

ORIGINAL

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

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 3 :
Application of Gardner Moving Company : Docket No.
 For amendment to its common carrier certificate: A-00108945
SO AS TO PERMIT the transportation of household: F0001AMA
 goods in use, between points within an airline :
 radius of seventy-five (75) statute miles of :
 the Allegheny County Courthouse, located in the:
 city of Pittsburgh, Allegheny County. :

Further Hearing.

DOCUMENT FOLDER

Pages 282 through 397 State Office Building
 300 Liberty Avenue
 Pittsburgh, Pennsylvania

Friday, April 7, 2000

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

BEFORE:

JOHN H. CORBETT, JR., Administrative Law Judge

APPEARANCES:

MARK C. STEPHENSON, Esquire
 Cozen & O'Connor
 1900 Market Street
 Philadelphia, Pennsylvania 19103
 (For the Applicant)

WILLIAM A. GRAY, Esquire
 Vuono & Gray
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 Pittsburgh, Pennsylvania 15219
 (For Protestants)

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APPEARANCES (Continued):

JOHN A. PILLAR, Esquire
1106 Frick Building
Pittsburgh, Pennsylvania 15219
(For Protestants)

FORM 2

WITNESS INDEX

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
<u>For the Protestants</u>				
Timothy Michael Moore (By Mr. Gray)	287	--	320	--
(By Mr. Stephenson)	--	306	--	--
Barbara E. Moore (By Mr. Gray)	321	--	350	--
(By Mr. Stephenson)	--	339	--	--
Thomas A. George (By Mr. Pillar)	388	--	386	--
(By Mr. Stephenson)	--	377	--	--
<u>For the Applicant</u>				
Joseph P. Gardner (By Mr. Stephenson)	388	--	--	--
(By Mr. Pillar)	--	390	--	--
(By Mr. Gray)	--	393	--	--

FORM 2

EXHIBIT INDEXNUMBERSFOR IDENTIFICATION IN EVIDENCEFor the Protestant All Ways

4	✓No. 1 (Authority)	289	305
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For Protestant Moore

6	✓No. 1 (Authority)	303	306
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For Protestant Anderson

8	✓No. 1 (Authority)	323	339
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9	✓No. 2 (Equipment list)	334	339
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For Protestant Forest Hills

11	✓No. 1 (Authority)	351	352
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For Protestant Stump

13	✓No. 1 (Authority)	352	352
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For Protestant George

15	✓No. 1 (Authority)	360	377
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16	✓No. 2 (Equipment list)	365	377
----	-------------------------	-----	-----

17	✓No. 3 (Yellow Pages ad)	371	377
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P R O C E E D I N G S

10:00 a.m.

1
2
3 ADMINISTRATIVE LAW JUDGE JOHN CORBETT: We will go
4 on the record at this time. This is the time and place
5 scheduled for a further hearing on the application of
6 Gardner Moving Company.

7 This application was docketed with the Pennsylvania
8 Public Utility Commission at A-00108945, Folder 1,
9 Amendment A. I am Administrative Law Judge John Corbett
10 and I have been assigned to hear this case and to render an
11 initial decision. I note the presence of counsel for the
12 applicant and the protestants.

13 Before we begin to hear testimony, are there any
14 preliminary matters we need to address?

15 MR. STEPHENSON: None from the applicant.

16 MR. PILLAR: No, Your Honor.

17 MR. GRAY: No, Your Honor

18 JUDGE CORBETT: Well, then, we'll proceed with
19 testimony. Who wishes to go first, Mr. Pillar, Mr. Gray?

20 MR. PILLAR: I believe Mr. Gray's witness is first,
21 Your Honor

22 JUDGE CORBETT: All right, Mr. Gray.

23 MR. GRAY: I call Mr. Moore.

24 JUDGE CORBETT: Would you come up here, sir, and
25 would you raise your right hand, please, and be sworn?

1 Whereupon,

2 TIMOTHY MICHAEL MOORE

3 having been duly sworn, testified as follows:

4 JUDGE CORBETT: Please have a seat. Would you
5 begin by giving us your full name and spell your last name
6 for the court reporter, please?

7 THE WITNESS: Timothy Michael Moore, last name is
8 M-o-o-r-e.

9 JUDGE CORBETT: Okay, Mr. Gray.

10 MR. GRAY: Thank you, Your Honor.

11 DIRECT EXAMINATION

12 BY MR. GRAY:

13 Q Mr. Moore, do you represent a protestant or
14 protestants in this case?

15 A Protestants.

16 Q And, what are the names of the protestants?

17 A Moore Movers and also McKean & Burt, doing
18 business as All Ways Moving and Storage.

19 Q McKean & Burt actually is a corporation, is it
20 not?

21 A Correct.

22 Q And, are you the president of the corporation?

23 A Yes.

24 Q What -- are you the owner of the corporation?

25 A Yes.

1 Q What is the business address of McKean & Burt,
2 trading as All Ways Moving?

3 A It's 326 West Maiden Street, Washington,
4 Pennsylvania, 15301.

5 Q And, that's in the town of Washington in
6 Washington County, correct?

7 A It's the city of Washington.

8 Q The city of Washington, and is it actually
9 located within the city limits, your offices?

10 A Yes.

11 Q Now, your other company is Timothy M. Moore,
12 trading as Moore Movers, correct?

13 A Correct.

14 Q And, does that company have a separate PUC
15 authority?

16 A Yes.

17 Q What is the business address of that company?

18 A The same address.

19 Q Are you the owner of that company; it's a sole
20 proprietorship, is it not?

21 A That's correct.

22 Q Are you aware of the authority sought by the
23 applicant in this case?

24 A Yes.

25 Q Are you aware the applicant is seeking authority

1 within a 75-mile radius of the court house in Allegheny
2 County?

3 A Yes.

4 Q Do your companies both have PUC authority in
5 conflict with the authority sought by this application?

6 A Yes.

7 MR. GRAY: Your Honor, could we have marked as
8 McKean & Burt -- let's mark it, I think they go mainly by
9 their trade name. Could we have it marked as All Ways
10 Exhibit 1?

11 JUDGE CORBETT: Yes, be it so marked and
12 identified.

13 (Whereupon, the document was marked
14 as All Ways Exhibit No. 1 for
15 identification.)

16 BY MR. GRAY:

17 Q Mr. Moore, is Exhibit 1 a correct copy of your
18 existing operating authority?

19 A Yes.

20 Q Did you secure originally the authority set
21 forth at the lead docket, which provides or authorizes
22 service from points in Washington and within 15 miles?

23 A When my father purchased the company, that was
24 part of the company that he purchase.

25 Q How long ago was that?

1 A It was 1963.

2 Q So, to the best of your knowledge, has All Ways
3 been providing service under this lead docket, Washington
4 and 15 miles and from that area to points in Pennsylvania,
5 and vice versa, since 1963?

6 A The company was actually started in 1920. So, I
7 would guess it was back in the 1920's that they would have
8 operating authority. Our family purchased the company
9 around 1963, so the operating authority would have gone
10 back to 1920.

11 Q And, you say this was a purchase transaction,
12 whereby your family purchased the authority, correct?

13 A Correct.

14 Q Now did you, have you at least -- how long have
15 you been affiliated with All Ways?

16 A I've been -- started as general manager in 1987.

17 Q And, since you've been there for the last 12 or
18 13 years, has All Ways continuously provided service from
19 points in Washington County, as set forth in the lead
20 certificate, to points in Pennsylvania and vice versa,
21 during those 12 or 13 years that you've been affiliated
22 with it?

23 A Yes.

24 Q And has it been continuous?

25 A Yes.

1 Q And does it continue to today?

2 A Yes.

3 Q And do you also use the "and vice versa" portion
4 which authorizes service from other points, other counties,
5 back into Washington County?

6 A Yes, a minimal stage.

7 Q Does, is the City of Washington fairly centrally
8 located in Washington County?

9 A I believe so.

10 Q And would 15 miles of the city limits, of the
11 outer city limits, pretty much give you the right to serve
12 all of Washington County, with limited exceptions?

13 A Yes.

14 Q I notice in looking at All Ways Exhibit No. 1,
15 that you have authority at Folder 1, Amendment A, is that
16 correct, Allegheny or a fictitious name; did you in 1990
17 purchase the authority that is set forth in Folder 1,
18 Amendment A?

19 A Yes.

20 Q And who did you purchase that authority from?

21 A Bankruptcy Court from -- I believe it was
22 Executive Movers.

23 Q And, it appears to me, from looking at page 3 of
24 the Order, that you paid for these rights, \$19,500?

25 A Correct.

1 Q And, are the rights set forth on page 2 of the
2 order?

3 A Yes.

4 Q And, do the rights authorize service
5 transporting household goods between all points in
6 Allegheny County and from points in Allegheny County to
7 points in Pennsylvania, and vice versa?

8 A Yes.

9 Q And, do they also have certain other grants of
10 authority, paragraphs 2 and 3, involving specific points in
11 Washington and Allegheny Counties?

12 A Yes.

13 Q Taking the first paragraph of authority, do you
14 understand that the applicant in this case can now provide
15 service from Allegheny County to points within 75 miles;
16 you understand that?

17 A He already has that?

18 Q Yes.

19 A I do now, I guess.

20 Q Do you understand, however, that the applicant
21 does not have authority to do the vice versa, that is, to
22 come from points within 75 miles back into Allegheny
23 County; you understand the applicant now cannot provide
24 that service?

25 A I understand.

1 Q And do you understand that the applicant seeks
2 to provide that service by this application?

3 A I understand.

4 Q Did All Ways earn revenues during 1999 from its
5 PUC authority that's set forth as All Ways Exhibit No. 1?

6 A Yes.

7 Q Do you remember what or can you tell us what
8 amount of revenue that All Ways earned during 1999 from its
9 PUC service?

10 A I can estimate around \$300,000.

11 Q Some of those revenues, I assume, were from
12 Washington County, some were from Allegheny County,
13 correct?

14 A Correct.

15 Q And some were from other areas that would
16 involve the vice versa, back into Washington or Allegheny
17 County, correct?

18 A Correct.

19 Q Let's take first, if we could, the amount that
20 would relate to Washington County, either where the
21 movement went outbound from Washington County or inbound to
22 Washington County from...what percentage of revenues would
23 involve Washington County, either outbound or inbound?

24 A About 25 percent.

25 Q And would most of those revenues be local

1 revenues; that is, within 75 miles?

2 A About 95 percent of that would be.

3 Q So, 95 percent of the 25 would be within the
4 area of conflict to this application?

5 A Yes.

6 Q The other 75 percent of your revenues, I assume
7 then, involve Allegheny County?

8 A Correct.

9 Q My question to you is...

10 MR. GRAY: May I approach the witness Your Honor?

11 JUDGE CORBETT: Yes.

12 BY MR. GRAY:

13 Q I want to show you a map of what I will
14 represent to you is the 75-mile area. What I'm interested
15 in is what amount of your inbound revenues, of that other
16 75 percent, what amount would constitute inbound revenues
17 from points within the 75-mile area into Allegheny County?

18 A I'd say 50 percent.

19 Q So, half of your Allegheny County revenues,
20 we'll call them, are inbound revenues into Allegheny County
21 from points within the 75-mile area.

22 A That's correct.

23 Q Now I want to turn next to, I'll come back with
24 some other questions as to All Ways, but I want to turn
25 next to your authority --

1 A Could I add why I purchased Allegheny County
2 authority?

3 Q Okay, go ahead. Why did you purchase Allegheny
4 County authority?

5 A When we were based out of Washington, we only
6 had Washington County PUC authority. There wasn't enough
7 business to keep our local crews, or any of our crews, busy
8 40 hours a week. So, we had to purchase, for \$20,000,
9 Allegheny County authority so we could keep our men busy so
10 we could keep them employed.

11 Q In other words, the amount of volume of business
12 in Washington County is not very great.

13 A It's not great enough to keep two crews, let
14 alone one crew, busy at 40 hours a week. Whereas, after
15 only two years of running the company, I knew that I needed
16 to expand my business to keep my men employed so I wouldn't
17 have to keep getting turnovers and have to rehire and
18 retrain people because there wasn't enough work. I took
19 out a loan for \$20,000 to purchase Allegheny County
20 authority to keep my people employed.

21 Q And so you could continue to provide this vital
22 service in Washington?

23 A Because the company, when I took it over, only
24 had one truck and very few employees.

25 Q And, we'll get to what it has now. In fact,

1 let's go to that now, if we could. Where did you say the
2 facilities of All Ways are located?

3 A In the City of Washington.

4 Q And what facilities do you have there; what do
5 you have there, do you have an office building, a terminal,
6 a warehouse, what do you have in the City of Washington,
7 and I'm talking of All Ways?

8 A Two warehouses, two offices.

9 Q And, what are the sizes of your warehouses?

10 A They're 32,000 square feet.

11 Q Combined?

12 A Combined; 18,000 apiece.

13 Q Are the two warehouses located right next to
14 each other, or is one located in a different location?

15 A Same location.

16 Q So you have 32,000 of warehouse..

17 A 32,000 square feet of warehouse space.

18 Q Of the, why does All Ways need 32,000 square
19 feet of warehouse space?

20 A When we wanted not only to survive and keep our
21 business going and to be able to retain our employees, we
22 needed to diversify our business. In other words, if we
23 wanted to grow, we had to diversify into the military, the
24 Department of Defense, we had to diversify into interstate,
25 I.C.C. moves.

1 We diversified into Allegheny County. We used
2 storage as an added service to our clients so we could
3 store their items and move them back to their house.

4 Q So the warehouse is used in conjunction with
5 your household goods moving business?

6 A Yes, 99 percent of it.

7 Q How many employees do you now have, does All
8 Ways now have?

9 A We have twenty full time and five part time.

10 Q Of the 20 full time, how does that break down;
11 how many are drivers, how many are helpers, and so forth,
12 how many are office people?

13 A Not including myself, there are two in the
14 office, two in sales, eight drivers, eight laborers and
15 five-part time laborers.

16 Q And by laborers, they're the people who work on
17 the truck, the helpers, packers, and so forth?

18 A Correct.

19 Q And you have five part-time and eight full-time?

20 A Correct.

21 Q Are the revenues that you described as being in
22 conflict with this application, that is revenues, PUC
23 service out of Washington County, into Washington County,
24 and into Allegheny County from 75 miles, are those revenues
25 significant to your company?

1 A Yes.

2 Q And if you had another competitor, specifically
3 Gardner in this case, that was granted authority to provide
4 the same service, would it be harmful to your company?

5 A Yes.

6 Q Why do you think that, why do you say that?

7 A We already have two other movers or two other
8 competitors based in the Washington County area.

9 Q Who are they?

10 A Fife Moving and Storage and Anderson Transfer.

11 Q Can Washington County support another mover?

12 A Washington County in itself can't support one
13 mover. The only reason why there's three movers there is
14 because they've been diversified over the years.

15 Q What effect would you think it will have if
16 another mover is able to provide service in Washington
17 County?

18 A It'll make us go out to farther distances from
19 Washington, the City of Washington, to find other business
20 to take care of the void that he would be taking from us.
21 In other words, it would cost us greater amounts. We would
22 have to go and seek that business at a greater distance
23 from the City of Washington than we do now.

24 Q Is your equipment operated to full capacity at
25 the present time?

1 A No.

2 Q If there would be additional business in
3 Washington County, somehow, some way, additional business
4 becomes available, are you in a position to handle that
5 additional business?

6 A I would just basically tip the balance from
7 Allegheny County back to Washington County. I wouldn't
8 have to travel into Allegheny County to search out and get
9 business. I would just keep my truck locally, which is
10 exactly what I'd like to do.

11 Q Is All Ways affiliated with any van line?

12 A Yes, we are. We're affiliated with Wheaton
13 World Wide Moving and have been for the past 28 years.

14 Q Does that van line affiliation apply to
15 interstate service?

16 A Yes.

17 Q In other words, you operate under your own PUC
18 authority, do you not?

19 A Correct.

20 Q And you operate under Wheaton interstate
21 authority, correct?

22 A And also All Ways Moving interstate. We have
23 our own ICC authority. Which we had to purchase to
24 supplement...to be able to diversify we purchased ICC
25 authority so we could do our own operating of those moves.

1 Q But all of the \$300,000 in revenues that were
2 earned from Pennsylvania in trust state service were earned
3 from your own PUC authority, correct?

4 A Yes.

5 Q Is your service available to the public seven
6 days a week and twenty-four hours a day?

7 A It's available, correct.

8 Q If I need my household goods moved at other than
9 normal business hours, can I get that accomplished?

10 A Yes.

11 Q Does your company advertise its service to the
12 public in Allegheny and Washington Counties?

13 A Yes.

14 Q What forms of advertising do you utilize?

15 A The Yellow Pages are the main advertising.

16 Q And do you advertise in a number of different
17 editions of the Yellow Pages?

18 A You mean like small publications, church
19 publications?

20 Q Yes.

21 A Smaller ones, sure.

22 Q In other words, you advertise in different
23 Yellow Pages besides, for example, just the one for the
24 City of Washington, correct?

25 A That's correct. We advertise for Washington,

1 Canonsburg, Allegheny County.

2 Q Do you have any other forms of advertising that
3 you use, besides Yellow Page advertising?

4 A Yes, small publications in the County of
5 Washington, the Internet we use as an advertising tool.

6 Q Do you sponsor athletic teams and so forth in
7 your area?

8 A Yes.

9 Q Do you advertise as much as you can within
10 budgetary limitations?

11 A I advertise more than I'd like. I mean, if
12 there was enough business in Washington itself, I wouldn't
13 have to advertise in Allegheny County, which is the major
14 part of my budget.

15 Q Are Fife and Anderson active competitors for the
16 business in Washington County?

17 A Very active.

18 Q Are they both companies that are even more
19 substantial than your company?

20 A Larger?

21 Q Yes.

22 A Yes.

23 Q Now do you understand that Gardner has now
24 relocated its facility closer to Washington County?

25 A I do now.

1 Q Did you before?

2 A No.

3 Q Does that worry you, if they're located right
4 near the Washington County line, as far as whether they
5 would be able to take some of the business that you're
6 handling?

7 A It bothers me, not where they're located, but
8 what authority they're trying to be granted.

9 Q And what do you mean by that?

10 A If they take business from me in the Washington
11 area, I would have to supplement that loss by going into
12 Allegheny County and trying to tip the balance back and to
13 take the void, which means it would cost me more travel
14 time, more dead time, which is labor cost, to be able to
15 seek to replenish the business lost to me. Only because I
16 can't, I have the availability, the need, the want to do
17 all the moves in Washington County. If I could get them
18 all from Fife and Anderson's, that'd be fine with me.

19 Q There was some testimony from one of the public
20 witnesses, one of the two public witnesses, in this case,
21 Gina Lison, that I believe some of the movers in Washington
22 County may have a minimum in their tariff, that she just
23 needed a room of furniture moved, that somehow that minimum
24 might be cause the expense to be more substantial. Do you
25 have a minimum in your tariff?

1 A At this point, we do not.

2 Q So that does not create a problem; you can move
3 a room full of furniture at an inexpensive cost?

4 A We just basically charge the one hour travel
5 time, which is an inter.

6 Q And you are regulated by the Pennsylvania Public
7 Utility Commission, as far as your tariffs are concerned,
8 is that correct?

9 A Yes.

10 Q And you're legally required to charge, as are
11 other movers legally required to charge their tariff rates,
12 correct?

13 A Correct.

14 Q Now all of my questions so far have focused on
15 All Ways, your company McKean and Burt trading as All Ways
16 Moving and Storage. Do you also have authority in the name
17 of Timothy M. Moore, trading as Moore Movers?

18 A Yes.

19 MR. GRAY: Your Honor, may we have marked as Moore
20 Movers, Exhibit No. 1, a copy of the PUC authority of that
21 company.

22 JUDGE CORBETT: So marked and identified.

23 (Whereupon, the document was marked
24 as Moore Exhibit No. 1 for
25 identification.)

1 BY MR. GRAY:

2 Q Mr. Moore, does Moore Movers Exhibit No. 1
3 correctly reflect the PUC authority of that company?

4 A Yes.

5 Q And is that authority set forth on page 3?

6 A Yes.

7 Q In looking at this authority, it appears to me
8 that this authority was also purchased from someone,
9 correct?

10 A Correct.

11 Q And who was it purchased from?

12 A Harvey Neel with Neel Transportation.

13 Q Was that purchased back in 1996?

14 A Yes, it was.

15 Q And it appears to me, in looking at this, the
16 purchase price was \$2,000, correct?

17 A That's correct.

18 Q The authority here on page 3 is the City of
19 Washington and 15 miles and from that area to points in
20 Pennsylvania and vice versa, correct?

21 A Correct.

22 Q Have you utilized the authority in Moore Movers
23 Exhibit No. 1?

24 A No.

25 Q Why not?

FORM 2

1 A There's not enough business in the County of
2 Washington to be able to handle a full-time crew, so I just
3 haven't been able to get it started because there's not
4 enough business to keep it going.

5 Q Have you tried to get this company going?

6 A No, because there's not a need for another
7 company. If there was, I would easily be able to start it.

8 Q If at some point in time there becomes more
9 business available in Washington County to the point where
10 you would be able to use these rights, would you do so?

11 A Absolutely.

12 Q Mr. Moore, do you believe that there is any need
13 for the additional service proposed by the applicant in
14 this case?

15 A No.

16 Q Do you believe that the existing carriers that
17 are located in Washington County are able to handle all of
18 the household goods moves required to and from Washington
19 County?

20 A Absolutely.

21 Q And do you believe that your company and others
22 are able to handle all of the moves required from points
23 within 75 miles to points in Allegheny County?

24 A Absolutely.

25 MR. GRAY: That's all the questions I have. I move

1 the admission of All Ways Exhibit No. 1 and Moore Exhibit
2 No. 1 subject to cross examination.

3 JUDGE CORBETT: Any objection to the exhibits?

4 MR. STEPHENSON: No objection

5 JUDGE CORBETT: With no objection, they are
6 admitted. (Whereupon, the documents marked
7 as All Ways Exhibit No. 1 and
8 Moore Exhibit No. 1 were
9 received in evidence.)

10 Mr. Pillar, I take it you have no cross for this
11 witness?

12 MR. PILLAR: I have no questions, Your Honor.

13 JUDGE CORBETT: Mr. Stephenson, you may proceed.

14 CROSS EXAMINATION

15 BY MR. STEPHENSON:

16 Q If I understand your testimony, sir, is it your
17 testimony that there is not sufficient business in
18 Washington County in order to rely on that and be self-
19 sufficient as a business, is that right?

20 A To be a profitable business, no.

21 Q I think we can all agree with the idea of a
22 profitable business, right?

23 A Most people do.

24 Q Can we also agree that nobody likes to add
25 another competitor to the marketplace and jeopardize

1 profit, is that also fair to say?

2 A It's fair to say, but I'd like to add to it,
3 though.

4 Q Go ahead.

5 A I mean, competition is good, but when you have
6 to go outside, when you have to go out and purchase and
7 diversify -- in other words, I had to purchase Allegheny
8 County authority to keep my men busy, which means I had to
9 diversify. I had to purchase that authority to get larger,
10 to supplement, to keep competition going.

11 Q Let's ask the interesting question, then. You
12 acquired, I take it, Mill Transportation?

13 A Excuse me?

14 Q You acquired Mill Transportation?

15 A Neel Transportation?

16 Q Neel, I'm sorry, I misheard, Neel Transportation
17 in 1996, is that correct?

18 A Yes.

19 Q You paid \$10,000 for that?

20 A Correct.

21 Q And then you proceeded not to operate the
22 authority?

23 A There's not enough business in the city or the
24 County of Washington to start that authority going.

25 Q You did have authority in Washington County

1 before you made that purchase, is that correct?

2 A Correct.

3 Q Why would you acquire an authority that you
4 either already had or did not have sufficient business to
5 operate when you acquired it?

6 A Well, there were two reasons. One, it was my
7 grandfather's authority. He was the first generation. I'm
8 also the third generation mover. So first off, it was
9 basically purchasing my grandfather's company back from
10 Harvey Neel. Mr. Neel and my father both had a gentleman's
11 agreement that if he would sell that authority, he would
12 offer it back to my father.

13 Well, my father passed away. He came into my office
14 and told me about the gentleman's agreement he had between
15 the two, and offered it back to me.

16 Q So there was a sentimental reason?

17 A There's a sentimental reason to a point, but the
18 second point is with the expansion in Washington County, I
19 felt that within maybe five or ten years there might be a
20 need for another mover. If there was a need to be able to
21 one crew working or the company be started, I would be able
22 to do that and fill the void if another mover was needed.

23 Q Was Neel Transportation in operation when you
24 acquired it?

25 A Neel Transportation had authority which is

1 basically freight/household goods. He was an older
2 gentleman who was retiring from the freight business and he
3 held an operating authority for household goods.

4 Q I think my question's a little different. My
5 question is when you acquired Neel Transportation, where
6 they actually doing business?

7 A Yes.

8 Q So by purchasing Neel Transportation and ceasing
9 to operate it, it would be accurate to say that one
10 competitor in Washington County ceased to render service.

11 MR. GRAY: I object. That's not what he said. He
12 said that Neel was a freight carrier, not a household good
13 carrier.

14 THE WITNESS: That's correct.

15 MR. GRAY: He held an operating authority for
16 household goods but did not use them, basically.

17 BY MR. STEPHENSON:

18 Q Let's proceed with that.

19 A He was a freight mover, not a household mover,
20 so it wasn't like somebody was doing moves and then just
21 quit doing it. He had the opportunity to do so if he
22 wished, but he did not wish to do that. He wished to haul
23 freight.

24 Q So, then you acquired a company with rights that
25 was not using those rights, is that right?

1 A Part of the rights.

2 Q Did you acquire the freight rights as well?

3 A No.

4 Q Does Moore advertise in Allegheny County?

5 A No.

6 Q All Ways advertises in Allegheny County,

7 correct?

8 A Absolutely.

9 Q In Allegheny County, you compete with Gardner
10 Moving, is that correct?

11 A Yes, I do. I'm forced to do that because
12 there's not enough business in the County of Washington.

13 Q Your testimony, then, is that if Washington
14 County were to expand such as to give you full occupancy,
15 you would cease to operate your Allegheny County right?

16 A If I could do -- if there was more business in
17 the County of Washington, I would scale back my operations
18 in Allegheny County because I wouldn't need to. It costs
19 me money when I send trucks an hour from my base of
20 operation, when I can only charge for an hour travel time.
21 I'd much rather go five miles than fifty.

22 Q So then the basis for your objection is that
23 while you wish to operate in Allegheny County and
24 Washington County, you do not wish other people to compete
25 with you on the same basis, is that correct?

1 A To a point. When you say wish, I don't wish to
2 do work in Allegheny County. I wish to do all my work
3 based in Washington County. I think that's the point
4 you're missing.

5 The point I'm trying to make to you is I'm forced to
6 survive by going into other counties. If I was able to
7 survive in Washington County and be profitable, I would do
8 it, But I can't do it. It's not that I wish to be a
9 competitor in Allegheny County. I'm forced to be a
10 competitor in Allegheny County.

11 Q Is your understanding of your situation in the
12 competitive market that you are unusual from other
13 companies and that you're forced to compete in more than
14 one county?

15 MR. GRAY: Objection. He cannot speak for other
16 companies.

17 JUDGE CORBETT: Sustained.

18 BY MR. STEPHENSON:

19 Q Do you make any attempt to compare your
20 operations of All Ways Movers versus your competitors?

21 A Yes.

22 Q In doing so, is it your observation that your
23 competitors are also competing in many of the same counties
24 that you're competing in?

25 A You have to specifically tell me which ones

1 you're talking about, because there are many...

2 Q Why don't we do that. How about Fife; does it
3 compete in many of the same counties you compete in?

4 A Yes.

5 Q How about -

6 A Are we talking about PUC or are we talking about
7 the whole spectrum of the industry?

8 Q Just PUC. How about Anderson Transfer?

9 A Yes.

10 Q How about Vesely Brothers?

11 A Yes.

12 Q Century III?

13 A Yes.

14 Q How about Weleski?

15 A Very rarely.

16 Q How about Best Moving?

17 A Very rarely.

18 Q Now have you come to any conclusion in your own
19 mind why those moving companies have elected to compete
20 with you in those different counties?

21 MR. GRAY: I object. I don't think he can come to
22 such a conclusion as to why other moving companies elect to
23 do anything.

24 MR. STEPHENSON: Your Honor, please, the witness
25 has been offering with regard to his conclusions on the

1 competitive market. Unless his conclusion is utterly
2 unsubstantiated, and I'll move to strike it, this is a fair
3 question.

4 JUDGE CORBETT: I'm going to overrule the
5 objection. He's asking for his opinion.

6 MR. GRAY: Do you want to rephrase the question?

7 BY MR. STEPHENSON:

8 Q Sir, have you performed any competitive analysis
9 or study to determine the financial impact of Gardner
10 Moving's application on your future revenue?

11 A No.

12 Q When you have reached your conclusion that the
13 addition of Gardner Moving, the granting of Gardner
14 Moving's application, will be harmful to your competitive
15 situation, what specific facts did you rely upon to reach
16 that conclusion?

17 A The more timed I have to send my truck out of
18 Allegheny County, the more I know -- the more business that
19 I lose to other movers in Washington County forces me into
20 sending my truck into different parts of the industry, such
21 as interstate, military, or into different counties, to
22 supplement the loss to the competitors I already have.

23 When Fife takes a local move off of me for
24 Wednesday, I might have to go to Mt. Lebanon in Allegheny
25 County to supplement that loss. If Anderson Transfer takes

1 two moves off of me that week, I have to go to Allegheny
2 County two more times that week to supplement that loss.

3 The impact from just two competitors is such a great
4 loss to me that I have to purchase, for \$20,000, Allegheny
5 County authority to supplement the loss just to two
6 competitors.

7 So, even if he took one move off me a month, that
8 means I have to send that truck to Allegheny County to
9 supplement the loss. It does not take that much of
10 business sense to know that anybody taking any of the
11 business out of Washington County is going to hurt my
12 company.

13 Q What are your gross revenues from all
14 operations?

15 A They're \$1.1 million.

16 Q So your PUC revenue is roughly \$300,000?

17 A Correct.

18 Q Prior to today, were you asked to determine
19 exactly what your PUC revenues were for 1999 and have that
20 information available for hearing?

21 A Sure. I don't have it with me, but it's a PUC -
22 - we have 1999, at the end of 1999, we had to file our PUC
23 forms. I didn't bring it with me.

24 Q Did you consult that number before coming today
25 to testify?

1 A No, I did not.

2 Q Did anyone ask you to have that information
3 readily available?

4 A If they did, I forgot. You wouldn't happen to
5 have it, would you?

6 Q No. By the same token, sir, of your \$300,000
7 PUC revenue, I believe you said -- let me correct that.
8 How much did you say comes, is derived from Washington
9 County?

10 MR. GRAY: Your Honor, asked and answered.

11 THE WITNESS: Basically \$60,000, 20 percent.

12 MR. STEPHENSON: Asked and answered on direct.

13 JUDGE CORBETT: That's right. We'll let him
14 develop his cross.

15 THE WITNESS: Are you talking about Washington or
16 Allegheny?

17 BY MR. STEPHENSON:

18 Q I'm asking for the amount of business that you
19 generate out of Washington County, whether inbound or
20 outbound.

21 MR. GRAY: From PUC.

22 BY MR. STEPHENSON:

23 Q From PUC?

24 MR. GRAY: Of the \$300,000.

25 THE WITNESS: Roughly \$60,000 to \$70,000.

1 MR. STEPHENSON: Counsel, this is my witness at this
2 point.

3 MR. GRAY: I'm trying to clarify.

4 MR. STEPHENSON: This is coaching the witness.

5 MR. GRAY: I'm not coaching anything. I'm
6 clarifying the question, to see if the question --

7 JUDGE CORBETT: Okay.

8 MR. GRAY: -- relates to the PUC revenues.

9 JUDGE CORBETT: Let's leave it at that, and in the
10 future if there's a matter of clarification, then counsel
11 may direct it to me.

12 MR. STEPHENSON: May I rephrase?

13 JUDGE CORBETT: Yes.

14 BY MR. STEPHENSON:

15 Q Sir, with regard to your PUC revenue only,
16 arising from transportation whether inbound or outbound,
17 how much of that arises from Washington County
18 transportation?

19 A Between \$60,000 and \$70,000.

20 Q You said \$60,000 and \$70,000?

21 A (Witness nodding affirmative.)

22 Q Of that, let's take the high number, \$70,000.

23 Of that, how much arises from business arriving from
24 Allegheny County?

25 A From Allegheny County?

1 Q Yes, sir.

2 A I don't have it broken out that way. I have it
3 the way that the -- my profit and loss statement and
4 revenues are based on origin, not destination.

5 Q So, well, I'm talking from origin.

6 A Which is Washington County.

7 Q I'm asking you for transportation that begins in
8 Allegheny County...

9 A Which I don't have broken down as, so I wouldn't
10 be able to answer the question.

11 Q Mr. Moore, this is a basic rule of how this
12 goes. I have to finish my question before you respond. I
13 apologize if I'm not being clear, but you have to wait.

14 With regard to trips that begin in Allegheny County
15 and end in Washington County, do you attempt to identify
16 that kind of information in your revenue?

17 A No.

18 Q How do you identify your revenue?

19 A From the county it originates from.

20 Q And, how to you define the word originate?

21 A Where it's moving from.

22 Q I'm asking you for a trip that begins in
23 Allegheny County and ends in Washington County.

24 A And, I don't have it broken down that way. I
25 don't have the answer for you because it would be based in

1 Allegheny County. If it was moving within Allegheny County
2 or to any other counties, it doesn't matter because it's
3 originating from Allegheny County. I don't have my
4 accounting set up to give you that answer.

5 Q Well, then, let me ask you how you reached this
6 figure of, \$60,000 to \$70,000 arising out of Washington
7 County?

8 A Because it is broken down from where it's
9 originating from. It's originating from Washington County.
10 I have it broken down in two different ways; moving from
11 Allegheny County and moving from Washington County. That's
12 how my accounting is broken down, that's it. There's no
13 more break downs.

14 Q So, you know if it left from Allegheny County,
15 but you don't know where it wound up, for your accounting?

16 A Well, it was within a 40-mile radius of
17 Allegheny County.

18 Q Are you able to say how much of that \$70,000
19 amount represents moves from Allegheny County to Washington
20 County?

21 A No.

22 Q Are you aware that Gardner Moving has authority
23 to transfer good from Allegheny County into Washington
24 County?

25 A Yes.

1 Q So you would be unable to say to what extent
2 Gardner Moving, right now, could come in and take some or
3 all of that business away from you, the \$60,000 to \$70,000?

4 A Could I answer a number? No. But, I could say
5 if he takes one move, that means I have to go somewhere
6 else to fill the void.

7 Q I understand your point, sir, but I'm asking you
8 really quite simply, the revenue you say that is in
9 jeopardy, you are unable to give a sense to what extent
10 that revenue is already subject to Gardner Moving's
11 authority to come in and compete with you, isn't that
12 right?

13 A That's correct.

14 Q Where are your offices located?

15 A West Maiden Street in Washington.

16 Q Do you own that facility?

17 A Yes, I do.

18 Q Does any other mover operate out of that
19 facility?

20 A Just Moore Movers and All Ways Moving.

21 Q Do you own any ownership interest in any other
22 moving company?

23 A No.

24 MR. STEPHENSON: Thank you. I have no further
25 questions.

1 JUDGE CORBETT: Any redirect, Mr. Gray?

2 MR. GRAY: Yes, I just have a clarifying question.

3 REDIRECT EXAMINATION

4 BY MR. GRAY:

5 Q The \$60,000 to \$70,000 you referred to involving
6 Washington County, does that involve both movements out of
7 Washington and into Washington, or just out of Washington?

8 A Out of or within.

9 Q So either between points in Washington or out of
10 Washington?

11 A Right.

12 Q And, the out of Washington, you already gave us
13 a percentage on what amount of that would be within the 75
14 miles.

15 A Right, a percentage.

16 MR. GRAY: That's all. Thank you.

17 JUDGE CORBETT: Thank you, Mr. Moore.

18 MR. GRAY: I move the admission of the exhibits
19 again, Your Honor.

20 MR. STEPHENSON: No objection.

21 JUDGE CORBETT: I believe they're already in the
22 record, but just to make sure, they are admitted into the
23 record.

24 (Witness excused.)

25 MR. GRAY: I call Barbara Moore, Your Honor.

FORM 2

1 JUDGE CORBETT: Would you please come forward?
 2 Would you raise your right hand and be sworn.
 3 Whereupon,

4 BARBARA ELLEN MOORE

5 having been duly sworn, testified as follows:

6 JUDGE CORBETT: Please have a seat, And would you
 7 begin, please, by giving us your full name and spell your
 8 last name for the court reporter?

9 THE WITNESS: Barbara Ellen Moore, M-o-o-r-e.

10 JUDGE CORBETT: Mr. Gray, you may continue.

11 MR. GRAY: Thank you, Your Honor.

12 DIRECT EXAMINATION

13 BY MR. GRAY:

14 Q Ms. Moore, by whom are you employed?

15 A Anderson Transfer, Incorporated.

16 Q What is your position with that company?

17 A President.

18 Q How long have you been affiliated with Anderson
19 Transfer?

20 A About 30 years part-time, 18 years full-time.

21 Q And how long have you been president of the
22 company?

23 A About 17 years.

24 Q What is the business address of Anderson
25 Transfer?

1 A It's 231 Burton B-u-r-t-o-n Avenue, Washington,
2 Pennsylvania, 15301.

3 Q There was, the last witness who testified in
4 this case was Tim Moore from All Ways Moving. Is he a
5 relative of yours?

6 A He's my little brother.

7 Q Now so that we're very clear on this, does
8 Anderson Transfer actively compete with All Ways?

9 A Yes, daily.

10 Q Do you compete with All Ways in the same manner
11 that you compete with Fife or any other mover that one
12 might choose to name?

13 A Yes.

14 Q Are they totally separate and distinct
15 companies?

16 A They're totally separate and distinct legal
17 entities.

18 Q And, do they have their own separate PUC
19 authorities?

20 A Yes.

21 Q Do they have their own separate ownership?

22 A Yes.

23 Q And do they have their own separate officers,
24 directors and so forth?

25 A Yes.

1 Q And, your affiliation is with Anderson Transfer,
2 correct?

3 A Correct.

4 Q Tim is the owner of All Ways, correct?

5 A Correct.

6 Q Does Anderson Transfer hold authority from the
7 Pennsylvania Public Utility Commission?

8 A Yes.

9 MR. GRAY: Your Honor, may we have marked as
10 Anderson Exhibit No. 1, a copy of the PUC authority of that
11 company.

12 JUDGE CORBETT: Yes, it will be so marked and
13 identified.

14 (Whereupon, the document was marked
15 as Anderson Exhibit No. 1 for
16 identification.)

17 BY MR. GRAY:

18 Q Ms. Anderson, does Anderson Exhibit No. 1
19 correctly set forth the authority of Anderson Transfer?

20 A Yes.

21 Q Now, as I look at Anderson Exhibit No. 1, it's
22 an order adopted March 14, 1991, and it involves the
23 transfer of the operating rights of Joann Moore, trading as
24 Anderson Transfer, is that correct?

25 A Correct.

1 Q Who was Joann Moore?

2 A Joann More is my mother.

3 Q And, did your family then operate these same
4 rights before they were transferred into Anderson Transfer?

5 A Correct. My mother owned the company before we
6 bought it from her, and my mother and father owned the
7 business before he died.

8 Q In looking at the authority, I want to turn your
9 attention to page 3 of Anderson Exhibit No. 1. Am I
10 correct that the relevant grants of authority to this
11 application are paragraph 2, involving property generally,
12 including household goods, between points in the City of
13 Washington and within 15 miles; and paragraph 5,
14 authorizing household goods from that area of Washington
15 and 15 miles to other points in Pennsylvania, and vice
16 versa; and paragraph 7, which involves service between
17 points in Allegheny County and from points in that county
18 to points in Pennsylvania and, vice versa; and paragraph 9,
19 which broadens the description but contains the same
20 geographical areas; am I correct on those authorities?

21 A Correct.

22 Q Taking paragraphs 2 and 5, the area of
23 Washington and 15 miles would involve service in Washington
24 County obviously, but would it involve all or nearly all of
25 Washington County, the 15 miles of the City of Washington?

1 A Nearly all the county and the great, great
2 percentage of the available business.

3 Q By that, you mean the population centers?

4 A Right. It would exclude farms in the
5 surrounding, the outside of the county.

6 Q Would it also involve Greene County; in other
7 words, does 15 miles of the City of Washington go down into
8 Greene County?

9 A It wouldn't go very far. If it is 15 miles,
10 it's not very far into Greene.

11 Q So it goes down around the line, the
12 Washington/Greene line?

13 A Yes.

14 Q So that authority, then, as far the utilization
15 of that authority, it is basically a Washington County
16 authority, correct?

17 A Correct.

18 Q Now the authority involves not only service from
19 Washington County but service back to Washington County,
20 correct?

21 A Correct.

22 Q Now in the years of service or the years that
23 you've been with Anderson Transfer, has Anderson Transfer
24 throughout that period of time provided service originating
25 in Washington County and going to points within 75 miles?

1 A Yes.

2 Q You understand this application only involves
3 service to points within 75 miles of the Court House in
4 Allegheny County?

5 A Yes.

6 Q Have you also, during that entire period of
7 time, provided service from points within that 75 mile area
8 back into Washington County?

9 A Yes, since we bought Allegheny County operating
10 authority.

11 Q No, I'm talking about from other -- you have the
12 right to go from any point in Pennsylvania back into
13 Washington County.

14 A Yes, I'm sorry. I misunderstood. Yes.

15 Q Do you provide service from other counties back
16 into Washington?

17 A Yes.

18 Q Now we'll go to the Allegheny one. Did you buy
19 authority involving Allegheny County, which is now set
20 forth as paragraph 7?

21 A Yes. It took a very long time and cost a great
22 deal of money to buy it.

23 Q That authority would have been purchased prior
24 to 1991, correct?

25 A I believe it was actually around 1989 or 1990

1 that I bought it.

2 Q Who did you buy the Allegheny County authority
3 from?

4 A I bought it from -- we had to wait until
5 somebody went bankrupt. We bought it from the bankruptcy
6 court, and I believe the company that owned it was
7 Robinson-Ogleby, who went out of business, went bankrupt.

8 Q Do you remember what you had to pay for it?

9 A I remember I had to take out a loan and sign a
10 personal guarantee. It was in the \$20,000 to \$30,000
11 range, plus \$6,000 in attorney fees.

12 Q Why did you buy authority involving Allegheny
13 County; why weren't you satisfied to be able to operate
14 just with your Washington County authority?

15 A We were having a very hard time just breaking
16 even with Washington County business.

17 Q Were you having to compete with other companies
18 for the Washington County business?

19 A Absolutely.

20 Q Back then, who were you competing with?

21 A It was Fife Moving and Storage and All Ways
22 Moving and Storage. At the time it was called McKean &
23 Burt.

24 Q Which is the legal name and the trade name being
25 All Ways?

1 A Correct.

2 Q So they were both active competitors back at
3 that time, 1989?

4 A Yes.

5 Q And are they still active competitors today?

6 A It worse. They're more active today.

7 Q So did you find it necessary that in order to
8 survive, you had to buy and spend a great deal of money on
9 Allegheny County authority?

10 A In addition to other things that we had to do to
11 increase our business.

12 Q Now have you used your Allegheny County
13 authority since you secured it?

14 A Yes.

15 Q The Allegheny County authority involves both
16 service from Allegheny County to points in Pennsylvania,
17 and vice versa, correct?

18 A Correct.

19 Q Do you understand that Gardner can provide
20 service from points in Allegheny County to points in the 75
21 mile area that it is now seeking, but cannot provide
22 service from that area back to Allegheny County, do you
23 understand that?

24 A Yes.

25 Q Does Anderson now provide, and has it provided

1 over the years since it got that authority, service from
2 points within the 75 mile area back into Allegheny County?

3 A Yes.

4 Q Does it regularly provide that type of service?

5 A Absolutely.

6 Q If Gardner is able to become a new competitor of
7 yours for service either within Washington County or from
8 Washington County to other counties, or from other counties
9 back to Washington County, will that be harmful to your
10 company?

11 A Yes.

12 Q Why do you say that?

13 A There's a limited market in Washington County.
14 In moving, it's a mature market. There are only a few areas
15 that are really growing in Washington County, so we have to
16 provide -- hit a certain number to break even every year.

17 If you can do it closer, which is more profitable,
18 then that's easier. If you have to go further away, it's
19 more expensive. Of course, it would hurt if somebody took
20 the business that was in your major market area.

21 Q Do you understand that Gardner Moving has
22 somewhat recently relocated their offices to right near the
23 Washington County line?

24 A Yes.

25 Q Does that concern you?

1 A I was very surprised when I saw where they were
2 and, yes, I was concerned.

3 Q You indicated that you have provided service and
4 are providing service under your PUC authority. Did you
5 recently have occasion to prepare and file with the Public
6 Utility Commission an assessment report, indicating what
7 your revenues were from operating under your PUC rights?

8 A Yes.

9 Q And what were they?

10 A About \$850,000.

11 Q And those are just from your PUC rights,
12 correct?

13 A Correct.

14 Q Now, that \$850,000, I'd like to break out if I
15 could. I want you to estimate for me what percentage of
16 that \$850,000 would be from movements either between points
17 in Washington County or from points in Washington County to
18 points within the 75 mile area. I'll show you a map that
19 tries to depict that, or does depict that.

20 I also want you to include in this figure inbound
21 movements back into Washington County but not including any
22 inbound from Allegheny to Washington County. Can you
23 estimate that for me?

24 A It would be an estimate.

25 Q Yes.

1 A I'd say 60 percent.

2 Q Would the other 40 percent, then, be from
3 Allegheny County either outbound or inbound?

4 A Or intra-Allegheny.

5 Q Or intra-Allegheny, correct.

6 A Yeah.

7 Q That would account for 40. Now, Gardner does
8 not now have authority to provide service inbound into
9 Allegheny County from anywhere. So my question to you is,
10 as to the other 40, how much of that would be from points
11 within the 75 miles back into Allegheny, but not including
12 within Allegheny, if you can?

13 A I'd say it depends on the year. Anywhere
14 between five and ten percent, based on the year.

15 Q Okay. So am I correct that the real thrust of
16 your opposition in this case, or the major part of your
17 opposition in this case, involves Gardner's attempt to
18 provide service involving Washington County, where it's
19 either within Washington or from Washington to the 75
20 miles, or from the 75 miles back into Washington, excluding
21 the Allegheny to Washington portion?

22 A That's correct.

23 Q Is Anderson Transfer affiliated with a national
24 van line?

25 A Bekin's Van Lines, B-e-k-i-n-s.

1 Q How long have you been affiliated with Bekin's?

2 A They say 28 years and we say 30.

3 Q One or the other, correct?

4 A Yeah.

5 Q Am I correct that the Bekin's affiliation
6 basically applies principally to interstate movements?

7 A Correct.

8 Q And all of the intrastate revenues that you've
9 discussed, the \$850,000 intrastate revenues, those were all
10 from service under your PUC authority set forth as
11 Anderson, correct?

12 A That's correct.

13 Q Do you anticipate that in the future, we'll say
14 specifically in the year 2000, that you would earn
15 approximately the same revenues from PUC service that you
16 earned in 1999?

17 A It fluctuates by the year, but it would be
18 within ten percent.

19 Q You indicated where your facilities were
20 located, and my question is what facilities do you have
21 there? Specifically, I'm interested in if you have a
22 warehouse there, whether you have office facilities,
23 whether you have maintenance facilities there, and so
24 forth.

25 A On Burton Avenue, we have 10,000 square feet of

1 warehousing, about 1,000 of office, and that's where we're
2 headquartered.

3 Q Are those your only facilities?

4 A We have an additional warehouse.

5 Q Where is it located?

6 A At 330 South Main Street, in Washington, PA.

7 It's 30,000 square feet of containerized storage.

8 Q Do you use your warehouse space in connection
9 with PUC service that you provide?

10 A Sure.

11 Q When would that occur; what would cause a
12 shipment to be warehoused, a PUC shipment?

13 A A customer sells their house, but their new
14 house isn't ready yet, or they haven't found a new house
15 yet. Somebody dies and they put furniture in the warehouse
16 until under the IRS says they can be released, or the
17 estate is settled or the children or grandchildren decide.
18 Somebody wants to store things and they don't have enough
19 room in their home.

20 Q Does Anderson have an equipment list that
21 prepared for this hearing?

22 A Yes.

23 MR. GRAY: Could we have marked as Anderson Exhibit
24 No. 2 a one-page list of equipment?

25 JUDGE CORBETT: Yes, so marked and identified.

1 (Whereupon, the document was marked
2 as Anderson Exhibit No. 2 for
3 identification.)

4 BY MR. GRAY:

5 Q Ms. Moore, does Anderson Exhibit No. 2
6 accurately reflect your equipment?

7 A Yes.

8 Q Is this equipment owned or leased equipment?

9 A It's owned.

10 Q Now, I notice that you have tractors and
11 trailers. Obviously we know what those are. You also have
12 something referred to as pallet trucks, something referred
13 to as box trucks, something referred to as pack vans and a
14 top kick truck. Let's take these one at a time, and could
15 you briefly tell us what a pallet truck is?

16 A A pallet truck is a truck that's specifically
17 built to pick up and deliver containerized shipments. So
18 it would be a straight truck that has an entire side that
19 has doors on it so that pallets can go directly in on a
20 fork lift and come off on a fork lift. We have two year
21 2000 pallet trucks.

22 Q And what is a box truck, as defined here with
23 your truck numbers 210 and 208?

24 A It's a straight truck as opposed to a tractor
25 trailer.

1 Q And what is a top kick truck?

2 A It's a little, straight truck.

3 Q And a pack van?

4 A That would be like a little bread delivery truck
5 that you would put packing material in for packing jobs.

6 Q And, is this the equipment, as it is set forth
7 on the Anderson Exhibit Number 2, that you use in providing
8 the PUC service that you have described in your earlier
9 testimony?

10 A Yes. We do, actually we do lease vehicles, we
11 don't have any right now, but we'll lease three straight
12 truck for the entire summer.

13 Q And why do you lease them during the summer?

14 A There are three busy months in the household
15 moving industry, June, July and August, and we can't afford
16 to have truck not utilized nine months out of the year. So
17 we lease trucks for three months in the summer.

18 Q How many employees does Anderson Transfer have?

19 A Approximately 27.

20 Q How many of those employees are drivers?

21 A Eight.

22 Q Eight?

23 A Eight.

24 Q All full time?

25 A Yes.

1 Q And how many are helpers?

2 A Eight.

3 Q And do you have any other breakout of employees
4 that help with the household goods moves; do you break out
5 packer separately?

6 A We have five part time packers and one warehouse
7 manager. Everybody else is support staff.

8 Q And the support staff would include office?

9 A Yes.

10 Q Is the service of Anderson available 24 hours a
11 day and seven days a week, if necessary?

12 A Yes.

13 Q Does Anderson advertise its service to the
14 public in Washington County?

15 A Yes.

16 Q How?

17 A Yellow Pages, church bulletins, tee-shirts on
18 Little League teams, post cards that are mailed out, bingo
19 bulletins, etc.

20 Q You do everything you possibly can to put out
21 before the public the availability of your service?

22 A Yes. League groups, chamber of commerce.

23 Q Are you personally very active in that regard?

24 A Absolutely.

25 Q Do you know how many different Yellow Page

1 publications you advertise in?

2 A Between, probably around ten.

3 Q There was testimony from a witness in this case
4 by the name of Gina Lison, who testified that she had
5 talked -- she actually testified yesterday, that she had
6 talked with somebody from your company about the fact that
7 you may have eliminated, from your household goods tariff,
8 your PUC household goods tariff, the minimum charge.

9 MR. STEPHENSON: Objection.

10 MR. GRAY: I'm just repeating what the witness
11 said, Your Honor.

12 JUDGE CORBETT: The objection is overruled.

13 BY MR. GRAY:

14 Q That you may have eliminated from your tariff, a
15 minimum charge for service. My question quite simply is,
16 did you?

17 A No. We still have the same one we've had for
18 awhile, which is one hour.

19 Q So you have a minimum charge of one hour in your
20 tariff?

21 A Uh-uh.

22 JUDGE CORBETT: You'll have to say the words.

23 THE WITNESS: I'm sorry. Yes.

24 BY MR. GRAY:

25 Q How long have you had the one hour minimum?

FORM 2

1 A One hour minimum travel, one hour minimum for
2 the move, as long as I can remember.

3 Q So you did not have a, that you can recall, a
4 five hour minimum at some point in time?

5 A Monday through Friday we don't. We have a
6 preference that customers have a four hour minimum. We've
7 had that, but that's not what customers want. So it kind of
8 pointless.

9 Q So if a customer, let's just cut to the chase
10 here, if you have a customer that has a movement of a room
11 of furniture, is that customer going to be billed any sort
12 of four or five hour minimum to move that room of
13 furniture?

14 A Depending on a Saturday, they would pay a
15 minimum.

16 Q But if they wanted to avoid that minimum, they
17 move it during the week, correct?

18 A Right.

19 Q Now, Ms. Moore, you know what the competitive
20 situation is now in Washington County. You've been
21 experiencing the competitive situation there for years. Do
22 you believe that there is any need for an additional mover
23 in Washington County?

24 A No.

25 Q What do you believe would be the effect of

1 having another household goods mover, able to make pick-ups
2 in Washington County, for household goods?

3 A I think it would make the entire cost of moving
4 services higher for the customer, because then we're going
5 someplace further away. We'd have to advertise services.
6 Same thing for Gardner's. They'd have to advertise and now
7 they're going farther away. It just makes it more expensive
8 if you're going farther than your home base.

9 Q You mean farther because you've got to recoup
10 that business somewhere else?

11 A Yes.

12 MR. GRAY: No more questions, Your Honor. I move
13 the admission of Anderson Exhibits 1 and 2 and tender the
14 witness for cross examination.

15 JUDGE CORBETT: Hearing no objection, they will be
16 admitted.

17 (Whereupon, the documents marked as
18 Anderson Exhibit Nos. 1 and 2 were
19 received in evidence.)

20 Mr. Stephenson, cross.

21 CROSS EXAMINATION

22 BY MR. STEPHENSON:

23 Q You know I represent Gardner. I'm going to ask
24 you a couple of questions. If at any time you don't
25 understand my questions, let the Judge know and I'll try to

1 do a better job of it.

2 A Okay.

3 Q Does Anderson Moving have salespeople?

4 A Yes.

5 Q Are you aware if any of your salespeople
6 contacted Gina Lison, a witness in this case, within the
7 last two weeks?

8 A No. I believe we talked to her more than two
9 weeks ago.

10 Q When do you believe your company had contact
11 with her?

12 A Months ago.

13 Q Ms. Lison stopped by yesterday to say that she
14 had been recently contacted by your company and that a
15 person from your company had indicated that -- I take that
16 back. You're right.

17 Shortly after her testimony on August, 12th, she was
18 contacted by a representative of your company, who
19 explained that she was looking for a move and that the
20 rates had changed with regard to her move. That was her
21 testimony. Would she be correct or incorrect in her
22 recollection?

23 A Our hourly rates changed, but I can't tell you
24 that I know it was in that time frame. I don't remember
25 well enough when our rates changed.

1 Q How did you know that Ms. Lison had participated
2 in these hearings?

3 A I believe Mr. Gray told me.

4 Q And did anyone tell you that you should call
5 Gina Lison with regard to her testimony?

6 A We call absolutely everyone who says they're
7 moving. No one told me to call. The minute we hear
8 somebody's moving, we pick up the phone and call.

9 Q So you called her because you thought she was
10 moving, as opposed to being a witness?

11 A We called her because she had a move.

12 Q Had someone told you that in fact she needed
13 another move?

14 A She had never moved.

15 Q Who told you that?

16 A Mr. Gray said that she was looking for a mover,
17 so we called her.

18 Q That she was actively looking for someone to
19 move furniture?

20 A That's what our understanding was.

21 Q Was that provided you in writing or orally?

22 A Orally.

23 Q And so, therefore, you called Gina Lison, right?

24 A Yeah, hoping to get her move.

25 Q She testified that she was having difficulty

1 getting a cheap rate on a very small move, and that Gardner
2 was willing to accommodate that rate, that Anderson had
3 changed its rate to match that same pricing.

4 A Our rates went up.

5 Q Your rates went up?

6 A Uh-huh.

7 Q Do you know who made the call?

8 A One of our sales people, Rob Danzic.

9 Q Were you present when he made the call?

10 A Yes; not that I heard everything he said. I was
11 in the office when he called.

12 Q Did he report back to you the result of the
13 call?

14 A Yes.

15 Q Did you create a memo or other writing,
16 documenting the call?

17 A He probably would have put it on a call-in form,
18 which is our procedure. Then we put it in a tickler to
19 call back although I'm not sure he kept it because his
20 interpretation was she really wasn't moving, that he
21 actually thought she was a friend of the Gardners.

22 When he probed her and was trying to get information
23 out of her, it seemed like she wasn't really moving because
24 every time he offered to do something for her, she kept
25 saying well, six months from now, don't call me back.

1 Q Well, it's an interesting point you make that
2 when the witness was contacted, she informed you she was
3 not planning to move at any time in the near future; is
4 that right?

5 A She said she was going to move some things into
6 storage and then move them back out.

7 Q At some future but unknown date.

8 A Exactly.

9 Q Let's look at the various revenues. My
10 understanding is that you report \$850,000 of PUC revenue.
11 That's about right?

12 A I can tell you exactly. It's \$843,883.

13 Q Between yesterday and today, did anybody suggest
14 it would be a good idea to bring your 1999 assessment?

15 A I had to have this notarized yesterday. Not
16 yesterday, it was due on March 31, but yes, Mr. Gray said
17 that we would need this.

18 Q Let me see that for a moment.

19 A Sure.

20 (Counsel perusing document.)

21 Q I made a couple of notes so I wouldn't have to
22 keep taking it back from you, ma'am. I apologize for the
23 delay. It is accurate to say, then, that your company had
24 \$1.2 million in gross operating revenues for 1999?

25 A As a household carrier.

1 Q Does your company provide services other than
2 household carrier that...

3 A Office moving.

4 Q I'm sorry. I'll let you know when I'm coming to
5 the end. Do you provide other services of any types for
6 profit through Anderson for which you obtain revenues?

7 A Would you say it again?

8 Q For example, you provide service as a storer of
9 goods, a warehouse.

10 A Correct.

11 Q Would you accept goods that are brought to your
12 warehouse for storage?

13 A Correct.

14 Q Do you provide transportation for other than
15 household goods?

16 A Yes.

17 Q So, do you take into Anderson more revenue than
18 is reported on that particular form?

19 A Yes.

20 Q So, what would be the total gross revenue of
21 Anderson?

22 A Approximately \$1.35 million.

23 Q And then out of the \$1.35 million, \$843,000 is
24 PUC revenue, correct?

25 A Correct.

1 Q Now we had so many things coming in and out of
2 the various slices of this, I just want to make sure I have
3 it right. You indicated that there was a portion of your
4 business, roughly 60 percent. I want to make sure I have
5 the right elements in it.

6 Correct me if I'm wrong, but I'm confirming my
7 notes. That 60 percent would include trips point to point
8 in Washington County?

9 A Yes.

10 Q And, it would also include outbound from
11 Washington County into that 75 mile radius that's being
12 applied for, is that correct?

13 A Could we clarify? When I said 60 percent, I was
14 talking about the PUC authority. That's what you're asking
15 me?

16 Q We're only talking PUC authority and I
17 understand it's an estimate, but it kind of went by fast
18 and I want to make sure I got the elements right.

19 A Yes, 60 percent.

20 Q So to go back, it does include point to point
21 trips in Washington County?

22 A Correct.

23 Q And it does include trips that originate in
24 Washington County and go outbound into that 75 mile radius.

25 A Correct.

1 Q And it does include trips within that 75 mile
2 radius that inbound into Washington County.

3 A Correct.

4 Q But it did not include Allegheny County revenue.

5 A Straight intra-Allegheny County, correct.

6 Q It omits point to point trips in Allegheny
7 County?

8 A Correct.

9 Q Okay. Now there was a remaining 40 percent, and
10 in that remaining 40 percent, that would be Allegheny
11 County and it would include point to point within Allegheny
12 County and then outbound from Allegheny County to
13 Washington County, right?

14 A Well...

15 Q There may be something else?

16 A Allegheny County to other counties in
17 Pennsylvania.

18 Q Okay. Now with...

19 A Or vice versa.

20 Q Now you're coming to my next point. Of this
21 Allegheny County number, this 40 percent, how much of that
22 represents inbound from other counties in Pennsylvania?

23 A Excluding Washington?

24 Q No, even from Washington County, from any county
25 in Pennsylvania to Allegheny County.

1 A I'd have to think about it.

2 Q We'll return to the question before we go.

3 A Okay.

4 Q Have you made any detailed financial study of
5 the effect of the Gardner application on your future
6 revenues, if that application's granted?

7 A We didn't do anything quite that complicated.
8 We're a little company. It's pretty common sense. When
9 you're in a company in an industry that has three percent
10 profit margin, anything you lose, it's going to hurt your
11 business. Especially any move close to your operating base
12 is going to hurt your business.

13 Q Let's push that. How many moves do you project
14 you will lose because Gardner comes into the market?

15 A Depends on how aggressive they are. We don't
16 compete against them toe to toe like we do with Fife and
17 All Ways.

18 Q I appreciate that. Well, you do compete with
19 them in Allegheny County, don't you?

20 A They have a very loyal, small market niche, and
21 so we don't fit in. In some ways, it's nice because they
22 have their own niche and there's not a lot of competition
23 with them.

24 Q Do you have a loyal market niche?

25 A Yeah, we do.

1 Q Be fair to say so does Fife, so does All Ways?

2 MR. GRAY: I object, Your Honor. She would have no
3 way of knowing whether they do.

4 BY MR. STEPHENSON:

5 Q Well, let me ask you this. In your marketing
6 plan, do you assume that Fife and All Ways have loyal
7 market niches of people who prefer to use them?

8 A No, not that -- not those two carriers.

9 Q Do you count, in your own business, on retaining
10 your loyal clientele?

11 A Yes.

12 Q Assuming that Gardner Moving began to compete in
13 your area, would you assume that your loyal niche of market
14 would abandon you in some substantial part to go with
15 Gardner?

16 A I guess the real question is what percentage of
17 our market is repeat business, to make your question
18 meaningful.

19 Q I'll accept that and revise my question. What
20 percentage of your business is repeat?

21 A The average customer moves about every five
22 years, so we probably have about ten percent of our
23 business every year that is a repeat customer.

24 Q How much of your business derives from word of
25 mouth?

1 A When derives from, do you mean they call in and
2 they book with you or they make you -- you're competing
3 against other carriers, but they've heard of you because of
4 word of mouth.

5 Q Okay, the latter. They heard of you because of
6 word of mouth and they contact you.

7 A About five percent.

8 Q By the same token, too, do you have any
9 particular complaint that there is competition; is your
10 objection to competition itself?

11 A No, competition's good for the customer.

12 Q So when a person contacts you and informs you
13 they're also calling Fife and All Ways, how do you
14 differentiate yourself versus those companies in order to
15 get the business?

16 A Salespeople have their own techniques of how
17 they use accurate estimates, claims ratio.

18 Q Do you perceive you're successful in your
19 competition?

20 A Would you ask that question again?

21 Q Sure. Do you perceive that you are successfully
22 competing in your marketplace now?

23 A Yes we are, but it's difficult.

24 Q Do you have any sense of the size of the PUC
25 operations, for example, at Fife?

1 A No, I'm not familiar with their operations.

2 Q Do you ever obtain copies of their file of
3 assessments to see what PUC revenues they're reporting?

4 A No, but we know we compete against them on a
5 daily basis.

6 Q Mr. Fife thought he was doing better than you.
7 Do you think you're doing them him?

8 A In terms of what?

9 MR. GRAY: I object to the question.

10 MR. STEPHENSON: I withdraw the question.

11 JUDGE CORBETT: All right.

12 MR. GRAY: I'm not sure of the accuracy.

13 MR. STEPHENSON: He was really quite sure he was,
14 he had no doubt he was holding his own.

15 MR. GRAY: Of course.

16 MR. STEPHENSON: I have no further questions.

17 JUDGE CORBETT: Any redirect?

18 MR. GRAY: I just have one question, I think, Your
19 Honor.

20 REDIRECT EXAMINATION

21 BY MR. GRAY:

22 Q Ms. Moore, has Gina Lison called back and
23 requested your household goods moving service at any time
24 since she originally testified in this case?

25 A No. As I testified, I don't believe she was

1 actually moving.

2 Q But she hasn't called you and said, I am moving,
3 will you move me?

4 A She did everything she could to keep us from
5 calling her back.

6 Q Did you get the distinct impression she was not
7 a real person that really wanted to move?

8 MR. STEPHENSON: Leading.

9 JUDGE CORBETT: Sustained.

10 MR. GRAY: Thank you, that's all.

11 JUDGE CORBETT: At this point, I believe Mr. Gray
12 has indicated he has no further questions of Ms. Moore. So
13 Ms. Moore is excused.

14 (Witness excused.)

15 Mr. Gray, do you have anything else at this point?

16 MR. GRAY: Yes. Your Honor, I would just like to
17 put in as counsel sponsored exhibits, the PUC authority of
18 Forest Hills Transfer and Storage, Inc., at Docket Number
19 88631. I'd ask that that be marked as Forest Hills Exhibit
20 Number 1.

21 JUDGE CORBETT: So marked and identified.

22 (Whereupon, the document was marked
23 as Forest Hills Exhibit No. 1 for
24 identification.)

25 MR. GRAY: I'll distribute copies of that. Your

1 Honor, the witness for Forest Hills is not able to testify
2 at these hearings and understands that he will not be given
3 an opportunity to testify at another hearing and desires to
4 remain an active protestant, but is not going to present
5 testimony.

6 The same applies for V. H. Stump, Co., Inc. The
7 witness for that company could not appear at these hearings
8 but does desire to remain an active protestant. I would ask
9 to have marked as Stump Exhibit No. 1, Protestant Stump
10 Exhibit 1, a copy of the authority, PUC authority of that
11 company, Docket Number A00105669.

12 JUDGE CORBETT: All right. The docket number will
13 be so marked and identified.

14 (Whereupon, the document was marked
15 as Stump Exhibit No. 1 for
16 identification.)

17 MR. GRAY: And Your Honor, I would ask that these
18 exhibits be admitted into evidence.

19 MR. STEPHENSON: I have no objection, Your Honor.

20 JUDGE CORBETT: All right.

21 (Whereupon, the documents marked as
22 Forest Hills Exhibit No. 1 and Stump
23 Exhibit No. 1 were received in
24 evidence.)

25 MR. STEPHENSON: Before we go off the record, I do

1 have one housekeeping matter, only as to Mr. Gray's
2 clients. Are the cases of those protestants now rested?

3 MR. GRAY: Yes, I'm done. I will stay, though,
4 through the presentation of the witness for George so that
5 I'm here for discussion of any issues before we adjourn.

6 JUDGE CORBETT: Sure, that's fine. We'll take a
7 short, five minute break.

8 (Recess.)

9 JUDGE CORBETT: We are back on the record.

10 MR. PILLAR: I would call Mr. George.

11 JUDGE CORBETT: Would you raise your right hand and
12 be sworn?

13 Whereupon,

14 THOMAS A. GEORGE

15 having been duly sworn, testified as follows:

16 JUDGE CORBETT: Please have a seat. Would you
17 begin by giving us your full name and spell your last name
18 for the court reporter.

19 THE WITNESS: Thomas A. George, G-e-o-r-g-e.

20 JUDGE CORBETT: Mr. Pillar, you may continue.

21 MR. PILLAR: Thank you, Your Honor.

22 DIRECT EXAMINATION

23 BY MR. PILLAR:

24 Q Mr. George, with what company are you
25 affiliated?

1 A George Moving and Storage, North American Van
2 Lines.

3 Q Now, the protestant in this case is the Snyder
4 Brothers Moving, Inc., PBA, George Transportation Company.
5 Is that a company that you're also familiar with?

6 A Yes.

7 Q Is that the company that actually holds the
8 operating rights with the Pennsylvania Public Utility
9 Commission?

10 A Yes.

11 Q You mentioned North American Van Lines. What is
12 North American, what is their relationship to yours?

13 A We are an agent for North American Van Lines and
14 that company actually does business under John E. George,
15 Inc.

16 Q So as is the situation with many of the other
17 mover that have testified in this case, you are agents for
18 national companies. George is also an agent for a national
19 company; that is, in this case, North American Van Lines.
20 Is that right?

21 A That's correct.

22 Q Do you perform services for North American Van
23 Lines as they may request it; you perform in interstate
24 commerce?

25 A That's correct.

1 Q Does George Transportation Company perform
2 intrastate transportation?

3 A Yes, it does.

4 Q And does it do that under its own PUC rights?

5 A Yes, it does.

6 Q What is your title, Mr. George?

7 A Vice president of operations and commercial
8 sales.

9 Q And who are the owners of Snyder Brothers -- in
10 this case I'm going to refer to it as George Transportation
11 for the sake of the record, but we know we're referring now
12 to the protestant, that is Snyder Brothers Moving. Who are
13 the owners of George Transportation?

14 A John E. George, president and owner.

15 Q And how is he related to you?

16 A He's my father.

17 Q How long has your father owned the company?

18 A Twenty-six years.

19 Q Do you have siblings who are also involved in
20 the business?

21 A Yes, I do.

22 Q Who are they?

23 A My sister, Rebecca George.

24 Q What does she do?

25 A She does household goods sales.

1 Q Okay. Who else?

2 A My mother's involved. She's secretary of the
3 corporation.

4 Q What is her name?

5 A Patricia A. George.

6 Q Where are your business offices located?

7 A At 729 West New Castle Street in Zelienople, PA.

8 Q And in what county is Zelienople?

9 A That is Butler County.

10 Q In reference to Butler County, near what major
11 routes or highways is Zelienople?

12 A We are located off Rt. 19, I-79 and we're about
13 five miles north of the Pennsylvania turnpike, around 20
14 miles south of I-80.

15 Q How long have you been with the company?

16 A Since 1988, 12 years.

17 Q And as vice president of operations, what are
18 your duties?

19 A My primary, I am responsible for the overall
20 operation, day-to-day functions of the entire organization.

21 Q And what is the business of George
22 Transportation Company?

23 A George Transportation Company has a fairly
24 diversified business, being in household good, relocation,
25 warehousing distribution, commercial office moving, high

1 value products distribution, and storage.

2 Q And where does it have facilities; you mentioned
3 where your offices are. Do you have other facilities there
4 besides an office?

5 A Yes. We have 114,000 feet of warehouse.

6 Q Do you have any facilities anywhere else other
7 than in Zelienople?

8 A No, we do not.

9 Q How long have you been located in Zelienople?

10 A Seven years.

11 Q Where were you located before that?

12 A Cranberry Township.

13 Q And in what county is Cranberry Township?

14 A Butler County.

15 Q How far is Zelienople from Cranberry Township?

16 A About five miles north of Cranberry.

17 Q Is the facility you have in Zelienople owned by
18 the company?

19 A No, it's a leased facility with a long-term
20 lease to Schreiber Industrial Park.

21 Q Who else works there in Zelienople besides --
22 you mentioned your family connections to the business. How
23 many other employees do you have there, approximately?

24 A We have 157 employees.

25 Q You mentioned various aspects of your business.

1 One of them was the moving of household goods. Is that one
2 aspect of the company's business?

3 A Yes, it is.

4 Q Does that involve moving person A from point A
5 to point B within the scope of your operating authority?

6 A Yes, it does.

7 Q How long has George Transportation been engaged
8 in that business?

9 A Actually the company, the authority, goes back
10 to 1954 under Snyder Brothers. Since my father purchased
11 it in 1974, for the last 26 years, it's under us.

12 Q You also mentioned relocations. When you refer
13 to relocations, what are you referring to?

14 A Which type of relocation?

15 Q Are there other types of relocation?

16 A Commercial relocations as well.

17 Q What would that mean?

18 A That would involve office moving. For example,
19 we moved the Alcoa world headquarters. We do large
20 projects, Fore Systems, National City Bank are a few of our
21 customers.

22 Q These are accounts for whom you do office
23 relocation?

24 A Correct.

25 Q What would you be transporting?

1 A All the contents, furniture, fixtures,
2 computers, that were related to any standard office. For
3 example, we'd go in and move the entire facility, the
4 contents of the facility of a business from one location to
5 another location.

6 Q Does that involve dismantling and rebuilding
7 when you get to the other side?

8 A To a degree, yes.

9 Q Do you understand that you have authority to
10 provide that type of transportation under your authority to
11 transport household goods in use?

12 A Correct.

13 Q You also mentioned storage as another aspect.
14 What is involved in storage; what do you store?

15 A We store, we actually warehouse used household
16 goods. We also handle commercial fixtures, furniture,
17 systems furniture, contents of offices, panel systems,
18 computers, high value products, document storage, record
19 storage, pretty much that sums it up.

20 Q Why do people put household goods in storage?

21 A A number of different reasons. Sometimes the
22 storage is a situation where people are moving and the
23 construction isn't completed on their home and they need a
24 place to store their items until construction is completed.

25 Sometimes we do storage for customers that warehouse

1 particular types of products and want them distributed on a
2 piecemeal basis where they want them to go out to certain
3 locations at specific times.

4 Household goods storage is something where customers
5 may just want. We have a very nice facility. It's
6 climatized, it's extremely secure and they may want to just
7 store some items that are seasonal that they may bring it
8 in for the winter months and then take it out during the
9 summer months.

10 Q Then you would provide the transportation both
11 coming into storage and coming out of storage?

12 A Correct.

13 Q Do you also provide service in connection with
14 someone who's moving but doesn't want their moving, their
15 furniture to go into storage; they just want to be moved
16 from point A to point B?

17 A Yes, we do.

18 Q Would we look at what we've marked for
19 identification already as George Exhibit No. 1. First, if
20 I may save time and ask you, is this a summary of your
21 Pennsylvania intrastate operating authority?

22 (Whereupon, the document was marked
23 as George Exhibit No. 1 for
24 identificaton.)

25 A This is a summary.

1 Q This is taken directly from the actual authority
2 that was attached to the protest but this is just a
3 summary?

4 A That's correct.

5 Q If I may direct your attention, on page 1 to the
6 authority at Folder 2, Amendment A, does that authority
7 authorize you to provide service in connection with
8 household goods from Butler County to points in
9 Pennsylvania and vice versa?

10 A Yes, it does.

11 Q I take it that George Transportation does
12 provide household goods and office furniture transportation
13 under that authority?

14 A That is correct.

15 Q Again, now turning to page 2 of the operating
16 authority, Folder 2, Amendment C, authorizes additional
17 transportation of certain types of machinery and computers
18 and what is described as equipment which, because of its
19 unusual nature, value requires specialized handling, such
20 as that employed in household moving, household goods, that
21 also authorizes transportation from Butler County to points
22 in Pennsylvania and vice versa, does it not?

23 A Yes, it does.

24 Q Turning to page 3, these pages are not numbered
25 but it's the third page, the top authority at Folder 2,

1 Amendment D, authorizes services between the City of
2 Franklin and within 25 road miles, and from that territory,
3 to points in Pennsylvania. May I ask you if the City of
4 Franklin at a 25 mile radius would fall within a 75 mile
5 radius of the City of Pittsburgh?

6 A I believe it would.

7 Q From that area, are you authorized to provide
8 service from that area to other points within a 75 mile
9 radius of the City of Pittsburgh?

10 A Yes.

11 Q On Folder 2, Amendment E, which is the next one
12 down, does that authority authorize certain transportation
13 of household goods between, or from specified points in
14 Beaver County to other points in Beaver County and vice
15 versa?

16 A Yes, it does.

17 Q And would all of that authority fall within a 75
18 mile radius of the City of Pittsburgh?

19 A Yes.

20 Q Folder 2, Amendment F, the next authority,
21 authorizes transportation in the area of Clarion County;
22 that is, New Bethlehem and ten miles; and then from New
23 Bethlehem and ten miles to points in Pennsylvania and vice
24 versa. Would Clarion and ten miles fall within a 75 mile
25 radius of the City of Pittsburgh, in your opinion?

1 A Yes.

2 Q From that area, Clarion and ten miles, are you
3 authorized to provide service to points within a 75 mile
4 radius of the City of Pittsburgh and vice versa?

5 A Yes, we are.

6 Q Turning to page 4, Folder 2, Amendment G,
7 authorizes transportation in the City of Altoona and within
8 ten miles. Then from that area to points in Pennsylvania
9 and vice versa. In your opinion, would the City of Altoona
10 and ten miles fall within the 75 mile radius of the City of
11 Pittsburgh?

12 A Yes.

13 Q And, therefore, to that extent, can you provide
14 service from a ten mile radius of the City of Altoona to
15 points within 75 miles of the City of Pittsburgh and vice
16 versa?

17 A Yes.

18 Q Folder 2, Amendment H, authorizes transportation
19 between points in the County of Butler. Is that correct?

20 A Yes.

21 Q For household goods?

22 A Correct.

23 Q Would all of that fall within a 75 mile radius
24 of the City of Pittsburgh?

25 A Yes, it would.

1 Q And then finally, Folder 2, Amendment I, and
2 especially and particularly paragraphs 3 and 4. I think
3 all of it's relevant, but 3 and 4, let me direct your
4 attention to 3 and 4; 3 authorizes transportation from the
5 Borough of Donora and within 15 miles to points in
6 Pennsylvania and vice versa. Just taking that, would the
7 Borough of Donora at 15 miles be wholly within a 75 mile
8 radius of the City of Pittsburgh?

9 A Yes, it would.

10 Q To that extent, could you provide service from
11 the Borough of Donora and 15 miles to points within 75
12 miles and vice versa?

13 A Yes.

14 Q Would the Borough of Donora and 15 miles, does
15 that quite reach the City of Washington, Mr. George, do you
16 know?

17 A I believe it does cover downtown the City of
18 Washington.

19 Q Also, you have authority from the City of
20 Monongahela an airline distance of five miles to points
21 within twenty-five miles of the City of Monongahela and
22 vice versa, actually it's the City Hall of Monongahela and
23 vice versa. That area encompassed by the sub-paragraph 4
24 at the bottom of page 4, would that wholly be within a 75
25 mile radius of the City of Pittsburgh?

1 A Yes.

2 Q So to that extent, any transportation you might
3 provide within that area would be within a 75 radius?

4 A Yes.

5 Q Does George Transportation hold itself out to
6 provide service transporting household goods and office
7 furniture, office relocation, house relocation, and so
8 forth, in the area you're authorized to serve?

9 A Absolutely.

10 Q Would you look at what's been marked for
11 identification as George Exhibit Number 2. It's a two-page
12 exhibit. Would you tell us what it depicts?

13 (Whereupon, the document was marked
14 as George Exhibit No. 2 for
15 identificaton.)

16 A This is an equipment list from July and August
17 of 1999 of the equipment that we have in service for
18 providing services listed before.

19 Q This equipment list was prepared last summer. I
20 take it from the date that's in the lower right hand
21 corner.

22 A Correct.

23 Q The first page that's dated July 15, 1999, it
24 says equipment list, trailer. Are these all trailers that
25 are listed on here?

1 A Not currently. Since this list was prepared,
2 we've added about ten additional units to the fleet, of
3 which four of them are trailers, which are year 2000. On
4 the second page, the power units, we've added three
5 additional straight trucks and three additional tractors.

6 Q So there are additions to this. But, let's just
7 look at page 1, first of all. The model flat and drop that
8 are shown in the third column from the right hand side,
9 this depicts that these are all trailers.

10 A Correct.

11 Q What's the difference between a flat and a drop?

12 A It's actually a different style, primarily for
13 application. Older units, if you look where they say drop,
14 were primarily older household goods. The thought was to
15 use drop frame trailers.

16 Q Are these closed, all of these are closed vans?

17 A With the exception of one of the units is
18 actually a soft side unit that we use for containerized
19 storage deliveries.

20 Q So where it says flat, it doesn't mean it's a
21 steel trailer?

22 A No, it's a flat floor. They're all enclosed
23 moving vans.

24 Q So a drop floor trailer would have a different
25 floor configuration?

1 A Correct.

2 Q You've indicated now that you've actually added
3 four additional trailers to your fleet?

4 A Correct.

5 Q On the asterisks in the left column, where it
6 says Out of Service, there are four units, there are more
7 than four, but the units are listed out of service. Do you
8 know what they're used for?

9 A Primarily storage.

10 Q What do you store in them?

11 A If a customer has some machinery or things that
12 are fairly, I don't want to say dirty, but items that
13 aren't going to be handled for a long period of time and
14 they are very bulky and take up a lot of floor space in the
15 warehouse, we'll store them on the trailer.

16 Q The ones that are indicated as leased, from whom
17 are they leased or from what company are they leased?

18 A North American Van Lines. We have an
19 arrangement with them where when we need -- again this list
20 is from July, but we supplement our fleet with leased,
21 additional leased units in the summer to handle the summer
22 increase in volume.

23 Rather than go out and purchase additional assets,
24 we'll add four to five additional leased units in the
25 summer, from a trailer perspective. North American makes

1 them readily available and we just return them at the end
2 of the peak season.

3 Q Those units then that are listed as, have
4 neither a single or triple asterisk, who owns that
5 equipment?

6 A We own the equipment.

7 Q Looking at the second page, this says Equipment
8 List, Trucks. And again, are these are what we would call
9 tractors that pull trailers; are these straight trucks, or
10 is a combination?

11 A There's a combination of straight trucks and
12 tractor trailers.

13 Q Are the straight trucks, Mr. George, straight
14 trucks that have band bodies attached to them?

15 A Yes. All of our straight trucks are, at the
16 smallest, 18 feet; at the largest, 30 feet. They are all
17 set up to handle household goods or any kind of other
18 commercial relocation.

19 Q And the ones that are not straight trucks, then,
20 are they tractors?

21 A Yes, they are.

22 Q That pull trailers?

23 A Correct.

24 Q I noticed that there are four asterisks in the
25 left column, and the designation is owner-operator. What

1 does that mean?

2 A That means that the driver either owns the
3 truck, or in all four of these cases, we actually own the
4 vehicles. We have a banking license in another company, a
5 leasing company, that we will actually buy the vehicles for
6 the driver, and then resell them to the driver as an
7 independent contractors.

8 Q Do they work then exclusively for George
9 Transportation under its operating rights?

10 A And North American Van Lines, combination
11 thereof.

12 Q Are the trailers equipped with features that are
13 necessary to move household goods?

14 A Absolutely.

15 Q What, for example; what would you find
16 typically in a trailer; what could you find?

17 A First off, all the equipment is air ride and
18 specifically set up interior-wise with logistics, the oak
19 flooring and primarily the padding, strapping and we call
20 it hand equipment necessary to do a relocation.

21 Q Let me stop you right there. Air ride, what
22 does air ride mean?

23 A Air ride is the type of suspension. For
24 example, a freight hauler doesn't require an air ride
25 suspension on a vehicle because maybe their commodities are

1 all palletized and they're not sensitive to rough roads.
2 Whereas when you're moving household goods, electronics and
3 other items, you need the air ride suspension, which takes
4 the bumps out of the road and therefore don't create as
5 much damage to the cargo inside the vehicle.

6 Q When you mentioned oak flooring, why is that
7 significant?

8 A Because most of your household goods trailers
9 are equipped with oak floor rather than a steel deck, so
10 that again it doesn't damage furniture when furniture is
11 placed on the wood or when they're padded up.

12 Q Would you say, then, that the equipment your
13 company operates is designed specifically to assure that
14 the transportation of household goods in use is transported
15 safely and without damage?

16 A I would say we spend millions on the best
17 equipment in the market.

18 Q I take it, then, with the exception of the four
19 vehicles that are under lease with owner/operator,
20 independent contractor, the rest of the equipment on page 2
21 is owned by your company?

22 A That's correct.

23 Q As you've indicated previously, you've added at
24 least three tractors and three straight trucks?

25 A Yes.

1 Q Over -- to this list?

2 A Over \$500,000.

3 Q I'd like to talk about your advertising. Start
4 with what we've marked for identification as George Exhibit
5 Number 3 and tell us what that page is from.

6 (Whereupon, the document was marked
7 as George Exhibit No. 3 for
8 identificaton.)

9 A This is from a Bell Atlantic Yellow Pages. This
10 is one of our advertisements that we placed in there.

11 Q The advertisement for your company is in the
12 upper left quarter of the page.

13 A Correct.

14 Q That ad gives an 800 number. Is that 800 number
15 usable by people within a 75 mile radius of the City of
16 Pittsburgh?

17 A It's good anywhere in the Unites States and
18 anywhere in Pennsylvania.

19 Q Do you have ads like this in other Yellow Pages
20 or Donnelly Directories throughout the area you service?

21 A We have these ads in University Alumni programs;
22 we have them in additional books such as the B to B; we
23 have it in, pretty much -- we have a web page, a web site,
24 we do trade shows, we do realtor conventions, as well as
25 the fact that we have a full telemarketing department. We

1 actively seek out the business in the market.

2 Q I'm interested in the telemarketing, because I'm
3 familiar with it, having represented your company. Would
4 you describe the telemarketing system and how it works.

5 A We have -- actually, we have three full time
6 telemarketers that scour the papers, the real estate ads.
7 We work through a network association of realtors. We work
8 through pretty much any source that we can go through to
9 develop leads when somebody's listed their home.

10 We trigger a call from a telemarketer to set up an
11 estimate. We have around 12 salespeople, full-time
12 salaried people that go out and do estimates based on
13 geographic region and market.

14 Depending on the type of relocation it is, we assign
15 those leads to those people, set up appointments, and they
16 go out and do an estimate to try to secure the business.

17 Q The telemarketers are primarily focusing on
18 transportation of household goods.

19 A One hundred percent. That's all we telemarket,
20 household.

21 Q You also mentioned that you have salespeople
22 who, I take it, are the estimators?

23 A Correct.

24 Q They go out and give estimates; do you give
25 estimates on all household goods moves?

1 A Generally on household relocation, we're going
2 to offer a free estimate to go out and look at the items so
3 we can do an accurate estimate for the people. However, if
4 it's a very small move, customer's moving one room, one
5 piece, we generally will just quote them an hourly rate.
6 We also have a minimum.

7 Q So you do provide service, then, for people who
8 have as little as one room or less of furniture?

9 A Absolutely.

10 Q Up to a full nine room house or larger?

11 A Absolutely.

12 Q I know that you're going to be asked on cross
13 examination and so anticipating this, your company is a
14 well entrenched company and domiciled in Butler County.
15 Gardner is now seeking authority to provide service in a 75
16 mile radius of the City of Pittsburgh between any two
17 points. Do you feel there's a need for another carrier to
18 be providing -- to have authority to provide that service?

19 A I don't believe there's a need for an additional
20 carrier to provide that because we have -- within 15 miles
21 of us, we probably have five carriers to provide that same
22 service.

23 Q So you have competition that you are facing now
24 in the area that you service?

25 A Absolutely.

1 Q Are you familiar with Gardner to any extent?

2 A Yes, I am. A little bit of knowledge I have is
3 that they have agency arrangement with a larger carrier, a
4 very large carrier in South Hills Movers.

5 Q Is South Hills Movers a major competitor?

6 A South Hills is one of my major competitors, yes.

7 Q When you say they're major, are they larger than
8 George, comparable in size?

9 A I would believe in certain product lines, they
10 are larger than us. In certain product lines, we are
11 larger than they are. However, overall, I believe, they're
12 larger than us.

13 Q Why do you feel the Gardner relationship with
14 South Hills Movers is a factor?

15 A Because I feel there's going to be -- it would
16 be very confusing to find out who is actually selling
17 business for Gardner and who is physically providing the
18 service for that business, and under what rates are those
19 businesses being quoted or done at.

20 Q Do you have any basis for saying that; have you
21 had experience?

22 A Yes.

23 Q What is that, what is your understanding?

24 A Our understanding is that South Hills will take
25 and turn some moves and give them to Gardner. At the same

1 time, if Gardner had the move that they can't handle, they
2 will in turn and have South Hills do it.

3 Q So, Gardner has the benefit, then, of this huge
4 corporation, South Hills Movers, to solicit business for
5 Gardner?

6 A Absolutely.

7 Q Is that a factor in terms of what potential
8 competition you might have from Gardner in this 75 mile
9 radius?

10 A Absolutely.

11 Q Do you have an idea what percentage of your
12 household goods moves are within the 75 mile radius under
13 your operating authority?

14 A About 75 percent to 80 percent.

15 Q And that's just on intrastate?

16 A Within the 75 mile radius, yes.

17 Q You say 75 to 80 percent of your business...

18 A Of household.

19 Q Yes, and if you added the office furniture on
20 top of that?

21 A It would be 90 to 95 percent if you added the
22 office relocation.

23 Q In anticipation of your being asked this, I
24 might as well put it on direct examination. What was your
25 intrastate gross of first revenues last year, if you know?

1 A Around \$2.2 million.

2 Q Intrastate?

3 A Intrastate.

4 Q That's \$2.2 million.

5 A Yes.

6 Q Based on your knowledge of the industry and the
7 area you service, do you feel that if there is any
8 additional need for service in the area, that it can be met
9 by George Transportation Company?

10 A Absolutely, particularly within Butler County.

11 Q You have equipment and facilities that are
12 available currently to provide this service?

13 A Absolutely.

14 Q And would there be any way of your knowing,
15 based on the evidence that you've heard in this case or
16 have been advised about in this case, what actual hauling
17 Gardner would be doing in Butler County?

18 A I have no idea what their intentions would be
19 once they got in that area.

20 Q But, is there any limitation on what they are
21 proposing to do that would stop them from being an active,
22 vibrant competitor in Butler County?

23 A No.

24 Q Or in any other area you're authorized to
25 service?

1 A No.

2 Q Your company is presently authorized to provide
3 service within Allegheny County, is it not?

4 A Absolutely.

5 Q And, does it hold itself out to provide that
6 service?

7 A Absolutely.

8 Q Is George Transportation Company's position in
9 this case that there's no need for an additional carrier
10 such as that service proposed by Gardner?

11 A That is my position.

12 MR. PILLAR: Offering George Exhibits 1, 2 and 3 in
13 evidence.

14 MR. STEPHENSON: No objection.

15 JUDGE CORBETT: So admitted.

16 (Whereupon, the documents were marked
17 as George Exhibit Nos. 1, 2 and 3 and
18 received in evidence.)

19 JUDGE CORBETT: Mr. Stephenson, you may cross.

20 CROSS EXAMINATION

21 BY MR. STEPHENSON:

22 Q Good morning or afternoon. I've lost track of
23 the time. Having listened to a number of people in this
24 case, I just want to confirm first off, do I understand it
25 that your company provides service in Allegheny, Butler,

1 Venango, Beaver, Clarion, Blair, and Washington counties?

2 A We can provide service in those areas, yes.

3 Q The way you answered that makes we ask you
4 another question. Are you currently providing service in
5 all of those counties?

6 A If we get a relocation there, yes.

7 Q Do you actively solicit business, for example,
8 in Venango County?

9 A Yes.

10 Q You indicated, congratulations for having the
11 high number, that you have \$2.2 million in PUC revenue. I
12 take it that's for 1999?

13 A Yes.

14 Q What percentage of that revenue arises from
15 transportation, whether point to point, or inbound or
16 outbound, based in Allegheny County?

17 MR. PILLAR: I'm sorry, I would object to the form
18 of the question. Based in Allegheny County; I don't
19 understand.

20 MR. STEPHENSON: I'll be happy to revise it.

21 BY MR. STEPHENSON:

22 Q How much of the business -- of that \$2.2
23 million, how much of that relates to moves that began and
24 ended in Allegheny County?

25 MR. PILLAR: May I inquire just for purposes of

1 clarification, are we referring to household goods, office
2 furniture...

3 MR. STEPHENSON: Overall. I'm asking the \$2.2
4 million that was reported. He just said \$2.2 million.

5 MR. PILLAR: Fair enough.

6 THE WITNESS: About 75 percent.

7 BY MR. STEPHENSON:

8 Q How much of that revenue, then, comes out of
9 Butler County; of all types?

10 A Two to three percent.

11 Q Okay, arises out of Butler County.

12 A Butler County's primary makeup is in the
13 southwest corner of Butler County. The population is
14 concentrated in Cranberry Township. Cranberry Township is
15 a heavily inbound area, primarily out of Allegheny County.
16 There's not a lot of outbound or movement within there.
17 Then the rest of Butler County is extremely rural.

18 Q Let's go to Venango County. How much revenue is
19 to be attributed in that \$2.2 million to Venango County?

20 A One percent. Part of the reason we went after
21 these authorities and paid for them was because we are
22 heavily entrenched in what we call national account
23 business.

24 Although we don't actively have -- we have a listing
25 in those areas and we pursue business in those areas. We

1 have accounts that may have headquarters or sites in those
2 that areas that require us to transport household goods to
3 and from those areas.

4 Q Let's turn to Beaver County. How much revenue
5 attributes to Beaver County?

6 A Being that we're in Zelienople, we're very close
7 to Beaver County and because of the commercial developments
8 in Beaver County, probably a higher percentage, maybe seven
9 to ten percent goes to Beaver County.

10 Q Clarion County, what would be the percentage for
11 Clarion County?

12 A Again, one to two percent.

13 Q How about Blair County?

14 A One to two percent.

15 Q Now Washington County?

16 A Again because of the commercial development at
17 South Pointe and areas surrounding it as well as the
18 expansion of the South Hills, maybe a little higher, five
19 percent. I don't know what the total is at this point. If
20 it's near 100 percent.

21 Q I know those are approximate; just a sense of
22 where your business is coming from. Is it fair to say that
23 as you have sought your authorities, you've viewed that
24 there is, if you will, a regional marketplace for moving
25 services surrounding Allegheny County?

1 A I'm sorry, I don't understand.

2 Q Let me put it to you this way. It seems to me
3 that you have worked to assemble a sweep of area around
4 Allegheny County, stretching from the north and wrapping
5 all the way south into Washington County. Am I accurate,
6 has that been something your company has tried to do?

7 A Yes, it has.

8 Q Do you perceive, then, that there is a regional
9 market for your services that's bigger than Allegheny
10 County?

11 A For our services, because of our mix of
12 business, we wanted to be in a position to service the
13 areas that we currently didn't have operating authority in
14 so that we didn't have to turn down a move from one of our
15 accounts.

16 Q Let me ask you a different question, then, and
17 I'm going to change gears. Let's go back to Allegheny
18 County. To what extent of that 75 percent is the revenue
19 related to office moves; you mentioned the Alcoa type move,
20 that sort of thing?

21 A Fifty percent.

22 Q So I'm going to tell you if I think I'm hearing
23 the same thing you're saying. Of the 75 percent, half of
24 the 75 percent is attributable to office?

25 A Correct.

1 Q Okay. That would be 37.5 percent?

2 A Correct.

3 Q Okay. You commented that you understood there
4 was a relationship between South Hills and Gardner Moving,
5 correct?

6 A It is my understanding that they're an agent for
7 South Hills Movers.

8 Q Has anyone ever showed you an agency contract
9 between the two?

10 A No, they haven't.

11 Q Have you ever seen an advertisement by Gardner
12 Moving representing that they're an agent of South Hills
13 Movers?

14 A No, I haven't.

15 Q Have you ever seen anything published by South
16 Hills Movers saying that Gardner Moving is their agent?

17 A Not published.

18 Q Has any representative of South Hills Moving
19 informed you directly that Gardner Moving is an agent for
20 them?

21 A Yes.

22 Q And who is that?

23 A Wayne Hart.

24 Q And what did Wayne Hart tell you?

25 A Wayne Hart is a commercial salesperson which I

1 compete against and had mentioned to me several times that
2 they use Gardner and have a relationship with Gardner.

3 Q Did he tell you what they use Gardner for?

4 A Primarily local household moving.

5 Q Did he ever tell you they use them for
6 interstate moving?

7 A Not to my knowledge, no.

8 Q With regard to Gardner Moving itself, do you
9 know how many employees they have?

10 A No, I don't.

11 Q How many trucks they have?

12 A No, I don't. Two or three, I think.

13 Q When I counted your trucks on your list, it was
14 about 50, is that about right?

15 A A little light, but...

16 Q You have more trucks than 50?

17 A Yes, we do.

18 Q On the list I saw fifty. Take away eight not in
19 use. Would it be fair to say at the time of that list, you
20 had 42 trucks that you are actively using?

21 A Yes.

22 Q And you have more now?

23 A Yes.

24 Q How many more now do you actually have in use?

25 A Probably ten more.

1 Q Would it be your understanding, for example,
2 that on the Alcoa office relocation, Gardner Moving would
3 be a competitor, in practical terms?

4 A I don't know what they intend to do with their
5 authority.

6 Q No, I'm not asking that. I'm just asking you
7 right now, from what you know of Gardner Moving, with their
8 three trucks, today ---

9 A From what I know right now, today, no, they
10 would not be a competitor.

11 Q They would not be a practical competitor, would
12 they?

13 A No.

14 Q Is it fair to say that in the relative sizes of
15 the two corporations, that Gardner Moving is not a
16 practical competitor to your organization?

17 A Today it would be fair to say they are not.

18 Q Do you have any specific evidence that says that
19 South Hills has intentions to help participate with Gardner
20 in this authority?

21 A I do not have any specific evidence.

22 MR. STEPHENSON: No further questions.

23 JUDGE CORBETT: Any redirect?

24 MR. PILLAR: I have a concern about the cross
25 examination dealing with the agency. Mr. Stephenson asked

1 questions about whether he had seen any publications.

2 I believe the Yellow Pages show that there's an
3 agency relation. I want to find out if counsel is taking
4 the position that there's no Yellow Page ad that shows that
5 Gardner is an agent of South Hills Movers, that you don't
6 know of any?

7 MR. STEPHENSON: Let me consult with my client.
8 Can I have a moment?

9 JUDGE CORBETT: Sure.

10 (Mr. Stephenson conferring with client.)

11 MR. STEPHENSON: Let me say it was my intention to
12 put Mr. Gardner on the stand to respond to this. But in
13 anticipation of that, Mr. Pillar is quite correct. There
14 is a notation of a relationship between the two and we will
15 explain that in our own testimony.

16 MR. PILLAR: I have no problem with it, but I
17 wanted to be really quite precise.

18 MR. STEPHENSON: I have no further questions.

19 MR. PILLAR: We're going to stipulate to this
20 anyway. There's no need to ask Mr. George this question.
21 He hasn't seen the ad so obviously...

22 MR. STEPHENSON: That was my...

23 REDIRECT EXAMINATION

24 BY MR. PILLAR:

25 Q Mr. George, you understand that we've had this

1 discussion with counsel because I had informed you of this
2 notice I had seen in the Yellow Pages dealing with the
3 agency relationship. You were aware of it independently,
4 were you not?

5 A Correct.

6 Q Or at least you had an understanding there is
7 one. Perhaps there isn't, but at least you had that
8 understanding and I have that understanding from what I saw
9 in the Yellow Pages.

10 A Absolutely yes.

11 Q In terms of the hypothetical questions you've
12 been asked about what competitive effect Gardner is going
13 to have on you, based on what you know of their current
14 size of their operation, exclusive of their relationship
15 with South Hills Movers, do you know of any stipulation
16 that's been made in this case, or in this record, or in
17 this application that would preclude Gardner from doing
18 anything in terms in coming in to Butler County,
19 establishing a facility, going after your national
20 accounts, going after you office moves, or going after your
21 household goods business?

22 A There's nothing that stipulates them doing that
23 or getting the wallet of South Hills behind them to do it.

24 MR. PILLAR: That's all the questions I have.

25 JUDGE CORBETT: Any recross?

1 MR. STEPHENSON: No.

2 JUDGE CORBETT: Thank you very much, Mr. George.
3 You are excused.

4 (Witness excused.)

5 Anything further?

6 MR. PILLAR: I have no other witnesses, Your Honor.
7 To that extent that I'm the protestant, I rest.

8 JUDGE CORBETT: Okay. Mr. Stephenson, you
9 indicated that, do you have any rebuttal?

10 MR. STEPHENSON: I do, sir. Just Mr. Gardner.

11 JUDGE CORBETT: Mr. Gardner, would you come up
12 here, please?

13 Mr. Gardner, you testified at the hearing back in
14 August and you're still under oath, sir.

15 Whereupon,

16 JOSEPH P. GARDNER

17 having previously been duly sworn, testified as follows:

18 JUDGE CORBETT: Would you begin then by giving us
19 your full name.

20 THE WITNESS: Joseph P. Gardner.

21 MR. STEPHENSON: For the record, Your Honor, before
22 I commence questioning, I have a copy of the Greater
23 Pittsburgh Yellow Pages and I have opened it to page 683,
24 which contains an advertisement for Gardner Moving. I will
25 give counsel a chance to inspect it before I begin. We

1 will have a copy attached as an exhibit.

2 MR. PILLAR: Is that this year's directory?

3 MR. STEPHENSON: Let's be precise here. This is
4 the 1999-2000 Greater Pittsburgh East edition of the Bell
5 Atlantic Yellow Pages, at page 683.

6 DIRECT EXAMINATION

7 BY MR. STEPHENSON:

8 Q Mr. Gardner, I have shown you the previously
9 described page from the Yellow Pages that contains an
10 advertisement for your company. Does that Yellow Page
11 advertisement contain any representation that you are agent
12 for any other carrier?

13 A Yes, South Hills Movers.

14 Q Does that relationship continue today with South
15 Hills Movers?

16 A Yes.

17 Q Would you describe the nature of the
18 relationship?

19 A The nature of the relationship is as Mr. George
20 is to North Hills, as Mr. Waleski was to Global, whatever.
21 When we get calls for a long distance moving, I do not have
22 that authority. We run under a lease agreement, an agency
23 agreement with South Hills Movers to service our long
24 distance customers.

25 If we get -- we don't advertise heavily for long

1 distance work, but if somebody calls us, we're not very
2 competitive in this, we don't seek that business out, but
3 that's what the agency agreement with South Hills is about.

4 Q The question I raise with you is that's work you
5 ask South Hills to do, correct?

6 A No. No. We found years ago that some of our
7 customers would ask us if we could perform long distance
8 work, and we could not. We didn't have a relationship with
9 anyone, so we became aware that we could legally develop an
10 agency or hook onto another carrier without going to a
11 Global or United or whatever.

12 South Hills was among the few that had their own
13 authority and we could sign an agreement with them, service
14 our customers, and that kept us from becoming part of
15 another large company.

16 Q From time to time, does South Hills refer work
17 to you?

18 A They do not refer anything to us. They
19 occasionally will become overbooked and have asked us over
20 the last ten or fifteen years to perform services for them
21 when they have had equipment problems or overbooking.

22 They never tell us what the excuse is, but if we
23 have an open time, we will perform that service for them at
24 their rate, under their authority.

25 Q With regard to the ownership of your company,

1 does any person at South Hills own any interest in your
2 company?

3 A South Hills doesn't own one bit of Gardner
4 Moving.

5 Q Do you have any agreement of cooperation between
6 them for the purposes of jointly managing your companies?

7 A No. We are totally separate of South Hills
8 Movers. Other than the arrangement I explained about the
9 long distance and we have helped them on occasion on their
10 overbooking -- we're never overbooked to the point where
11 they would need to help us. We only book what we can do
12 and that's the extent of it.

13 Q Did you explain most of this in your previous
14 testimony?

15 A Yes. We talked about all this back in August.

16 MR. STEPHENSON: No further questions.

17 JUDGE CORBETT: Any cross?

18 MR. PILLAR: I have a few, Your Honor.

19 CROSS EXAMINATION

20 BY MR. PILLAR:

21 Q Would you agree with me the major difference
22 between your being an agent for South Hills Movers and some
23 of the other national companies, like the protestants are
24 agents for, is that South Hills Movers is an active
25 intrastate operating rights operator within Pennsylvania;

1 unlike North American Van Lines and Bekins and Mayflower
2 and some of the other national carriers that the
3 protestants are agents for; South Hills, on the other hand,
4 is an active local hauler?

5 A Yes, they are.

6 Q As I understand it, South Hills Movers, and I
7 assume you understand this, does have extensive intrastate
8 operating authority, correct?

9 A I don't know what their actual authority is. I
10 assume they have the same that the big guys have, like Mr.
11 George, but I don't actually, I don't know what their
12 authority is.

13 Q All right. But you do occasionally, as I
14 understand it then, when South Hills Movers has a load that
15 they can't move, you then provide that service under South
16 Hills Movers authority?

17 A Yeah.

18 Q Your company has done that?

19 A Yes, we have, on a rare...

20 Q You have a lease agreement with them?

21 A It's on a very rare occasion. We did this
22 mainly about, I'd say, six or seven years ago. They had
23 occasion, I don't know if they were in a growing spurt or
24 what their, the issue was, that we did do maybe as many as
25 five, six movings for them. But, over the last few years,

1 we don't do it any more because we just didn't feel real
2 comfortable dealing with their local moves for them.

3 Q When you say you have an agency relationship
4 with South Hills Movers, you then provide transportation
5 under South Hills Movers rights in interstate commerce?

6 A Yes, interstate.

7 Q And when you're doing that, you're actually
8 operating under South Hills Movers authority?

9 A Yes.

10 Q You put South Hills Movers signs on your doors?

11 A We have a placard. We explained -- we talked --
12 I explained this all.

13 Q That was a long time ago.

14 A I know.

15 Q Forgive me for not remembering.

16 A It's a placard. We have a lease agreement with
17 them. A customer will call us and we will bid a job.

18 Q Call us, meaning Gardner?

19 A Gardner. We don't, believe me -- South Hills
20 doesn't turn down any long distance work. They do all
21 their own work. But, when we get an old customer who calls
22 us, they assume any mover can do anything, which is a bad
23 assumption, so they call us and they want to move to
24 Charlotte or move to wherever.

25 We found that we didn't want to lose that, so we set

1 this up. We didn't want to end up putting somebody else's
2 name on the side of our truck. The big carriers want you
3 to paint your equipment and become Mayflower/Gardner. We
4 just didn't want to go that way.

5 Q So your trailers don't have South Hills Movers
6 on the trailers when you move the interstate load?

7 A I have three small trucks, or three 26-foot
8 vans. They have a small placard that has South Hills
9 Movers in inch and a half letters, and their operating
10 authority number.

11 Q Where is South Hills offices?

12 A Bethel Park.

13 Q Is that the office you do business with when you
14 deal with them?

15 A That's their only office, yes.

16 Q Bethel Park's in Allegheny County?

17 A Yes, Bethel Park's in Allegheny County.

18 MR. PILLAR: Thank you. That's all.

19 JUDGE CORBETT: Mr. Gray?

20 MR. GRAY: Yes.

21 CROSS EXAMINATION

22 BY MR. GRAY:

23 Q Mr. Gardner, have you used South Hills for any
24 of your old customers where the movement has gone to the
25 Harrisburg area, that you're not able to serve, or to the

1 Chester/Montgomery County areas, that you're not able to
2 serve?

3 A No.

4 Q Have you used South Hills authority for any of
5 your old customers who, for some reason, needed to move
6 from one of the other counties besides Allegheny?

7 A No.

8 MR. GRAY: That's all. Thank you.

9 JUDGE CORBETT: Any redirect?

10 MR. STEPHENSON: No, sir, and I would rest on
11 redirect.

12 JUDGE CORBETT: I take it there's nothing else from
13 the other side, either.

14 (Witness excused.)

15 MR. PILLAR: Did you admit my exhibits, George 1, 2
16 and 3? I don't recall.

17 JUDGE CORBETT: I don't know; one minute.

18 MR. STEPHENSON: I have no objection to their
19 admission, if it hasn't already happened.

20 JUDGE CORBETT: Yes, I believe I have. If I
21 haven't, they're admitted.

22 MR. PILLAR: Thank you.

23 JUDGE CORBETT: All right. We have the outstanding
24 matter dealing with Mrs. Honeygoski. Counsel will get back
25 to me by, I believe, Monday, April 17, and let me know

1 whether an additional hearing is necessary for additional
2 cross examination of Mrs. Honeygoski.

3 Following that, if there's no need for an additional
4 hearing, then upon receipt of the transcripts from the
5 hearings, yesterday and today, and it should arrive in my
6 office within the next three or four weeks, I'll review
7 them to preliminarily decide whether the motion to dismiss
8 would be appropriate and rule accordingly.

9 I may just send out a briefing letter to counsel.
10 If I send out a briefing letter, it's not necessarily a
11 ruling on the merits of the motion to dismiss, and I don't
12 wish it to be termed as such.

13 The briefing letter will outline for the parties the
14 fact that the main briefs will be due from the parties in-
15 hand 30 days from the date of the letter. Reply briefs due
16 in hand 15 days after that.

17 Unless the party files a main brief, I don't expect
18 to receive it. I won't consider a reply brief from the
19 party. Any questions with regard to procedure from this
20 point?

21 MR. PILLAR: No, Your Honor.

22 MR. GRAY: Yes, Your Honor.

23 JUDGE CORBETT: Okay, Mr. Gray?

24 MR. GRAY: Only as to the ten day situation on Mrs.
25 Honeygoski, do I understand that you want a response from

1 us one way or the other, or only if we want to schedule
2 Mrs. Honeygoski?

3 JUDGE CORBETT: I think the way I worded it
4 yesterday was only if you needed an additional hearing time
5 to cross examine Mrs. Honeygoski, get back to me by close
6 of business on Monday, April 17. I looked and the calendar
7 said ten days was April 16, Sunday, so we'll give it close
8 of business Monday, April 17.

9 MR. GRAY: So failure to respond by April 17 will
10 be simply an indication that we do not need to reschedule
11 another hearing.

12 JUDGE CORBETT: Right.

13 MR. GRAY: Thank you, Your Honor.

14 JUDGE CORBETT: Anything else, then?

15 (No response.)

16 Thank you all and you'll receive my decision in due
17 course.

18 (Whereupon, at 12:50 p.m., the hearing was
19 adjourned.)
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FORM 2

C E R T I F I C A T E

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

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BY: Barbara A. Spin
Barbara A. Spin

FORM 2

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