

8-A-0449-7*

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

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Fischer- Hughes :
Transport, Inc. For amendment so as to :
permit the transportation of tabulating :
machines, calculating machines, :
computers, copying machines, electronic :
equipment, and other business machines :
and equipment, which because of their :
unusual nature or value, require the :
specialized handling and equipment :
usually employed in moving household :
goods; and parts, materials and :
supplies used in connection therewith, :
(1) between points in the Borough of :
Doylestown, Bucks County, and as more :
specifically described therein. :
Initial hearing. :
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Docket No. A-00103976,
F001, Am-B

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DEC 6 1990

SECRETARY OF
PUBLIC UTILITY COMMISSION

Pages 1 through 114

Hearing Room 1306
State Office Building
Broad and Spring Garden Streets
Philadelphia, Pennsylvania

Tuesday, November 13, 1990

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

BEFORE:

HERBERT SMOLEN, Administrative Law Judge

APPEARANCES:

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EXHIBIT
F-1018

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(D. Cristinzio, Inc.)

FORM 2

C O N T E N T S

<u>WITNESSES</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
Robert M. Hughes				
By: Mr. Lavelle	4		45	
Mr. Casey		31		48
Mr. Petri		39		51
Joanne W. Iverson				
By: Mr. Lavelle	58			
Mr. Casey		67		
Mr. Petri		70		
Karen A. Herzog				
By: Mr. Lavelle	72			
Mr. Casey		80		87
Mr. Petri		85		
Linda Roth				
By: Mr. Lavelle	89			
Mr. Casey		93		
Mr. Petri		95		
Cheryl Doris Card				
By: Mr. Lavelle	97			
Mr. Casey		101		
Galen Bold				
By: Mr. Lavelle	104			
Mr. Casey		110		
Mr. Petri		111		

E X H I B I T S

<u>NUMBER</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
<u>Applicant's</u>		
No. 1 (Summary authority.)	7	57
No. 2 (Map)	8	57
No. 3 (Authority from ICC.)	13	57
No. 4 (Equipment owned.)	15	57
No. 5 (Shipments of traffic.)	25	57
No. 6 (Financial summaries.)	29	57
<u>Defendant's</u>		
(None.)		

P R O C E E D I N G S

1
2 ADMINISTRATIVE LAW JUDGE HERBERT SMOLEN: This is the
3 matter of the application of Fischer-Hughes Transport,
4 Incorporated, for an amendment so as to permit the
5 transportation of tabulating machines, calculating machines,
6 computers, copying machines, electronic equipment, and other
7 business machines and equipment, which because of their unusual
8 nature or value, require the specialized handling and equipment
9 usually employed in moving household goods; and parts, materials
10 and supplies used in connection therewith, between points in the
11 Borough of Doylestown, Bucks County, and as more specifically
12 described in the original application.

13 The Docket No. is A-00103976, F001, Am-B. I am
14 Administrative Law Judge, Herbert Smolen. Assigned by the
15 commission to hear the testimony and evidence in the case and to
16 render an initial decision in writing in due course.

17 I note from the appearance sheet that appearing on behalf
18 of the applicant is William J. Lavelle, Esquire; and appearing
19 on behalf of the protestant, J.C. Services, Inc., Scott A.
20 Petri, Esquire; and William H. R. Casey, Esquire, is appearing
21 on behalf of protestant, D. Cubtinizio, Incorporated.

22 Before proceeding with the taking of testimony are there
23 any matters which should be brought to the attention of
24 commission? All right. Were there any restrictive amendments
25 in this particular case? All right. In that event, we are

1 ready to proceed with the taking of testimony.

2 Mr. Lavelle, do you want to call your first witness?

3 Whereupon,

4 ROBERT M. HUGHES

5 having been duly sworn, testified as follows:

6 JUDGE SMOLEN: Please have a seat. Keep your voice up.

7 State your name and business address for the record?

8 THE WITNESS: My name is Robert Hughes; my business
9 address is 450 North Broad Street, Doylestown, Pennsylvania.

10 JUDGE SMOLEN: Mr. Lavelle.

11 DIRECT EXAMINATION

12 BY MR. LAVELLE:

13 Q What position do you hold with that company?

14 A I'm the president of Fischer-Hughes Transport.

15 Q How long have you been the president?

16 A Since 1982.

17 Q What are your duties with that in question?

18 A As the president, I am in charge of marketing our
19 services. I have a lot of administrative duties. I'm involved
20 in the operations of the produce, trucks and financial duties.

21 Q Are you familiar with the present facilities of your
22 company, its equipment, its method of operations?

23 A Yes, I am.

24 Q Also with its operative authority for the Public
25 Utility Commission?

1 A Yes, I am.

2 Q And you are familiar with things that were involved
3 with the filing of the application?

4 A Yes.

5 Q Is Fischer-Hughes a Pennsylvania Corporation?

6 A Yes, it is.

7 Q Do you know when the corporation was formed?

8 A In 1982.

9 Q You indicated you are the president. Do you hold any
10 other office for the company?

11 A I'm also the secretary and treasurer.

12 Q Are you the sole director of the company?

13 A Yes, I am.

14 Q And who are the shareholders?

15 A I am the sole shareholder.

16 Q Do you have any involvement with any other
17 transportation?

18 A No, I don't.

19 Q Do you have any indirect relationship between
20 Fischer-Hughes Transport and any other transportation company?

21 A I'm an agent for United Van Lines, a nation wide ICC
22 carrier.

23 Q As an agent for United Van Lines, what does that
24 involve as far as your business is concerned?

25 A Well, I'm allowed to function as an agent for them.

1 In a legal sense, I'm allowed to represent their services and
2 perform transportation duties throughout the Continental United
3 States and Canada.

4 Q Are you presently serving with any accounts in
5 connection with the transportation of the type of commodities we
6 are talking about here today, tabulating machines and computers
7 and so forth, that the judge indicated?

8 A Yes.

9 Q Can you give us an example of who they might be?

10 A Iverson Associates, HPI Plastics, Bell and Howell,
11 Insertech, AEL, Merrill Lynch Company, General Electric Company,
12 Greater Philadelphia Company, Franke Group, Kulicke and Soffa.

13 Q And those are companies that you are now serving on
14 an interstate basis?

15 A Yes.

16 Q Is that under United Van Lines authority?

17 A It's under -- both United Van Lines authority and
18 ICC authority officially use transport holes.

19 Q I'll come back to that in just a moment. Do you
20 presently hold any operative authority from this commission?

21 A Yes, I do.

22 MR. LAVELLE: By the way, Your Honor, we have marked a
23 summary of the applicant's present operating authority.

24 JUDGE SMOLEN: Have that marked as applicant's exhibit
25 number one.

1 (Whereupon, the document was marked as Applicant's
2 Exhibit No. 1 for identification.)

3 BY MR. LAVELLE:

4 Q Looking at this exhibit number one, does this set
5 forth in summary fashion all of the operating ability --

6 A Yes, it seems to.

7 Q Are there any paragraphs here that specifically are
8 tied in with the scope of the application today, territorially
9 or otherwise?

10 A Well, the territory in which we are seeking
11 to transport these tabulating machines as such is exactly
12 duplicated by the certificate.

13 Q Which particular grants of authority that you now
14 hold are duplicated geographically?

15 A I'm not sure what you mean by that.

16 Q Well, one portion of your application request
17 authority to operate between points in Doylestown in an airline
18 distance of ten miles, two points within a fifteen highway mile
19 radius; does that tie in specifically to any authority that you
20 have on?

21 A Yes. That ties in to Doylestown as ten and the
22 Philadelphia County as denoted by a line connecting Morrisville,
23 Doylestown.

24 Q To be specific, does the ten mile and fifteen mile
25 radius tie in with paragraph five?

1 A Yes.

2 Q Does the Philadelphia authority, the so called
3 diamond area geographically tie into the authority on page two
4 of exhibit one?

5 A Yes, it does.

6 Q And to illustrate that more clearly, we will go
7 through today -- I prepared a map that indicates that authority
8 in Pennsylvania?

9 A Well, I would say --

10 Q Wait a minute. I just asked, the general question,
11 have you prepared a map that sets forth that geographical area?

12 A Yes.

13 JUDGE SMOLEN: Do you want this marked as an exhibit?
14 You'll have to mark this as applicant's exhibit two. Wait just
15 a minute.

16 (Whereupon, the document was marked as Applicant's
17 Exhibit No. 2 for identification.)

18 BY MR. LAVELLE:

19 Q Looking at this map, let's concentrate just so that
20 we are clear on it. First of all, in paragraph number five,
21 authority in your first exhibit, there is a small circle in the
22 middle of this which appears to have Doylestown as the center,
23 does that circle depict the ten mile radius roughly above
24 Doylestown?

25 A It does roughly; however, the circle would not be

1 exact due to the nature of the Borough of Doylestown and the
2 different municipal lines.

3 Q There is a larger circle drawn, how was that --

4 A Well, our authority reads, "Fifty airline miles of
5 the Borough limits of Doylestown via highway." So what we did
6 was, we determined approximately forty-five miles would be a
7 fair representation of how far out we can go, so we drew the
8 line as forty-five miles from Doylestown.

9 Q I think you may have mis-spoke yourself there. The
10 authority in terms of fifty highway miles from the Borough of
11 Doylestown?

12 A Yes.

13 Q In order, if I understand you right, in order to
14 accommodate the difference between highway and airline miles, do
15 you use Doylestown as a center point and go out forty-five
16 airline miles to conduct this?

17 A Yes. That's what we did.

18 Q So it's not exactly the outer perimeter of that, but
19 it is a rough estimate?

20 A Yes.

21 Q Now the southeastern corner of this map, there is
22 another irregular shape or a straight line; what does that show
23 us?

24 A That represents the other aspect of our authority,
25 the so called diamond zone, which allows us to operate from

1 Morrisville to Doylestown, from Norristown to Westchester, and
2 down to Chester.

3 Q Are those the only points you can serve?

4 A We can serve any point within that line; we can serve
5 any point from within that line to any point in Pennsylvania and
6 from any point in Pennsylvania back within that line.

7 Q So for example, a point within that boundary which is
8 the point defined by the point you mentioned is a solid line
9 which I think parallels the river, any point there is a service
10 area local?

11 A Yes.

12 Q And various areas; is that correct?

13 A That's correct.

14 Q And geographically your application today is
15 confined to the same general territory?

16 A Yes, it is.

17 Q In fact, exact territory?

18 A Exact territory.

19 Q Where does your company have its main office, sir?

20 A In Doylestown.

21 Q Would you indicate what county that is in?

22 A That is Bucks County.

23 Q What do you have at Doylestown in a way of
24 facilities?

25 A It is seven and a half acres, approximately 22,000

1 square foot building, recent construction. It's fire and
2 burglar alarmed. We have four loading docks, a three-acre
3 parking garage for trucks, and about 4,000 square feet of
4 offices.

5 Q What are the general hours that that terminal is open
6 for business?

7 A Generally open from 7:00 in the morning until 7:00 at
8 night, Monday through Friday. Open Saturdays generally from
9 8:00 a.m. to 2:00 p.m., and we operate our vehicles pretty much
10 on a twenty-four hour basis as needed and requested by
11 customers.

12 Q Are there any special facilities within the warehouse
13 storage complex that would come into play in so far as the type
14 of commodity you are asking to transfer, import here?

15 A Certain features of the warehouse lend themselves to
16 that type of transportation. For instance, we have steel
17 racking systems in which to store products. We have special low
18 level devices so that the trucks can be unloaded with ease.

19 Q Do you have any other facilities besides the one at
20 Doylestown?

21 A Yes, I do. I have a facility in Fogelsville,
22 Pennsylvania. It is a little west of Allentown.

23 Q Would you give us a brief description of what that
24 is?

25 A That is a 16,000 square-foot facility. It is one

1 year old. It is fire, burglar sprinkler. It has two loading
2 docks with low levels.

3 Q Does it operate days per week, hours per day,
4 approximately the same as the other?

5 A Approximately the same.

6 Q Are there any facilities in the warehouse that would
7 come into play other than the ones you have already described?

8 A No. We have the same type of facility as the other.

9 Q Do you have the same type of stuff?

10 A Same type of stuff.

11 Q What method would you use to maintain contact
12 between the Doylestown or Fogelsville and your drivers when they
13 are away from your locations?

14 A The drivers are required to call into the central
15 dispatch in Doylestown after completion of each delivery.
16 Additionally, they are equipped with radio pagers so if an
17 emergency were to come up, we would beep them and then they
18 would get to a telephone.

19 Q In so far as your communication with your customers
20 are concerned, how do you do that?

21 A Well, it is all by phone. When possible, we have
22 written confirmation of orders, with facts about confirmation of
23 orders, but it would probably be at least three or four phone
24 calls prior to each order and a couple after a pickup or
25 delivery of an order between our central dispatch, sales people

1 and our customers.

2 Q Do you have an eight-hundred-watts number available
3 to the public?

4 A Yes, we have intra Pennsylvania eight-hundred-watts
5 number as well as nationwide watts number.

6 Q And you indicated before you have telephone-fax
7 communication?

8 A Yes.

9 Q Before we go any further, you had mentioned that you
10 hold operative authority from the Interstate Commerce
11 Commission?

12 A Yes.

13 MR. LAVELLE: Your Honor, if I may at this point have
14 that authority marked as an exhibit number three, I believe.

15 JUDGE SMOLEN: Have that marked as applicant's number
16 three.

17 (Whereupon, the document was marked as Applicant's
18 Exhibit No. 3 for identification.)

19 BY MR. LAVELLE:

20 Q Mr. Hughes, would you look at exhibit three for a
21 moment, please? Is this a copy of the commentary authority that
22 your company holds from Interstate Commerce Commission?

23 A Yes, it is.

24 Q And that's authorizing the transportation of
25 household goods; is that correct?

1 A Yes.

2 Q Under that authority, are you permitted to transport
3 that particular commodity that we are dealing with here today?

4 A Yes, we are.

5 Q And does the way your authority is written,
6 "Household goods," also permit you to transport what I'll call
7 residential relocation type traffic?

8 A Basically, we are permitted to haul first, second and
9 third proviso shipments under this authority.

10 Q All right. I'll come back to that a little bit later
11 for an explanation.

12 How many employees does your company have, and if you can
13 break it down by job classification, it might be helpful?

14 A Well in rough terms, we have approximately fifteen
15 sales administrative people; we have a four-man warehouse staff;
16 we have forty-five to eighty field-men, movers, drivers,
17 loaders, packers. Work force varies due somewhat to the
18 seasonality of our business.

19 Q Which portion of your business, if any, is subject to
20 seasonal considerations?

21 A Certainly the residential moving is extremely
22 seasonal. Second proviso of business is not as seasonal; and
23 the third proviso of business is equal throughout the year.

24 Q Since you have used those terms, maybe we better
25 define them right now. What do you refer to as second proviso

1 traffic?

2 A Second proviso is the movement of commercial
3 establishments as part of relocation.

4 Q And what do you mean by third proviso of traffic?

5 A Third proviso is product material like electronic
6 equipment requiring special handling usually employed by movers.

7 Q Is it subject to a condition that it must be part of
8 a relocation?

9 A Not the third proviso.

10 Q Does Fischer-Hughes Transport own any motor vehicle
11 equipment that is used in its operations?

12 A Yes, we do.

13 Q And have you prepared an exhibit setting forth that
14 request?

15 A Yes.

16 MR. LAVELLE: I believe we should have this marked as
17 exhibit four.

18 JUDGE SMOLEN: So marked. Applicant exhibit number four.

19 (Whereupon, the document was marked as Applicant's
20 Exhibit No. 4 for identification.)

21 BY MR. LAVELLE:

22 Q Mr. Hughes, is exhibit four an accurate list of your
23 present equipment that is owned by the company with a couple of
24 exceptions that are mentioned here?

25 A Yes.

1 Q There on the first page is a reference towards the
2 bottom, three tractors are leased apparently from White Circle
3 Incorporated; would you explain what White Circle is?

4 A White Circle is a full-maintenance leasing company.
5 We elected to lease this equipment from them due to the
6 maintenance that they provide.

7 Q Do you also obtain the drivers from White Circle?

8 A No. We don't, strictly equipment.

9 Q Strictly equipment. And everything else on this
10 page is owned by your company?

11 A Yes.

12 Q On page two, all of the tractor trailers, I assume
13 that TRL refers to trailer?

14 A Yes.

15 Q All the trailer equipment is owned with the
16 exception of the last two; these are United Leasing?

17 A Those are finance leases. At the end of the term,
18 we purchase them for a dollar, so it is just a financing thing.

19 Q Who is United Leasing?

20 A United Leasing is a subsidiary of United Van Lines.

21 Q So those two are a lease purchase with that company?

22 A Right.

23 Q Would all of the equipment that you show on this
24 exhibit be suitable for transporting the type of what I will
25 call electronic equipment that we are talking about today?

1 A Yes. I would say so with the exception possibly of
2 some of the vans indicated in the initial packing vans in the
3 first part of the list.

4 Q Those first seven units called vans are packing vans?

5 A Right.

6 Q What function do they serve?

7 A They transport packing materials to and from job
8 sites.

9 Q That would not be necessary for the most part of this
10 business?

11 A No.

12 Q The second category called, "S/T"; refers to what?

13 A Straight trucks.

14 Q They would be suitable?

15 A Yes, they would be.

16 Q And by straight truck what do you mean? And can you
17 explain how they are equipped?

18 A Well, a straight truck is a single unit engine and
19 van body attached. Some of these straight trucks have special
20 air-ride suspension, and some of them have special 6,000 pound
21 max on rail lifts which allow us to lift equipment from the
22 sidewalks up to the length of the truck.

23 Q Is that last feature that you mentioned similar to an
24 electronic lift-gate?

25 A Yes, exactly.

1 Q On the second page where your trailer equipment is
2 shown, are any of those units equipped with that mechanical
3 lift-gate feature?

4 A Yes. The final three are.

5 Q What else do you have that would permit you to
6 easily load a trailer with heavy types of machinery when you
7 don't have a lift-gate vehicle?

8 A Well, we have fork-lifts with up to 12,000 pounds
9 capacity that we have taken to a job site to assist in that. We
10 are also able to utilize ramps, jacks and things like that; we
11 are able to get equipment on and off our trucks.

12 Q What is the size of the trailers that you show on
13 that page?

14 A Well, the trailers range from forty feet to forty-
15 eight feet in length.

16 Q How many are forty-eight foot variety?

17 A I would say five.

18 Q Are the widths of these trailers standard or larger?

19 A Some of them are 102 inches, which is a recent
20 innovation; we are allowed certain federal regulations. We are
21 allowed to make wider trailers to accommodate more cargo.

22 Q How many trailers are there that are 102 inches wide?

23 A Four to five of them.

24 Q What's the significance of that particular feature?

25 A Well, as I mentioned, it allows us to handle more

1 cargo, whereby operating more efficient and it also allows us to
2 handle larger, wider pieces of equipment on and off of our
3 trucks.

4 Q You mentioned or used the term earlier, "Air-ride."
5 Would you describe what you mean by that?

6 A Well, you have two types of trucking suspensions
7 available. There is spring-ride and air-ride. Spring-ride is
8 very bouncy, very harsh type of suspension, and is utilized
9 generally in the transportation of general commodities skidded
10 freight. Air-ride is insertion of an air bag between the axle
11 of the truck and body of the truck. And it smooths out the
12 bounciness, so to speak, about eighty or ninety percent. It is
13 a feature required in handling of sensitive machinery, computers
14 and stuff like that, your not allowed to bounce that stuff as
15 much.

16 Q Are the trailers and straight trucks that you would
17 be using be equipped with any types of devices internally to
18 further protect the equipment we are talking about?

19 A Yes, they are. All of our trucks are equipped with
20 what we call E-Track, which is a load barring system that allows
21 us to run straps at any point of the machines, side to side to
22 keep it from moving back and forth.

23 Q You mentioned also earlier that you have fork-lift
24 trucks that you could use also and ramps; is there any other
25 equipment that your company operates or can make available for

1 the movement of these types of commodities whether it be going
2 to the building where they pickup, or where the delivery might
3 take place, on and off the vehicle?

4 A Yes. There is a lot of stuff like that. We utilize
5 four-wheel dollies; we utilize hand trucks with machine
6 attachments to allow the machine to go back a little bit and
7 move on an angle; we utilize stair crawlers when necessary; we
8 have roller lifts, which are hydraulic jacks that come down each
9 side of the piece of equipment which allows us to raise the
10 equipment off the floor, strap it together and then transport it
11 on large rubber wheels, which doesn't damage hallways and things
12 like that.

13 Q Does your company, in fact, perform inside pickup and
14 delivery?

15 A Yes, it does.

16 Q Is that a routine part of your business?

17 A No. I would say it was fundamental to our business.

18 Q In addition to the equipment that you have shown on
19 exhibit four, do you lease any equipment from other sources that
20 are not already shown on here?

21 A Yes. We have a fleet of owner-operators who own
22 their own tractors and operate pretty much on a forty-eight
23 state basis for us.

24 Q Do they provide just tractors, or also trailers?

25 A Tractors and trailers.

1 Q Are their trailers of a similar type that you have
2 already described?

3 A Yes.

4 Q By the way, in reference to those trailers, do they
5 have merely rear-door openings or side doors on these vehicles?

6 A They have side-doors, strategic points in the truck
7 to allow us to unload in city environments, access to different
8 parts of the trailer when necessary.

9 Q Are any of a drop-frame construction; any of your
10 trailers?

11 A Two.

12 Q Is there ever a time when that comes into play when
13 transporting these electronic pieces of equipment?

14 A Yes. Occasionally if a piece of equipment is
15 particularly high, we can access the center of the drop frame
16 through the side doors and utilize the additional height.

17 Q The three vehicles that you lease from these -- I am
18 referring to the three.

19 A Three.

20 Q Three are in operation?

21 A Yes.

22 Q What is the term of the lease that you have for
23 these people?

24 A Well, the terms of the lease are a minimum of a year
25 with a year-to-year renewal, after that, a sixty-day written

1 notice of cancellation.

2 Q So a one-year term, canceled upon a sixty-day notice?

3 A Right.

4 Q With respect to this motor-vehicle equipment, is it
5 maintained by your company or by outside contractors?

6 A We perform approximately eighty percent of our
7 maintenance ' in-house.

8 Q What does the maintenance program for your company
9 consist of?

10 A Well, on a daily basis, our drivers are required to
11 inspect the equipment prior to their leaving the yard. Of
12 course, with motor-carrier regulations, if they identify
13 anything as a problem, it is immediately handed over to our in-
14 house mechanic shop and corrected. And in addition to that, we
15 are in compliance with Pennsylvania Motor Carrier Regulations,
16 requiring a bi-annual inspection of vehicles and also with
17 interstate every ninety days. These vehicles are either major
18 or minor inspected.

19 Q Do you have a safety program, non-maintenance, but
20 for your drivers and other personnel?

21 A Yes, I would say that we do.

22 Q Can you briefly describe what that amounts to?

23 A Well, safety is a major consideration for any
24 trucking company today. Our safety program involves extensive
25 background checking of our employees. We utilize a company in

1 Chicago; it does criminal and motor vehicle checks on these
2 guys. In addition, we drug test them every two years, and we
3 have spot testing of these guys available. Each morning, we
4 have a dispatch meeting in which different things are talked
5 about, including compliance; and if the weather is particularly
6 bad that day, we talk about that kind of thing. And we have a
7 monthly company-wide meeting in which the same type of things
8 are discussed, claims, different motor-vehicle compliances as
9 agents for United; there is a lot of work they do with us in
10 that regard. They provide us with video equipment to view; we
11 occasionally send drivers to St. Louis to go through a training
12 school they have, so there is a lot that we do.

13 Q You had previously referred to your operative
14 authority in terms of three provisos; giving a basic definition
15 of your understanding of that, and I believe you said that under
16 your interstate operative authority, you are permitted to
17 transport all three categories of commodities, first, second and
18 third provisos; is that correct?

19 A Yes.

20 Q Under the third proviso, does that include the right
21 to transport what we are referring to as electronic equipment?

22 A Yes, it does.

23 Q With that in mind, would you explain for us why
24 Fischer-Hughes Transport filed this application with the
25 commission?

1 A Well, I had always assumed that the wording required
2 the specialized handling equipment usually employed in moving
3 household goods, because it was broad enough to include that
4 third proviso range of equipment. Particularly since the
5 Interstate Commerce Commission allows us to do it, and we are
6 engaged so extensively in that. I had assumed that the Public
7 Utility Commission had the same interpretation of that proviso,
8 but I recently discovered that they do not. A change in
9 commission thinking, I'm not sure why, but we felt that in order
10 to continue providing this service to our customers that we
11 should get this included and make sure we are doing everything
12 right.

13 Q And at that connection you have keyed the
14 geographical area to what you already have as a household goods
15 area; is that correct?

16 A That is correct.

17 Q So from a standpoint of view, your request for
18 authority now, you are not asking for any more geographical
19 territory?

20 A No.

21 Q And it is strictly related to the commodities in a
22 clarification if it is the proper word for your third proviso
23 type traffic?

24 A That's correct.

25 Q Have you, in fact, been transporting that type of

1 traffic within Pennsylvania?

2 A Yes, we have.

3 Q And for approximately how long?

4 A Since probably 1982.

5 Q Is that when the company was formed?

6 A When the company was formed.

7 Q And have you brought with you a brief exhibit
8 showing representative shipments of this traffic within the
9 scope of your geographical company?

10 A Yes.

11 Q Your Honor, if we might have that marked as
12 applicant's exhibit number five; I believe it is?

13 JUDGE SMOLEN: So marked, applicant's number five.

14 (Whereupon, the document was marked as Applicant's
15 Exhibit No. 5 for identification.)

16 BY MR. LAVELLE:

17 Q Now looking at exhibit number five, does this show
18 some representative shipments over the last five to six months
19 transported by your company within the scope of your
20 geographical company of which you are president?

21 A Yes.

22 Q And did it all consist of electronic equipment,
23 computers or whatever?

24 A Yes.

25 Q And the origins and destinations shown here are all

1 located within the two grants of authority that you previously
2 have?

3 A Yes.

4 Q In the right-hand column, the weight, is that of the
5 total shipment on that particular day or the individual item?

6 A The individual item.

7 Q Well, in other words, on the first entry there, was
8 the weight of the shipment 2,520 pounds?

9 A Yes.

10 Q And is it that type of traffic that you would
11 describe as the third proviso under Interstate Commerce
12 Commission interpretations?

13 A Yes.

14 Q And that is what you consider to call within your
15 third proviso from your present Public Utility Commission as
16 well?

17 A Yes.

18 Q You have mentioned from shipments earlier on, that
19 you have had knowledge in Interstate Commerce; did they to your
20 knowledge also have movements within the state of Pennsylvania?

21 A Yes, I think they do.

22 Q Specifically within the territory of your
23 application?

24 A Yes.

25 Q And are some of those people present today to support

1 this application?

2 A Some of them are.

3 Q These third-proviso type movements, can you give us
4 an example from your experience of what that involves; what type
5 of movements come within that category?

6 A There are various reasons why someone might utilize
7 me as a carrier. We have clients who require a month-end-dock
8 suite, and they work all month long to manufacture equipment.
9 At the end of the month, they need to get it out of their
10 building to make way for the next month's production, so they
11 would call; the term is dock suite.

12 Q What do you do with it when it is given to you?

13 A We load it on our vans; we take it to our warehouse,
14 we hold it at our warehouse for subsequent shipping either
15 intrastate or interstate. We have clients who --

16 MR. PETRI: Your Honor, I would object to this line of
17 questioning. It seems to me that it is hearsay in that the
18 witness is testifying as to items as to the reason why a
19 customer may or may not desire to utilize his services. I think
20 we need that particular customer's testimony; at this point,
21 it's hearsay.

22 MR. LAVELLE: Your Honor, it's not hearsay. I asked him
23 basically on his experience and to describe for us the type of
24 traffic which comes within the scope of his application.

25 JUDGE SMOLEN: I'll overrule the objection. I'll permit

1 the question and answer. Please, proceed.

2 THE WITNESS: We have clients who are refer companies
3 who buy used equipment. Subsequently, we store it and we sell
4 it, so they would ask us if we would take this equipment from
5 them and store it in our warehouse or one of their warehouse
6 facilities and then transport it to their manufacturing
7 facilities. We have customers, point of manufacturer who will
8 sell a product or machine or whatever to a customer. We will
9 pick it up from their facility, and delivery it directly to the
10 purchaser of that equipment on an interstate or intrastate
11 basis.

12 Q And is that essentially the type of traffic that
13 would be involved in your proposed application here?

14 A Yes.

15 Q In providing that service, you have indicated you
16 are available six days a week during normal business hours, and
17 did I understand you to say the seventh day if needed?

18 A Yes.

19 Q How would the customer get in touch with you for
20 let's say a holiday weekend, emergency or something like that?

21 A Our customers are provided with emergency phone
22 numbers.

23 Q In this type of traffic, would you generally
24 consolidate these electronic machines with other types of
25 freight or would it be more on an exclusive basis?

1 A Due to the nature of it, it is primarily on an
2 exclusive basis. However, when scheduling permits, we will
3 consolidate this type of shipment with other loads.

4 Q Are there any schedules generally involved in the
5 move from the customers or shippers standpoint?

6 A Not exactly, no.

7 Q What kind of transportation would you perform in
8 terms of transit types for a given destination?

9 A Same or next-day service, generally, especially
10 within Pennsylvania.

11 Q What you indicated earlier about mixing freight; did
12 you have in mind, two or more shippers' freight would be loaded?

13 A Yes.

14 Q Would that then lead to the conclusion that you
15 would provide a split pickup for multiple stop service?

16 A Yes, we would.

17 Q Have you brought with you summaries of your financial
18 position as of September 30, 1990?

19 A Yes.

20 MR. LAVELLE: Your Honor, I would like to have this
21 marked as an exhibit. The first page is the balance sheet as of
22 September 30, 1990.

23 JUDGE SMOLEN: All right. This is applicant number six.

24 (Whereupon, the document was marked as Applicant's
25 Exhibit No. 6 for identification.)

1 BY MR. LAVELLE:

2 Q Mr. Hughes, looking at exhibit six, does the first
3 page of it represent your balance sheet as of September 30,
4 1990?

5 A Yes, it does.

6 Q Has there been a material change since that time;
7 that you know of?

8 A No.

9 Q And the second page of exhibit six, is the statement
10 of income for what period of time?

11 A March through September 30th.

12 Q That shows a net income of \$130,000 plus dollars; is
13 the company still operating at that?

14 A Yes, it is.

15 Q Do you expect that to continue?

16 A Yes, I do.

17 Q If it should become necessary to have additional
18 equipment or specialized types of facilities to handle that
19 traffic, do you believe your company is in a financial position
20 to do that?

21 A We have substantial lines of credit and good working
22 relationships with our lenders.

23 Q To your knowledge, or your belief, do you think your
24 company is in a position to perform this service on these
25 commodities satisfactorily?

1 A Yes.

2 MR. LAVELLE: Your Honor, I am through. I turn this
3 witness over for cross examination.

4 JUDGE SMOLEN: Cross examination. Mr. Casey, do you want
5 to lead off?

6 CROSS EXAMINATION

7 BY MR. CASEY:

8 Q Mr. Hughes, looking at your balance sheet here, while
9 you are on that, who prepared that balance sheet; was it
10 in-house?

11 A It was in-house.

12 Q The items reflect your long term --

13 JUDGE SMOLEN: Mr. Casey, would you keep your voice up.
14 This is a different office behind us, and we don't have any
15 control over it although we could request it. Now, let's see
16 what happens.

17 BY MR. CASEY:

18 Q Referring to page one of exhibit six --

19 A None of it is mortgage.

20 Q Do you have any mortgage on the warehouses?

21 A No, not on Fischer-Hughes Transport.

22 Q Looking at page two of that statement, do you have
23 any information describing the types of transportation
24 recommended between interstate and intrastate?

25 A Yes, I do.

1 Q Do you know what that is?

2 A It is approximately -- well transportation revenue
3 \$1,057,000 is -- I'd say eighty percent of that is intrastate
4 business; the remainder would be interstate business on my own
5 authority. Agency revenue is United Van Lines revenue, which is
6 all interstate.

7 Q Now, the eighty percent intrastate, what percentage
8 of that is electronic equipment that you described here?

9 A Ten percent.

10 Q Are you just recalling that from your own view?

11 A I'm taking a stab at it.

12 Q You don't separate it?

13 A No.

14 Q Now, you have stated that you recently discovered
15 that the Household Rights of Pennsylvania did not include the
16 electronic, when was that recently discovered?

17 A Approximately nine months ago.

18 Q But the transportation that you performed under A5
19 has been since that time?

20 A Yes.

21 Q So after you found out you continued to perform the
22 service?

23 A Well, I would submit that it is a confusing issue.
24 We are allowed to transport this stuff interstate; we are
25 allowed to transport it as part of a relocation of a business or

1 establishment. It is very confusing for my people to make
2 interpretations like that. We didn't want to let our customers
3 down, pending this application.

4 Q Is your answer, yes?

5 A Yes.

6 MR. LAVELLE: Yes, to what? I forgot the original
7 question.

8 MR. CASEY: After he found out about the restrictions on
9 household rights did not include electronics nine months ago, he
10 continued to perform the service under A5, with that knowledge.
11 The answer was yes; correct?

12 THE WITNESS: Yes.

13 BY MR. CASEY:

14 Q And did you file in the application and affidavit
15 that you would not perform such services until the rights had
16 been approved in your application?

17 A I don't recall.

18 Q You don't recall your application?

19 A I don't recall filing that application.

20 Q Did you participate in the preparation of the
21 application?

22 A Yes.

23 Q Returning your attention to section -- paragraph
24 eleven?

25 A Yes.

1 Q Is that your signature?

2 A Yes, it is.

3 Q And this was filed on October of '89?

4 A (No response.)

5 Q Do you have --

6 JUDGE SMOLEN: We have a question without an answer, if
7 that was a question?

8 BY MR. CASEY:

9 Q Was it filed in October of '89?

10 A Yes.

11 Q At the time that you filed it, were you aware of it?

12 A Aware of what?

13 Q Aware of the fact that the household rights that you
14 held did not include electronics?

15 A Yes.

16 Q So it was more than nine months, it was over a year
17 ago?

18 A Yes.

19 Q Nevertheless, you kept performing the service?

20 A Yes.

21 MR. CASEY: I think the Judge can take this petition --
22 application as part of the file.

23 JUDGE SMOLEN: It is part of the file.

24 BY MR. CASEY:

25 Q And this transportation that you performed illegally,

1 was it done for the witnesses that you propose to testify in
2 this proceeding?

3 A Yes.

4 MR. LAVELLE: I'll object to that. I move to strike
5 because I don't agree with counsel's line of questioning when he
6 starts to use the word illegal. He said he has held the traffic
7 -- he has explained earlier why he filed this application, and
8 I'm not willing to agree with this question now. He is starting
9 to use the word unlawful, illegal traffic. That calls for --

10 JUDGE SMOLEN: You want to be heard --

11 MR. LAVELLE: -- legal conclusion on the part of the
12 witness, which I don't want him to answer that way. I would
13 object to him answering that question, and I don't agree to the
14 way it is being asked or the way it is being advanced here?

15 MR. CASEY: Your Honor, the witness has already admitted
16 that he has performed these services with knowledge.

17 MR. LAVELLE: He's performed the services with
18 knowledge, but I object to the use of the term illegal or
19 unlawful.

20 JUDGE SMOLEN: I think whether or not it is unlawful is
21 really a matter of which the Administrative Law Judge, at least
22 at first and then the commission ultimately will determine so.
23 I think the line of questioning, however, is appropriate and I
24 will therefore, ask Mr. Casey to rephrase that last question,
25 and the answer which was given by the witness is stricken.

1 BY MR. CASEY:

2 Q Mr. Hughes, the transportation that you described on
3 A5, was that performed by witnesses that you are going to call
4 in these proceedings or for them I mean?

5 A Yes, some of them.

6 Q The equipment that you described on your equipment
7 exhibit and that you discussed on direct testimony, that's all
8 presently used for household?

9 A It is used for the transportation of first, second
10 and third provisos of shipments.

11 Q That is not my question. Is it all used for
12 household transportation, transportation of household goods?
13 Are you limiting household goods to first proviso? I'm talking
14 about Pennsylvania intrastate, that is what we are here for?

15 A Yes.

16 Q And the air-ride vans are used for household?

17 A They are also used in interstate commerce to a far
18 greater degree than intrastate.

19 Q Do you have equipment that you bought specifically
20 to carry electronic equipment?

21 A Yes, the interstate commerce.

22 Q What equipment is that?

23 A Refer to the 1987 international straight truck.

24 Q Okay. Stop right there. Is that one used also in
25 intrastate household?

1 A No. That is primarily an interstate vehicle used for
2 the transportation of third proviso equipment.

3 Q Would it be used for Pennsylvania household?

4 A It could be, yes.

5 Q Do you have any documentation of the proviso
6 statements you have made here?

7 A I don't understand your question.

8 Q Well looking at the ICC rights, it seems to read
9 household goods, reads household, transporting household goods
10 in the eastern part of the United States, but you've testified
11 that this is a broader definition regarding these provisos; do
12 you have any documentation of that or anything else you can
13 offer to support that statement?

14 MR. LAVELLE: Is he asking the witness for factual
15 information, or do you want to know a legal answer to that
16 question?

17 JUDGE SMOLEN: Well, let's ask Mr. Casey.

18 MR. CASEY: I asked him if he had any supportive
19 information to support the statement that he made.

20 MR. LAVELLE: I'm not sure of the question he's asking.

21 JUDGE SMOLEN: He's asking whether or not there is
22 anything in writing to define these three provisos?

23 THE WITNESS: It certainly is, that would be the
24 household good's tariff that exists; it is a description of the
25 three provisos of business. Do I have them with me now; no, I

1 don't.

2 JUDGE SMOLEN: These are documents issued by the
3 Interstate Commerce Commission?

4 THE WITNESS: Well, the tariff books, household goods
5 carries -- its rules and regulations, in the first seventy-five
6 pages of tariff. It discusses what is encompassed by first,
7 second and third proviso shipments; I presume that comes from
8 legal interpretations by the ICC, but every mover operates under
9 that belief.

10 MR. CASEY: Your Honor, the legal support for that
11 position hasn't been proved.

12 JUDGE SMOLEN: Mr. Casey, I don't know whether he is
13 requesting it or not.

14 MR. CASEY: I am requesting it. I am not that familiar
15 with the Interstate Commission, but whether you are going to
16 offer it or not.

17 MR. LAVELLE: I wasn't planning to offer it. That is
18 why I asked if you were asking for factual information or legal
19 conclusion because I would be the one to provide legal
20 conclusion for that.

21 MR. CASEY: The witness has made statements about
22 conclusions of the ICC law, which certainly stands --

23 MR. LAVELLE: But there are Interstate Commerce
24 Commission interpretations of the three provisos, and there is
25 a further interpretation providing the third-proviso term. The

1 third type which the witness has explained.

2 MR. CASEY: You haven't provided that?

3 MR. LAVELLE: No, because it is a legal matter.

4 MR. CASEY: I have no further questions.

5 JUDGE SMOLEN: Well, let's wait before we go on with it.

6 At first, we had an offer that you were going to provide it upon
7 request and then he said he requested it.

8 MR. LAVELLE: I can provide citations to the request.

9 JUDGE SMOLEN: Are you requesting it?

10 MR. CASEY: Yes.

11 MR. LAVELLE: As a matter of record or as a brief or as

12 a --

13 JUDGE SMOLEN: Well, let us --

14 MR. CASEY: Well, the witness has made these statements.

15 I'm asking for verification.

16 JUDGE SMOLEN: Let's not wait until the briefs to get it
17 in, so we don't have to reopen the record for additional
18 testimony if, in deed, it is necessary. Let's apply it now.

19 CROSS EXAMINATION

20 BY MR. PETRI:

21 Q Let me ask you, who owns the real estate where your
22 business is located, and the primary business location is in
23 Doylestown?

24 A Right. I own it.

25 Q Do you own it personally?

1 A Yes.

2 Q Is there some sort of lease agreement between you and
3 the company?

4 A Yes.

5 Q And who owns the property in Fogelsville?

6 A Rouse and Associates.

7 Q Rouse and Associates. Is there a lease pursuant to
8 that?

9 A Yes.

10 Q So you are not the owner of that property. It is
11 pursuant to a lease?

12 A It is a five-year lease.

13 Q A five-year lease, and when was that lease first
14 commenced?

15 A January of '90.

16 Q And what is the height of your warehouse?

17 A Twenty-four feet clear span.

18 Q Twenty-four feet clear span; is that right?

19 A Yes.

20 Q And what type of racks do you have?

21 A Steel racking.

22 Q How much?

23 A Approximately, three hundred linear feet.

24 Q Now you belong to a tariff bureau?

25 A Yes.

1 Q Is that Tristate?

2 A Yes, it is.

3 Q And you had testified that you received or that you
4 became aware that you might need to file an application about
5 nine months ago in regard to electronic authority; is that
6 right?

7 A Yes.

8 Q Now, how long -- when exactly did you learn of this
9 circumstance?

10 A Well, the exact incident occurred when we transported
11 a mail-inserting machine from the warehouse of Clemmer Moving
12 and Storage in Telford to the warehouse of Dominique Cubtinizio,
13 in which case, they filed a protest with the PUC. I'm not privy
14 to who exactly filed it, but they filed the protest and the PUC
15 investigated it, and declared that that movement was a legal
16 move.

17 JUDGE SMOLEN: Was a lawful movement?

18 THE WITNESS: Was a lawful movement?

19 JUDGE SMOLEN: All right.

20 BY MR. PETRI:

21 Q Now at the time, I guess, that you discovered this,
22 this was approximately nine-months ago?

23 A Nine months to a year.

24 Q And how long did you take before you contacted
25 counsel to fill out an application?

1 A I think it was probably that week.

2 Q Now, Mr. Casey showed you a copy of your
3 application; I'll show you another one. Apparently, this was
4 filed in October of 1989; is that right?

5 MR. LAVELLE: Is this the same one that you were shown
6 before?

7 MR. PETRI: Yes. It is a copy of your application in
8 these proceedings. I note that it has a date up at the top, so
9 it was over a year ago.

10 BY MR. PETRI:

11 Q Do you receive mailings from the tariff bureau?

12 A Yes.

13 Q And who in your company reads those mailings?

14 A I have an employee by the name of Joe.

15 Q And does he consult with you?

16 A Occasionally.

17 Q Does he have the authority to make decisions on
18 behalf of the company in regard to information you receive from
19 the tariff bureau?

20 A Yes.

21 Q And are you aware that -- of any rulings that were
22 issued by Tristate or rulings that were made by the PUC were
23 disbursed by your tariff bureau with regard to interpretation of
24 certain information?

25 A I don't recall anything.

1 Q Now you don't recall anything in that regard?

2 A No, not specifically.

3 Q Are you familiar with the decision involving J.C.
4 Services, Inc.?

5 A No.

6 Q You don't recall anything in that regard; would it
7 surprise you to know that Tristate disseminated information
8 years ago with regard to the interpretation of the Public
9 Utility Commission's decision in that case, provided you with
10 notes?

11 A Would it surprise me?

12 Q Yes.

13 A Yes.

14 Q When you discovered that you might have to file an
15 application, did you contact your customers and alert them to
16 the problem?

17 A Customers became aware of the problems.

18 Q All the customers were informed that there was a
19 question as to whether you had the right?

20 A Well, the ones with significance, the ones with
21 volume were informed, yes.

22 Q And who would they be?

23 A Bell and Howell.

24 Q Bell and Howell was told at that time that you may
25 not have the authority to do the transportation; is that right?

1 A Right.

2 Q Anyone else informed?

3 A Yes, I would say in the course of generating this
4 witness support, we informed everyone of those issues and why we
5 needed to do this.

6 Q Now you have submitted this list, admitted or
7 introduced it as A5; had you been stopped on anyone of these
8 occasions when you performed services by someone from the
9 enforcement bureau; would you have expected to pay a fine?

10 MR. LAVELLE: I'll object to that. He's already said he
11 was investigated and found to be okay.

12 MR. PETRI: That's to one incident; I'm referring to A5.

13 MR. LAVELLE: Well one incident, ten incidents, to be
14 told by the PUC that he's investigated on the transportation and
15 it is permissible.

16 MR. PETRI: I'll strike the question.

17 JUDGE SMOLEN: We'll strike the question. Okay.

18 BY MR. PETRI:

19 Q Let me ask you, do you intend to continue making
20 transportation of electronic equipment intrastate, during these
21 proceedings?

22 A No.

23 Q Do you intend to cease as of this moment?

24 A Yes. Honestly, when we were asked to provide
25 shipper, examples of shipments, we did this ten days ago when I

1 asked my people to review the files, and this is what they
2 discovered. I was not exactly aware that these were taking
3 place. I handle over 3,000 shipments a year intra and
4 interstate in and out of my warehouses, to and from my
5 customers. It is a very minor portion of what we have done.
6 Now all of these people want us to do this business; we do it
7 for the interstate occasionally because of the confusion in
8 interpretation; my people make mistakes and this is the result,
9 this is why I'm here today.

10 Q Has there been any transportation since the date of
11 this last one which appears to be October 17, 1990?

12 A Not to my knowledge.

13 MR. PETRI: I have no further questions.

14 JUDGE SMOLEN: Any redirect?

15 REDIRECT EXAMINATION

16 BY MR. LAVELLE:

17 Q Have you been advised by counsel not to transport
18 these commodities?

19 A No.

20 Q And you said that on that earlier situation that gave
21 rise to the filing of this application, the commission
22 investigated and said you were performing lawfully?

23 A It was found to be a lawful movement.

24 Q Do you know what the circumstances were; what
25 commodity were you talking about?

1 A Well, mail-inserting machines were manufactured by
2 Bell and Howell.

3 Q Did they give you a written decision or an oral; how
4 was it handled?

5 A I believe it was a letter written.

6 JUDGE SMOLEN: Was there a complaint filed against your
7 company?

8 THE WITNESS: Yes.

9 JUDGE SMOLEN: Did it go to hearing?

10 THE WITNESS: No.

11 JUDGE SMOLEN: All right.

12 BY MR. LAVELLE:

13 Q Was it a formal complaint by a competitor?

14 A I believe it was a formal complaint by a competitor.
15 Enforcement officers came to our facility, reviewed the bill of
16 lading and the commission did some kind of investigation.

17 JUDGE SMOLEN: And how was it if, in deed, the
18 proceeding has been terminated, how was it terminated or is it
19 still pending?

20 THE WITNESS: No, it was terminated.

21 JUDGE SMOLEN: Well how, in what manner?

22 THE WITNESS: I believe the letter was written
23 describing what we did, saying it was a lawful movement. But
24 perhaps it was a copy of the letter written to the protestant,
25 I'm not sure.

1 JUDGE SMOLEN: Go ahead. Do you have more?

2 BY MR. LAVELLE:

3 Q You didn't pay any fine?

4 A No.

5 Q You didn't get a cease and desist order?

6 A No.

7 Q As far as you know the complaint investigation was
8 terminated and the claim dismissed?

9 A Yes.

10 JUDGE SMOLEN: I'm going to interrupt at this particular
11 point just for some information purposes. If the complaint
12 whether formal or informal was terminated by some letter or
13 other saying -- if it were terminated without any further action
14 or fine or cease and desist imposed, why did you file this
15 application?

16 THE WITNESS: Well, I believe the issue is confused
17 enough that we don't want this thing to continually happen again
18 and again.

19 JUDGE SMOLEN: Had it happened before?

20 THE WITNESS: No, it was the first time.

21 JUDGE SMOLEN: And how long ago was it, say nine months
22 or so ago?

23 THE WITNESS: About, maybe a year.

24 JUDGE SMOLEN: And it was based upon that incident, that
25 which you have described?

1 THE WITNESS: Well, to me it brought the whole issue
2 into question. I had assumed that this was a lawful movement
3 for my company to partake in. When this came up, I did some
4 investigation; I contacted my tariff bureau asked questions and
5 was informed that this is a real question whether or not we are
6 allowed to do this and the recommendation was to go ahead and
7 try to get this authority approved.

8 JUDGE SMOLEN: Okay.

9 MR. LAVELLE: I have no further questions for the
10 witness.

11 JUDGE SMOLEN: Any recross based on redirect?

12 RE CROSS EXAMINATION

13 BY MR. CASEY:

14 Q Mr. Hughes, would you withdraw the complaint on the
15 basis that you would apply?

16 A I can't answer that. My only memory of it was that
17 it was proven to be a lawful movement, so the complaint was
18 invalid.

19 Q You don't have any documents on that?

20 A Not with me.

21 Q You said I think that this was a minor, relatively
22 minor part of your business, in response to Mr. Petri's
23 question; but when I asked you about the revenue, you said ten
24 percent of a million, 57,000 was Tristate Electronic?

25 A That is \$100,000. I'm going to be a \$4,000,000

1 company by year end. A hundred thousand dollars is a minor part
2 of that business, as far as intrastate.

3 Q You regard a \$100,000 as minor?

4 A No, I don't. But in relationship to overall numbers
5 certainly representing one or two percent of my gross revenues,
6 it becomes minor in terms of the overall picture.

7 Q So as a result of that enforcement problem you are
8 determined to go seek the rights and at the same time determined
9 to continue to transport those items while you were seeking
10 rights?

11 A I did not deliberately tell my people to ignore the
12 issue. We discussed the issue; we discussed the ramifications
13 of it, the confusion of it; I'm allowed to transport things to
14 my warehouse, and from my warehouse, and I can transport these
15 commodities as part of a relocation. I can transport them in
16 interstate commerce. I can transport them in all of these ways,
17 but when it comes to this territory within the state of
18 Pennsylvania not in or out of my warehouse, we are not allowed
19 to transport them. I have instructed my people to -- I told
20 them what the rules were; I told them we were going for this
21 authority, and I went ahead and tried to operate my business.

22 Q Well, you have a dispatched meeting everyday; you're
23 saying you're still confused about it?

24 A Dispatch meetings, sir, between my dispatchers and my
25 drivers.

1 Q You instructed your dispatchers and your drivers?

2 A We discussed these things.

3 Q Well on the one hand you say you're the president;
4 you are the only shareholder; you are the operator of the
5 company; you know everything that goes on. You have all these
6 things in place and then the statement you are confused about
7 it; you don't know whether you told them or not? You don't know
8 how these things happened, --

9 MR. LAVELLE: Mr. Casey --

10 JUDGE SMOLEN: Let him finish his question.

11 MR. CASEY: -- you don't know how this transportation
12 occurred?

13 MR. LAVELLE: There is no question there; I don't know
14 what he's asking.

15 BY MR. CASEY:

16 Q I said is that correct?

17 A I've admitted to transporting of the shipments.

18 I further stated that it is a confusing issue because it
19 is allowed in ninety percent of my business and not in ten
20 percent. It is very difficult to instruct people when and where
21 to transport these things and, you know, we're probably wrong in
22 what we have done, but I'm only trying to service my customers;
23 and the fact that I'm here before this judge to get the
24 authority, I think it shows what my real intentions are.

25 MR. CASEY: No further questions.

1 JUDGE SMOLEN: Recross. I'll let Mr. Petri recross.

2 RECROSS EXAMINATION

3 BY MR. PETRI:

4 Q You had just made a statement or an answer to one of
5 Mr. Casey's questions. I want to make sure I understand it.
6 You talked about you have the authority to move electronic goods
7 in and out of your warehouse; are you speaking of pursuant to
8 some ICC provision or some PUC provision?

9 A I'm not a transportation -- I understand that the
10 conduct as a warehouseman that movements to and from a warehouse
11 are exempt from Public Utility Commission regulations. I've
12 read the case; I don't recall the case, but that seems to be the
13 interpretation of that.

14 Q But you are not trying to assert that there is
15 anything in your current PUC authority being application one
16 that gives you any authority to move electronic goods otherwise;
17 are you?

18 A I don't understand the question.

19 Q There is nothing in the current PUC authority that
20 Fischer-Hughes has that would give you the authority to move
21 electronics goods intrastate?

22 A No.

23 MR. LAVELLE: You mean there is no other paragraph that
24 we have referred to?

25 MR. PETRI: There is no paragraph in here, within the

1 current authority --

2 JUDGE SMOLEN: You mean in applicant number one?

3 MR. PETRI: That's correct.

4 JUDGE SMOLEN: All right.

5 MR. PETRI: -- granting Fischer-Hughes the authority to
6 move electronic goods intrastate?

7 MR. LAVELLE: Sure there is.

8 MR. PETRI: There is? Well, first of all it is the
9 witness' question.

10 MR. LAVELLE: It is a matter of law, as well as the
11 authority.

12 JUDGE SMOLEN: You can bring it out on redirect; answer
13 the question. He's answered the question.

14 FURTHER REDIRECT EXAMINATION

15 BY MR. LAVELLE:

16 Q Sir, look at paragraph number five, authority on
17 exhibit one.

18 A Yes.

19 Q Under the first proviso, is there any other
20 situation under which you can transport electronic equipment?

21 A Yes, there is.

22 Q Explain that?

23 A Part of the relocation of a commercial establishment,
24 store, office, museum, institution, hospital etc.

25 Q Stay with proviso one.

1 A Proviso one is part of a residential movement.
2 Certainly this type of equipment could be part of that.

3 Q Under proviso two, can you transport under any
4 circumstances electronic equipment?

5 A Unquestionably as part of any relocation of a
6 commercial establishment, we can transport that equipment.
7 Additionally, I believe that --

8 Q Let me ask you a question under proviso three, do you
9 believe that the transportation of electronic equipment was
10 covered by the description, "Articles requiring specialized
11 handling and equipment usually employed in moving household
12 goods."

13 A Yes, I do.

14 Q So under your present authority, I would in paragraph
15 five on page one and the two paragraphs on the second page of
16 exhibit one; you can transport electronic equipment?

17 JUDGE SMOLEN: He believes he can.

18 MR. CASEY: He said he didn't, but now he's saying it is
19 --

20 MR. LAVELLE: Are the protestants going to take the
21 position that you can't under either one of those?

22 JUDGE SMOLEN: I don't know what they are going to do.
23 I was just going through your question that this witness
24 believes -- that under your questioning he believes he can
25 transport electronic equipment. Whether he can or whether he

1 can't, we'll see what position they are going to take on it.

2 BY MR. LAVELLE:

3 Q Let me get back to one other point that on cross
4 examination was mentioned earlier.

5 A Okay.

6 Q I think you said earlier that one or more customers
7 that you serve has a suite that requires you to bring their
8 material into your warehouse and distribute it subsequently?

9 A Yes.

10 Q Is the shipment the transportation of the material
11 from their location into your warehouse paid by that company?

12 A Yes.

13 Q They pay for the warehouse charges?

14 A Yes.

15 Q So they are your warehouse customers?

16 A Yes.

17 Q You gave another example of a situation where
18 material is warehoused with you and then moved from there to
19 another company, when they are ready to process and work on it?

20 A Yes.

21 Q Do they pay the transportation charges on that?

22 A Yes, they do.

23 Q Do they pay the warehouse charges?

24 A Yes.

25 MR. CASEY: I object. This is all hearsay; we don't

1 have any evidence of this.

2 JUDGE SMOLEN: Well, it is his testimony. So, I will
3 overrule the objection. Go ahead.

4 BY MR. LAVELLE:

5 Q Now you said that there was a case that you were
6 familiar with that defines the warehouse exemptions in
7 Pennsylvania?

8 A Yes.

9 Q Your interpretation or understanding of that case in
10 the commission's position; would those kind of moves to and from
11 the warehouse be exempt from commission regulations?

12 A Yes, that is my understanding.

13 Q So to the extent that that is exempt traffic, you
14 don't need authority from this commission in the first place?

15 A That is what I've been lead to believe.

16 Q Is there much of that traffic going to and from your
17 warehouse as opposed to traffic moving direct from your customer
18 to one of its customers?

19 A Yes. That is considerable.

20 Q The warehouse operation?

21 A Yes.

22 Q So to the extent of -- roughly ten percent of your
23 intrastate revenue would -- let me ask you this, on exhibit six,
24 page two, would that exempt transportation be included in
25 transportation revenue or some other category?

1 MR. CASEY: Objection, Your Honor. He said he didn't
2 make any differentiation; he was just guessing when he answered
3 me.

4 JUDGE SMOLEN: Well, we don't want him to guess. Give
5 us your best estimate.

6 THE WITNESS: The question again please.

7 BY MR. LAVELLE:

8 Q Any transportation performed under that exemption
9 would appear on your income portion of your financial statement
10 under what category?

11 A Well, it would show under transportation revenue and
12 storage revenue.

13 Q Well that would be the storage revenue but as to the
14 transportation charges for the exempt transportation, it would
15 be under transportation?

16 A Yes.

17 Q So would you say approximately ten percent of your
18 intrastate traffic consisted of movement of electronic
19 equipment?

20 A Yes.

21 Q Do we have to subtract from that ten percent whatever
22 revenue is generated in order to get what might be moved under
23 regulated situations?

24 A Yes, that is true.

25 Q Are you in a position to make that kind of a

1 break-down?

2 A Well, I guess it would be more than half; there is
3 not a lot of movement here that we have done.

4 Q Your best estimate is about half of that would be
5 exempt transportation?

6 A Yes.

7 MR. LAVELLE: I have nothing further. I can provide the
8 case that Mr. Hughes is referring to defining the warehouse
9 exemption as well as if counsel wants that.

10 MR. CASEY: We agree with the warehouse exemption. We
11 are happy with it. We wouldn't even be here if we had that.
12 You don't even need rights for that. That's a legal move; we
13 like it.

14 JUDGE SMOLEN: Any further questions of this witness
15 from either the protestants or by applicant?

16 MR. LAVELLE: I have nothing further.

17 JUDGE SMOLEN: Then the witness is excused. Thank you
18 very much.

19 (Witness excused.)

20 MR. LAVELLE: I move in the evidence at this time,
21 exhibits one through six.

22 JUDGE SMOLEN: Hearing no objection, they are received.

23 (Whereupon, the documents marked as Applicant's Exhibits
24 Nos. 1 through 6 were received in evidence.)

25 JUDGE SMOLEN: Let's take a ten-minute break.

1 (Recess.)

2 JUDGE SMOLEN: Back on the record.

3 Whereupon,

4 JOANNE W. IVERSON

5 having been duly sworn, testified as follows:

6 JUDGE SMOLEN: Please state your full name and address
7 for the record.

8 THE WITNESS: Joanne W. Iverson, my home address is 837
9 North 21st Street, Philadelphia, 19130.

10 JUDGE SMOLEN: Mr. Lavelle.

11 DIRECT EXAMINATION

12 BY MR. LAVELLE:

13 Q Is it Miss Iverson.

14 A I like Ms.

15 Q What company are you representing today?

16 A Iverson Associates.

17 Q And where is the business located?

18 A 29 Bala Avenue, Suite 207, Bala Cynwyd, 19044.

19 Q What is your position with the company?

20 A President, owner.

21 Q How long have you been in business?

22 A Six years.

23 Q What is the nature of your company's business?

24 A We write software for micro and mini computers. We
25 install networks and maintain them. Pretty much anything that

1 is a small computer repair, we'll do. We do cabling; we install
2 networks.

3 JUDGE SMOLEN: You have to keep your voice up.

4 BY MR. LAVELLE:

5 Q In connection with that, do you have occasion to ship
6 by motor carrier or receive by motor carrier various types of
7 commodities including computers and hardware and software?

8 A Yes.

9 Q Do you have those needs within the state of
10 Pennsylvania?

11 A Yes.

12 Q What are your general days during the week that you
13 are open and would need service and the hours of service?

14 A Well we do -- one of the things that I'm mostly
15 concerned about right now is a contract that we are negotiating
16 with IBM. For the past three years, we have been a
17 subcontractor for IBM, for service to the City of Philadelphia.
18 Any computers with what they call the mid-range PC's or mini-
19 computers that they sell to the City of Philadelphia. Our
20 contract is for installing and servicing of those computers, so
21 we do everything from installing the cable to putting the
22 hardware together, actually taking the hardware out of boxes and
23 unpacking it, setting it up and loading the software and
24 teaching the people to use it. There are -- for the contract
25 that is coming up, it will be a five-year contract. Now there

1 will be -- we will also be responsible for taking small
2 computers and having them delivered to our office. We will
3 configure them. When you set-up a local area network, many
4 times you -- the best way to do it is to set it up in your own
5 office and then run a cable, and you can tell. We can hook
6 maybe twenty computers to one-main computer and load the
7 software, so when you take it out to the user, you just set it
8 up and it's ready to go. IBM asked us if they delivered the
9 computers to our office, could we then have them delivered to
10 any point within the city. I'm concerned about doing that in a
11 cost effective way. But in the past, what we have done on a
12 smaller volume, we will deliver a computer here or there and we
13 did it ourselves. We did it in our car and vans that we have
14 used; but now it's to the point, and I don't like it. It is to
15 the point now where we are going to have to have more
16 professional help with responding to a bid like this.

17 Q You said the contract with IBM is for the next five
18 years?

19 A Yes.

20 Q Will those computers be moved to points within the
21 City of Philadelphia?

22 A Yes.

23 Q Is the overall contract between IBM and the City of
24 Philadelphia?

25 A Yes.

1 Q Do you have any estimates as to how often
2 that service might be needed?

3 A That is hard to say. The way the city is right now,
4 it might not be worth it.

5 Q Let's assume that the city isn't going bankrupt?

6 A But assuming nothing happens, there are at least
7 seven that I know of personally that would be receiving
8 computers. Aside from that, I don't know because it is --

9 Q Will this be developed over a five-year period?

10 A Yes.

11 Q The contract will be entered into and it would
12 develop from department to department within the city?

13 A Depending on what the city needs. See the city has
14 what they call an office automation contract and it was supposed
15 to be in the city that if a department wanted to buy computer
16 equipment, they would have to go through procurements and to
17 begin that process is lengthy. So the city realized that and
18 they said to various computer lenders, IBM, Wang, Honeywell, and
19 Apple, tell me how much your computers are going to cost us for
20 the next three years; tell us what the services will cost, and
21 we intern will award you, the three of you, and you can come in
22 and sell to us whenever we have an open requirement; and we will
23 choose from one of the three and you won't have to go through
24 the procurement because all of the prices will be locked in, so
25 IBM was one of the winners of the bid, so that will be the same

1 contract for the next five years and we are negotiating the same
2 thing.

3 Q The shipment that you are making by motor carrier
4 from your facilities to an office in the City of Philadelphia,
5 for example, what is the range of a single shipment?

6 A Right now, or in the future?

7 Q Well, right now and in the future?

8 A Right now, one person can carry it; it is twenty-five
9 to fifty pounds.

10 Q In the future if you should get up to this twelve
11 that you are talking about, what would be the approximate
12 weight?

13 A Then you are talking a good bit more because the
14 printer can go anywhere from up to a hundred, a hundred and
15 fifty pounds.

16 Q So --

17 A Maybe five hundred pounds, not knowing calculations.

18 Q Somewhere between five hundred and one thousand
19 pounds?

20 A Yes.

21 Q Are there any other current movements, when I say
22 current, I mean now or in the recent past that you have referred
23 to to give us a better idea of some of your transportation
24 needs; have you shipped to or received from other points of
25 Pennsylvania other than IBM?

1 A Yes. We also buy equipment; we buy clones and we
2 also build our own at times. We will get them shipped into the
3 office; we will configure them and take them out to the users,
4 so we might put three computers in the van and deliver it and
5 set it up for them.

6 Q What would be the source of these computers, what
7 location?

8 A Sometimes mail orders, almost always out of state.

9 Q I'm trying to define it. What would be the source or
10 the origin point of these?

11 A We might go to a distributor and say I need three NCR
12 computers or three NEC computers, whatever. They will have them
13 delivered to us, one way or another, they get to our office and
14 then we take them out from there and deliver them to other
15 people.

16 Q Would it be correct that most of the inbound
17 computers to you originate out of the state of Pennsylvania?

18 A Yes.

19 Q Are there any when they come to you and you are going
20 to fill a customer order, can you tell me where in Pennsylvania
21 those customers are located, what city?

22 A There is Philadelphia; we work with -- a lot of our
23 clients are in Center City. There are others that I would like
24 to work with. I have other clients also.

25 MR. LAVELLE: May I show the witness a map here?

1 JUDGE SMOLEN: Yes.

2 BY MR. LAVELLE:

3 Q This is a map that has been introduced. Where is
4 your location in connection with the relationship in
5 Philadelphia?

6 A We are right by -- in here.

7 (Witness indicates.)

8 Q So just to the northwest of the city of Philadelphia?

9 A More to the west.

10 Q Is it within this diamond shape, we referred to in
11 the straight line; is it on the Philadelphia side of that?

12 A Yes.

13 Q If that's your facility then where else in the state
14 of Pennsylvania would you have customers located that you would
15 be shipping, you mentioned Philadelphia?

16 A I have another customer out in Green Castle,
17 Pennsylvania; that is beyond Harrisburg. I have a couple of
18 clients in Harrisburg; I have one in Harrisburg. I might be
19 going up to Levittown. We'll be going down to -- out to Newtown
20 Square, those kinds of locations. We -- our clients are large
21 companies; it depends on where they want us to put them; we work
22 for Smith Kline, Dupont. They are out of state but it depends
23 on where they want them. For instance, Smith Kline has an
24 office right next door to where we are and they also have one
25 out in Swedesford, so we would take computers out there.

1 Q That is out towards Plymouth area?

2 A Yes.

3 Q And is there any pattern in the movements in terms of
4 so many shipments to each of those customers you do per month or
5 week more sporadic?

6 A It is more sporadic.

7 Q Have you shipped for all these people that you have
8 mentioned?

9 A Not all of them, some of them.

10 Q Which ones have you shipped to?

11 A There is one that we ship to, Smith Kline area right
12 next door here. The one right here. Mostly, I have got -- what
13 I've got to do here is -- in the future, we have been moving
14 computers around, but in the future I would like to do a lot
15 more of it. I can't do it just by using cars.

16 Q I think you said your cars and a van?

17 A Personal cars. Yes, they are all personal.

18 Q And what you need is apparently, as you said
19 professional motor carrier to do this work for you?

20 A That is correct.

21 Q Have you had any experience with the applicant here
22 Fischer-Hughes?

23 A Yes.

24 Q In what way?

25 A In the beginning in residential move, and then I had

1 a couple of office moves that they did for me.

2 Q And how did you find their service?

3 A Excellent.

4 Q Have you tried to use any other type of regulated
5 motor carrier similar to Fischer-Hughes for this type of
6 traffic?

7 A Well, I have made a few calls but not knowing the
8 business, I don't really have much luck with telling them how
9 to move computers. I realize now that with this case that you
10 need some kind of blessing from somebody, and they tell me that
11 he doesn't do that, so I haven't pursued it.

12 Q You contacted the people that don't have the
13 authority?

14 A It is mostly smaller movers. I'm a small company, I
15 can't afford very high prices.

16 Q Were the companies that you were calling what you
17 would generally refer to as household type movers?

18 A Yes.

19 Q Why did you call those?

20 A Why not. I didn't call around a whole lot because
21 after you get -- after you talk to a couple you start to get the
22 idea that you may as well keep doing it yourself.

23 Q Would you tender your traffic to Fischer-Hughes who
24 presently has the right or in the future if the commission were
25 to grant that authority?

1 A Definitely.

2 Q You would switch your operations over to that
3 company?

4 A Sure.

5 Q Would that result in any loss of traffic at J.C.
6 Services, Inc.?

7 A Who is J.C.?

8 Q You don't recognize the name?

9 A No, I don't.

10 Q They have not contacted you?

11 A No.

12 Q And you have never used them?

13 A No.

14 Q Would it cause a loss of revenue or business as far
15 as D. Cubtinizio?

16 A I have no idea. I don't know if they moved the PC.

17 Q Have they done any work for you?

18 A No.

19 MR. LAVELLE: I have no further questions of the
20 witness.

21 JUDGE SMOLEN: Cross examination of the witness by Mr.
22 Casey.

23 CROSS EXAMINATION

24 BY MR. CASEY:

25 Q I represent D. Cubtinizio, Incorporated. You have

1 said that you are not familiar with them?

2 A Not as J.C.

3 Q D. Cubtinizio, Incorporated?

4 A D. Cubtinizio, yes, I have.

5 Q Do you remember them. Do you realize that they have
6 the authority to make these moves that you are contemplating
7 here?

8 A Yes.

9 Q And did you consider using them?

10 A No.

11 Q Why not?

12 A Well, frankly I had some experience with D.
13 Cubtinizio, and I wasn't impressed. I got -- I don't think I
14 would use them if I could get somebody else.

15 Q Were you a traffic manager at Girard Bank?

16 A No. I had responsibilities between 1976 and 1980,
17 and D. Cubtinizio was storing and delivering at that time.

18 Q And you were aware that they had their license?

19 A Yes.

20 Q Now the contract that you spoke of, have you used a
21 PUC authorized carrier to move computers in your business?

22 A Yes, but indirectly. About two-years ago, we had a
23 contract with a company called Keystone in New Jersey and
24 Keystone in turn had a contract with the city where they were
25 supplying computer equipment to the school district. They were

1 buying the computer equipment from us, and the computer
2 equipment was shipped to various points in the city. Keystone
3 made all the arrangements for the shipments, so I don't know who
4 they used.

5 Q So your company, Iverson Associates, has not used a
6 PUC carrier to move computers?

7 A No.

8 Q You have no traffic record?

9 A No.

10 Q Your hoping this IBM contract will materialize?

11 A Sure.

12 Q It has not been signed yet?

13 A No, it hasn't.

14 Q Up to now, you have done your own deliveries when
15 necessary?

16 A Yes.

17 Q With your own vehicles?

18 A Correct.

19 Q And where would that be?

20 A From Chestnut Hill to Center City, Philadelphia.

21 Q The office moved?

22 A From my home, the first time into our first office
23 and then from our first office to our second office.

24 MR. CASEY: I have no further questions.

25 JUDGE SMOLEN: Mr. Petri.

CROSS EXAMINATION

1
2 BY MR. PETRI:

3 Q My name is Scott Petri. I represent J.C. Services.
4 Have you ever heard of J.C. Services?

5 A No.

6 Q I guess then you would not be aware that they had the
7 authority to move electronic goods?

8 A No.

9 Q I take it from your testimony that the -- your major
10 concern in hiring a carrier would be, would be what; let me ask
11 you that?

12 A Cost and care of the equipment.

13 Q Cost and care; have you been quoted any prices by
14 Fischer-Hughes?

15 A Yes.

16 Q And what types of prices have been quoted?

17 A I asked him for hypothetical prices on some movements
18 that I would like to make because I have been trying to decide.

19 Q What type of hypotheticals did you give him?

20 A For example, I called him four months ago and asked
21 him what is the potential for IBM, and that's when I learned
22 about the authority, and he told me he didn't have it.

23 Q Do you remember what he told you?

24 A No.

25 Q Did you think they were fair and equitable?

1 A I'll tell you -- if your -- if your -- yes, I think,
2 I thought they were probably fair but I didn't get a
3 comparison.

4 Q I understand. And based upon those prior
5 impressions, you felt that at least the numbers he was quoting
6 you were within an acceptable range from your house?

7 A I thought that they were probably within an
8 acceptable range, yes.

9 Q Would you consider using J.C. Services?

10 A I would consider getting a competitive bid, sure.

11 MR. CASEY: I have no further questions.

12 JUDGE SMOLEN: Any redirect? The witness is excused;
13 thank you very much for appearing and testifying.

14 (Witness excused.)

15 Whereupon,

16 KAREN A. HERZOG

17 having been duly sworn, testified as follows:

18 JUDGE SMOLEN: Please, keep your voice up. State your
19 full name and address.

20 THE WITNESS: Karen A. Herzog, 1211 Catasauqua Road,
21 Whitehall, Pennsylvania, 15082.

22 JUDGE SMOLEN: Mr. Lavelle.

23 MR. LAVELLE: Off the record.

24 JUDGE SMOLEN: All right, off the record.

25 (Discussion off the record.)

1 JUDGE SMOLEN: Back on the record.

2 DIRECT EXAMINATION

3 BY MR. LAVELLE:

4 Q Would you state the company that you represent?

5 A Bell and Howell.

6 Q And in what city are you located, your offices?

7 A Allentown, Pennsylvania.

8 Q What position do you hold with the company?

9 A Traffic supervisor.

10 JUDGE SMOLEN: You have to keep your voice up, please.

11 BY MR. LAVELLE:

12 Q In that position, do you have a function that
13 involves calling motor carriers for transportation of your
14 company?

15 A Yes.

16 Q What is the nature of the company's business,
17 leases, as far as it relates to our application today?

18 A We manufacture sorting, inserting mailing machines.

19 Q Would you be more specific; is it like a standing
20 machine or a --

21 A Some do stamp, some do sort. It stuffs the paper or
22 cancelled checks or telephone bills into envelopes; cuts it down
23 from computer size paper cuts; it stuffs it in the envelopes and
24 sends it on its way down through stamping.

25 Q What kinds of companies or industries would have

1 occasion to use that product?

2 A Banks, Telephone Companies, any high-volume mailing
3 machines; some machines do approximately 10,000 an hour.

4 Q And these are produced at the Allentown facility?

5 A Right.

6 Q The shipments that you then make out do some of them
7 -- do you ship strictly within the area or nationwide?

8 A Nationwide and worldwide.

9 Q Do you have any shipments that move into the state of
10 Pennsylvania from your facilities?

11 A Yes.

12 Q Before we get into the specifics of that, the
13 shipments that you do make, would you give us a range in terms
14 of weight?

15 A Normally, they are not very heavy, and they can range
16 from one piece per machine up to approximately ten or twelve
17 pieces per machine, or one machine may get ten or twelve pieces
18 depending upon how it has to be broken down; to get up to a
19 building like this, if we have to go in the elevator, it is
20 broken down into pieces to fit wherever the customer needs to
21 have it.

22 Q But if you took the largest machine that type, what
23 would its weight be, collectively those parts?

24 A 10,000 pounds.

25 Q Do you have occasion to ship more than one of those

1 large units to a single customer at times?

2 A Yes.

3 Q Would your traffic then range from very small units
4 up to and including full truck load type shipments?

5 A Well, normally it would be one of the machines that
6 I just discussed ten or twelve pieces broken down that takes up
7 a whole truck itself. One machine may take up a whole truck or
8 one machine may -- one piece can only take up an eighth of a
9 truck.

10 Q So if shipping these materials at least to a certain
11 extent it would be basically exclusive use of the vehicles;
12 correct?

13 A At times, yes.

14 Q Is that an absolute necessity?

15 A Yes.

16 Q So you always want the carrier to handle your
17 equipment by itself, not mixed with anybody else?

18 A Correct.

19 Q Now from your Allentown facilities, can you give us
20 an indication of some of the points within Pennsylvania to which
21 you have made shipments of these materials, machines?

22 A Well, normally to Fogelsville to the warehouse. The
23 warehouse there is almost exclusively Bell and Howell. The
24 machines are for sale to customers for future customers; we also
25 will ship directly from our facility to Philadelphia to D.

1 Cubtinzio to Pittsburgh. We have shipped to Harrisburg and
2 different places, but Pittsburgh and Philadelphia are basically
3 our big shipping points.

4 Q Now, do some of the shipments to Pittsburgh and
5 Philadelphia and Harrisburg move directly to Allentown?

6 A Yes.

7 Q And some go through the Fogelsville?

8 A Most of the time, they go directly from our plant to
9 Philadelphia or deliver from our plant to Pittsburgh.

10 Q And how frequently would you have these direct
11 shipments to Philadelphia?

12 A It really depends on the time of the month. And
13 occasionally, at the end of the month facilitates movement of
14 twenty to thirty to forty machines; at the end of the month
15 depending on the manufacturers scheduling and how far they are
16 behind during the month.

17 Q These twenty to forty machines would be moving from
18 your plant to customers?

19 A To customers via the warehouse sometimes via direct,
20 it depends on the circumstances.

21 Q And those are moving to not just Philadelphia but
22 all over?

23 A All over.

24 Q Would that situation occur generally during the last
25 week of the month, the last two days or what?

1 A Well the last week of the month is usually the most
2 hectic, but the last Friday, Saturday and sometimes Sunday of
3 the end of the month. Our end of the month is always on a
4 Saturday, but it extends to midnight Saturday night which, of
5 course, goes into Sunday morning.

6 Q So you do have occasion to have a motor carrier move
7 your machines on Saturdays and Sundays?

8 A Yes, that is correct.

9 Q Does that sometimes require service after what you
10 would call normal business hours, you use 5:00 as closing time;
11 do you have to deliver during the evening?

12 A They don't normally have to delivery anything, but
13 they have to pick it up from us in the wee hours of the morning
14 at times.

15 Q Is there any scheduling involved in the material you
16 ship? In other words, is there a time element involved from the
17 time you ship it to when it has to get to the customer?

18 A Usually, yes.

19 Q What occasion is that?

20 A Most of it, most of our product that is made there,
21 we expect prompt delivery.

22 Q Is there a tight schedule involved in the movements?
23 In other words, do the customers have a specific time that they
24 expect delivery?

25 A The customer expects delivery as soon as possible,

1 but there are some deliveries that must be made the next day,
2 some could wait a week.

3 Q I think you were in the hearing room when the witness
4 for the applicant testified to having trailers that were forty-
5 eight feet in length and up to a hundred and two inches in
6 width. Does that feature recommend itself to your type of
7 business?

8 A Yes, very much so. We need forty-eight foot, hundred
9 and two wide trailers very often.

10 Q Does that accommodate your big machines?

11 A Yes, big machines.

12 Q The material that you mentioned earlier going in from
13 Allentown to the Fogelsville warehouse, do you pay the
14 transportation charges for that movement?

15 A Yes, we do.

16 Q And do you pay the warehouse charges as well?

17 A Yes, we do.

18 Q Then when it is shipped out of the warehouse, it is
19 going to go directly to a customer?

20 A Correct -- no, to a customer or a rigger.

21 Q When I say a customer, I mean, for example, a bank
22 that is going to use this machine?

23 A Not necessarily, it can go to a rigger or D.
24 Cubtinizio, who is a rigger.

25 Q I'll get back to that. You mentioned one or the

1 other, one alternative would be moving it from the warehouse or
2 your home facilities for that matter to a bank which is your
3 customer?

4 A Right.

5 Q That is one occasion?

6 A Yes.

7 Q Now, when you refer to a rigger, what do you have in
8 mind?

9 A A rigger is who the customer has hired or our sales
10 force has hired to install the machine and set it up in the
11 building.

12 Q In that case, either moving from your Allentown plant
13 or the Fogelsville warehouse, if you call on Fischer-Hughes to
14 transport it, it would be from within those two origins, perhaps
15 to D. Cubtinizio's location as the rigger?

16 A Right.

17 Q And then once the driver arrived there, D. Cubtinizio
18 would be the party in charge at the customer's request to move
19 the machines where they are to be set-up?

20 A Customer or salesman. Usually, it is the salesman.

21 Q Are you looking to use Fischer-Hughes both directly
22 from your plant and from the warehouse?

23 A Yes.

24 Q In the warehouse and out of the warehouse?

25 A Yes.

1 Q To customers and riggers if that happens to be the
2 situation?

3 A Yes.

4 Q Can you estimate for us, you told us about twenty to
5 forty shipments a month at the end of each month; can you
6 indicate for us how many shipments of weight you might be
7 shipping annually to such points as Philadelphia, Pittsburgh and
8 Harrisburg?

9 A I'd probably, a good guess, a rough estimate maybe
10 40,000 pounds to each facility, to each location just off the
11 top of my head.

12 Q Is that during a year's period?

13 A Yes.

14 Q What kind of haul would we be talking about from your
15 Allentown, Fogelsville warehouse?

16 A A tremendous amount more than that, two hundred,
17 three hundred thousand pounds maybe.

18 Q Now you mentioned D. Cubtinizio earlier as being a
19 rigger to which some of these shipments maybe made, have you
20 had any direct contact or use of D. Cubtinizio's services in the
21 past?

22 A No, not to my recollection, not myself, Bell and
23 Howell.

24 Q Bell and Howell?

25 A Bell and Howell uses D. Cubtinizio for rigging?

1 Q For the rigging part of it?

2 A But I'm not involved in those decisions.

3 Q And if it turns out Fischer-Hughes has the authority
4 today, would you use their services?

5 A Yes.

6 Q And if they were given a granted authority in this
7 proceeding to provide service in the future, you would continue
8 to use them under those conditions, too?

9 A Yes.

10 MR. LAVELLE: I have no further questions, Your Honor.

11 JUDGE SMOLEN: Cross examination

12 CROSS EXAMINATION

13 BY MR. CASEY:

14 Q My name is William Casey; I'm the attorney for D.
15 Cubtinzio. You are the traffic supervisor?

16 A Yes.

17 Q But you have nothing to do with rigging; what is the
18 extent of your decision making?

19 A All freight, all transportation in and out.

20 Q In and out. And you are authorized to come here on
21 behalf of Bell and Howell?

22 A Yes.

23 Q Who authorized you?

24 A Ole Dam.

25 Q What is his position?

1 A He is the manager of materials.

2 Q Is that your supervisor?

3 A He's my supervisor. He's like right under the vice
4 president.

5 Q I'm confused about these warehouse references. Does
6 Bell and Howell have a warehouse in Fogelsville?

7 A The Fischer-Hughes warehouse is probably at least
8 half or more than half of what they use, their building for our
9 finished machines are stored there.

10 Q Bell and Howell doesn't have their own facility, they
11 use Fischer-Hughes facility?

12 A Correct.

13 Q Is that under an agreement or anything?

14 A Yes, they have an agreement with them.

15 Q You have a contract with them for the warehouses?

16 A Yes.

17 Q On a regular basis?

18 A Yes.

19 Q Is that part of the warehouse exclusive to Bell and
20 Howell?

21 A I'm really not --

22 Q You are not familiar with it?

23 A I know where our product is in there, but I don't
24 know how many --

25 Q Do you have a guaranteed amount of area?

1 A 5,000 square feet.

2 Q That is exclusively Bell and Howells?

3 A Yes.

4 Q And transportation from Bell and Howell to that
5 warehouse portion is undertaken by whom?

6 A Fischer-Hughes.

7 Q Can you use anyone else for that transportation?

8 A We can, but we don't.

9 Q You could use another carrier?

10 A Yes.

11 Q Now, you said, I believe that whether the machines go
12 to the warehouse or directly to the customer or to a rigger
13 depends on the circumstances?

14 A Yes.

15 Q What do you mean by that; what circumstances?

16 A Depends what time of the month it is, if it is the
17 end of the month, all my concern is relieving the facility of
18 the product because we don't have much room and just --

19 Q To move it out?

20 A It has to go.

21 Q And you have used Fischer-Hughes for the trips to the
22 warehouse?

23 A Right.

24 Q And also to the riggers?

25 A At times, yes.

1 Q Have you used others to take the machines?

2 A It depends on where the rigger is. Within
3 Pennsylvania, we usually use United Airlines, Fischer-Hughes.

4 Q How about interstate?

5 A Interstate, it will be C. H. Robinson a lot. We use
6 different carriers.

7 Q Do you use Fischer-Hughes for the direct delivery?

8 A Usually within the state or across in New Jersey,
9 short runs.

10 Q But not through the warehouse direct?

11 A Right.

12 Q How much of your traffic for them is that type of
13 traffic within the state of Pennsylvania?

14 A How much for them?

15 Q How much of your traffic would then be for Fischer-
16 Hughes?

17 A Including the warehousing and the end of the month?

18 Q Aside from the warehouse?

19 A Probably five percent.

20 Q And do you recall when the last time you used them
21 for that kind of move, direct from Bell and Howell to a
22 customer?

23 A Yes. Just last week. Your talking for anything,
24 anywhere or within --

25 Q Within Pennsylvania?

1 A No, not last week.

2 Q When was the most recent?

3 A I couldn't answer that because I don't have the
4 records here to answer that, but probably pretty recent.

5 Q Now you are aware of D. Cubtinzio; are you aware that
6 they have the authority to carry and transport your machines
7 direct delivery?

8 A I was not aware up to this point, no.

9 Q Would you consider using them for that service?

10 A No.

11 Q Why not?

12 A Because I'm very happy with United Airlines and
13 Fischer-Hughes. They have done a very good job for us.

14 Q Why were you told to come here today?

15 A I was asked to testify, and I explained it to Mr. Dam
16 and he gave me the okay to go.

17 Q What is the necessity of you coming here today to
18 testify? What did Fisher do? What were you told about this
19 application today?

20 A Just that they needed authority to transport our
21 product within the state.

22 Q They have already been doing that for you?

23 A Yes, they have. Approximately a year ago was when I
24 found out that they were having some transportation problems.

25 Q Problems about authority?

1 A Yes.

2 Q Would that effect your decision to use them?

3 A No.

4 Q You don't care whether they have authority or not?

5 A I know that they do a good job for me and that is my
6 concern for my company.

7 Q So you haven't priced the other carriers for that
8 service?

9 A Oh, yes, I have.

10 Q Have you priced D. Cubtinizio?

11 A No, but I have priced other allies including the
12 Mayflower Agency.

13 MR. CASEY: I have no further questions, Your Honor.

14 JUDGE SMOLEN: Mr. Petri.

15 CROSS EXAMINATION

16 BY MR. PETRI:

17 Q Following up with Mr. Casey's last question, have you
18 priced Bekins agent?

19 A No.

20 Q Is there a specific reason why?

21 A Basically because they didn't call on us at Bell and
22 Howell.

23 Q Have you ever heard of J.C. Services?

24 A No.

25 Q I guess then you are not aware that they have the

1 authority also to move that type of equipment?

2 A No, I don't.

3 Q Do you know whether anyone else in your company who
4 might be involved in transportation decisions involving this
5 product that have been contacted by J.C. Services?

6 A No, not that I know of it.

7 Q You testified during your direct examination that the
8 bulk of your work occurred, I think, at the end of the month.
9 That is when your primary concern came to get the equipment out
10 of your facilities; I guess that is to make more room for the
11 manufacturing?

12 A Well, we only have a very small dock space, probably
13 from these chairs on up. We really don't have a big space and
14 as a machine is made and crated it has got to get out of the
15 door.

16 Q And when these machines at the end of the month
17 occur and these machines need to get out of your facility, you
18 have said, I guess, that has occurred recently too, has it not
19 in October; did you have shipments that had to get out at the
20 end of October?

21 A Every end of the month, yes.

22 Q And what type of equipment; where did those pieces of
23 equipment go at the end of October?

24 A I don't have my bill of ladings with me here today to
25 tell you. I do have a traffic coordinator; that is a person who

1 based on the decisions that were made by myself and her as to
2 which carriers to use to which locations, and she handles that
3 at the end of the each month.

4 Q Based upon your past experience, how many pieces of
5 equipment, how many pieces of equipment have typically been
6 shipped out at the end of the month?

7 A It just depends. Back when I took over the
8 department, it was probably more like forty machines every
9 month, then the manufacturer got it down to where they were
10 doing it on a weekly basis, which is working very well. The
11 last few months, it has been back to twenty machines a month
12 again, again that last week.

13 Q Now this Fogelsville facility is not within the
14 authority location of the applicant Fischer-Hughes; is it?
15 You don't know?

16 A I don't.

17 Q You don't know what the exact nature of their
18 authority is?

19 A No, I don't.

20 MR. PETRI: I have no further questions.

21 RE CROSS EXAMINATION

22 BY MR. CASEY:

23 Q When did you start your current position?

24 A Two-years ago.

25 Q Two-years ago. And who was your predecessor in your

1 position?

2 A Michael Fishbine.

3 MR. CASEY: Nothing else.

4 JUDGE SMOLEN: Redirect.

5 MR. LAVELLE: No, I have no redirect. It is on the map.

6 We can all find out where Fogelsville is. It is within a fifty
7 mile or fifty highway mile circle of Doylestown.

8 JUDGE SMOLEN: Okay.

9 MR. PETRI: That's not the way the authority reads.

10 JUDGE SMOLEN: Well, you can argue about that later on.
11 The location of Fogelsville is shown on applicant's number two
12 off to the left of the bold print, Allentown.

13 MR. PETRI: It's within the vicinity of Allentown.

14 MR. LAVELLE: Her application has vice versa on it.

15 JUDGE SMOLEN: All right. Then the witness is excused.

16 Thank you very much for appearing and testifying.

17 (Witness excused.)

18 (Discussion off the record.)

19 Whereupon,

20 LINDA ROTH

21 having been duly sworn, testified as follows:

22 JUDGE SMOLEN: Please state your full name and address
23 for the record.

24 THE WITNESS: Linda Roth, R-O-T-H, 88 Oak Avenue,
25 Chalfont, Pennsylvania 18114.

1 JUDGE SMOLEN: Mr. Lavelle.

2 DIRECT EXAMINATION

3 BY MR. LAVELLE:

4 Q What company are you representing?

5 A I'm representing the Carolinch Company.

6 Q Would you spell that?

7 A C-A-R-O-L-I-N-C-H, one word.

8 Q And what is its business address?

9 A Business address is 47 Richard Road, Ivyland,
10 Pennsylvania 18974.

11 Q What position do you hold with the company?

12 A I'm a sales administrator for Carolinch Company.

13 Q How long have you been with the company in that
14 position?

15 A I have been with the company since 1974. I have held
16 my present position for appxoimately nine years.

17 Q To what extent do your functions involve
18 transportation for motor carrier?

19 A My position is a liaison with customers; we make
20 customized equipment. I work with the customers to move it
21 direct from our facility to their facility.

22 Q And does the selection of a carrier fall within your
23 job description?

24 A It is fifty-fifty. Sometimes the customer
25 specifically requests a carrier that they may have a contract

1 with, and sometimes we make a recommendation to a specific
2 carrier.

3 Q What is the nature of your company's business?

4 A We're manufacturers of electronic equipment, custom
5 built and designed for our customer.

6 Q Can you be more specific in the type of commodity
7 that you produce and ship?

8 A Specifically what we do is create systems that are
9 typically about a hundred-feet long; we process various parts
10 that are either stamped or formed that are eventually used for
11 electric components.

12 Q What is the range in the weight variation of
13 shipments that you make?

14 A The equipment can range anywhere from and it is
15 pretty broad, about 2,000 to 12,000 pounds per system.

16 Q When you ship these systems out, do you require the
17 exclusive use of the vehicle?

18 A Yes, we do.

19 Q You don't want it mixed with anybody's freight?

20 A No. We fill an entire truck. We use it exclusively.

21 Q From Ivyland, do you have occasion to make shipments
22 of these just to points within the state of Pennsylvania?

23 A Yes, we do.

24 Q Can you give us an example of what that would be, the
25 customer's location?

1 A That would be both Harrisburg; we have been as far as
2 Allentown, Bethlehem, and we also have customers in Scranton
3 within Pennsylvania.

4 Q Can you give us some monthly or annual basis of the
5 amount of traffic you have moved to each of these locations?

6 A In 1989, I believe, we moved four systems within the
7 state of Pennsylvania. We are both a national and international
8 company as well. In 1990, we intend to move about two systems
9 by the year end.

10 Q Have there been any to date?

11 A To date, no.

12 Q And where would those 1990 shipments be moving to?

13 A To Scranton.

14 Q Does your company have a sales force to find
15 customers for these pieces of equipment?

16 A Because of the nature of our business, we have one
17 salesman manager, one international sales manager, and myself.

18 Q Are the customers who initially sell this material
19 fairly specialized?

20 A Yes. An example would be we sell equipment from
21 everyone to IBM to companies that are multi-national to very
22 small companies within the state and national.

23 Q So anybody who deals with this kind of business as
24 you described, would take advantage of your product?

25 A That is correct.

1 Q I believe you were in the hearing room when the
2 witness for the applicant testified and he described those
3 various types of services and equipment that the company had?

4 A Correct.

5 Q Does the motor-vehicle equipment that which was
6 described, meet the type of conditions that your company
7 requires?

8 A We have always required a forty-eight footer, and
9 102's. And, in fact, one of our systems that we sell
10 exclusively is designed to fit on a 102 because of the length of
11 the equipment; sometimes they are a 100 feet long; we are
12 deciding to fit side by side on a 102, so we always ask for
13 them; we always use them.

14 Q Have you had any experience with J.C. Services?

15 A No, I have not.

16 Q You have never --

17 A They have never called on us.

18 Q How about D. Cubtinizio?

19 A No, I have not used them, and they have never called
20 on us.

21 Q Is the equipment that your company manufactures
22 susceptible to damage?

23 A Very much so for two reasons: The main part of our
24 equipment is actually a metal-frame bar; there is also an area
25 where the chemicals are. The plastics and the machine parts

1 that we do use are like glass. If the frames are twisted or if
2 they are dropped or if they are knocked they, in fact, just
3 shatter, so we use the air-ride to make sure that there is no
4 damage to the equipment, and that they are tied down and covered
5 accordingly. In addition, we also have with our equipment
6 coprocessors that run the equipment; they maybe in forms of
7 PC's, various types of modules that move automatically and date
8 corrections, so that also is packed carefully so that no damage
9 is done to the equipment as it is moved.

10 Q So your company is shipping this entirely air-ride to
11 your customer?

12 A Yes.

13 Q And this type of move is required?

14 A Correct.

15 MR. LAVELLE: I have no further questions.

16 JUDGE SMOLEN: Mr. Casey.

17 CROSS EXAMINATION

18 BY MR. CASEY:

19 Q I represent the protestant. Describing your
20 transportation arrangements, you said you work with the
21 customer; it is fifty-fifty or you decide and they decide?

22 A Exactly.

23 Q Who pays for the transportation?

24 A Sometimes it is part of our proposal that we pay and
25 sometimes a customer may have, will pay the transportation; they

1 may have a contract with someone.

2 Q So it would depend on your individual contract?

3 A Yes.

4 Q And would you say you make the decisions then?

5 A That is correct.

6 Q Who do you use for this carrier?

7 A We use Fischer-Hughes in Doylestown; depending on the
8 location, I would say within the state of Pennsylvania and
9 interstate, we have used Fischer-Hughes.

10 Q You used them interstate?

11 A Yes, we have.

12 Q The two systems that you are hoping to deliver in
13 1990; whose decision is that?

14 A That will be ours.

15 Q And have you made a decision yet?

16 A In fact, we have a salesman from Fischer-Hughes who
17 has already called us to go over the details for the kind of
18 equipment that we will be moving.

19 Q Were you aware that D. Cubtinizio could do this type
20 of transportation?

21 A No, I wasn't.

22 Q They have the proper equipment and the authority?

23 A No, I did not.

24 Q Would you consider using them now that you are aware
25 of it?

1 A I would consider it, yes.

2 Q Is the material crated?

3 A No, it is not.

4 Q It comes the way you described it?

5 A Yes.

6 MR. CASEY: I have no further questions.

7 JUDGE SMOLEN: Mr. Petri.

8 CROSS EXAMINATION

9 BY MR. PETRI:

10 Q Hi, my name is Scott Petri. I represent J.C.
11 Services. Likewise, have you ever heard of J.C. Services?

12 A No.

13 Q And therefore you are not aware that they have the
14 authority as well for the type of equipment necessary?

15 A No.

16 Q Would you consider utilizing J.C. Services?

17 A If, in fact, the service is as good as Fischer-Hughes
18 because no one in our company is in transportation authority and
19 what we, in fact, depend very heavily on the customer service
20 end of it as well as the equipment.

21 Q How do you go about making that determination when
22 you engage a mover?

23 A Whether the customer service end of it is any good?

24 Q Yes.

25 A By using them and by engaging their response time in

1 providing information by bringing the equipment to the dock on
2 a given day at the given time and by delivering on time, et
3 cetera.

4 Q So, in other words, you would have to fully evaluate
5 the potential customers; you would have to engage them for one
6 of your shipments before you would know how they stand?

7 A For customer service, yes.

8 MR. PETRI: I have no further questions.

9 JUDGE SMOLEN: Any redirect.

10 MR. LAVELLE: No redirect.

11 JUDGE SMOLEN: The witness is excused. Thank you very
12 much for appearing and testifying.

13 (Witness excused.)

14 Whereupon,

15 CHERYL DORIS CARD

16 having been duly sworn, testified as follows:

17 JUDGE SMOLEN: Please have a seat. State your full
18 name.

19 THE WITNESS: Cheryl Doris Card.

20 JUDGE SMOLEN: Carter, is it?

21 THE WITNESS: C-A-R-D, Card.

22 JUDGE SMOLEN: And your address?

23 THE WITNESS: 146 Dale Road, Willowgrove, Pennsylvania
24 19090.

25 JUDGE SMOLEN: Mr. Lavelle.

DIRECT EXAMINATION

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BY MR. LAVELLE:

Q Ms. Card, what company are you working for?

A Insertech.

Q What is your position?

A Administrative Assistant.

Q Where is your office location?

A Bedminster, Pennsylvania.

Q Where is that town; what county is it in?

A It is in Bucks County. It is probably about ten miles north of Doylestown.

JUDGE SMOLEN: You have to keep your voice up so the reporter can hear you.

BY MR. LAVELLE:

Q How long have you been employed by the company?

A Over two years.

Q To what extent did you get involved in arranging for transportation?

A I do everything.

Q Such as?

A I do all incoming, outgoing. I set-up all the schedules. I get quotes; I do everything is what it comes to.

Q So you are the traffic department for your company?

A Yes.

Q Now as far as Insertech is concerned, what is there

1 business?

2 A We buy used automatic, electronic equipment. We
3 refurbish it and resell it.

4 Q What exactly are you talking about?

5 A It puts components into PC boards.

6 JUDGE SMOLEN: It puts components --

7 THE WITNESS: It puts components into PC boards.

8 BY MR. LAVELLE:

9 Q So your computer or electronic equipment works on
10 other electronic equipment, the computer boards?

11 A Yes.

12 Q And do you do this at your Bedminster plant?

13 A Yes.

14 Q What is the source of the used commodities that you
15 are talking about; where do you buy them?

16 A All over, anywhere around the world.

17 Q All over the world; is there any type of industry
18 from which they come?

19 A Manufacturing. They are used, the machines are used
20 in manufacturing.

21 Q And then when you refurbish these and get them back
22 up to working order, you ship them out to your own customers?

23 A Yes.

24 Q There is no relationship between the origin, the
25 person which originally owned the merchandise?

1 A No.

2 Q And you are also a customer not just a middleman you
3 actually buy and sell them?

4 A We actually buy them from our customers; we are our
5 customers, and we refurbish them and we sell them to our own
6 customers.

7 Q Are these small units or very large?

8 A Very large.

9 Q How much do they weigh, an individual unit?

10 A 400 to 4,000 pounds.

11 Q Do you know whether or not your company has customers
12 within the state of Pennsylvania to which these items are moved?

13 A We don't have a lot of business in Pennsylvania.

14 Q What do you have?

15 A We do have warehouse space.

16 Q Your company has warehouse space; would you utilize
17 somebody else?

18 A We go to Fischer.

19 Q What facility would you use?

20 A Doylestown.

21 Q Lansdale, also?

22 A Yes.

23 Q Is that a separate facility from the Doylestown?

24 A Yes.

25 Q But they are both -- the one at Doylestown, we have

1 heard about -- I think you were here when the witness testified.
2 Do you know the relationship of Fischer-Hughes to that other
3 warehouse in Lansdale?

4 A There is a warehouse in Lansdale that Fischer-Hughes
5 rents from and we rent that space from Fischer-Hughes in order
6 to accommodate us.

7 Q So it is not their warehouse, but a separate
8 warehouse in which they rent space from where you still lease?

9 A Yes.

10 Q And you make shipments from Bedminster to that
11 Lansdale warehouse?

12 A Yes.

13 Q Well, how many times a month?

14 A It varies monthly; it really depends upon when we get
15 in, what goes out, what we are going to put in storage.

16 Q Do you have one or more shipments?

17 A Yes.

18 Q How much to Doylestown warehouse?

19 A We have machines come in and out of there all the
20 time.

21 Q Now when the shipments leave that warehouse, they
22 move to the customers?

23 A They move to customers or they come back to the
24 Bedminster facility, so we can refurbish them and put machines
25 in storage until we are ready to refurbish them.

1 Q And do these occur on a regular basis?

2 A Yes.

3 Q Do you have customers within the state of
4 Pennsylvania to which these shipments are made?

5 A Not really.

6 Q Do you know if it goes interstate?

7 A Most of it is interstate or around the world.

8 Q Have you had occasion to use the services of J.C.
9 Services or D. Cubtinizio?

10 A No, I haven't heard of them until today.

11 Q Have you used the services of Fischer-Hughes
12 Transport?

13 A Yes.

14 Q And has that service been adequately meeting your
15 transportation requirements?

16 A Yes, it has been excellent.

17 MR. LAVELLE: I have no further questions.

18 JUDGE SMOLEN: Cross examination.

19 CROSS EXAMINATION

20 BY MR. CASEY:

21 Q I represent D. Cubtinizio in this protestant hearing.
22 You moved materials from your manufacturing facility in
23 Bedminster to your warehouse in Lansdale?

24 A Yes, Fischer-Hughes. It is a lease with Fisher-
25 Hughes.

1 Q They lease it to you?

2 A Yes.

3 Q So you are the tenant?

4 A Yes. Well, yes.

5 Q That's correct?

6 A Yes.

7 Q Is there a lease agreement?

8 A Yes.

9 JUDGE SMOLEN: Are you leasing space or the entire
10 plant?

11 THE WITNESS: Leasing space not the entire plant. We
12 are leasing space.

13 BY MR. CASEY:

14 Q Do they use other parts of it themselves?

15 A I really don't know.

16 Q Is that by contract?

17 A I think so.

18 Q Do you know, is it a written agreement?

19 A Well, we pay money for rent, yes.

20 Q And is transportation included in that agreement?

21 A No.

22 Q Can you send anything to that place by any carrier?

23 A Yes.

24 Q Do you do that?

25 A Yes.

1 Q And you are the one who makes the decisions?

2 A Yes.

3 Q Now does Fischer-Hughes do any direct delivery for
4 you in Pennsylvania? Yes or no?

5 A No.

6 Q It always goes to the warehouse?

7 A Either to the warehouse or to the customer, but
8 interstate.

9 Q Not intra?

10 A No, because we go to different states.

11 Q So all your transportation needs are interstate?

12 A Yes.

13 MR. CASEY: No further questions, Your Honor.

14 MR. PETRI: I have nothing.

15 MR. LAVELLE: I have nothing further.

16 JUDGE SMOLEN: The witness is excused. Thank you very
17 much for appearing and testifying.

18 (Witness excused.)

19 Whereupon,

20 GALEN BOLD

21 having been sworn, testified as follows:

22 JUDGE SMOLEN: Please have a seat; keep your voice up.
23 State your name and address for the record, please.

24 THE WITNESS: My name is Galen Bold; my address is 570
25 Broad Street, Emmaus, Pennsylvania 18049.

1 JUDGE SMOLEN: Mr. Lavelle.

2 DIRECT EXAMINATION

3 BY MR. LAVELLE:

4 Q Mr. Bold, by what company are you employed?

5 A HPI Plastics, 228 Amber Drive, Hatfield, Pennsylvania
6 19440.

7 Q Locate, will you, for me, where Hatfield is?

8 A Outside of Lansdale, just east of Lansdale, a little
9 bit north of Lansdale.

10 Q What is your position with the company?

11 A I'm engineering manager, operations manager and
12 traffic manager.

13 Q And you have been with the company for how many
14 years?

15 A Ten years.

16 Q As the transportation manager, do you arrange for
17 transportation of your products in and out or both?

18 A Both.

19 Q And does that involve dealing with motor carriers?

20 A Yes.

21 Q Have you been authorized to appear in this
22 application?

23 A Yes.

24 Q What is the nature of your company's business?

25 A We design and manufacture plating equipment and

1 processing equipment for the manufacturer, print circuit boards
2 for electronic companies and also defense companies. Some of
3 our customers would be McDonnell Douglas, Digital Equipment,
4 government facilities, also National Security Agency, also
5 smaller print circuit board houses that would do work for larger
6 companies.

7 Q The machines that you are talking about, do you
8 produce them right at Hatfield?

9 A Hatfield, yes, that is our original manufacture
10 location.

11 Q Is there anything in the manufacture of inbound
12 commodities in your facility that is in the nature of electronic
13 equipment that would be involved in this case?

14 A Yes.

15 Q What would that be?

16 A We would get computer type material handling
17 equipment, also some piping systems and things that are much
18 more fragile.

19 Q Where do the electronic components come from; are
20 there any sources that are in Pennsylvania?

21 A In Pennsylvania, there is a number of them in and
22 around the Philadelphia area and also towards Harrisburg.

23 Q Do you deal with those companies; do you have inbound
24 shipments from them?

25 A Yes.

1 Q What are the sizes of those shipments that come; what
2 is the range of their weight?

3 A Their weight will vary anywhere from 5,000 pounds to
4 10,000 pounds.

5 Q And how frequently would you have occasion to
6 receive shipments from those sources?

7 A That varies because we are a custom manufacturer and
8 our orders vary from time to time, but on average maybe four to
9 five times a year.

10 Q Now the finished products that you ship outbound,
11 what is the size of the average shipment or range?

12 A The range of that could go anywhere from 500 pounds
13 up to a full truck load, which we have trouble weighing. We
14 estimate around 5,000 pounds.

15 Q So when you say a full truck load of 5,000 pounds,
16 would that take a tractor trailer?

17 A We would also need a larger trailer, too because they
18 are modular designed; the piping systems and things like that
19 have a lot of small parts that are on them; also the handling of
20 that is very important to the operation of the machine.

21 Q So in the larger shipments, you are saying equipment
22 that had been described as forty-eight foot long, you would
23 prefer a large truck?

24 A That is correct.

25 Q Are the systems fragile in nature?

1 A Very much so, yes. Especially in the winter time,
2 piping systems and electronic controls, they are very fragile;
3 and the company is -- what we are looking for is someone that
4 can handle that very delicately so that when it shows up, it is
5 still in one piece.

6 Q Now your outbound shipments, can you give us an idea
7 of where in Pennsylvania you have customers that you ship to?

8 A Willowgrove would be one; Willowgrove is outside of
9 Philadelphia; York, Pennsylvania and Delaware Water Gap which is
10 outside of Scranton, I believe.

11 Q How frequently would you ship to these various
12 destinations?

13 A Maybe four times a year, five times a year.

14 Q Is that total or to each one?

15 A I would say total, again it varies.

16 Q To Willowgrove, I think you said was one you would
17 ship to that point four times a year?

18 A On an average, hopefully, yes.

19 Q Delaware Water Gap, would that also be four times a
20 year or quarterly shipment?

21 A Yes.

22 Q And were those the only two destinations?

23 A York, Pennsylvania.

24 Q What is your quantity?

25 A About the same, about four times a year. That is on

1 an average.

2 Q Do you have any customers, in the immediate
3 Philadelphia area or Eastern Pennsylvania?

4 A We do have some other customers. And we do produce
5 some products that can be shipped common carrier to them. What
6 we are hoping for is to get more business from them that they
7 require more sophisticated equipment, so we can become much more
8 available.

9 Q That is with respect to this business at that point?

10 A Yes.

11 Q What area of Pennsylvania are you talking about.

12 A Philadelphia, such as General Electric, outside of
13 King of Prussia, the RCA which is, that is actually Camden, in
14 New Jersey, and the Navy Government Center.

15 Q Have you had any experience with Fischer, used
16 Fischer-Hughes transport?

17 A Yes, very good experience. We have talked to them
18 now for about a year, year and a half. Some of our machines are
19 big. There is New England, Baltimore, Washington. They have
20 done a very good job as far as being prepared to pick our
21 shipments up because sometimes we run into problems where our
22 machines might be ready Monday, it could be Tuesday or
23 Wednesday, and they have always provided services and
24 picked it up. A lot of our contracts are based on things being
25 there on a certain date, and they have provided very quick

1 transportation for us which sort of buys me some time on the
2 manufacturing end and still make my contract commitments to our
3 customers.

4 Q Is it that type of service that you want available
5 within the state of Pennsylvania as well?

6 A Yes. Along with the actual handling and making sure
7 that everything is in one piece because a lot of times we will
8 have to have a crew there to accept the equipment as it arrives
9 to make sure it is there at 10:00 in the morning. Of course, if
10 someone isn't doing quite as well as -- if a job shows up at
11 2:00, 3:00 in the morning and I've lost a whole day of
12 installation.

13 Q Has Fischer-Hughes been able to meet these specific
14 scheduling times?

15 A Yes, they have.

16 Q If that truck doesn't arrive, and your unloading crew
17 is there, what is the effect of that on your company?

18 A I have got five to seven people sitting around doing
19 absolutely nothing waiting for that and, of course, that is
20 embarrassing for the company which may entail loss of revenue or
21 loss of the next job that may come up.

22 Q Have you ever been approached by J.C. Services or D.
23 Cubtinizio?

24 A No. I have never heard of them except for today.

25 MR. LAVELLE: I have no further questions.

1 JUDGE SMOLEN: Mr. Casey.

2 CROSS EXAMINATION

3 BY MR. CASEY:

4 Q I represent D. Cubtinizio, protestant in this matter.
5 The moves that you testified to intrastate within Pennsylvania,
6 York, and Willowgrove, who is making these moves for you now?

7 A Right now, we have tried to use Clemmer and even
8 tried to get onto a common carrier which is not very good for us
9 to do.

10 Q Are you satisfied with Clemmer?

11 A No, as of about two years ago, the price went up
12 considerably and the service diminished considerably also.

13 Q The price increase for what services?

14 A Such things as when the freight would arrive it would
15 be damaged or late when it arrived.

16 Q Now you were unaware that D. Cubtinizio has the
17 authority to make these moves?

18 A I have never heard of them.

19 Q Would you consider using them for any move?

20 A Well, at this point, not really because I have never
21 seen anybody from their sales whether it is because we are to
22 small or not interested.

23 Q Have you used Fischer-Hughes for any of these
24 interstate and intrastate?

25 A Inside of Pennsylvania?

1 Q No, York or Willowgrove?

2 A (Witness nods.)

3 MR. CASEY: No further questions.

4 JUDGE SMOLEN: Mr. Petri.

5 CROSS EXAMINATION

6 BY MR. PETRI:

7 Q Why is it that you didn't utilize Fischer-Hughes for
8 any of the interstate moves?

9 A From what I understand, they were having some
10 problems with the use of it, as far as the proceeding today.

11 Q How long have you been in this position?

12 A About ten years.

13 Q And how long have these interstate moves been
14 performed?

15 A Oh, well, the various infrequency, but I'd say within
16 the last four to five years, we have probably seen a majority of
17 our work is outside now; it is in the Baltimore, Washington
18 area, and New England area.

19 Q And how long has Fischer-Hughes been doing your
20 interstate work?

21 A I'd say about two years. It is hard to tell without
22 looking at the actual record.

23 Q Now two years ago, when you contacted Fischer-Hughes
24 to do your ICC work, your interstate work, did you also ask them
25 to do your intrastate work?

1 A Intrastate at that point.

2 Q Within Pennsylvania?

3 A If we had some work at that point, yes, I would.

4 Q Do you recall whether you did have some work at that
5 time?

6 A I wouldn't be able to recall.

7 Q Did you ever receive or do you ever remember
8 receiving a call from a gentleman by the name of John Sauers, a
9 salesman from J.C. Services?

10 A No, I haven't.

11 Q If someone from J.C. Services approached you, would
12 you consider utilizing their services?

13 A Well, within the same attitude as with the other
14 company, I would have a very difficult time with that. And also
15 I have an attitude that if someone is doing a good job, I would
16 continue using them. I wouldn't just base that on just a one
17 dollar price difference. I feel rather compelled to use a
18 carrier especially on our equipment because they become
19 accustomed to moving it, which is very important I believe,
20 because they know what is critical to us and to the equipment
21 and we have found that when you change around back and forth you
22 can lose that expertise. You can lose it in the driver or the
23 pick-up people, their knowledge of what type of equipment that
24 they need when they come to pick-up our stuff.

25 MR. PETRI: I have no further questions.

1 JUDGE SMOLEN: Redirect. Okay the witness is excused.
2 Thank you very much for appearing and testifying.

3 (Witness excused.)

4 MR. LAVELLE: Your Honor, that concludes the applicant's
5 case and we would rest our case at that point.

6 JUDGE SMOLEN: This is an appropriate time to break for
7 lunch. Are we coming back this afternoon for protestants case
8 or --

9 MR. CASEY: My client is not available. I can try to
10 get him, I anticipate Wednesday.

11 MR. PETRI: My client is available.

12 JUDGE SMOLEN: At that point, do you want to break for
13 lunch now or do you want to go on with your testimony. At this
14 point, we will conclude today's hearing, and we will resume
15 again tomorrow at 10:00 a.m. for protestants case.

16 MR. CASEY: Thank you, Your Honor.

17 JUDGE SMOLEN: The hearing is adjourned.

18 (Whereupon, at 1:05 p.m. the hearing was adjourned.)
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C E R T I F I C A T E

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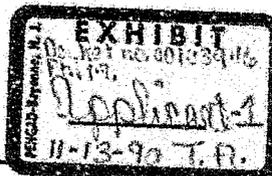
I hereby certify, as the stenographic reporter, that the foregoing proceedings were reported stenographically by me, and thereafter reduced to typewriting by me or under my direction, and that this transcript is a true and accurate record to the best of my ability.

COMMONWEALTH REPORTING COMPANY, INC.

BY: Tanya Alexander

Fischer-Hughes Transport, Inc.

Docket No. A-00103976, F.L. Am-B



RULES AND REGULATIONS

ITEM 10 - SCOPE OF CARRIER'S OPERATING AUTHORITY

Rates and provisions named in this tariff, or as amended, are limited in their application on Pennsylvania intrastate commerce to the extent of the operating rights set forth below.

Certificate No. A-00103976Folder 1

DEC 5 1990

SECRETARY'S OFFICE
Public Utility Commission

1. To transport, as a Class D carrier, milk from farms in the counties of Bucks and Montgomery to dairies in the said counties and the city and county of Philadelphia.
2. To transport, as a Class D carrier, new furniture sold by merchants of the borough of Doylestown, Bucks County, and household goods and office furnishings, stock and fixtures in use, from the borough of Doylestown, Bucks County, and within ten (10) miles by the usually traveled highways, of the limits of said borough, to points in Pennsylvania within forty (40) miles by the usually traveled highways of the limits of said borough, and vice versa.
3. To transport, as a Class D carrier, in emergencies, not to exceed ten (10) trips per year, new furniture sold by merchants of the borough of Doylestown, Bucks County, and household goods and office furnishings, stock and fixtures in use, from the borough of Doylestown, Bucks County, and within ten (10) miles, by the usually traveled highways of the limits of said borough, to points in Pennsylvania more than forty (40) miles, by the usually traveled highways, from the limits of said borough and vice versa; provided, that such trips shall be reported to the Commission immediately after they are made.
4. To transport, as a Class D carrier, property of the Western Electric Company and the Bell Telephone Company of Pennsylvania between points in the counties of Bucks and Montgomery;

with right No. 4 above, subject to the following condition:

That no right, power or privilege is granted to transport commodities in bulk in tank vehicles or in hopper-type vehicles.

5. To transport, as a Class D carrier, property usual to use in a household when a part of such household equipment or supply, in connection with a removal by a householder from one house or dwelling to another; furniture, fixtures, equipment and the property usual in a store, office museum, institution, hospital or other establishment, when a part of the stock, equipment or supply of such store, office, museum, institution, hospital or other establishment, in connection with a removal from one location to another; and works of art, furniture, musical instruments, displays, exhibits and articles requiring specialized handling and equipment usually employed in moving household goods between points in the borough of Doylestown, Bucks County, and within an airline distance of ten (10) statute miles of said borough and from points in the said borough and territory to points within fifty (50) miles by the usually traveled highways of the limits of said borough, and vice versa.

(Item 10 continued)

Abbreviations and reference marks are explained on last page of tariff.

RULES AND REGULATIONS

ITEM 10 - SCOPE OF CARRIER'S OPERATING AUTHORITY (Concluded)

Rates and provisions named in this tariff, or as amended, are limited in their application on Pennsylvania intrastate commerce to the extent of the operating rights set forth below.

Certificate No. A-00103976

Folder 1, Am-A

→ To transport, as a Class D carrier, aircraft, household goods, personal effects and property used or to be used in a dwelling when a part of the furnishings, equipment, or supplies of such dwelling as an incidental part of a removal by the householder from one domicile to another; furniture, fixtures, equipment and the property of stores, offices, museums, institutions, hospitals or other establishments when a part of the stock, equipment or supply of such stores, offices, museums, institutions, hospitals or other establishments, in connection with a removal from one location to another; and articles in use, including objects of art, displays and exhibits which, because of their unusual nature or value, require specialized handling and equipment usually employed in moving household goods, between points in the counties of Philadelphia, Delaware, Chester, Montgomery and Bucks, included within a line which connects the municipal boundaries of Chester, West Chester, Paoli, Norristown, Doylestown and Morrisville, but not including said places.

→ To transport, as a Class D carrier, aircraft, household goods, personal effects and property used or to be used in a dwelling when a part of the furnishings, equipment, or supplies of such dwelling as an incidental part of a removal by the householder from one domicile to another; furniture, fixtures, equipment and the property of stores, offices, museums, institutions, hospitals or other establishments when a part of the stock, equipment or supply of such stores, offices, museums, institutions, hospitals or other establishments, in connection with a removal from one location to another; and articles in use, including objects of art, displays and exhibits which, because of their unusual nature or value, require specialized handling and equipment usually employed in moving household goods, from points in the counties of Philadelphia, Delaware, Chester, Montgomery and Bucks, included within a line which connects the municipal boundaries of Chester, West Chester, Paoli, Norristown, Doylestown and Morrisville, but not including said places, to other points in Pennsylvania, and vice versa.

Abbreviations and reference marks are explained on last page of tariff.

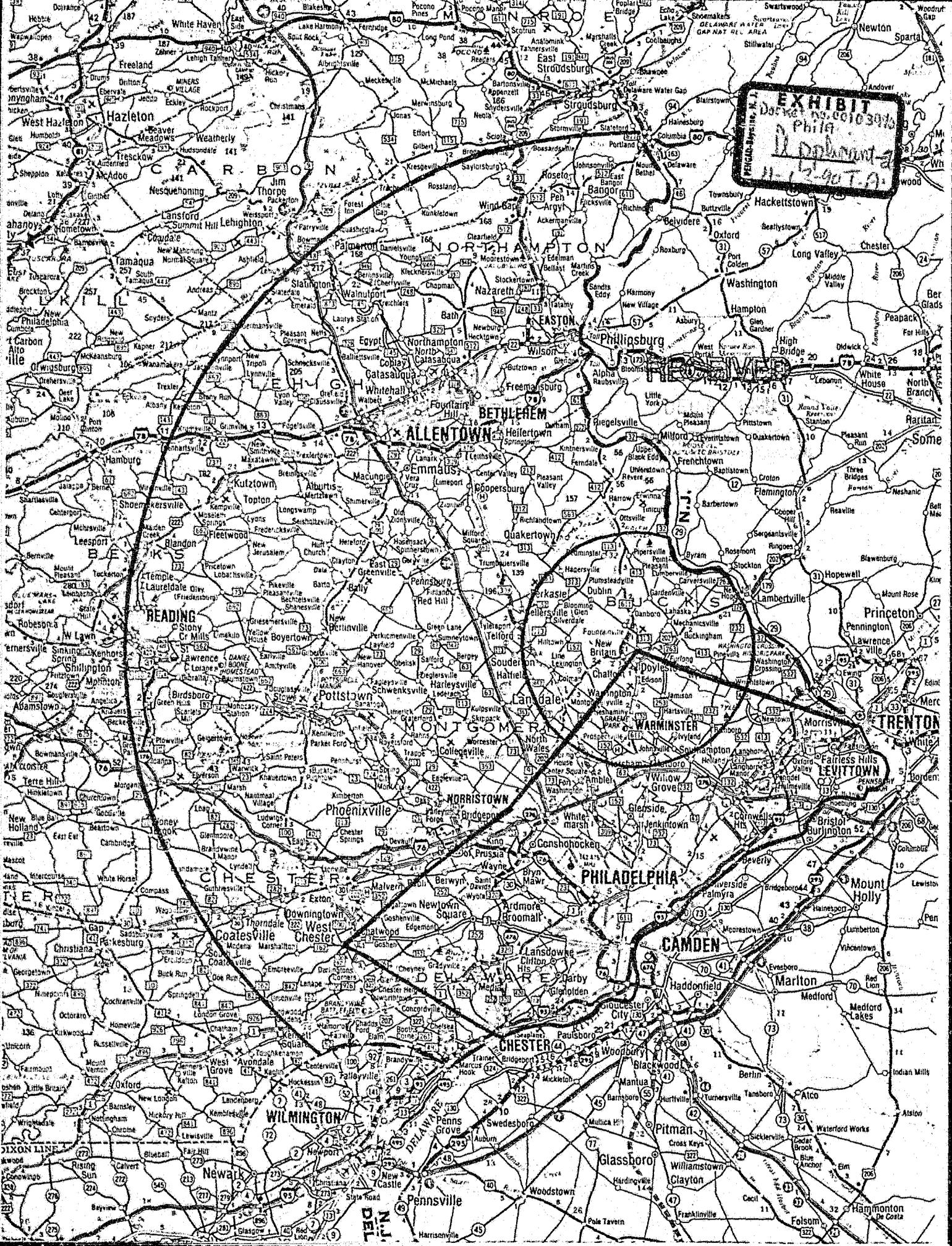


EXHIBIT
Docket No. 00103076
Phila.
12-13-90 T.A.
PERCIVAL BISHOP, JR.

RECEIVED
DEC 6
PM-26
(Rev. 10/84)

INTERSTATE COMMERCE COMMISSION

CERTIFICATE

No. MC 35750 (Sub 2)

FISCHER-HUGHES TRANSPORT, INC.
DOYLESTOWN, PA

SERVICE DATE
JAN 27 1988

DOCUMENT
FOLDER

This Certificate is evidence of the carrier's authority to engage in transportation as a common carrier by motor vehicle.

This authority will be effective as long as the carrier maintains compliance with the requirements pertaining to insurance coverage for the protection of the public (49 CFR 1043); the designation of agents upon whom process may be served (49 CFR 1044); and tariffs or schedules (49 CFR 1300 through 1310, revised). The carrier shall also render reasonably continuous and adequate service to the public. Failure to meet these conditions will constitute sufficient grounds for the suspension, change, or revocation of this authority.

This authority is subject to any terms, conditions, and limitations as are now, or may later be, attached to this privilege.

For common carriers with irregular route authority: Any irregular route authority authorized in this Certificate may not be tacked or joined with your other irregular route authority unless joinder is specifically authorized.

The transportation service to be performed is described on the reverse side of this document.

By the Commission.

NORETA R. MCGEE,
Secretary.

(SEAL)

NOTE: If there are any discrepancies regarding this document, please notify the Commission within 30 days.

DEC 10

EXHIBIT
Docket no. 00103476
Applicant: 3
11-13-90 T.A.

To operate as a common carrier, by motor vehicle, in interstate or foreign commerce, over irregular routes, transporting household goods, between those points in the U.S. in and east of WI, IL, KY, TN, MS, and LA.

Fischer-Hughes

Transport, Inc.

RECEIVED

DEC 6 1980

SECRETARY'S OFFICE
Public Utility Commission

V. EQUIPMENT LIST

<u>MAKE</u>	<u>MODEL</u>	<u>YEAR</u>	<u>OWNED/ LEASED</u>	<u>LESSOR</u>
FORD	VAN	1978	OWNED	
FORD	VAN	1981	OWNED	
FORD	VAN	1981	OWNED	
CHEVY	VAN	1979	OWNED	
CHEVY	VAN	1980	OWNED	
FORD	VAN	1986	OWNED	
CHEVY	VAN	1987	OWNED	
INTL	S/T	1987	OWNED	
M-B	S/T	1983	OWNED	
INTL	S/T	1987	OWNED	
M-B	S/T	1986	OWNED	
INTL	S/T	1988	OWNED	
INTL	TRAC	1977	OWNED	
WHITE	TRAC	1981	OWNED	
INTL	TRAC	1983	OWNED	
WHITE	TRAC	1985	LEASED	WHITE CIRCLE, INC.
WHITE	TRAC	1985	LEASED	WHITE CIRCLE, INC.
WHITE	TRAC	1985	LEASED	WHITE CIRCLE, INC.
INTL	TRAC	1983	OWNED	

EXHIBIT
NO. 4
DEC 11 1980

DEC 11

EXHIBIT
No. 4
Philadelphia
Respondent-4
11-12-80 T.A.

Fischer-Hughes

Transport, Inc.

V. EQUIPMENT LIST

<u>MAKE</u>	<u>MODEL</u>	<u>YEAR</u>	<u>OWNED/ LEASED</u>	<u>LESSOR</u>
MATLOCK	TRL	1978	OWNED	
MATLOCK	TRL	1974	OWNED	
KENTUCKY	TRL	1985	OWNED	
UTILITY	TRL	1977	OWNED	
BUDD	TRL	1978	OWNED	
BUDD	TRL	1978	OWNED	
UTILITY	TRL	1977	OWNED	
TRAILMOBLE	TRL	1980	OWNED	
MATLOCK	TRL	1974	OWNED	
MATLOCK	TRL	1979	OWNED	
DORSEY	TRL	1979	OWNED	
DORSEY	TRL	1984	OWNED	
MATLOCK	TRL	1989	OWNED	
KENTUCKY	TRL	1989	LEASED	UNITED LEASING
KENTUCKY	TRL	1989	LEASED	UNITED LEASING

RECEIVED

FISCHER-HUGHES TRANSPORT, INC.

SECRETARY'S OFFICE
Public Utility Commission

Pennsylvania Intrastate Traffic Exhibit

<u>Date of Shipment</u>	<u>Commodity</u>	<u>Origin</u>	<u>Destination</u>	<u>Weight</u>
10/1/90	ELEC	FT WASHINGTON	KINGSTON, PA	2520#
10/17/90	ELEC	SPRINGHOUSE, PA	BETHLEHEM, PA	1950#
9/15/90	ELEC	ALLENTOWN, PA	PHILADELPHIA, PA	4000#
8/7/90	ELEC	W. POINT, PA	ALLENTOWN, PA	3500#
8/16/90	ELEC	ALLENTOWN, PA	FT WASHINGTON, PA	1876#
8/30/90	ELEC	IVYLAND, PA	EMIGSVILLE, PA	2500#
7/6/90	ELEC	ALLENTOWN, PA	WAYNE, PA	5800#
7/30/90	ELEC	IVYLAND, PA	HONEYBROOK, PA	4400#
6/18/90	ELEC	SPRINGHOUSE, PA	BETHLEHEM, PA	2200#
6/22/90	ELEC	BETHLEHEM, PA	SPRINGHOUSE, PA	2200#
6/11/90	ELEC	DOYLESTOWN, PA	BEDMINISTER, PA	3450#
4/25/90	ELEC	ALLENTOWN, PA	PHILADELPHIA, PA	5000#

DEC 1

EXHIBIT
Docket no. 001037
Phila.
Applicant-5
11-13-90 T.A.

FISCHER-HUGHES TRANSPORT, INC.
BALANCE SHEET
SEPTEMBER 30 1990

RECEIVED

DEC 6 1990

SECRETARY'S OFFICE
Public Utility Commission

ASSETS
Current assets:
Cash \$ 36,332
Accounts receivable 700,873
Prepaid taxes (2,532)

RECEIVED

DEC 6 1990

SECRETARY'S OFFICE
Public Utility Commission

Current assets

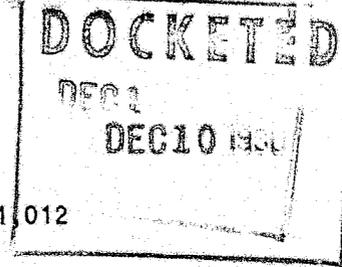
\$ 734,673

Property & equipment, at cost
Transportation equipment 517,464
Garage & warehouse equipment 111,601
Miscellaneous equipment 88,537
Leasehold improvements 29,988

747,590

Less: accumulated depreciation 546,578

201,012



Other assets
UVL stock 404,256
Public Utility Comm. Licenses 15,000
Franchise fees 5,000
Escrow accounts 28,274
Loans from shareholder (7,788)

444,742

\$1,380,427

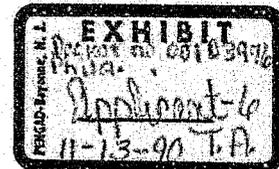
LIABILITIES & STOCKHOLDERS' EQUITY

Current Liabilities:
Note payable to bank \$185,000
Accounts payable 273,323
Accrued expenses 45,358
Accrued payroll taxes 12,634
Current maturities long term debt 46,859
Current liabilities \$ 563,174
Long term debt: 389,858
Total liabilities 953,032

STOCKHOLDERS' EQUITY

Common stock 100
Retained earnings 296,601
Net profit before taxes 130,694
427,395

\$1,380,427



FISCHER-HUGHES TRANSPORT, INC
STATEMENT OF INCOME
SEPTEMBER 30, 1990

Income:

Transportation revenue	\$1,057,814
Storage revenue	320,174
Agency revenue	1,713,213
Packing & other income	<u>275,075</u>
Total income	\$3,366,276

Expenses:

Operating	\$1,332,866
General & administrative	1,826,387
Taxes, other than income	17,424
Depreciation	<u>58,905</u>
Total expense	\$3,235,582

Net income	\$ 130,694
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