

August 18, 1988

IN REPLY PLEASE REFER TO OUR FILE

Mr. Barry Kleban Attorney at Law 1900 Two Penn Center Plaza Philadelphia, PA 19102

In re: A-00108228; Application of F. Ambrose Moving, Inc.

Dear Mr. Kleban:

In the process of reviewing, the above-stated application, some problems have arisen. We intend to notify you of the Commission's position and to also request some clarifications.

Several of the rights which are to be transferred overlap. It is the Commission's current policy to eliminate duplication when rights are being transferred even if that includes possible restatement of the rights.

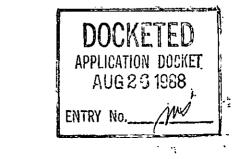
The Commission also looks at affiliated interests when a transfer application is filed. This could mean restrictions being placed on transferee's authority to eliminate the duplication between transferee and the authority held by tranferee's sole stockholder, or the denial of the transfer application to eventually be filed by Francis J. Ambrose because of the duplicative authority held by Francis J. Ambrose and the applicant.

We also note that the first right to be transferred authorizes the transportation of coal, coke, and crushed stone. There is nothing in the application to indicate applicant has the ability to transport coal, coke and crushed stone or even intends to do so. At this point, said right will be eliminated from the proposed transfer unless the applicant shows his intention and ability to transport the stated commodities.

Please respond as soon as possible. The application will be held in abeyance, pending receipt of your reply. If you have any questions, please contact Douglas A. Pike, 717-783-5947.

Very truly yours,

By Douglas A. Pike For Peter A. Marzolf, Supv. Technical Review Section Bureau of Transportation



DAP:kmb



OF COUNSEL NATHAN LAVINE SIDNEY CHAIT

Mr. Douglas A. Pike Technical Review Section Bureau of Transportation Penna. Public Utility Commission P.O. Box 3265 Harrisburg, PA 17120

> Re: Application of F. Ambrose Moving, Inc. A-108228

Dear Mr. Pike:

In reply to your letter of August 18, 1988, I have had an opportunity to speak with my client concerning the matters raised by you. First, obviously we have no objection to your eliminating the duplication, if any, contained in the Transferor's rights, so long as the elimination is done in such a way as to assure that none of the rights being transferred are modified or eliminated in any way.

Secondly, there are countless instances where the Commission has permitted affiliated interests to control duplicating operating authority, and for those entities to transfer one or more of those pieces of authority. I see no basis, in this proceeding, for altering the Commission's practices in this regard. However, as you point out in your letter, this is something which the Commission will have to deal with, and it would be premature for you to take a position on this issue at the present time. Suffice it to say that we strongly suggest that it would be inappropriate to take any adverse action with respect to the authority owned by Mr. Ambrose in his individual capacity to the extent that it duplicates certain of the authority being acquired by the Applicant, F. Ambrose Moving, Inc.



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Finally, your letter expresses an intent to eliminate the right to transfer coal, coke and crushed stone. There is no basis for such elimination. The right is among those which the Applicant bargained to acquire for a stated purchase price, and it is the Applicant's intention to obtain the rights which it bargained for. I should point out that Mr. Ambrose, who is the president of the Applicant, has extensive background in the hauling of crushed stone and other bulk commodities, and has the necessary expertise to render the service contemplated by the Transferor's rights. I should further point out that, although the Applicant does not presently operate equipment utilized for transporting commodities in bulk, it certainly has the financial capacity to obtain such equipment at any time, either by purchase or by long term lease. Very simply, the Applicant does not possess this equipment because it has never had the right to transport commodities for which this equipment is required. The Applicant may very well desire to render the service which had been authorized to be rendered by Stillwell, the Transferor, and for this reason it would be utterly inappropriate for the Commission to eliminate this right from those being transferred.

Please feel free to contact me if you have any further questions or comments.

Very truly yours,

BARRY D. / KLEBAN

BDK:db cc: F. Ambrose Moving, Inc.

36573

PUC-240 PENNSYLVANIA PUBLIC UTILITY COMMISSION RECEIPT The addressee named hereunder has paid Pennsylvania Public Utility Commission for the following bill, subject to final collection of check or money order tendered for such payment. F. Ambrose Moving, Inc. 624 Wilhelman AVe. bam, PA 19044 September 12, 1988 Date CR 130994 A DOCKETED SEPJA 1988 In re application of F. Ambrose Moving, Inc.\$75.00 A-00108228..... Revenue account ______001780=017601=102 (ck-) --: ck 4203 Checks C. Joseph Meisinger \$75.00 Currency _____ For Department of Revenue 50:26 Utility account ____