



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG, Pa. 17120

record

August 27, 1982

IN REPLY PLEASE
REFER TO OUR FILE

A-00102471, F. 1,
Am-A

John A. Vuono, Esquire
2310 Grant Building
Pittsburgh, PA 15219

Application of Pitt-Ohio Express, Inc.,
a corporation of the Commonwealth of
Pennsylvania

Dear Sir: _____

Enclosed, herewith, is supplemental order modifying Certificate
Of Public Convenience issued by the Commission in
the above entitled proceeding.

The applicant will not be permitted to operate or engage in
any transportation granted by the enclosed order until he has
complied with the following tariff requirement:

Prepare and file a tariff, instructions
for which are enclosed.

Motor carriers operating without complying with the above
requirement will be subject to the penalty provisions of the
Public Utility Law.

Commission regulations require compliance with the above
requirement within sixty (60) days of the date of this letter.
Failure to comply within the sixty (60) day period will cause
the Commission to rescind the action of August 13, 1982,
and dismiss the application without further proceedings.

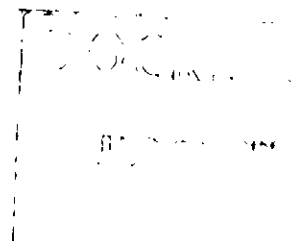
If you foresee any problems in obtaining the necessary re-
quirement within the specified time period, please contact the
Pennsylvania Public Utility Commission--Service Section.

cc: Applicant
27th & A. V. R. R.
Pittsburgh, PA 15222

Very truly yours,

Encls.
Cert. Mail

Jerry Rich
Secretary



PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held August 13, 1982

Commissioners Present:

Susan M. Shanaman, Chairman
Michael Johnson
James H. Cawley
Linda C. Taliaferro
Clifford L. Jones

Application of Pitt-Ohio Express, Inc.,
a corporation of the Commonwealth of Penn-
sylvania, for amendment to its common
carrier certificate: SO AS TO PERMIT the
transportation of property, except commodi-
ties in bulk and household goods in use,
from the facilities of USCO Distribution
Services Inc., located in the borough of
McKees Rocks, Allegheny County, to points
in Pennsylvania, and vice versa.

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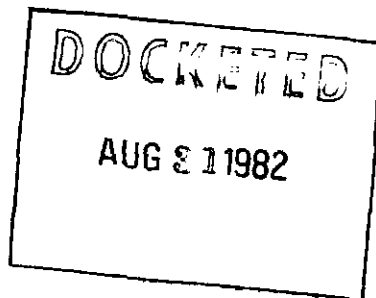
Wick, Vuono & Lavelle, by John A. Vuono and David M. O'Boyle for the
applicant.

O R D E R

BY THE COMMISSION:

This matter comes before the Commission by an application
filed on February 26, 1982 and which was advertised in the Pennsylvania
Bulletin of March 20, 1982. No protests were received and the record is
now certified to the Commission without oral hearing. Verified statements
were submitted by the applicant and the supporting shipper.

Robert F. Hammel, secretary of Pitt-Ohio Express, Inc. (or
applicant), states in a verified statement that he is familiar with the
day-to-day operations of the company and is authorized to submit evidence
on its behalf in this proceeding. The company has its principal place
of business located at 27th & A.V.R.R., Pittsburgh, Allegheny County.
It presently holds common carrier authority from this Commission and the
Interstate Commerce Commission.



The applicant's main terminal is located in Pittsburgh and a second terminal is maintained in East Liverpool, Ohio. As herein pertinent, the Pittsburgh terminal is equipped with 29 loading and unloading doors and is situated within 10 miles of the supporting shipper's warehouse in McKees Rocks. It has daily contact with the shipper since it does provide it with interstate service.

The operating fleet consists of six tractors, eight trailers and 16 straight trucks, all of which are company-owned with the exception of one tractor and one trailer. The equipment is suitable for handling the traffic involved in the proposed service. A comprehensive safety program is administered on a daily basis and insurance is carried in excess of that required by local and federal regulatory agencies.

In support of its financial position, the applicant submitted an unaudited balance sheet which indicates that as of May 31, 1982, it had current assets of \$258,347, total assets of \$350,653, and current liabilities of \$137,096 with no long-term liabilities, leaving stockholders' equity of \$213,557. An unaudited statement of income for the first five months of 1982 discloses that from operating income of \$751,193, it incurred operating expenses of \$674,678, providing a net operating income of \$76,515. It had accumulated retained earnings of \$163,557.

David A. Giroux is vice president-sales for USCO Distribution Services, Inc. (USCO or shipper), which is headquartered in Middlebury, Connecticut, and as here pertinent, operates a warehouse in McKees Rocks, Allegheny County. The witness states in a supporting verified statement that he is responsible for the company's shipping and receiving functions and is authorized to represent it in this application.

USCO is engaged in the warehousing business and operates about 35 facilities at various large metropolitan areas throughout the country including the McKees Rocks warehouse. The McKees Rocks warehouse consists of about 122,000 square feet and is equipped with 10 docks for loading and unloading. It employs 14 persons who conduct operations from 8:30 a.m. to 5:00 p.m., five days a week.

The items warehoused can be primarily categorized as hospital service products which include every type of material and supply that a medical facility would use in its daily operations. Everything from band-aids to operating tables, including items such as mops, wheelchairs, crutches, etc., are routinely involved. It is undertaking a new program in its distribution operation to serve medical care facilities in Pennsylvania, including members of hospital groups. Initially, it anticipates there will be three to four less-than-truckload shipments per day with each shipment weighing 1,000 to 2,000 pounds. After the program becomes well-established, it believes there will be a sufficient number of orders available to consolidate into full truckloads at the rate of one or two loads per day.

The inbound shipments will consist of hospital supplies and equipment moving from suppliers throughout Pennsylvania. The volume will depend upon market conditions and the availability of products from local suppliers at competitive prices. USCO is responsible for making inbound delivery arrangements from its suppliers and from the warehouse to its customers, paying the freight charges on all outbound shipments and a substantial portion of the inbound.

An appendix to the verified statement indicates there are over 100 hospital and medical facilities that initially are potential customers located in excess of 50 individual communities. Actually, any point in Pennsylvania having medical facilities is a potential point of destination. Presently, the hospitals and medical facilities are receiving their goods on a shipment-by-shipment basis directly from the manufacturers or suppliers. The purpose of USCO's warehouse operation is to eliminate the necessity for each health care facility receiving numerous small shipments. USCO will consolidate the shipments so that each facility will receive all of its weekly supplies on one delivery.

USCO does not know of any carrier which has the authority as well as the equipment and personnel necessary to implement this new distribution program adequately. It has worked closely with the applicant during the planning stages of the operation and feels confident it can perform satisfactorily.

DISCUSSION AND FINDINGS

USCO Distribution Services, Inc., is in the process of implementing a new warehousing/distribution program within Pennsylvania, specializing primarily in the handling of virtually all types of products associated with the medical care industry. The warehouse is located in McKees Rocks, Allegheny County, and by this application, Pitt-Ohio Express seeks authority for the right to transport property from the warehouse to points in Pennsylvania, and vice versa, a service which is crucial to the success of the shipper's contemplated program.

USCO will be providing a complete service to the medical industry which will involve the receiving of supplies inbound from various Pennsylvania vendors, placing them in storage and then filling customer orders which are consolidated for shipment on a weekly basis. USCO will provide the additional service of paying the freight and selecting the carrier on all outbound shipments as it will also do for the majority of the inbound movements. The wide variety of commodities involved coupled with the well-dispersed locations of its customers has convinced us that the applicant's request for the broad statewide authority to transport "property" is appropriate and necessary to meet the shipper's overall needs.

We are equally convinced that the applicant is well-qualified to assume the additional authority and provide a responsive service.

The applicant's Pittsburgh terminal is within very close proximity (10 miles) of the shipper's warehouse, making it particularly advantageous to the establishment of a close working relationship so necessary in distribution programs of this nature. The applicant's finances appear exceptionally sound and it operates the type of equipment required by the shipper.

We find:

1. That the applicant has shown that a public need for the proposed service does exist.

2. That the applicant is fit, ready, willing and able to properly provide the service proposed.

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

IT IS ORDERED: That the application be and is hereby approved and that the certificate issued to the applicant on March 4, 1981, be amended to include the following right:

To transport, as a Class D carrier, property, from the facilities of USCO Distribution Services, Inc., located in the borough of McKees Rocks, Allegheny County, to points in Pennsylvania, and vice versa;

subject to the following conditions:

1. That no right, power or privilege is granted to transport commodities in bulk.

2. That no right, power or privilege is granted to transport household goods in use.

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

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

IT IS FURTHER ORDERED: That the authority granted herein to the extent that it duplicates authority now held by or subsequently

granted to the applicant, shall not be construed as conferring more than one operating right.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Jerry Rich". The signature is written in a cursive style with a large, looping initial "J".

Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: August 13, 1982

ORDER ENTERED: **AUG 27 1982**