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BEFORE

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Public Utility Commission

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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In re: A-00108155 Application of Central Transport, Inc.  
A corporation of the State of North Carolina, for  
the right to transport, as a common carrier, property,  
in bulk, in tank and hopper-type vehicles, between  
points in Pennsylvania. Further hearing.

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Pittsburgh, Pennsylvania  
November 18, 1988

FOLDER

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Pages 314 to 345, inclusive

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DOCKETED  
DEC 13 1988

HOLBERT ASSOCIATES  
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Suite 401, Kunkel Building  
301 Market Street  
Harrisburg, Pennsylvania 17101

CONTROLLED ORIGINAL

BEFORE  
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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A corporation of the State of North Carolina, for  
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Stenographic report of hearing held at the  
State Office Building, 300 Liberty Avenue,  
Pittsburgh, Pennsylvania

Friday,  
November 18, 1988  
10:00 a.m.

BEFORE  
MICHAEL SCHNIERLE, ADMINISTRATIVE LAW JUDGE

APPEARANCES:

WILLIAM A. CHESNUTT, ESQUIRE  
McNees, Wallace & Nurick  
100 Pine Street, P.O. Box 1166  
Harrisburg, Pennsylvania 17108  
Appearing on behalf of Applicant

HENRY M. WICK, JR., ESQUIRE  
Wick, Streiff, Meyer, Metz & O'Boyle  
1450 Two Chatham Center  
Pittsburgh, Pennsylvania 15219  
Appearing on behalf of Protestant Refiners Transport  
and Terminal Corporation

## 1 APPEARANCES CONTINUED:

2 KENNETH A. OLSEN, ESQUIRE

3 P.O. Box 357

4 Gladstone, New Jersey 07934

5 Appearing on behalf of Protestant Marshall Service,  
6 Inc.

7 WILLIAM J. O'KANE, ESQUIRE

8 102 Pickering Way

9 Exton, Pennsylvania 19341-0200

10 Appearing on behalf of Protestant Chemical Leaman  
11 Corporation

12 EDWARD L. CIEMNIECKI, ESQUIRE

13 Rubin, Quinn, Moss &amp; Heaney

14 1800 Penn Mutual Tower

15 510 Walnut Street

16 Philadelphia, Pennsylvania 19106

17 Appearing on behalf of Protestant Matlack, Inc.

18 RONALD W. MALIN, ESQUIRE

19 Key Bank Building, 4th Floor

20 Jamestown, New York 14701

21 Appearing on behalf of Protestant Crossett, Inc.  
22  
23  
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1 JUDGE SCHNIERLE: Good morning. This is the time and  
2 place set for further hearing in the matter of application of  
3 Central Transport, Docket No. A-108155. I note the  
4 appearances of William Chesnutt for the applicant Central  
5 Transport; Kenneth Olsen for Marshall Service, Incorporated;  
6 William J. O'Kane, for Chemical Leaman Tank Lines; Henry Wick  
7 for Refiners Transport and Terminal Corporation; Ed Ciemniecki  
8 for Matlack; and Ronald Malin, I guess for Crossett.

9 MR. MALIN: Yes. I forget to put Crossett down. I got  
10 talking. Thank you.

11 JUDGE SCHNIERLE: Is there anything we need to discuss  
12 on the record at this point, gentlemen? If not, Mr. Chesnutt,  
13 will you call your first witness?

14 MR. CHESNUTT: Mr. Knouse, will you stand forward by the  
15 American flag and be sworn, and then take that seat there next  
16 to the Judge.

17 JOSEPH R. KNOUSE, having been duly sworn, was examined  
18 and testified as follows:

19 JUDGE SCHNIERLE: Please be seated.

20 DIRECT EXAMINATION

21 BY MR. CHESNUTT:

22 Q Would you state your name and spell your last name,  
23 please?

24 A My name is Joseph R. Knouse, K-n-o-u-s-e.

25 Q And, Mr. Knouse, what is your business address?

1 A Box 1346, Pittsburgh. I work for Calgon Corporation.

2 Q And in what capacity do you work for them?

3 A Manager of transportation.

4 MR. CHESNUTT: Your Honor, I have a single page document  
5 marked prepared testimony of Joseph P. Knouse, which Mr.  
6 Knouse would correct to be Joseph R., if the Judge would like  
7 to have marked for identification.

8 JUDGE SCHNIERLE: And I believe that will be Exhibit No.  
9 21.

10 MR. CHESNUTT: That's consistent with what I believe as  
11 well. Thank you.

12 (Applicant's Exhibit No. 21 was produced and  
13 marked for identification.)

14 BY MR. CHESNUTT:

15 Q Mr. Knouse, with what has been marked as Exhibit 21  
16 in front of, you and the correction of the middle initial of  
17 your name to R., are the facts stated in that exhibit true and  
18 correct to the best of your knowledge?

19 A Yes, they are.

20 Q Mr. Knouse, what sort of manufacturing facilities are  
21 involved here with respect to Calgon Corporation, and where  
22 are they located and what sort of business do you conduct at  
23 that location?

24 A The primary plant of our corporation is located in  
25 Ellwood City, Pennsylvania and we manufacturer basically water

1 treatment chemicals.

2 Q And are water treatment chemicals the product that is  
3 reflected in the loads that have been handled by Central  
4 Transport to points outside of Pennsylvania?

5 A Yes.

6 Q Do you, in addition to shipping water treatment  
7 chemicals outside of Pennsylvania, do you make shipments  
8 within the State of Pennsylvania?

9 A Yes, we do.

10 Q And would you indicate to what locations shipments of  
11 such product are made?

12 A Our primary destination would be the City of  
13 Pittsburgh. We have a contract with ALCOSAN. We also ship  
14 periodically to Mehoopany, Pennsylvania, New Castle,  
15 Pennsylvania, Spring Grove, Pennsylvania and Whitehall,  
16 Pennsylvania, Whitehall being in the Philadelphia area.

17 Q Do those other locations that you've mentioned --  
18 well, let's look at the Pittsburgh location first of all.  
19 Could you indicate the volume of traffic that moves from  
20 Ellwood City to the Pittsburgh location?

21 A Approximately 15 to 20 truckloads per month.

22 Q All right. And what are the facts with respect to  
23 the -- you mentioned Mehoopany, Spring Grove, Bradford -- was  
24 one Bradford?

25 A Bradford. I didn't mention that, but that is one,

1 yes.

2 Q New Castle?

3 A Yes.

4 Q And Whitehall?

5 A Yes.

6 Q Okay. To those five locations, what is the frequency  
7 of movement of water treatment chemicals to those locations?

8 A It would be approximately one truckload per month to  
9 each of those locations.

10 Q Would you indicate, on that traffic moving to those  
11 locations in Pennsylvania, who's responsible for paying the  
12 freight charges?

13 A Calgon Corporation pays the freight.

14 Q Do you exercise routing responsibility for the  
15 movement of that traffic?

16 A Yes.

17 Q What type of trailer equipment is required for the  
18 movement of the water treatment chemicals?

19 A An insulated, stainless steel trailer. For the most  
20 part, single compartment, but occasionally there may be a need  
21 for a multi-compartment trailer.

22 Q In performing services to points outside of  
23 Pennsylvania, has Central Transport furnished the type of  
24 trailer equipment you need?

25 A Yes, they have.



1           Q   Who is -- what carrier is involved in performing  
2 services in the transportation of water treatment chemicals to  
3 the Pennsylvania locations that you've mentioned?

4           A   The majority of our business is tendered to Schneider  
5 National at this time.

6           Q   And in view of the fact that Schneider National is  
7 your carrier to points in Pennsylvania, why would you be here  
8 supporting an application by Central Transport to provide  
9 service to points in Pennsylvania?

10          A   As a potential backup carrier and to increase the  
11 competition.

12          Q   And if their application were granted to provide  
13 service to your company, would you utilize them in that backup  
14 and emergency capacity?

15          A   Primarily as a backup currently, yes.

16          Q   There are, represented by the gentlemen surrounding  
17 this table with me, a number of carriers opposing this  
18 application. Are you aware of any services available to your  
19 company from Crossett?

20          A   I'm not familiar with Crossett, no.

21          Q   If a carrier desires to participate in the traffic of  
22 Calgon Corporation, are you the person that they should  
23 contact if they want to participate in that traffic?

24          A   Yes.

25          Q   And do you see freight solicitors that come by to

1 solicit traffic?

2 A Yes, I do.

3 Q What about Oil Tank Lines? Are you familiar with  
4 that carrier at all?

5 A No, I can't say that I am.

6 Q Have you been solicited by anyone from that company?

7 A No, sir.

8 Q Are you familiar with Refiners Transport Terminal  
9 Company?

10 A Yes, I am.

11 Q And with Chemical Leaman?

12 A Yes.

13 Q And with Matlack?

14 A Yes, sir.

15 MR. CHESNUTT: Those are all the questions I have.

16 Thank you, Mr. Knouse.

17 JUDGE SCHNIERLE: Before we start protestants' cross  
18 examination, could you describe the water treatment chemicals  
19 in somewhat more detail? I take it these are liquids?

20 THE WITNESS: Yes, they're liquids. From a  
21 transportation commodity standpoint, they're primarily  
22 synthetic resins. They're polymers. The contract we have  
23 with ALCOSAN is a chemical that we ship for the purposes of  
24 treating the sludge, and we also sell to Western Pennsylvania  
25 Water in the Pittsburgh area chemicals that they use for

1 water, water treatment.

2 The customer that I mentioned in Spring Grove,  
3 Pennsylvania, is a paper mill. We sell to a very diverse  
4 marketplace, obviously. The customer in New Castle is also a  
5 water treatment plant. Mehoopany is Proctor & Gamble. I'm  
6 not certain of the end use of that product.

7 JUDGE SCHNIERLE: Generally this stuff is not considered  
8 petroleum products or anything like that --

9 THE WITNESS: It is not.

10 JUDGE SCHNIERLE: -- of that nature? Do protestants  
11 wish to cross examine, or do you want a short recess before  
12 you begin?

13 MR. WICK: Can we have three or four minutes, Judge?

14 JUDGE SCHNIERLE: There will be a five minute recess off  
15 the record.

16 (A brief recess was taken.)

17 JUDGE SCHNIERLE: Back on the record. We may as well  
18 start with Mr. Ciemniecki, since he's sitting in for Mr.  
19 Patterson, and that will maintain the order.

20 MR. CIEMNIECKI: I just have a couple quick questions  
21 for you, Mr. Knouse.

22 CROSS EXAMINATION

23 BY MR. CIEMNIECKI:

24 Q You indicated that Schneider National is handling the  
25 majority of your traffic at this time to points in

1 Pennsylvania, is that correct?

2 A Yes.

3 Q You do have other intrastate carriers that you are  
4 utilizing at the present time?

5 A Probably. We have carriers that we are aware of that  
6 are available to us.

7 Q But at least at this point in time, to the best of  
8 your knowledge, the traffic that you have moving to  
9 Pittsburgh, Mehoopany, New Castle, Spring Grove, Whitehall and  
10 Bradford is all being handled by Schneider?

11 A Yes.

12 MR. CIEMNIECKI: That's all I have, Your Honor.

13 JUDGE SCHNIERLE: Mr. Wick.

14 MR. WICK: Mr. Knouse, I'm representing Refiners  
15 Transport here.

16 BY MR. WICK:

17 Q Would you indicate to us whether, in calendar year  
18 1988, you made use of Refiners Transport on shipments moving  
19 to points in Pennsylvania?

20 A To my knowledge, we have not in 1988. On the ones  
21 that we control, sir, the ones that are outbound from our  
22 plant. We do some inbound bulk movements into Ellwood City,  
23 but that traffic is primarily routed by our suppliers.

24 Q No. I'm speaking strictly of outbound traffic.

25 A Okay.

1 Q You don't recall using Refiners to a point such as  
2 Mehoopany in calendar year 1988?

3 A Not in 1988. I'm aware that we have used Refiners to  
4 Mehoopany possibly '86, '87. We may have, but not to my  
5 knowledge.

6 Q To the best of your knowledge, then, is it your  
7 testimony that your company has not used Refiners in 1988, to  
8 any point in Pennsylvania?

9 A To the best of my knowledge, yes, sir.

10 Q Do you remember a representative of Refiners meeting  
11 with you some time in 1988, to discuss traffic moving to  
12 points in Pennsylvania?

13 A I've met with Mr. Frieze from time to time, if that's  
14 who you're referring to, but I don't -- I can't honestly say  
15 whether that was 1988 or not.

16 Q After your meeting, did your company tender traffic  
17 to Refiners for transportation to points in Pennsylvania?

18 A If it was in 1988, it escapes me. I honestly believe  
19 that we have not in 1988.

20 Q I see.

21 A Let me clarify one thing. We provide routing  
22 guidance to our plants, but there are people physically  
23 located at the plants that route those orders.

24 Q But -- would you explain how you do that, sir? Do  
25 you identify certain carriers that are to be used out of

1 Ellwood City?

2 A Yes.

3 Q Then your plant traffic manager calls those carriers?

4 A Their title is not traffic manager, but the person  
5 doing the routing would make contact with the carriers, yes.

6 Q So is it necessary, then, that your office identify a  
7 carrier, such as Refiners, to your Oil City plant before they  
8 will be tendered any traffic?

9 A Ellwood City, but yes, sir.

10 Q Presently, as I understand, your office has  
11 identified Schneider National as the preferred carrier to  
12 Pennsylvania points?

13 A Yes.

14 Q How long has that traffic to Pennsylvania been  
15 handled by Schneider National?

16 A I believe Schneider got the authority in early 1987,  
17 I believe.

18 Q And did your company support that authority?

19 A Yes, we did.

20 Q Is that a state wide authority, to your knowledge?

21 A Yes, sir. There are some restrictions on fuel oil,  
22 oil based materials, I believe.

23 Q Now, you indicated that you're supporting this  
24 application because you want a potential backup carrier. Was  
25 that the wording that you used, do you recall?

1 A That's close enough, yes, sir.

2 Q What do you expect from a potential backup carrier?

3 A We expect to have clean equipment available to our  
4 plant on relatively short notice, 16 to 24-hour notice, and  
5 prompt delivery to our customers.

6 Q What was the last?

7 A Prompt delivery to our customers.

8 Q And if a carrier such as Refiners could meet those  
9 qualifications, would you consider it to be a backup carrier?

10 A Yes. We've used them prior to '88, I believe it was,  
11 yes.

12 Q Isn't it a fact that presently, today, you have,  
13 among other carriers, Refiners as a backup carrier?

14 A Yes, sir.

15 Q Well, I don't understand your point, then, Mr.  
16 Knouse. Would you explain it? You've got Refiners, plus  
17 Chemical Leaman and Matlack as backup carriers today. What do  
18 you expect to receive from the applicant that you would not  
19 have available from these present backup carriers?

20 A It just gives us one more option from a competitive  
21 standpoint. Possibly not competitive in the Pennsylvania  
22 marketplace, but on an interstate because of, you know, the  
23 PUC and what have you. But competition more than anything  
24 else.

25 Q That is, you feel you have three backup carriers

1 today and that you would like to have four? Is that your  
2 position?

3 A Yes. I would have no problem with that. Yes.

4 Q Do you recall to what points your company actually  
5 used Refiners in 1987?

6 A I believe it was the Mehoopany location, to the best  
7 of my knowledge.

8 Q Was that the only location?

9 A I can't honestly say.

10 Q And did you use Refiners because Schneider was  
11 unavailable at that time, or was Refiners a backup carrier  
12 then?

13 A They were a backup carrier then as well.

14 Q So would it be fair to state that you feel that, at  
15 least for more than a year, you have not made use of Refiners  
16 as a backup carrier?

17 A I believe so, yes, sir.

18 MR. WICK: Thank you. That's all I have.

19 JUDGE SCHNIERLE: Mr. O'Kane?

20 MR. O'KANE: Yes. Mr. Knouse, I'm general counsel of  
21 Chemical Leaman Corporation.

22 BY MR. O'KANE:

23 Q You're familiar with Chemical Leaman?

24 A Yes, I am.

25 Q Does Chemical Leaman have the capability to service



1 your traffic intra-Pennsylvania?

2 A Yes, they do.

3 Q And has Chemical Leaman serviced such traffic in the  
4 past?

5 A From time to time they have, yes.

6 Q Have you ever communicated to anybody at Chemical  
7 Leaman that you had any service problems with Chemical  
8 Leaman's service?

9 A Not directly, no, sir.

10 Q And Chemical Leaman is a backup carrier for you at  
11 the present time?

12 A Yes, they are.

13 MR. O'KANE: I have no further questions.

14 JUDGE SCHNIERLE: Mr. Olsen?

15 MR. OLSEN: Yes.

16 BY MR. OLSEN:

17 Q Just so my records are clear, sir, the purpose of  
18 your support here today is only supporting your outbound  
19 traffic from Ellwood City to the points you named, Spring  
20 Grove, Whitehall, Pittsburgh, Mehoopany, Bradford and New  
21 Castle?

22 A Well, it would depend on -- those are the customers  
23 that I'm currently familiar with in those locations. If we  
24 would secure additional business, then we may want them to  
25 serve as a backup carrier to other locations within the state

1 as well.

2 Q These are the points you presently have movements of  
3 your products to within Pennsylvania?

4 A Yes. Within the past 12 months, yes.

5 Q Would you agree with me that Whitehall is located in  
6 Lehigh County, not Philadelphia?

7 A Philadelphia. I clarified that only because there's  
8 a Whitehall outside of Pittsburgh, a community of Whitehall,  
9 but it's in Eastern Pennsylvania.

10 Q Would it be a fair statement that as a potential  
11 backup carrier, if there are any transportation needs for  
12 shipments for use as a backup carrier, then there wouldn't be  
13 any calls for that carrier to move your product, then?

14 A I'm not sure I understand the question.

15 Q Would it be a fair statement that if you don't have  
16 any shipments to be tendered to any carriers as a backup  
17 carrier, your shipments are being presently handled  
18 satisfactorily by your primary carrier?

19 A Oh, yes. Yes, sir.

20 Q Then there would be actually no need whatsoever for  
21 your company for a carrier other than your preferred carrier?

22 A Well, if they could meet our needs a hundred percent  
23 of the time, I guess that's a fair statement.

24 Q When the shipments are available?

25 A Yes, sir.

1 MR. OLSEN: I have nothing further. Thank you.

2 JUDGE SCHNIERLE: Mr. Malin?

3 MR. MALIN: Mr. Knouse, I have no questions. I'm  
4 interested only in petroleum products.

5 THE WITNESS: Okay.

6 JUDGE SCHNIERLE: Any redirect, Mr. Chesnutt?

7 MR. CHESNUTT: No, I have no redirect.

8 JUDGE SCHNIERLE: You may step down, sir. Mr. Chesnutt,  
9 do you wish to call your next witness?

10 MR. CHESNUTT: Yes, I do. I'd ask Mary Ann Noga to step  
11 forward and to be sworn.

12 JUDGE SCHNIERLE: Please raise your right hand.

13 MARY ANN NOGA, having been duly sworn, was examined  
14 and testified as follows:

15 JUDGE SCHNIERLE: Please be seated.

16 DIRECT EXAMINATION

17 BY MR. CHESNUTT:

18 Q Would you state your full name and spell your last  
19 name, please?

20 A My name is Mary Ann Noga, N-o-g-a.

21 Q And what is your business address, Mrs. Noga?

22 A 2000 Westhall Street, Pittsburgh, PA, 15233.

23 Q And by whom are you employed at that location?

24 A I'm employed by the Valspar Corporation.

25 Q That's spelled V-a-l-s-p-a-r?

1 A That is correct.

2 MR. CHESNUTT: If Your Honor please, I'm distributing to  
3 you, and I've previously distributed to other counsel and to  
4 the reporter, a two page statement entitled prepared testimony  
5 of Mary Ann Noga, Valspar Corporation. I request it be marked  
6 for identification as Exhibit No. 22.

7 JUDGE SCHNIERLE: It shall be so marked.

8 (Applicant's Exhibit No. 22 was produced and  
9 marked for identification.)

10 BY MR. CHESNUTT:

11 Q Ms. Noga, when you reviewed this statement earlier,  
12 did you find that there was an error at line 5 of the  
13 statement, where there's a reference to your having been  
14 traffic manager for the past 12 years, and that that should be  
15 corrected to be past ten years?

16 A That is correct.

17 Q With that correction, do you adopt this as a portion  
18 of your testimony in this proceeding, and it being true and  
19 correct?

20 A Yes.

21 Q What sort of traffic does the Valspar Corporation  
22 have moving outbound from locations in Pennsylvania? What is  
23 the nature of the product?

24 A Nature of the product?

25 Q Yes.

1           A    We make a can coating that is for the food and  
2 beverage industry.

3           Q    What is that can coating?  What purpose does it  
4 serve?

5           A    It is a protective coating for cans and packages of  
6 all sorts so that food or beverages can be preserved in  
7 packaging.

8           Q    Is it in a liquid or a solid form when it's shipped?

9           A    It is liquid.

10          Q    And from what locations in Pennsylvania do you make  
11 shipments of that product?

12          A    From Pittsburgh and Rochester, Pennsylvania.

13          Q    And to what destinations do you ship from Rochester?

14          A    From Rochester we ship to Lebanon, PA.  Occasionally  
15 to Fogelsville and Philadelphia.

16          Q    All right.  Where does -- where is the product that  
17 we're talking about, the can coating product manufactured?

18          A    Both at Pittsburgh and Rochester.

19          Q    Is there ever any occasion where product moves  
20 between those two locations?

21          A    Yes, from the Rochester facility to the Pittsburgh  
22 facility.

23          Q    But not in the reverse direction?

24          A    Rarely -- I would say rarely.  There could be  
25 occasion, but at this time, no.

1           Q   Now, what type of trailer equipment do you require  
2 for the movement of this product?

3           A   Primarily, we are after a stainless steel, insulated  
4 single compartment, with occasionally a three compartment tank  
5 required.

6           Q   And to the extent that Central has participated in  
7 your traffic to points outside of Pennsylvania, have they  
8 furnished suitable equipment for your needs?

9           A   Yes, they have.

10          Q   What are the requirements with respect to the  
11 condition of the trailers? What demands do you make of  
12 carriers with respect to the condition of the trailers they  
13 supply to you?

14          A   They must be super and ecstatically clean.

15          Q   All right. What are the consequences if the  
16 cleanliness standard is not made? What problems does it cause  
17 your company, if any?

18          A   Primarily, we would reject the equipment, but if for  
19 some reason it would not surpass -- well, let's say it would  
20 bypass our reinspection report and would be dirty. It would  
21 contaminate the product, which is very serious with our  
22 product.

23          Q   Now, with respect to the movement of the can coating  
24 materials in Pennsylvania, you've indicated Lebanon,  
25 Fogelsville, Philadelphia as destinations from Rochester, and

1 then you've indicated -- do you also ship to those points from  
2 Pittsburgh?

3 A Not at this time, but there could possibly be  
4 occasions where it could come out of the Pittsburgh plant, but  
5 not at this time, no.

6 Q And then in addition, you do ship from Rochester to  
7 the Pittsburgh plant?

8 A That is correct.

9 Q And we've covered fully your outbound, the  
10 description of your outbound within Pennsylvania?

11 A Yes, that's correct.

12 Q What about inbound? Are we discussing inbound to  
13 either of these facilities from suppliers within Pennsylvania?  
14 Is that of any concern in this application?

15 A To me, no. At this time, no.

16 Q All right. So with the description of the outbound  
17 traffic, would you now indicate what trucking company is being  
18 used to handle the traffic moving within Pennsylvania at the  
19 present time?

20 A Matlack.

21 Q All right. You were in the hearing room when the  
22 prior witness testified, Mrs. Noga, and you heard mention of  
23 other trucking companies who are represented by the gentlemen  
24 at this table. Are you familiar with any of those trucking  
25 companies?

1 A Yes, I am.

2 Q Which ones have you heard of, other than Matlack  
3 which you obviously use?

4 A I've heard of all of them, but I have knowledge of  
5 Chemical and Refiners.

6 Q All right. If you're presently using Matlack for the  
7 service that you're utilizing in Pennsylvania, and you're  
8 aware of these other carriers as you've indicated, why are you  
9 here supporting an application by Central Transport to provide  
10 services for you within the State of Pennsylvania?

11 A Competition, of course, and for a backup. At this  
12 time I use only Matlack in Pennsylvania and I would like --  
13 and since I do use Central and they are aware of our product,  
14 I would like them as a backup.

15 Q And have they been able to meet your requirements  
16 with respect to the cleanliness of the trailers that they  
17 supply you?

18 A Yes, they have.

19 Q On the traffic that moves outbound to the locations  
20 in Pennsylvania, who -- what -- who is responsible for paying  
21 the freight charges on that traffic?

22 A We are.

23 Q And do you -- in utilizing Matlack, was that a  
24 decision that your company, and you in particular made?

25 A Yes.



1           Q It was not made by your supplier -- or by your  
2 customers?

3           A No.

4           MR. CHESNUTT: Those are all the questions I have of the  
5 witness.

6           JUDGE SCHNIERLE: I have a couple before we get to the  
7 cross examination. I don't recall you testifying what the  
8 intrastate destinations are from the Pittsburgh facility.

9           THE WITNESS: They would be almost the same as the  
10 Rochester facility. They make identically the same product,  
11 but the Rochester facility is a larger facility and the  
12 capacity is more than Pittsburgh, and Pittsburgh is a little  
13 bit smaller, but it would be the same destinations.

14          JUDGE SCHNIERLE: And how many truckloads per week or  
15 per month do you ship out of the Rochester facility?

16          THE WITNESS: To Pennsylvania?

17          JUDGE SCHNIERLE: Yes.

18          THE WITNESS: It runs anywhere between 24 to 30  
19 shipments a year.

20          JUDGE SCHNIERLE: To all points?

21          THE WITNESS: All points in consideration, yes.

22          JUDGE SCHNIERLE: This material, this can coating, is  
23 that similar to a lacquer?

24          THE WITNESS: You could call it -- it's -- it can be  
25 thick and viscous. Some of it has to be baked onto cans and

1 some of it is sprayed almost like a paint.

2 JUDGE SCHNIERLE: Into a can?

3 THE WITNESS: Into a can and then baked on and  
4 ultravioletly dried on. We have the classification for the  
5 Department of Transportation. We fall under the paint family.

6 JUDGE SCHNIERLE: Thank you. Do you wish to cross  
7 examine at this point, or do you want a recess?

8 MR. WICK: Could you give us just a very short recess?

9 JUDGE SCHNIERLE: Five minute recess off the record.

10 (A brief recess was taken.)

11 JUDGE SCHNIERLE: Back on the record. Mr. Ciemniecki?

12 MR. CIEMNIECKI: Good morning, Miss Noga. My name is Ed  
13 Ciemniecki and I'm representing Matlack this morning. Again,  
14 I just have a few quick questions for you regarding your  
15 direct testimony.

16 CROSS EXAMINATION

17 BY MR. CIEMNIECKI:

18 Q You indicated that you do have some traffic moving to  
19 points, such as Fogelsville and Philadelphia?

20 A Yes, we do.

21 Q When was the last time you had a shipment destined to  
22 Fogelsville?

23 A Last year.

24 Q Within the last year?

25 A No, not this year. Last year.

1 Q So in 1987?

2 A 1987, yes.

3 Q That was the last time you had a shipment to that  
4 point?

5 A Yes, but it's still a viable account for us.

6 Q Would the same be true for Philadelphia?

7 A Yes.

8 Q Last shipment being in 1987?

9 A Yes.

10 Q Of the 24 to 30 shipments that you have moving to  
11 Pennsylvania points on a yearly basis, could you give me an  
12 approximate breakdown between those moving to Lebanon, first  
13 of all?

14 A Lebanon would be approximately 14 shipments?

15 Q Just a little bit over one a month, then?

16 A Little bit over one a month, yes.

17 Q And you do have shipments to your Pittsburgh facility  
18 as well?

19 A The majority of them would be back and forth from the  
20 Rochester plant to the Pittsburgh plant.

21 Q So of the main 24 to 30 shipments, would the rest of  
22 those go to the Pittsburgh facility, at least for 1988?

23 A 1988, yes.

24 Q Have you had occasion to utilize the services of  
25 Central to a point in Pennsylvania?

1 A No. They don't have rights, as far as I understand.

2 Q Doesn't necessarily mean you haven't used them.

3 A Oh, yes, it does. For me it does.

4 Q Good. I'm glad to hear that. Matlack has dedicated  
5 some equipment specifically to your account, have they not?

6 A That is correct.

7 Q Is that an important aspect of Matlack's service for  
8 you?

9 A That is correct.

10 MR. CIEMNIECKI: That's all I have, Your Honor. Thank  
11 you, Miss Noga.

12 JUDGE SCHNIERLE: Mr. Wick?

13 MR. WICK: Mrs. Noga, my name is Henry Wick. I'm  
14 representing Refiners. I'd like to ask you just a few  
15 questions.

16 BY MR. WICK:

17 Q Are you familiar with the fact that Refiners  
18 Transport does hold interstate authority, state wide, to serve  
19 your company?

20 A Yes, I do.

21 Q And did you meet with representatives of Refiners in  
22 1987 and 1988?

23 A Yes, I have met with them.

24 Q Do you recall, was it Mr. Frieze and Mr. Dunmyre who  
25 met with you?

1 A Yes.

2 Q Do you recall the last time that they visited your  
3 office to discuss traffic to Pennsylvania points?

4 A No, I really don't.

5 Q Would it have been some time early this year, 1988?

6 A It possibly could be.

7 Q At your request, did Mr. Frieze make available to you  
8 information concerning the rates and service of Refiners?

9 A Yes, they did.

10 Q And that was to Pennsylvania points?

11 A Yes, sir, it was.

12 Q After that information was given to you, did your  
13 company ever tender any traffic to Refiners?

14 A No, sir.

15 Q Do you consider Refiners to be a backup carrier at  
16 the present time?

17 A No.

18 Q Would you explain why that is, since they have the  
19 authority?

20 A They have the authority. We go through extensive --  
21 how would I say -- reviewing of a tank truck because of the  
22 sensitivity of our product. We just don't have somebody come  
23 in and give them a load because they call or quote rates. We  
24 look at what their rates are and we try to see if maybe we  
25 could possibly use them, but we don't usually go out and just

1 give the traffic to anybody that comes in. We really look at  
2 their rates. We're always interested in what their rates are  
3 and if they do have the rights.

4 But since the number of shipments that we have right now  
5 is very limited, we stay primarily with the carriers that we  
6 use at this time, and as you know, they are Central and  
7 Matlack, and we are -- primarily, they're the only two that  
8 haul from our facilities.

9 Q I see. Are you aware of how many years Refiners has  
10 been in business transporting your type of product?

11 A I know they've been in business a long time. Whether  
12 it's my type of product or not, I just assume my product --

13 Q That is all you require from a carrier for service,  
14 is the appropriate type of equipment and the ability to  
15 provide service in a safe and efficient manner?

16 A That is correct.

17 Q If Refiners is able to provide, show by evidence that  
18 it meets those qualifications, would you be willing to  
19 reconsider and use them and consider them as a backup carrier?

20 A I would be open to it, yes.

21 MR. WICK: Thank you.

22 JUDGE SCHNIERLE: Mr. O'Kane?

23 MR. O'KANE: Yes. Miss Noga, I'm William O'Kane with  
24 Chemical Leaman.

25 BY MR. O'KANE:

1 Q You are familiar with Chemical Leaman, are you not?

2 A Yes, I am, very.

3 Q Do you know that Chemical Leaman has the authority to  
4 transport your type of business in Pennsylvania?

5 A I certainly do.

6 Q And have you used Chemical Leaman in the past?

7 A Many years ago, yes.

8 MR. O'KANE: I have no further questions. Thank you.

9 JUDGE SCHNIERLE: Mr. Olsen?

10 MR. OLSEN: Good morning, Miss Noga. My name is Kenneth  
11 Olsen. I represent Marshall Serive. They're interested in  
12 transportation of petroleum products.

13 BY MR. OLSEN:

14 Q Are we correct in assuming that your products are not  
15 a petroleum, petroleum product?

16 A That is correct.

17 Q So if there was any restriction -- if there was any  
18 grant of authority in this proceeding and that grant was  
19 restricted against petroleum, petroleum products, that would  
20 not have any adverse impact on your company's operations,  
21 would it?

22 A No, it would not.

23 MR. OLSEN: Thank you. I have no further questions.

24 JUDGE SCHNIERLE: Mr. Malin?

25 MR. MALIN: I'll just introduce myself. I'm Ron Malin.

1 I represent Crossett and Crossett is a petroleum hauler. I  
2 have no further questions.

3 JUDGE SCHNIERLE: Any redirect, Mr. Chesnutt?

4 MR. CHESNUTT: I have no redirect.

5 JUDGE SCHNIERLE: You may step down.

6 MR. CHESNUTT: Your Honor, I find that I failed to offer  
7 Exhibit 21 into evidence, and I do so now, as well as Exhibit  
8 22, which was sponsored by Mrs. Noga.

9 JUDGE SCHNIERLE: Are there any objections to those  
10 exhibits?

11 MR. CIEMNIECKI: No, Your Honor.

12 MR. OLSEN: I have none, Your Honor.

13 JUDGE SCHNIERLE: Central's Exhibits 21 and 22 are  
14 admitted into evidence. Is that all for today, other than our  
15 agreement to check with the scheduling staff about further  
16 hearing?

17 MR. CHESNUTT: That's correct.

18 JUDGE SCHNIERLE: This hearing is adjourned.

19

20

21 (The hearing adjourned at 10:50 o'clock a.m.)

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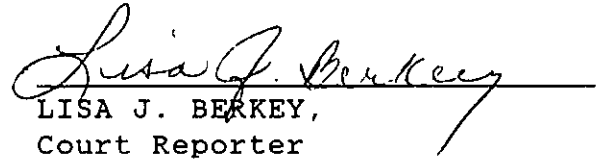
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