kind of testimony. I don't mind him testifying --
8 never mind. I withdraw the objection.

9 BY MR. PILLAR:

10 Q. You may finish your answer.

11 A. There are companies other than these, such as
12 Johnson Bronze in New Castle, Pittsburgh Rolls in Pittsburgh,
13 Union Steel Castings in Pittsburgh, Allis Chalmers in
14 Pittsburg and a heck of a lot of smaller companies that have
15 closed.

16 Q. How would you characterize the industry in western
17 Pennsylvania at the present time?

18 MR. PATTERSON: We are going to object to that. I
19 don't think this witness has been qualified to do that. I
20 think we are getting pretty far afield.

21 MR. PILLAR: Your Honor, I think he's eminently
22 qualified. He's been in the heavy hauling and steel business
23 for 21 years in western Pennsylvania and if anybody knows the
24 industry in this part of the state it's Mr. Kerr.

25 MR. PATTERSON: He knows it as it affects his company.

1 MR. PILLAR: That's how I'm asking the question.
2 I'm asking the question as to what the status of the industry
3 in western Pennsylvania is and how it has affected his
4 company.

5 MR. PATTERSON: I don't object to the latter.

6 MR. PILLAR: Okay.

7 BY MR. PILLAR:

8 Q. I will limit it to how has it affected your company.

9 A. Well, it's affected our company to the point that
10 we are operating 25 percent of our total equipment and hoping
11 that things turn around some day. But it's been a real
12 financial pinch to our company.

13 MR. PILLAR: I've marked for identification as
14 Moore-Flesher Exhibit 14 a one-page list entitled, "Moore-
15 Flesher's Size and Weight Competitors Located in Western
16 Pennsylvania."

17 (Whereupon, the document was
18 marked as Protestant-Moore-
19 Flesher Exhibit No. 14 for
identification.)

20 BY MR. PILLAR:

21 Q. Would you look at what has been marked for
22 identification as Moore-Flesher Exhibit 14 and tell us what
23 that is? Did you prepare this, first of all?

24 A. Yes, I did.

25 Q. And what does it show?

1 A. What it shows is 26 of Moore-Flesher Hauling
2 Company's size and weight competitors located in western
3 Pennsylvania.

4 Q. Now, some of them you've already mentioned who
5 appear in the Pittsburgh phone book page that you have
6 already discussed. Those that you haven't mentioned are
7 companies like Fox. Where is Fox located?

8 A. New Alexandria, Pennsylvania.

9 Q. Where is that?

10 A. That's, oh, I'd say about 10, 15 miles to the
11 east of Monroeville, Pennsylvania.

12 Q. That would be Westmoreland County?

13 A. Yes, I believe so.

14 Q. What about Gottry and Hardinger Transfer and
15 Masterson Transfer? Where are they located?

16 A. Gottry Transfer is in Erie, Pennsylvania.
17 Hardinger Transfer is in Erie, Pennsylvania. Masterson
18 Transfer is in Warren, Pennsylvania. And I might add that
19 Chadderton is in Sharon, Pennsylvania.

20 A lot of these other ones here are located in
21 different parts of western Pennsylvania, such as Schubert,
22 which is in Butler County; Clark, which is also in Butler
23 County, Fayette Trucking is in, I guess, Westmoreland County
24 near the Uniontown area.

25 Q. I notice from your Exhibit 13 that the

1 preponderance of your traffic was transported between two
2 points in western Pennsylvania. Is that accurate?

3 A. Yes, it is.

4 Q. Are there any shipments on Exhibit 13 that were
5 transported to points in eastern Pennsylvania, and by that
6 I mean east of the five county boundary?

7 A. Yes, there was one.

8 Q. Which one?

9 A. There was one Lockhaven, Pennsylvania.

10 Q. That's number 12 on page two of Exhibit 13?

11 A. Right.

12 Q. Lockhaven is over in the, what, Williamsport
13 area?

14 A. Yes, it is.

15 Q. Does your company hold itself out to provide
16 service to eastern Pennsylvania?

17 A. Absolutely.

18 Q. And have you refused any shipments moving to
19 eastern Pennsylvania?

20 A. Never.

21 Q. Why, in your opinion, are you not handling that
22 traffic?

23 A. Well, we handle some. But for the most part
24 the very large size and weight shipments the state of
25 Pennsylvania, PennDOT, will not allow you to haul.

1 A. Well, if you've got something that is very heavy,
2 let's say that the piece weighs 200,000 pounds, they tell you
3 to put it on a railroad car and ship it that way and have
4 somebody unload near where it's going to and maybe haul it
5 a mile or two rather than 200 or 300 miles.

6 Q. But your company has participated in shipments
7 that have moved to eastern Pennsylvania?

8 A. Oh, yes.

9 Q. You previously testified about the subway car,
10 for example, that was recently transported to Philadelphia?

11 A. Yes. We have also transported through the years
12 shipments from Westinghouse Electric in East Pittsburgh to
13 Lester, Pennsylvania, which is just south of Philadelphia
14 here. There are quite a few that we have hauled through the
15 years. But recently it seems like that kind of freight has
16 dried up.

17 Q. Are you familiar with a company named Iver J.
18 Lee Company in Sharon, Pennsylvania?

19 A. Slightly. We have done some inbound hauling.

20 Q. To your knowledge have you ever transported any
21 size or weight shipments for that company?

22 A. Not to my knowledge.

23 Q. Are you familiar with a company named Zurn
24 Industries, located in Erie, Pennsylvania?

25 A. Yes, I am.

1 Q And the witness who testified in this case for
2 Zurn indicates that he uses a carrier by the name of Gottry.
3 Is that one of the carriers that's shown on your competitive
4 list?

5 A Yes, it is, and the last that I talked to Gottry
6 and talked to Zurn, they had backed another carrier by the
7 name of Hardinger for statewide authority. For the most
8 part Gottry told me they weren't hauling the shipments
9 anymore. They were diverting that freight to Hardinger.

10 Q The question is are you handling any of their
11 traffic?

12 A I haven't. I've asked for it but I've never
13 gotten it.

14 Q Do you know Mr. Frye, the traffic manager?

15 A No, I don't.

16 Q What about the Fuller Company, a division of
17 GATX, located in Sharon?

18 A They are out of business, I believe. We used to
19 haul for them.

20 Q Moore-Flesher did haul for them at one time?

21 A Yes.

22 Q Do you know Mr. Presto, the traffic manager who
23 testified for that company?

24 A No, I don't.

25 Q To your knowledge did your company ever refuse

1 service to that company?

2 A. No, sir.

3 Q. To your knowledge have they ever offered you any
4 shipments?

5 A. No, sir, outside of what we used to get out of
6 Sharon.

7 Q. From other companies or from that company?

8 A. From that company.

9 Q. You did haul for that company?

10 A. Yes, out of Sharon.

11 Q. How about Pennsylvania Electric Coil. Are you
12 presenting providing service for that company?

13 A. Yes, I do. In fact I'm hauling a load for them
14 tomorrow.

15 Q. Now, do you know Mr. Kramer, the witness who
16 testified for them?

17 A. No.

18 Q. Who is the traffic manager of that company?

19 A. The man that I've always called on and understood
20 to be in charge of traffic was Bob Devine.

21 Q. Was he the man that called on you for service?

22 A. Yes, he is.

23 Q. Did Mr. Kramer ever call on you for service?

24 A. Not that I know of.

25 Q. For how many years has your company hauled for

1 Pennsylvania Electric Coil?

2 A. Probably I'd say 25 to 30 years.

3 Q. And all that time you've never had any contact
4 with Mr. Kramer, the sales manager?

5 A. No.

6 Q. You would be the person to talk to about hauling
7 size or weight or any other kind of shipment?

8 A. Yes.

9 Q. Do you have with you some bills that you brought
10 with you for shipments that you have hauled for that company?

11 A. Yes, I do.

12 Q. Do you have them here handy?

13 (Witness perusing documents.)

14 Q. Did you handle any shipments for that company in
15 1984, any size or weight shipments?

16 A. Yes. Here is the top one here, a shipment that
17 was four foot by four foot by nine foot high and it weighed
18 16,000 pounds. It was a 900 horsepower motor. That had to
19 be transported on a lowbed because of the height.

20 Q. And was it from their facilities to some point?

21 A. This was from West Penn Water at Elrama to their
22 plant.

23 Q. That would be about 25, 30 miles?

24 A. Yes.

25 Q. How many shipments did you haul for them in '84?

1 Did you bring all the bills with you for '84?

2 A. Yes. Some or part of my study that aren't
3 included in this.

4 Q: How many that aren't in the study do you have?
5 How many in addition?

6 A. Just one in '84 that I see here.

7 Q. And how many in '83?

8 Q. 1983, let's see, there's one that was ten foot
9 in diameter, 41,000 pounds; another one ten foot in diameter,
10 41,000 pounds; this wasn't size or weight, it was just a
11 15,000 pound load; this one wasn't size or weight either,
12 it was just a small motor; another one that was just a small
13 motor, 15,000 pound motor; another one that was -- oh, this
14 is 1982..

15 Q. I don't want to go back that far.

16 So you handled about four or five shipments for them
17 in 1983 and some of them were size and weight and some of
18 them were not size and weight?

19 A. Yes.

20 Q: To the best of your knowledge have you declined or
21 refused any service to them?

22 A. No, sir.

23 Q. Do you have equipment available to handle addi-
24 tional traffic from that company?

25 A. Absolutely.

1 Q. And for Zurn Industries?

2 A. Absolutely.

3 Q. Has your company to your knowledge provided any
4 service to Ionics?

5 A. Yes, we have. I shouldn't say that. My other
6 company, W. D. Kerr and Sons has transported for Ionics into
7 Ohio.

8 Q. But Moore-Flesher Hauling Company has not handled
9 any traffic?

10 A. Not in the past three or four years.

11 Q. That company, though, is aware of Moore-Flesher
12 Hauling Company?

13 A. Yes.

14 Q. This witness testified in Applicant's Exhibit
15 7 that he shipped approximately 50,000 pounds per month or
16 one or two shipments per month to points in Pennsylvania
17 that he considers heavy hauling. Is your company capable
18 of handling that traffic?

19 A. It sure is.

20 Q. Can you provide statewide service for that company?

21 A. Yes, we can.

22 Q. Are you familiar with Duquesne Electric and
23 Manufacturing Company?

24 A. Yes.

25 Q. Has your company provided any service for that

1 company?

2 A. Yes.

3 Q. Do you have a freight bill here?

4 A. Yes, I do.

5 Q. In 1984 were you tendered any traffic by that
6 company?

7 A. In 1983 were you tendered any traffic?

8 A. Yes. We were tendered a shipment from Proctor and
9 Gamble in Mehoopany, Pa. to Duquesne Electric in Pittsburgh,
10 Pa.

11 Q. When was that shipment transported?

12 A. That was in October of 1983. It was not a size or
13 weight shipment. It was four motors that weighed a total of
14 25,720 pounds.

15 Q. Mr. Kerr, on page two of Applicant's Exhibit 8
16 Mr. Casey, the witness, testified that, "Because of the
17 weight of the motors and transformers that we ship we
18 require 30-50 drop deck lowboy trailers." Does your
19 company have that kind of equipment?

20 A. Yes. And Mr. Casey certainly knows that because
21 we were located about a block and a half from his plant for
22 about ten years.

23 Q. But he has not tendered you any traffic?

24 A. No, not other than those four small motors.

25 Q. Mr. Casey further testified in Exhibit 8, and

1 I quote: "Smaller carriers that have been serving us have
2 either ceased operating or no longer provide the type of
3 equipment that we require." Is that an accurate characteriza-
4 tion of the situation in western Pennsylvania?

5 A. No, that's not. The one carrier that I know that
6 hauled quite a bit for them was John Benkart and Sons.
7 Their operating authority was acquired by Reinsfelder,
8 which is in Newville, Pennsylvania, which is the next borough
9 over from where he is.

10 Q. Is that one of the companies that you compete with
11 in western Pennsylvania?

12 A. Yes, it is.

13 Q. They are shown on your Exhibit 14?

14 A. Yes, they are.

15 Q. They now have all of the Benkart size and weight
16 authority?

17 A. Yes, they do.

18 Q. You're familiar, I take it, with Tippens Machine
19 Company?

20 A. Yes.

21 Q. Do you know Mr. White who testified in this case?

22 A. Quite well.

23 Q. And have you provided any service for Tippens?

24 A. Yes, we have.

25 Q. Do you have with you some bills depicting shipments

1 you've transported for that company in 1984?

2 A. Yes.

3 Q. How many shipments did you handle in 1984?

4 A. Seven.

5 Q. Were any of them size or weight?

6 A. Let's see. The first one weighed 165,700 pounds.

7 I'd say that was a size or weight shipment.

8 Q. Where did that go?

9 A. It went from Etna to Allegheny Ludlum Steel in
10 Brackenridge.

11 Then there was a top field crane that weighed 79,540
12 pounds. That went from Etna to Brackenridge.

13 There was one bottom field crane weighing 85,000 and
14 one top field crane weighing 65,000 pounds. We made two
15 trips with that truck from Brackenridge to -- this was
16 from Brackenridge to Tippens Machinery at their 59th and
17 Butler Street plant.

18 There was one armature weighing 155,000 from Bracken-
19 ridge to 59th and Butler Streets.

20 Here's one that looks like it was a flatbed load.

21 Q. You're still in '84?

22 A. Yes, '84. These are all '84.

23 Q. Okay.

24 A. Here's a skid that was ten foot-six inches wide
25 and 20 foot long from Etna, Pa. to Brackenridge, Pa. and

1 then transported a 65,000 pound top field crane from
2 Brackenridge, Pa. back to 59th and Butler Streets.

3 And here is one, a Model 20 Omega, which is a crane,
4 weighing 43,245 pounds, ten foot-eight inches high by eight
5 wide, from 59th and Butler Streets to Allegheny Ludlum Steel
6 in West Leechburg, Pennsylvania.

7 They are the '84 shipments.

8 Q So you've handled some size and weight shipments
9 for that company before?

10 A Yes.

11 Q And you have handled them in prior years, have you
12 not?

13 A Yes.

14 Q Mr. Kerr, Mr. White testified in Applicant's
15 Exhibit 9 that, and I quote, "The past year, during which we
16 had 12 heavy hauling shipments moving to points in Pennsyl-
17 vania, was a very lean year for our company." The 12 shipments
18 that he mentioned, you handled --

19 A Seven of them.

20 Q Seven of them?

21 A There is actually nine there. Some of them we
22 made two trips with one truck.

23 Q And was your company able to handle additional
24 traffic from that company had it been tendered to you?

25 A Sure.

1 Q Mr. Kerr, you brought with you a special hauling
2 permit involving a Tippens shipments that moved this year.
3 Would you tell us the date of the shipment and what was
4 involved?

5 A This was April 16th of 1984. It was hauling
6 from Tippens Machine in Etna to Allegheny Ludlum at Bracken-
7 ridge. It was an armature. The gross weight on this permit,
8 including the tractor trailer combination, was 252,700 pounds.

9 Q What is the significance of that shipment?

10 A The significant in that shipment is that was the
11 last shipment tendered to us for our 125 ton trailer.

12 Q So you haven't had to use the 125 ton trailer
13 since April of this year?

14 A That's correct.

15 Q There has been no other business for that trailer?

16 A There hasn't even been a chance to bid on any
17 other business.

18 Q Are you familiar with the Erie Stringer Company?

19 A Yes, I am.

20 Q Now, this witness testified, as I recall, that he
21 hasn't had any heavy hauling shipments in the past 18 months
22 but he might have six loads a week if business improves. Has
23 this company ever called on you for service since the time
24 he testified in this hearing?

25 A No.

1 Q Has your company ever provided any service for
2 that company?

3 A We have provided service for that company. I'd
4 say the last shipment that we hauled for them was about
5 ten years ago. I called on them when I was on the road a
6 lot, a couple times a year, and they are very nice, polite
7 people that always said, "Gee, we'd love to use you whenever
8 our trucks aren't busy." For ten years I sat and waited for
9 those trucks not to be busy.

10 Q You're still waiting?

11 A I'm still waiting.

12 Q Are you familiar with Westinghouse Electric
13 Company?

14 A Yes, I am.

15 Q And have you provided service for this company?

16 A Yes, I did.

17 Q Did you see some bills that show that you did provide
18 service for them?

19 A Yes.

20 Q Can you just tell us, without going into detail,
21 how many shipments you handled for this company, Westinghouse,
22 in 1984?

23 A Let's see. I don't have any right here. I have
24 got them in my traffic study. We handled one shipment from
25 Homestead, Pennsylvania to Shriver Industrial Park for them

1 that weighed 109,000 pounds. That was this year.

2 We just handled an armature that weighed about 130,000
3 for them about three weeks ago from East Pittsburgh down to
4 Masontown, Pennsylvania.

5 Q. East Pittsburgh?

6 A. East Pittsburgh.

7 Q. Isn't that where Mr. Guinto is located?

8 A. Yes. I had to talk to him probably about eight
9 or ten times on this particular shipment.

10 Q. Mr. Guinto is well aware of your company?

11 MR. PATTERSON: We are going to object to that. Let's
12 not be testifying for Mr. Guinto. If they had contact, fine.

13 MR. PILLAR: I will rephrase the question.

14 BY MR. PILLAR:

15 Q. Do you know Mr. Guinto?

16 A. Yes, I do.

17 Q. And have you called on him from time to time in
18 the past?

19 A. Well, I have talked to him on the phone. I used
20 to call on Westinghouse frequently when Ross Pollet and
21 Mr. Crosby were there. But for the most part we have just
22 talked to them by phone since then.

23 Q. But you have provided the service for Westinghouse?

24 A. There are quite a few Westinghouse plants in the
25 western Pennsylvania area -- or were.

1 Q Does your company have equipment available for
2 Westinghouse Electric?

3 A Yes, we sure do.

4 Q Have you ever refused any service for Westinghouse
5 Electric?

6 A No, sir.

7 Q From any of its plants?

8 A No.

9 Q In connection with the shipment that you handled
10 for Westinghouse for Allegheny Power Systems, how many
11 shipments were involved there?

12 A In the Westinghouse Power Systems there was just
13 the one shipment. That was kind of complicated. Mr. Guinto
14 wanted us to take a trailer down to his plant approximately
15 three days before we actually loaded. Westinghouse has had
16 a problem through the years of loading when they want to
17 load.

18 We took the trailer down and had to leave it there
19 for a couple of days before they even let us pull it inside
20 their plant. So there were some additional costs that were
21 involved in going back and forth and moving. In fact we
22 even sent escorts down the one day but they decided that
23 they weren't going to load.

24 Q Mr. Guinto testified on Applicant's Exhibit 11
25 that he had heard that Moore-Flesher had sold its authority.

1 Did Moore-Flesher ever sell any operating authority?

2 A. Moore-Flesher Hauling Company sold their operating
3 authority approximately eight years ago.

4 Q. You mean their ICC?

5 A. Yes, their ICC authority.

6 Q. They never sold their PUC authority?

7 A. Never.

8 Q. And is that what Mr. Guinto is apparently referring
9 to?

10 A. I suppose, although I have documents here showing
11 that I have hauled loads for Westinghouse Electric, East
12 Pittsburgh, since that time.

13 Q. And Mr. Guinto indicates that, and I quote, "Also,
14 we have found that some carriers possess incomplete authority
15 and are therefore unable to meet all of our service needs."
16 Is there any service need in Pennsylvania that you could not
17 provide for Westinghouse Electric from any of its facilities
18 in western Pennsylvania?

19 A. No.

20 Q. You could provide a statewide service?

21 A. From all the Westinghouse plants in western
22 Pennsylvania.

23 Q. Is your company ready, willing and able to handle
24 that traffic?

25 A. Absolutely.

1 Q Does your company provide any service for the
2 Warwick Corporation in Meadville?

3 A To be quite honest with you I've never heard of
4 them.

5 Q And that witness testified in Applicant's Exhibit
6 13 that he uses companies by the name of International
7 Transport, Tristate Motor and Daniel Transfer is the one
8 he uses for points in Pennsylvania. Are you familiar with
9 Daniel Transfer?

10 A Yes, I am.

11 Q Are they a heavy hauler?

12 A Yes, they do have some heavy hauling equipment.

13 Q And is your company authorized to provide a
14 statewide service for that company?

15 A We could only haul in the western-most part of
16 Pennsylvania, the 25 or 30 counties between points east of
17 the five counties.

18 Q That's because it's more than 50 miles from the
19 City of Pittsburgh?

20 A Yes.

21 Q Are you familiar with H. H. Robertson Company?

22 A Yes, I am.

23 Q Does your company provide any service for that
24 company?

25 A We hauled probably in the last 15 years probably

1 1,000 loads for H. H. Robertson Company, all of which were
2 either coiled steel or decking, but none of which was size
3 or weight.

4 A. Have you ever handled a size or weight shipment
5 for them?

6 A. Never.

7 Q. Do you know if that company has ever tendered
8 you a size or weight shipment?

9 A. Never.

10 Q. Mr. Ackerman testified in Applicant's Exhibit
11 14 that he needs 45 foot trailers. Is that a size or weight
12 trailer?

13 A. No, it's not.

14 Q. Is 45 foot considered standard equipment?

15 A. Yes, it is.

16 Q. And you have never been required to provide
17 special equipment for that company?

18 A. No.

19 Q. If Mr. Ackerman desired to have service on a
20 45 foot trailer to transport his shipments would any of that
21 fall under size or weight?

22 A. Not that I know of.

23 Q. Mr. Kerr, are you familiar with a company known
24 as Pittsburgh/Des Moines Steel Company?

25 A. I sure am.

1 Q Do you provide service for that company?

2 A I have provided service in the whole 22 years
3 that I have been involved with Moore-Flesher for Pittsburgh/
4 Des Moines Steel Corporation. The last three or four
5 years, though, the Neville Island plant of Pittsburgh/Des
6 Moines has been closed to all but -- they keep some tools
7 there and their own fleet of company trucks.

8 Q Have you provided any size or weight shipment
9 service to the company?

10 A We provided size and weight shipments for that
11 company out of Neville Island when Neville Island was open.
12 Their other plant in western Pennsylvania, which is in
13 Warren, Pennsylvania, is 99 percent non-size and weight
14 shipments.

15 Q Is your company ready, willing and able to
16 provide any size or weight service to that company that it
17 might require?

18 A Yes.

19 Q Are you able to handle additional traffic for any
20 of the supporting shippers who have testified in this case?

21 A Absolutely. When you're only operating 25 percent
22 of your equipment you could sure use a whole lot of extra
23 work.

24 Q Why does your company oppose this application?

25 A On an economic basis. We have a whole ton of

1 money tied up in this equipment and we have lived through
2 the very lean times and hopefully the western Pennsylvania
3 area will pick up and we will be able to once again utilize
4 our equipment.

5 Q. What effect do you feel the approval of this
6 application would have on your company?

7 A. Well, the effect would be very detrimental because
8 there would be another size and weight carrier who has
9 admitted, I believe, that they opened a terminal in Bridge-
10 ville, Pennsylvania, which isn't too far away from us, that
11 would compete for the same size and weight freight that we
12 would be competing for.

13 Q. If your size and weight traffic deteriorates or
14 diminishes any more what will happen?

15 A. What will happen is we will either have to get
16 out of the heavy hauling business or at least sell off a
17 lot of our equipment because we just cannot maintain that
18 equipment if it's not being used.

19 Q. What effect would that have on your shippers?

20 A. Well, what happens is that the shippers that give
21 you both size and weight and regular shipments would have a
22 real problem.

23 MR. PATTERSON: We are going to object to that
24 conclusion. This gentleman can't talk about problems. They
25 had the opportunity to call.

1 shippers if they want to call shippers. I don't think it's
2 appropriate to have him talking about -- I don't mind him
3 talking about as to his company. That's fair. But to
4 suggest that some shipper is going to have a problem because
5 Moore-Flesher goes out of business I don't think is appro-
6 priate testimony.

7 THE WITNESS: Could I finish?

8 BY MR. PILLAR:

9 Q. Let me ask you this: your company's operating
10 revenues for 1983 were what? Do you have the numbers there?

11 A. Yes.

12 Q. What was your company's gross operating revenues
13 in 1983?

14 A. It was approximately \$1,300,000.

15 Q. And what percentage of that was derived from size
16 or weight traffic?

17 A. Percentage-wise it's probably 30 percent.

18 Q. What investment has your company made in motor
19 vehicle equipment that's shown on your equipment list?

20 A. There has been very little investment made in the
21 past few years because we have got so much equipment we don't
22 need any more.

23 Q. What's the original investment?

24 A. The original investment was \$650,000.

25 Q. And Moore-Flesher Trucking, of course, will

1 acquire all of that equipment?

2 A. Yes.

3 Q. And continue to maintain it?

4 A. Yes.

5 Q. And lease it to Kerr whenever Kerr needs it for
6 an eastern shipment?

7 A. Yes.

8 Q. Did your company operate at a profit or a loss in
9 1983?

10 A. A loss.

11 Q. Was your operating ratio --

12 A. I believe it was 102.

13 Q. It was 102?

14 A. Yes.

15 Q. The other revenue, then, the other 70 percent of
16 your revenue, is that derived primarily from the transporta-
17 tion of iron and steel?

18 A. Yes.

19 Q. Is the size or weight revenue important to your
20 company?

21 A. Absolutely. We have many customers who I feel
22 use us because we not only give them flatbed trailers and
23 so on for straight steel shipments, but we also give them
24 lowboys, stretch trailers, stretch lowboys and so on when
25 they need them.

1 MR. PILLAR: Those are all the questions I have,
2 Your Honor. I'm sorry I took so long but I thought I had
3 to make a complete record. I tender the witness for cross-
4 examination.

5 MR. PATTERSON: If I could have a moment, Your Honor.

6 (Recess.)

7 JUDGE KLOVEKORN: Back on the record.

8 CROSS-EXAMINATION

9 BY MR. PATTERSON:

10 Q. Mr. Kerr, if my understanding, or my recollection
11 at this point, is correct, you have four company drivers
12 and 30, or about 30, owner/operators?

13 A. Yes.

14 Q. And those owner/operators lease you both tractors
15 and trailers?

16 A. Yes.

17 Q. As the term implies, do the owners of the trailers
18 and tractors also drive in most instances?

19 A. In most instances.

20 Q. So those owner/operators don't drive your
21 company equipment?

22 A. No.

23 Q. Now, taking a look briefly at the two traffic
24 studies which you did, which I believe are marked -- the
25 two-paged traffic study, which is marked as Moore-Flesher

1 Exhibit 13, that would indicate that in November of 1983
2 you did some \$17,000 worth of -- almost \$18,000 -- business
3 and you said that those shipments are all heavy hauler
4 shipments?

5 A. Yes.

6 Q. And that in the four month period, based on a
7 25 percent sample, you did \$11,000 -- and I forgot the
8 exact figure.

9 MR. PILLAR: And \$7, something like that.

10 MR. PATTERSON: \$19, maybe?

11 MR. PILLAR: Could be.

12 BY MR. PATTERSON:

13 Q. Am I correct, Mr. Kerr?

14 A. Yes, I believe so.

15 Q. And you determined that was a 25 percent sample
16 by what means?

17 A. By my gross revenue that I derived from heavy
18 hauling.

19 Q. So for that four month period if you multiplied
20 four times that total you would get the four month heavy
21 hauler revenue? That is, you would go four times the 25
22 percent to make 100 percent?

23 A. Approximately.

24 Q. That would be \$44,076, wouldn't it, for the four
25 month period?

1 A. Yes.

2 Q. If you would annualize that period --

3 A. Well, I --

4 Q. Well, four times \$11,000 is something around
5 \$44,000.

6 A. Somewhere in there.

7 Q. If you annualize that four month period you would
8 multiply by three, wouldn't you?

9 A. Yes.

10 Q. That would give you \$132,228, wouldn't it?

11 A. Yes.

12 Q. What percentage of your annual Pennsylvania gross
13 of \$1,341,000 and some odd dollars is \$132,000? It's about
14 ten percent, isn't it?

15 A. Ten percent.

16 Q. So that your heavy hauling really represents
17 ten percent of your gross, not 33 percent?

18 A. No, that's not true. What I testified to was that
19 in many cases we are hauling three loads that are heavy
20 hauling loads out of a possible 12 or 15 loads that weren't
21 oversized but they were part of that heavy hauling movement.
22 In other words, if you take a crawler crane and you've got
23 12 loads of booms and counterweights and carbody and house and
24 so on, you might only have three loads that are size or weight
25 shipments. But you have to haul the whole thing, so that

1 comes under the heavy hauling category, the size and weight
2 category.

3 Q So this is not a 25 percent sampling?

4 A I said it's approximately a 25 percent of the
5 size and weight shipments. These are the shipments that can
6 be defined by using a lowboy or because they need a permit
7 or something of that sort.

8 Q Is it your interpretation of this application
9 that the Applicant could handle those additional loads
10 that were not on specialized equipment?

11 A Yes.

12 Q Is it really a surprise to you, Mr. Kerr, that
13 with four drivers on hand that a lot of shippers wouldn't
14 be calling for service, no matter what kind of equipment
15 you have?

16 A Yes, it would be a surprise because they don't
17 know that I have four drivers, and when I need extra drivers
18 I can hire them.

19 Q They know, do they not, of the scarcity of your
20 operations in the heavy hauling field as a result of having
21 only four drivers?

22 A I have no scarcity.

23 Q You testified that you only have four drivers.
24 How could you not have a scarcity?

25 A I only have four full-time drivers. Whenever the

1 customers call that I need more than four full-time drivers
2 I have extra people that I employ.

3 Q You recognize that there are other companies who
4 are profiting in this field of service, do you not?

5 A In western Pennsylvania on heavy hauling?

6 Q All over the place in heavy hauling.

7 A I don't recognize that in western Pennsylvania
8 they are profiting. I don't see their financial statements.

9 Q And according to your Exhibit 14, you have 26
10 competitors already?

11 A Yes, at least.

12 Q Do you know the operating authority that, for
13 example, Miller Transfer and Rigging has? They have virtually
14 no PUC authority, do they?

15 A That's not true at all. Miller Transfer and
16 Rigging has -- in fact I knew the Miller Transfer and Rigging
17 authority since I was a little kid. Judge Shaw used to
18 own it in Clarion, Pennsylvania. They were the prime hauler
19 for Elliot Company in Jeannette, which also has a place in
20 Donora, which also has a place in Scranton. They have
21 other Pennsylvania authority. I happen to know that they
22 have held themselves out to quite a few of my customers for
23 PUC shipments, size and weight.

24 Q They may have held themselves out --

25 A I'm not saying that each of these has total heavy

1 hauling authority. I'm saying that they are competitors that
2 have some size or weight authority.

3 Q The Moore-Flesher Exhibit No. 15, among other
4 things, shows P D M as out of business at Neville Island.
5 Were you made aware of that shipper witness's testimony, that
6 they were considering reopening the plant?

7 A Yes. Paul McCann called me himself before he came
8 to testify and after he came to testify and told me that there
9 was a possibility that Neville Island would reopen.

10 Q Do you have a similar list anywhere of plant
11 openings in western Pennsylvania? You're not going to deny
12 that there have been some?

13 A Major?

14 Q Plant openings of the size of plants listed on
15 here.

16 A This says major plant closings. I don't believe
17 there are any major plant openings.

18 Q You don't know of any?

19 A I don't know of any. Do you?

20 Q Sir, the equipment that is shown on your Exhibit
21 10, what is the book value of the power equipment?

22 A I don't know.

23 MR. PILLAR: Can I give it to you?

24 BY MR. PATTERSON:

25 Q Would I be correct that it has been depreciated

1 to zero?

2 A. It could be. Yes, that's correct.

3 MR. PILLAR: It's fully depreciated.

4 BY MR. PATTERSON:

5 Q. What was the method of depreciation of most of
6 the equipment? Over how many years?

7 A. I don't know. I'm not a bookkeeper.

8 Q. No, but you're a witness.

9 A. Yes.

10 MR. PILLAR: He doesn't know.

11 A. I don't know.

12 MR. PATTERSON: That's fine.

13 BY MR. PATTERSON:

14 Q. And all of the trailer equipment that is shown
15 on the second page of that exhibit, isn't the present book
16 value of that now about \$21,000?

17 A. Yes.

18 MR. PILLAR: Present depreciated value.

19 MR. PATTERSON: Depreciated value.

20 BY MR. PATTERSON:

21 Q. And the fact is that Moore-Flesher, the Protestant
22 in this case, is going to be going out of business, isn't
23 it, if the Commission -- out of the hauling business -- if
24 the Commission grants the two transfer applications?

25 A. Moore-Flesher Hauling Company will be going out

1 of business.

2 Q And Moore-Flesher Hauling, I trust you recognize,
3 is the Protestant in this case?

4 A Yes.

5 Q And that equipment is going to be transferred to
6 Moore-Flesher Trucking? Is my understanding correct?

7 A Yes.

8 Q At what value?

9 MR. PILLAR: That's objected to as irrelevant and
10 immaterial.

11 MR. PATTERSON: We have to learn something about these
12 new companies that are suddenly intervenors, Your Honor.
13 That certainly makes up some part of that company's base.

14 (Pause.)

15 MR. PATTERSON: I will withdraw the question to avoid
16 prolonging the agony.

17 BY MR. PATTERSON:

18 Q How much money did you lose in the carrier
19 business in 1983, Mr. Kerr?

20 A I believe it was -- are you talking about Moore-
21 Flesher Hauling Company? You said the carrier business.

22 Q Yes, sir.

23 A What do you mean by the carrier business?

24 Q The business that the Protestant is engaged in
25 and which I guess you're here talking about.

1 A. Moore-Flesher Hauling Comany?

2 Q. Yes.

3 A. \$33,000, I believe it was.

4 MR. PILLAR: The annual report shows that it lost
5 \$34,000 -- if I may speed things up -- in 1982 and \$22,900
6 in 1983.

7 BY MR. PATTERSON:

8 Q. \$22,904 you lost in 1983, Mr. Kerr?

9 A. Yes.

10 Q. And that was just about the same as your
11 depreciation expense in that same year, wasn't it?

12 A. I suppose.

13 Q. So without depreciation you operated just about
14 even, right at 100?

15 A. Without depreciation?

16 Q. Yes.

17 (Witness nods in affirmative response.)

18 Q. Does it continue to surprise you that with aged
19 vehicles having been around long enough to be depreciated
20 down so that the value of your whole fleet, depreciated
21 value, is \$21,000, and four drivers, that shippers aren't
22 anxious to use your service?

23 MR. PILLAR: That's objected to. That's not a
24 fair characterization of his testimony at all. There's
25 no testimony --

1 MR. PATTERSON: I'm not characterizing any testimony.
2 I'm asking if it surprises him.

3 MR. PILLAR: There's no testimony on the record that
4 shippers are not anxious to use Moore-Flesher's service,
5 so the question is without premise.

6 BY MR. PATTERSON:

7 Q That they are not using your service? I will
8 amend it to that extent.

9 MR. PILLAR: But they are using his service. I
10 object. They are using Moore-Flesher's service.

11 MR. PATTERSON: All right.

12 BY MR. PATTERSON:

13 Q Does it surprise you that they are not using you
14 to a greater degree; at a greater rate, when those are the
15 circumstances, that is, when your fleet is depreciated down
16 to \$21,000 and you have four drivers?

17 A You'd be surprised how many of my customers don't
18 know that my fleet has been depreciated down to \$21,000, nor
19 that I have four drivers; and yes, I don't feel that there
20 is any surprise involved here. There just isn't customers
21 there for size and weight shipments for everyone. We did
22 \$1,300,000 worth of business. I'd say that's fairly
23 substantial.

24 Q But that's not all heavy hauling; and I won't
25 go back through that.

1 A. No, it isn't.

2 Q. Take a look very rapidly, if you would, Mr. Kerr,
3 at your Exhibit No. 6, which is the page with the multiple
4 photographs on it. Do you have that?

5 A. Okay.

6 Q. In the upper right-hand corner there is a picture
7 of a tractor pulling what looks like a subway car or something.

8 A. Yes.

9 Q. Does Moore-Flesher own the trailer on which that
10 subway car is sitting?

11 A. No.

12 Q. Who owns that trailer?

13 A. John Benkart.

14 Q. And that's the service that you provided into
15 eastern Pennsylvania from time to time -- maybe not that
16 picture, but a similar kind of service?

17 A. That's one trip we made.

18 Q. That one trip was made on somebody else's trailer?

19 A. Yes.

20 Q. You testified very early in your testimony when
21 asked why you were splitting the operating authority, that
22 is, sending within the western portion of the state operating
23 authority to Moore-Flesher Trucking and the west/east east/
24 west authority to W. D. Kerr and Sons, Inc., you mentioned
25 something about drivers not wanting to go east, I think.

1 Am I remembering incorrectly?

2 A. No. You're correct. We have a quite substantial
3 steel hauling business between the east and west points and
4 we have some union owner/operators that work for Moore-
5 Flesher on steel hauling -- in fact they had their own local
6 that did not want to go east to west or west to east.

7 Q. But you're transferring --

8 A. Everything.

9 Q. -- The east/west authority to W. D. Kerr?

10 A. Yes.

11 Q. Which will move that operation, that is, west to
12 east and/or east to west, away from the union drivers?

13 A. Yes.

14 Q. It will also move it away from the four company
15 drivers who have operated the heavy hauling equipment, I
16 take it?

17 A. I won't really take it away from them because
18 any time that I would have a size or weight shipment of any
19 size I will trip lease those trucks over to the other
20 company.

21 Q. With the drivers as well?

22 A. Sure.

23 Q. Even though they are union drivers?

24 A. Right.

25 Q. And I guess to some extent each of those companies

1 will be serving the same customers, although in a different
2 traffic pattern? That's the idea?

3 A. Yes.

4 Q. So that both of the new companies will go into,
5 for example, General Electric? One will stay in the west
6 and the other will take shipments to the east?

7 A. Yes.

8 Q. To the extent General Electric has split shipments,
9 multiple stops, with stops in the west and in the east, that
10 will be a little bit more difficult to handle than it
11 is now, won't it?

12 A. General Electric has already sent a letter to the
13 Commission that they are quite willing to have that happen.

14 Q. I understand that, but answer my question, which
15 was if they have multiple stop shipments, some stops in the
16 west and some in the east, it will be a little bit more
17 difficult to handle it with the authority split than it is
18 now and one company, won't it?

19 A. Yes, but there is very little of that kind of
20 freight.

21 Q. Does Westinghouse maintain any facilities outside
22 of the Pittsburgh radius? Is it a 50 mile radius?

23 A. Yes.

24 Any facilities outside of it?

25 Q. Yes.

1 A. Oh, sure, in Philadelphia.

2 Q. In the western part of the state?

3 A. Not that I know of, no.

4 Q. On which one of these photographs is the most
5 recent photograph of the condition of your equipment? Which
6 of the exhibits?

7 A. Well, the one hauling the subway car, the tractor,
8 that was just within the last three months that that picture
9 was taken.

10 Q. What year tractor is that, do you know?

11 A. It's a 1974 Brockway and totally refurbished.

12 Q. Did you review the testimony of a witness from H.
13 H. Robertson as to why he wanted to use dropdeck equipment,
14 lowboy equipment?

15 A. No, I don't remember.

16 Q. Do you recall that it had nothing to do with the
17 weight of the product?

18 A. I don't remember he said anything about lowboy
19 equipment.

20 Q. Level deck lowboy. I amend my equipment descrip-
21 tion.

22 (Witness perusing document.)

23 A. I see here that he says that he has shipments that
24 range up to 45 feet in length.

25 Q. My question, sir, was did you review his testimony--

1 not just his written testimony because he did appear on the
2 stand -- as to why he wanted trailers with a lower deck
3 regardless of what description you want to use?

4 A. I didn't know of that. I went over his prepared
5 testimony.

6 Q. You recognize that when a witness gets on the
7 stand -- you didn't review the transcript, then?

8 A. No.

9 Q. You didn't mean to suggest when you were testifying
10 that the Fuller Company is out of business? It's just that
11 they closed one particular facility? Is that fair?

12 A. Yes, that's correct.

13 Q. Who does the solicitation for your company?
14 Yourself?

15 A. Yes.

16 Q. Anybody else?

17 A. No.

18 Q. Do you do a lot of that now?

19 A. No.

20 Q. When did you stop putting an emphasis on it?

21 A. When did I stop putting an emphasis on it? I
22 would say that we stopped putting an emphasis on solicitation
23 when the customers in our area dried up and economics got to
24 the point that I was about the only one left. The other
25 owners retired because of conditions, and so on, and left me

1 to run it.

2 Q. And how long has that been?

3 A. About three years.

4 Q. Do you send out advertising pieces to industry
5 in the area?

6 A. What I do do is I have some agents who solicit
7 freight and if they get freight I pay them a commission for
8 getting it. They are located all over western Pennsylvania.

9 Q. On an overall basis Moore-Flesher made money
10 last year, didn't it?

11 A. It might have. I'm not sure.

12 Q. Well, you have a substantial amount of interest
13 income, do you not?

14 A. Yes.

15 Q. About \$80,000 worth?

16 A. Yes.

17 Q. And you have other non-operating income of some
18 \$46,000 plus?

19 A. Correct.

20 Q. So the company, with those other sources, made
21 \$104,000?

22 A. Yes.

23 Q. Here. I don't want to be mysterious.

24 A. I know what you're talking about. I want to
25 explain it to you.

1 We had a company, as I testified to before, that we
2 sold our ICC authority to. They decided to quit paying us
3 back about four or five years ago. We sued them, won the
4 lawsuit and that is the interest on the money which they
5 owed us.

6 Q What happened to the money that they owned you?

7 A They are paying that over a period of time to the
8 owners of Moore-Flesher Hauling Company.

9 Q Not to the company itself?

10 A Well, yes, it's to the company itself.

11 Q Is that shown in here?

12 A I don't know. I don't think we had won the
13 lawsuit at the time that was made up.

14 Q Is there a pile of cash that you're buying,
15 either in Moore-Flesher Trucking or W. D. Kerr that is going
16 to produce interest?

17 A No. That money goes directly to the old owners
18 of the company.

19 Q So what has been propping this company up,
20 Moore-Flesher Hauling, is a substantial amount of income from
21 things other than operating the trucking company?

22 A Only in that one year.

23 Q Just this one year?

24 A Yes.

25 Q The year before you had \$91,000, in 1982.

1 A. In interest?

2 Q. No, sir, in other income. It doesn't specify the
3 source. It's other non-operating income.

4 Are those sources of income going to be there for
5 either of the two new companies?

6 A. No.

7 Q. I'm not sure that I understand -- just a last
8 couple of subjects. I don't recall what you said about the
9 number of 1984 shipments you handled for Westinghouse, a
10 shipper, in the heavy hauling category.

11 A. I said that they were in our traffic study.

12 Q. All of them?

13 A. I believe.

14 (Pause.)

15 A. No, they were not all of them. No. This
16 traffic study was only through April and anything since then
17 I did not bring.

18 Q. What traffic study are you referring to?

19 A. The four month period in 1984.

20 Q. It says it's February, March, April and May.

21 A. Well, through May. I'm sorry.

22 Q. It is through May?

23 A. Yes, it's through May but I did not bring anything
24 since then. I didn't bring, as I testified to, a shipment
25 that I just handled for them.

1 Q So some of the shipments sitting in the traffic
2 study, the 1984 four month traffic study, are Westinghouse
3 shipments?

4 A I believe so.

5 Q Will you look at the traffic study and tell me
6 which ones?

7 (Witness perusing document.)

8 A Number eight on the traffic study.

9 (Pause.)

10 A Well, maybe it isn't. Wait a minute. I could
11 be wrong. That was for National.

12 (Witness perusing document.)

13 A It's not on the study. I hauled a shipment from

14 Q Sir, what I want to know is how many. And I'm
15 content with that period but I don't want to go down them
16 one by one.

17 A In 1984 I don't have any that I know of with
18 me for Westinghouse.

19 MR. PILLAR: He just wants to know how many shipments.

20 A Oh, how many shipments I handled for Westinghouse?

21 BY MR. PATTERSON:

22 Q In the heavy hauler category in Pennsylvania.

23 A About four.

24 Q And are any of those recent?

25 A Yes. One was about a month and a half ago.

1 Q. And what was it?

2 (Witness perusing document.)

3 Q. You can just tell me.

4 A. Well, I can show you at the same time that I tell
5 you.

6 (Photograph handed to Mr. Patterson.)

7 MR. PILLAR: Tell him what it was.

8 A. It was a very large casting that went from
9 Westinghouse at Cheswick to Shriver Industrial Park for
10 storage in New Kensington.

11 Q. And that was for the account of Westinghouse?

12 A. Yes.

13 There was another one that was probably in the last
14 two, two and a half months, that was from United States
15 Steel at Homestead also to the Shriver Industrial Park for
16 Westinghouse. That was a 109,000 pound forging.

17 Q. They were the shipper on that as well?

18 A. Yes. They were the people that called and asked
19 us to do the job and paid the freight.

20 And then there was the armature that I just moved
21 here in the last month. That was from East Pittsburgh to
22 Masontown that they paid the freight on.

23 MR. PATTERSON: That's all I have, sir. Thank you.

24 MR. PILLAR: Just one or two questions.

25

REDIRECT EXAMINATION

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BY MR. PILLAR:

Q. How many part-time drivers do you have?

A. I have about eight that I draw from.

Q. Has H. H. Robertson ever requested a level deck lowboy from you?

A. Never.

Q. Have you ever transported any traffic from H. H. Robertson that would require a level deck lowboy?

A. No.

Q. As far as solicitations are concerned, you do solicit in the Yellow Pages?

A. Yes.

Q. You go to lunch once in a while with your customers, don't you?

A. Yes.

Q. Do you solicit them then?

A. Yes. I took the fellow from H. H. Robertson -- not Mr. Ackerman -- Mr. Delaney to lunch in the past six or eight months.

Q. Do you do that from time to time?

A. Yes.

Q. How many agents do you have soliciting freight for you?

A. About ten.

1 Q Do you see other traffic managers at social
2 functions and socialize with them, that sort of thing?

3 A Yes.

4 Q Do you solicit them then?

5 A Yes, I do. I go to Erie twice a year and spend
6 three days each time.

7 Q So although you're a one man gang and when it comes
8 to solicitation you may not see everybody every year, you do
9 solicit?

10 A Absolutely.

11 Q Of course, if companies are using your service
12 they know you're available?

13 A Yes, and if they call and need me I go.

14 Q This ancient equipment as Mr. Patterson
15 characterizes it has been serving the customers that you
16 serve for many years?

17 A It served the customers for many years; it still
18 serves the customers. It is maintained and operates as
19 well as a new tractor.

20 Q Is there any piece of tractor or trailer equipment
21 that your company owns that you wouldn't take out on the
22 highway today?

23 A No, sir. The PUC stops the trucks going up and
24 down the roads quite often and I don't seem to have any
25 problems with them.

1 MR. PILLAR: I have nothing further. I would offer the
2 Moore-Flesher exhibit. I believe, Your Honor, I somehow
3 miscounted and there is no Exhibit 12 -- at least I can't
4 find one. So I offer 1 through 11 and 13 through 15. If
5 there is a 12 I offer that, but I don't know what it is.

6 MR. PATTERSON: I have no objection to any of them.

7 JUDGE KLOVEKORN: Without objection they will be
8 received into evidence.

9 (Whereupon, the documents marked
10 as Protestant-Moore-Flesher
11 Exhibits Nos. 1 through 11 and
12 13 through 15 were received in
13 evidence.)

14 JUDGE KLOVEKORN: If there is nothing further for the
15 witness, the witness is excused. Thank you very much, sir.

16 (Witness excused.)

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

18 (Discussion off the record.)

19 JUDGE KLOVEKORN: If there's nothing further,
20 initial briefs will be due in this proceeding on March 1st
21 and reply briefs will be due March 15th.

22 If there is nothing further, this hearing stands
23 adjourned.

24 Thank you very much.

25 (Whereupon, at 5:22 p.m., the hearing was concluded.)

C E R T I F I C A T E

1
2 I hereby certify, as the stenographic reporter,
3 that the foregoing proceedings were taken stenographically
4 by me and thereafter reduced to typewriting by me or under
5 my direction; and that this transcript is a true and accurate
6 record to the best of my ability.
7

8 COMMONWEALTH REPORTING COMPANY, INC.

9
10 By: *Robert J. Stonaker*
11 Robert J. Stonaker

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