



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

December 4, 1992

IN REPLY PLEASE
REFER TO OUR FILE

A-00109747

KENNETH A OLSEN ESQUIRE
PO BOX 357
GLADSTONE NJ 07934

Application of Freight Operations, Inc.,
Edison, New Jersey,
a corporation of the State of New Jersey

Enclosed is the compliance order issued by the Commission in this proceeding.

A Certificate of Public Convenience evidencing the Commission's approval of the right to operate will not be issued until the applicant has complied with the following insurance and tariff requirements:

- I. Arrange through an insurance agent to have an insurance company file the following forms with the Commission.
 - a. A Form E as evidence of minimum public liability and property damage insurance coverage as shown on the back of this sheet.
 - b. A Form H or Form UCPC-31 as evidence of cargo insurance coverage in an amount not less than \$5,000 per vehicle. Under certain circumstances, exemption from the cargo insurance requirement may be secured by filing the enclosed Form PUC-288.
- II. Prepare and file a tariff according to the enclosed instructions except applicants for transfer of authority must file a tariff adoption supplement which will be forwarded by separate cover at a later date.

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FOLDER

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JAN 06 1993

Minimum Limits for PA Public Utility Commission Authorized Service

Passenger Carriers:

- 15 passengers or less: \$35,000 combined single limit per accident per vehicle to cover liability because of bodily injury, death or property damage.
- \$25,000 first party medical benefits, \$10,000 first party wage loss benefits and shall conform to 75 Pa. C.S. §§1701-1798 (relating to Motor Vehicle Financial Responsibility Law).
- First party coverage of the driver of certificated vehicles shall meet the requirements of 75 Pa. C.S. §1171 (relating to required benefits).
- 16 to 28 passengers: \$1,000,000 combined single limit per accident per vehicle to cover liability because of bodily injury, death or property damage.
- 29 passengers or more: \$5,000,000 combined single limit per accident per vehicle to cover liability because of bodily injury, death or property damage.

Property Carriers:

- Common or Contract: \$300,000 combined single limit per accident per vehicle to cover liability because of bodily injury, death or property damage.
- Insurance coverage of motor carriers of property shall meet the requirements of 75 Pa. C.S. §1701-1798 (relating to Motor Vehicle Financial Responsibility Law).
- Common only: \$5,000 per accident per vehicle for loss or damage to cargo.

No motor carrier shall operate or engage in any transportation until compliance with all of the above requirements and a certificate has been issued authorizing actual operations. A motor carrier operating without complying with the above requirements will be subject to the penalty provisions of the Public Utility Code.

Commission regulations require compliance with all of the above requirements within sixty days of the date of this letter. Failure to comply within the sixty day period will cause the Commission to rescind the action of November 24, 1992 and dismiss the application without further proceedings.

If you foresee problems in meeting these requirements, please direct your questions to the following contact persons:

Insurance Filings: Mr. William P. Hoshour-Insurance Section
(717) 783-5933

Tariff Filings: Mr. Joseph Machulsky-Tariff Section
(717) 787-5521

Very truly yours,



John G. Alford
Secretary

Enclosures^{smk}

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

FREIGHT OPERATIONS INC
60 MAYFIELD AVENUE RARITAN CENTER
PO BOX 6378
EDISON NJ 08818

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

Public Meeting held November 24, 1992

Commissioners Present:

David W. Rolka, Chairman
Joseph Rhodes, Jr., Vice-Chairman
Wendell F. Holland, Commissioner

Application of Freight Operations, Inc., Edison, New Jersey, a corporation of the State of New Jersey, for the right to begin to transport, as a common carrier, by motor vehicle, dated newspaper supplements, circulars, and inserts, and materials and supplies used in their distribution and sale, for E. F. Brennan Co., Inc.; Wakefern Food Corporation; Sullivan Graphics, Inc.; Total Package Marketing, Inc.; National Inserting Systems, Inc.; Quebecor Printing Atglen, Inc.; and Venet Advertising/N.J., Inc., between points in Pennsylvania.

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Kenneth A. Olsen for the applicant.
Fred Stier for the protestant, W. H. Johns, Inc.

O R D E R

BY THE COMMISSION:

This application was filed April 19, 1991, public notice of the application was given in the Pennsylvania Bulletin of May 4, 1991. There was one protest which was withdrawn upon restrictive amendment. The record, which consists of statements entered by the applicant and supporting shipper is now certified to the Commission for its decision without oral hearing.

The applicant, Freight Operations, Inc. (Frt Ops) is a New Jersey corporation domiciled at 60 Mayfield Avenue, Raritan Center, Adison New Jersey. At this location office and parking facilities are maintained. Frt Ops employs seven drivers and six office persons. Direct telephone service is

provided for customers and drivers. A complete safety program will be established to oversee drivers hours, accidents and medical fitness. Equipment will be maintained and regularly inspected and cleaned.

The applicant currently provides service to the supporting shippers pursuant to its Interstate authority. Frt Ops makes scheduled pick-ups and deliveries, stop-offs in transit, and spots trailers on request. Applicant can and will add more equipment to its fleet as needed by expanding demand of the shippers supporting this application. An unaudited financial statement submitted by the applicant shows total assets of \$840,810 with total liabilities of \$501,945, leaving stockholders' equity of \$338,865.

A statement of support was entered by Edward F. Brennan, president of E. F. Brennan Co., Inc. (Brennan). Brennan is an advertising agency which designs and creates advertising circulars for its customers. Brennan controls the printing and distribution of these circulars. Brennan contracts with printers throughout Pennsylvania, shipments have been made from such points as Lancaster, Scranton, Allentown and Philadelphia. A list of destinations to which shipments have been made in the past, submitted by Brennan, shows one hundred fourteen (114) locations.

Distribution needs change from time to time and this creates a need for a carrier capable of transporting circulars from any point in Pennsylvania to any other point. Brennan is familiar with the applicant and is aware of its ability to respond to needs on short notice. Brennan has arranged for the transportation of one million to one and a half million eight page circulars per month between points in Pennsylvania. This volume is anticipated to increase through Brennan's increased sales activities and increases in customer demand.

The shipper, Brennan, requires the availability of equipment, expedited service, direct handling and dependable and economic service. Material is dated and requires direct delivery without excess handling to minimize damage. The timely handling required also eliminates the use of interline service. The applicant currently provides the type of service required by the shipper in Interstate service.

Joseph Clark, director of advertising for Wakefern Food Corp., Inc. (Wakefern) submitted a statement in support of the applicant. Wakefern is a retailer owned cooperative and distributes products such as sold or dealt in by retail and wholesale grocery stores and businesses. Wakefern is also involved in the distribution of newspaper advertising, circulars and newspaper inserts for that cooperative. Current origins include Lancaster, York, Atglen and Butler. A list of

points to which shipments are made shows one hundred one (101) points. Sources will change and therefore, any point in Pennsylvania can be a customer, vendor or distribution location.

Wakefern requires a carrier who has readily available equipment and one who offers expedited, direct, dependable and economical service. Most advertising is dated and must be delivered in a timely fashion. Handling must be direct to eliminate as much loss as possible. Delivery is often required on a next day basis with stop-offs for pick-up and delivery. The applicant currently handles traffic for Wakefern in Interstate commerce and has been found to provide the level of service required.

Edward Brandhorst, president of Total Package Marketing, Inc. (Total) submitted a statement in support of the applicant. Total is an advertising agency which designs and creates advertising circulars. Total then has these circulars delivered from the printer. Representative origins include Lancaster, Pittsburgh and Harrisburg. A list of points to which shipments would be made was submitted by Total and shows over one hundred points. Due to distribution shifts which depend on many variables shipments in the future may be made from or to any of these points.

Total requires a carrier that is able to respond to these changing requirements and to the anticipated increase in shipments. Total requires expedited, direct and dependable service. Material is dated and requires flexible and assured delivery. Stop-offs for pick-up and delivery are required. Total has found a lack of dependable service available to it and feels that the applicant can ably fill this void.

A statement of support was entered by James Golinski, plant manager for National Inserting Systems, Inc. (National). National is a manufacturer and distributor of newspaper advertising supplements, circulars and inserts. Shipments are made from points such as Allentown, Harrisburg, Reading, Danville, York, Lancaster, Lebanon, Sunbury, West Chester, Wilkes-Barre, Hazelton and Lewistown. Shipments are made to points throughout Pennsylvania. A list attached to National's statement shows over 100 points between which shipments may be made.

National requires service from a carrier with the ability to provide equipment on short notice, that delivers shipments on a timely basis, can handle stop-offs for pick-ups and deliveries and minimize chances of damage by making direct movements of the products. Some inbound materials are also shipped to printing plants for National's account. Frt Ops

currently serves the shipper in Interstate Commerce and is thoroughly familiar with its needs.

Richard Rucier, customer service manager of Quebecor Printing Atglen, Inc. (Quebecor) submitted a verified statement on behalf of the applicant. Quebecor prints and distributes Sunday newspaper and magazine inserts. Shipments are made from Atglen, Chester County to points throughout Pennsylvania. Shipments of inbound products are received from such points as Lancaster, York, Harrisburg, Scranton, Pittsburgh and Philadelphia. Points change regularly and inbound supplies can be received from any point in the state.

Quebecor requires equipment on demand, timely deliveries, stop-offs for pick-up and delivery and damage free reliable services. Quebecor has utilized the applicant's service for Interstate Commerce and feels that it is thoroughly familiar with its needs.

DISCUSSION AND FINDINGS

Freight Operations, Inc. requested authority to transport dated printed materials and supplies for seven shippers between points in Pennsylvania. Upon protest by W. H. Johns, Inc. a restrictive amendment was entered providing that no shipment for Sullivan Graphics, Inc. exceed 10,000 pounds. Subsequently the attorney of record filed the verified statements and further amended the application to remove two of the named shippers, Sullivan Graphics, Inc. and Venet Advertising/N.J., Inc.

The latest amendment, therefore, makes the first amendment superfluous as Sullivan Graphics, Inc. is no longer to be a named shipper in any authority herein granted.

A review of the record shows that the applicant has the ability, equipment, experience and fitness necessary to provide the proposed service as amended. The supporting shippers have demonstrated a need for the services of the applicant.

We find:

-1. That the applicant has shown that a need exists for the service as proposed and amended.

2. That the applicant has the equipment, experience and fitness necessary to provide the proposed service as amended.

3. That approval of the application as amended is necessary for the accommodation and convenience of the public; THEREFORE,

IT IS ORDERED: That the application as amended be and is hereby approved, and that a certificate be issued granting the following right:

To transport, as a Class D carrier, dated newspaper supplements, circulars, and inserts, and materials and supplies used in their distribution and sale, for E. F. Brennan Co., Inc.; Wakefern Food Corporation; Total Package Marketing, Inc.; National Inserting Systems, Inc.; and Quebecor Printing Atglen, Inc.; between points in Pennsylvania.

IT IS FURTHER ORDERED: That the applicant shall not engage in any transportation granted herein until it shall have complied with the requirements of the Pennsylvania Public Utility Code and the rules and regulations of the Commission relative to the filing and acceptance of insurance and a tariff establishing just and reasonable rates.

IT IS FURTHER ORDERED: That upon compliance with the requirements as set forth, a certificate issue evidencing the Commission's approval of the right to operate as above-determined.

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

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

BY THE COMMISSION,



John G. Alford
Secretary

(SEAL)

ORDER ADOPTED: November 24, 1992

ORDER ENTERED: DEC 0 4 1992