

1. <u>REPORT DATE:</u>	:	2. <u>BUREAU AGENDA NO.</u>
October 18, 1983	:	NOV-83-TNR-1047*
3. <u>BUREAU:</u>	:	
Non-Rail Transportation	:	
4. <u>SECTION(S):</u>	:	5. <u>PUBLIC MEETING DATE:</u>
Technical Review	:	November 22, 1983
6. <u>APPROVED BY:</u>	:	
Director: Ernst 7-2154	:	
Supervisor: Marzolf 3-5945	:	
7. <u>MONITOR:</u>	:	
Commissioner Cawley	:	
8. <u>PERSON IN CHARGE:</u>	:	
T. Zeigler 3-5946	:	
9. <u>DOCKET NO:</u>	:	
A-00102471, F. 1, Am-C	:	

10. (a) CAPTION (abbreviate if more than 4 lines)
 (b) Short summary of history & facts, documents & briefs
 (c) Recommendation

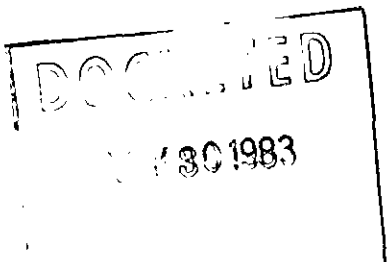
(a) Application of Pitt-Ohio Express, Inc., a corporation of the Commonwealth of Pennsylvania, Pittsburgh, Allegheny County, for amendment to its common carrier certificate: SO AS TO PERMIT the transportation of food, food products, foodstuffs, supplies, equipment and property for H. J. Heinz Company, U.S.A., between points in Pennsylvania.

(b) The application was opposed by two carriers which later withdrew when the applicant excluded the transportation of commodities in bulk. Pitt-Ohio has the experience, equipment and fitness necessary to render the service proposed, as amended. The shipper desires the availability of the applicant's service to aid it in meeting its transportation requirements in the Commonwealth. The applicant has demonstrated that approval of the application is necessary for the accommodation and convenience of the public.

(c) The Bureau of Non-Rail Transportation recommends that the Commission adopt the proposed order approving the application, as amended, as modified.

11. MOTION BY: Commissioner Chm. Taliaferro Commissioner Cawley - Yes
 Commissioner
SECONDED: Commissioner Johnson Commissioner

CONTENT OF MOTION: Staff recommendation adopted.





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

December 2, 1983.

IN REPLY PLEASE
REFER TO OUR FILE
A-00102471
F. 1, Am-C

William J. Lavelle, 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 November 22, 1983, and dismiss the application without further proceedings.

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

Very truly yours,

jr
Encls.
Cert. Mail
cc: applicant
27th & A.V.R.R.
Pittsburgh, PA 15222

Jerry Rich
Secretary

DOCUMENT
FOI/DOJ

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

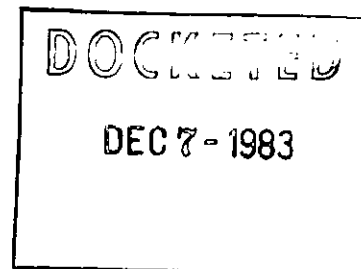
Public Meeting held November 22, 1983

Commissioners Present:

Linda C. Taliaferro, Chairman
Michael Johnson
James H. Cawley

Application of Pitt-Ohio Express, Inc., a corporation of the Commonwealth of Pennsylvania, for amendment to its common carrier certificate, which grants the right, inter alia, to transport, by motor vehicle, property from the facilities of USCO Distribution Services, Inc., in the borough of McKees Rocks, Allegheny County, to points in Pennsylvania, and vice versa; subject to the following conditions: That no right, power or privilege is granted to transport commodities in bulk; and That no right, power or privilege is granted to transport household goods in use: SO AS TO PERMIT the transportation of food, food products, foodstuffs, supplies, equipment and property, for H. J. Heinz Company, U.S.A., between points in Pennsylvania.

A-00102471
F. 1
Am-C



William J. Lavelle for Pitt-Ohio Express, Inc.

O R D E R

BY THE COMMISSION:

This matter comes before the Commission on an application filed April 18, 1983. Public notice of the application was given in the Pennsylvania Bulletin of June 4, 1983. Protests were filed by Wayne W. Sell Corporation and C. L. Feather, Inc. Both protests were withdrawn upon the applicant's restrictive amendment which excludes the transportation of commodities in bulk.

The now unopposed application, as amended, is certified to the Commission for its decision without hearing. The record consists of verified statements entered by the applicant and its supporting shipper.

Robert F. Hammel, secretary of Pitt-Ohio Express, Inc. (Pitt-Ohio or applicant), set forth in his verified statement that he is involved in the day-to-day operations of the applicant and is thoroughly familiar with its operations, facilities, equipment and authority. He is authorized to present a verified statement. As a preliminary matter, it should be noted that certain shareholders, officers and directors of the applicant have interest in the affairs of Hammel's Express, Inc. and Capp Express, Inc. Both carriers are certificated in Pennsylvania. Pitt-Ohio is authorized by the Commission to operate as a common carrier in Pennsylvania holding two specific grants of authority at this time. In addition, the applicant is certificated by the Interstate Commerce Commission to transport general commodities between points in 18 eastern states and the District of Columbia. There will be no duplicating authority by approval of the instant application nor would a dual operation result.

The applicant operates from a main office in Pittsburgh, Allegheny County. At this location, it maintains office facilities and a parking area for several vehicles. There is a 29-door terminal facility at this location which is jointly used by the applicant, Hammel's and Capp. The applicant also maintains a terminal in Beaver County. This terminal is used to handle virtually all the intrastate and interstate LTL traffic handled by the applicant. A terminal in Paulsboro, New Jersey is equipped to handle both LTL and truckload traffic and is situated to serve eastern Pennsylvania. The applicant's fleet is now comprised of 20 straight trucks, 14 van trailers and 20 tractors. The equipment is subject to a routine maintenance program and is safety inspected on a regular basis.

The applicant has provided service to the supporting shipper in interstate commerce transporting its general commodities between points in the authorized 18 states and the District of Columbia. This traffic is handled on a regular basis in this territory. Pitt-Ohio is familiar with the transportation requirements of the shipper and is experienced in handling its freight. In Pennsylvania, service will be made available on a five-day-per-week basis during normal business hours. In unusual circumstances, the shipper will be able to obtain pick-up and delivery service at other-than-normal business days and hours. The applicant is aware that the supporting shipper is engaged in the production of various foodstuffs which are sold through wholesalers and retailers throughout the Commonwealth. Timely distribution of these products is essential. The applicant will provide Heinz with scheduled pick-up and delivery service to meet its requirements. Multiple pick-up and multiple delivery service will be offered to the shipper. Truckload traffic is expected to move on an overnight basis while less-than-truckload traffic will be overnight or second-day delivery.

As evidence of its financial capacity to render the additional service proposed, the applicant entered a balance sheet and income statement for the year ending December 31, 1982. Pitt-Ohio reports

total current assets of \$256,526, total assets of \$623,478, total current liabilities of \$255,117, and total liabilities of \$283,793. Total revenue of \$1,998,286 produced a net operating revenue of \$166,462 after expenses.

John W. Pinchot, manager of transportation planning for Heinz U.S.A. Division, H. J. Heinz Company (hereinafter shipper or Heinz), set forth in his verified statement that he is responsible to oversee the integration of the Heinz transportation system in order to meet inventory and customer service requirements. He is authorized to support motor carriers for operating authority. Heinz is a major manufacturer of canned and preserved food products. Within Pennsylvania, it has three facilities. It has a manufacturing plant in Pittsburgh, Allegheny County, a customer service center in Pittsburgh which is a full-line warehouse facility and a customer service center-distribution facility at Mechanicsburg, Cumberland County. Outbound shipments are made from these three facilities. In addition, the Pittsburgh, Allegheny County plant receives inbound shipments from other points in Pennsylvania. Commodities such as salt, sugar and bottle caps move into this facility. Within the scope of this application, it is expected the applicant will be tendered at least 40,000 pounds of freight each week. This is a minimum-volume figure and the volume could increase substantially. The outbound traffic from the three Pennsylvania facilities will range from LTL shipments of 2,500 to 19,000 pounds to truckload shipments between 20,000 pounds and 42,000 pounds. Approximately 93 percent of all outbound traffic moves in truckload lots. Shipments move to grocery store chains and distributors, as well as food service customers throughout the Commonwealth.

The applicant will be expected to provide overnight delivery service for truckload traffic. The shipper's normal distribution pattern involves a call to a carrier one day for pick-up the next day with delivery overnight. The shipper schedules deliveries to coincide with customer requirements. The applicant will be expected to provide multiple stop-off delivery service. To a lesser extent, split pick-up service is used with shipments moving to the Pittsburgh manufacturing plant. Between October 15 and April 15, equipment must be provided by the motor carrier capable of protecting products from freezing. It is expected the availability of the applicant's service will aid Heinz in meeting its requirements in Pennsylvania.

DISCUSSION AND FINDINGS

The applicant seeks amendment to its common carrier certificate to permit service for one shipper, H. J. Heinz Company between points in Pennsylvania. In response to a protest filed by two carriers, the applicant has excluded the transportation of commodities in bulk. It does not appear the exclusion of bulk commodities will affect either the operations of the carrier or the service required by the shipper.

Pitt-Ohio handles traffic for the supporting shipper in interstate commerce. By virtue of this service, it is familiar with the requirements of the shipper. It has a suitable fleet of van equipment to provide service and has stated its willingness to provide scheduled pick-up and delivery service and provide overnight service for truckload quantities which is required by the shipper.

The applicant seeks authority to provide service for the shipper between points in Pennsylvania. A grant of authority in this matter will permit the applicant to provide service between the shipper's plant and distribution facilities and from those facilities to its customers. As well, such a grant of authority will permit the applicant to provide inbound transportation of materials and supplies used in the manufacturing process. Although it appears only three shipper facilities are involved, two in Allegheny County and one in Cumberland County, we are inclined to grant a comprehensive between points authority limited to service "for" the shipper. Such a grant of authority will permit the applicant to meet any changing needs of the shipper as they occur. The broad territorial authority was not opposed by any relevant interested carriers. We conclude a grant of such authority is reasonable based upon the information before us.

As the authority is requested concerning the commodities to be transported, we find that the inclusion of property in the commodity description totally encompasses the other portions of the description being food, food products, foodstuffs, supplies, and equipment. In the authority we grant here, we will use the commodity description, "property", with the understanding that it includes food, food products, foodstuffs, supplies and equipment.

We find:

1. The applicant has the experience, equipment and fitness necessary to provide the proposed service, as amended.
2. The supporting shipper desires the service of the applicant to aid it in meeting its distribution requirements in Pennsylvania.
3. Approval of the application, as amended, will permit the applicant to provide a comprehensive transportation service for the supporting shipper.
4. The commodities, food, food products, foodstuffs, supplies and equipment are included within the term "property".
5. Approval of the application, as amended, is necessary for the accommodation and convenience of the public; THEREFORE,

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

To transport, as a Class D carrier, property for
H. J. Heinz Company, U.S.A., between points in
Pennsylvania;

subject to the following condition:

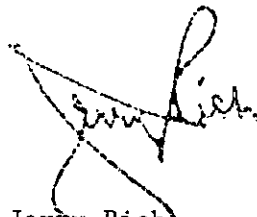
That no right, power or privilege is granted
to transport commodities in bulk.

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

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 relating 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.

BY THE COMMISSION,



Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: November 22, 1983

ORDER ENTERED: DEC 2 1983