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| 1. <u>REPORT DATE:</u> | : | 2. <u>BUREAU AGENDA NO.</u> |
| December 27, 1983 | : | |
| 3. <u>BUREAU:</u> | : | JAN-84-TNR-85* |
| Non-Rail Transportation | : | |
| 4. <u>SECTION(S):</u> | : | 5. <u>PUBLIC MEETING DATE:</u> |
| Technical Review | : | |
| 6. <u>APPROVED BY:</u> | : | January 20, 1984 |
| | : | |
| Director: Ernst 7-2154 | : | |
| Supervisor: Marzolf 3-5945 | : | |
| 7. <u>MONITOR:</u> | : | |
| Chairman Taliaferro | : | |
| 8. <u>PERSON IN CHARGE:</u> | : | |
| Hoshour 7-5513 | : | |
| 9. <u>DOCKET NO:</u> | : | |
| A-00102471, F. 1, Am-D | : | |
| 10. (a) <u>CAPTION</u> (abbreviate if more than 4 lines) | | |
| (b) Short summary of history & facts, documents & briefs | | |
| (c) Recommendation | | |

(a) Application of Pitt-Ohio Express, Inc., Pittsburgh, Allegheny County, a corporation of the Commonwealth of Pennsylvania, for amendment to its common carrier certificate: SO AS TO PERMIT the transportation of property (excluding property in bulk, and household goods) for Union Carbide Corporation, between points in Pennsylvania.

(b) The application was unopposed and verified statements have been entered by the applicant and supporting shipper. The applicant is currently providing service for the supporting shipper pursuant to interstate authority however it is not providing any service within Pennsylvania. The supporting shipper will utilize the applicant to handle less-than-truckload quantity shipments between points in Pennsylvania. All traffic to be tendered the applicant will have a prior or subsequent movement in private carriage of the supporting shipper, from or to the applicant's facilities. The applicant has met its statutory burden of demonstrating that a public need exists for the proposed service, as modified.

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

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| 11. <u>MOTION BY:</u> | Commissioner Chm. Taliaferro | Commissioner Cawley - Yes |
| | | Commissioner |
| <u>SECONDED:</u> | Commissioner Johnson | Commissioner |

CONTENT OF MOTION: Staff recommendation adopted.

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

January 30, 1984

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

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 January 20, 1984,
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.

Very truly yours,

jr

Encls.

Cert. Mail

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

Jerry Rich
Secretary

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held January 20, 1984

Commissioners Present:

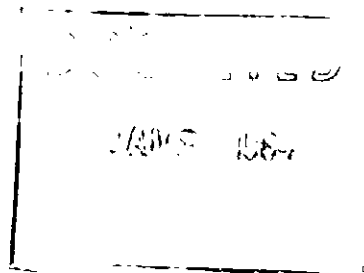
Linda C. Taliaferro, Chairman
Michael Johnson
James H. Cawley

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, such commodities as are dealt in by retail shoe stores, from the distribution facility of Kinney Service Corp. in the township of Hampden, Cumberland County, to points in the counties of Allegheny, Beaver, Butler, Lawrence, Armstrong, Westmoreland, Fayette and Washington: SO AS TO PERMIT the transportation of property (excluding property in bulk, and household goods) for Union Carbide Corporation, between points in Pennsylvania.

A-00102471

F. 1

Am-D



Vuono, Lavelle & Gray by William J. Lavelle for the applicant.

O R D E R

BY THE COMMISSION:

This matter comes before the Commission on an application filed June 27, 1983. Public notice of the application was given in the Pennsylvania Bulletin of August 27, 1983. No protests have been filed.

The application is unopposed and the record is certified to the Commission for its decision without an oral hearing. The record consists of verified statements submitted by the applicant and supporting shipper.

Robert F. Hammel, secretary of Pitt-Ohio Express, Inc. (Pitt-Ohio or applicant), 27th & A.V.R.R., Pittsburgh, Allegheny County, sets forth in support of the pending application that he is thoroughly familiar with the day-to-day operations of the applicant and is authorized to provide the following information. Pitt-Ohio has its main office located at the aforementioned address which is a terminal operated by Hammel's Express. Additional facilities are located in Darlington Township, Beaver County and in Paulsboro, New Jersey. To provide transportation, Pitt-Ohio operates 20 straight trucks, 14 closed van trailers and 20 tractors. A portion of this equipment is leased by the applicant from Martera, Inc.

The stock of the applicant is held equally by Charles L. Hammel, III, Robert F. Hammel and by Kenneth W. Hammel. These stockholders also hold a minority interest (12 percent each) in Hammel's Express, Inc., A-00088995.

The applicant is currently providing service for the supporting shipper pursuant to interstate authority. No service is provided within the Commonwealth. Through interstate service, the applicant has developed the experience necessary to handle the traffic of the supporting shipper. The supporting shipper will be provided with service on a five day per week basis during normal working hours. Pitt-Ohio will provide Union Carbide with scheduled pickups and deliveries and will make equipment available at predesignated time to avoid congestion at the facilities of both the shipper and consignee. When the traffic consists of truckload quantities, the applicant intends to provide overnight service between any two points in Pennsylvania. On less-than-truckload traffic, it is proposing to provide overnight service for points which are located within 150 miles of each other, and second day delivery service for all other points.

The unaudited balance sheet of the applicant indicates that as of December 31, 1982, the applicant had total current assets of \$256,526, total assets of \$623,478, total current liabilities of \$255,117, and total shareholders' equity of \$339,685. The income statement for the year of 1982, indicates that from total revenue of \$1,998,286, the applicant generated a net income after taxes of \$137,033.

Arthur J. McCormack, transportation analyst for Union Carbide Corporation, (Union Carbide or supporting shipper) Old Ridgebury Road, A-1, Danbury, CT, sets forth that he is responsible for insuring that Union Carbide has sufficient motor carriers service available. He is familiar with the transportation needs of the supporting shipper within Pennsylvania and is authorized to provide the following information. Union Carbide is one of the nations largest industrial companies that manufactures such items as chemicals and plastics, industrial gases, carbons, metal mining and milling, electronics and a line of products which are sold directly to consumers.

Union Carbide anticipates that 1,000,000 pounds of freight per month will be available for transportation by the applicant between points in Pennsylvania. To meet its customers demands, Union Carbide can no longer depend upon motor carriers to transport shipments on an interstate basis from outside Pennsylvania to customer locations in Pennsylvania, or to handle outbound shipments from points in Pennsylvania to interstate destinations. Union Carbide has consolidated its small orders into truckload shipments which it transports in its own private fleet of vehicles from plant or warehouse locations outside of Pennsylvania, to customer locations within Pennsylvania. To develop an efficient transportation system, Union Carbide has instituted a private carriage transportation system for shipments moving from outside Pennsylvania to the applicant's facilities from which the applicant will then make multiple deliveries of less-than-truckload shipments through the state. It is also intended that the applicant make pickups at points in Pennsylvania and transport said shipments back to its facilities where they will be consolidated for delivery to points outside Pennsylvania by the use of the supporting shipper's private carriage equipment. On certain occasions, the applicant will be tendered shipments moving solely between two points within Pennsylvania.

The traffic to be tendered the applicant will originate at such points as Ambler, Harrisburg, Mercer, New Kensington, North Warren, Philadelphia, Pittsburgh and Southampton. The shipments will be destined to various points in Pennsylvania including Allentown, Altoona, Bangor, Camp Hill, Denver, Erie, Fleetwood, Glenburn, Harrisburg, Hershey, Ivy Rock, Jenkintown, Johnstown, King of Prussia, McKeesport, New Castle, Oxford, Philadelphia, Pittsburgh, State College, Uniontown, Wilkes-Barre and Williamsport.

In supporting the applicant for the proposed authority, Union Carbide is seeking to make certain that its customers located in Pennsylvania have available a full range of the commodities marketed by Union Carbide. To see that its customers have the commodities available when necessary, Union Carbide is seeking motor carriers that can provide a complete range of services including scheduled pickups, scheduled deliveries, multiple stop off deliveries, split pickups and expedited transit times.

DISCUSSION AND FINDINGS

The applicant is proposing to provide the supporting shipper, Union Carbide Corporation, with transportation for shipments moving between any two points in Pennsylvania. Excluded from the proposed transportation are commodities in bulk and household goods.

Union Carbide's transportation system involves the transportation of shipments from points of origin located beyond the borders of Pennsylvania, to points in Pennsylvania via private carriage. Under the proposed authority, it is anticipated that Union Carbide will transport shipment

to the facilities of the applicant, from which the applicant will then make multiple deliveries to the ultimate consignees. There will be additional traffic moving from points in Pennsylvania to the facilities of the applicant for pickup by the Union Carbide for transportation to points beyond Pennsylvania.

Union Carbide recently supported the application of The Mushroom Transportation Co., Inc. (Mushroom), A-00015578, F. 14, Am-B, in which Union Carbide supported Mushroom for the right to transport property having a prior movement by private carriage. As developed in that proceeding, Union Carbide intended to utilize Mushroom to transport shipments moving from Mushroom's facilities to points in Pennsylvania. All traffic was to be brought to said facilities in private carriage equipment of Union Carbide.

In the instant proceeding, Union Carbide has stated that it intends to utilize Pitt-Ohio to transport shipments moving from and to the terminal facilities of Pitt-Ohio. This traffic is to have had a prior or subsequent movement in private carriage of Union Carbide.

Although Union Carbide referred to shipments that will move solely between two points in Pennsylvania, we find the statement to be lacking in sufficient evidence to demonstrate a need for the open authority sought by the instant application. The record demonstrates that a grant of authority that requires that all shipments have a prior or subsequent movement in private carriage will meet the transportation needs of Union Carbide. The record indicates that the applicant is capable of meeting the needs of the supporting shipper. The applicant has the equipment and experience that are required to provide Union Carbide with the services required.

We find:

1. That all shipments will have a prior or subsequent movement in private carriage equipment of Union Carbide, moving to or from the facilities of the applicant.
2. That the applicant possesses the equipment, experience and fitness necessary to provide the proposed transportation, as modified.
3. That the applicant has demonstrated that a public need exists for the transportation authorized herein.
4. That approval of the application, as modified, will be an accommodation and convenience to the public; THEREFORE,

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

To transport, as a Class D carrier, property, for Union Carbide Corporation, from the Pennsylvania terminal facilities of Pitt-Ohio Express, Inc., to points in Pennsylvania, and vice versa;

subject to the following condition:

The above transportation is limited to shipments having a prior or subsequent movement in private carriage.

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

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

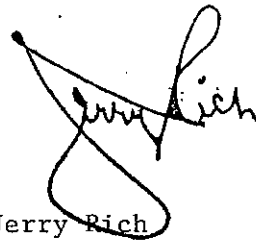
IT IS FURTHER ORDERED: That the application in all other respects be and is hereby denied for lack of proof of necessity.

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 this 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 service of this order complied with the requirements hereinbefore set forth, the application shall be dismissed without further proceedings.

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

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Jerry Rich", written over a large, stylized loop.

Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: January 20, 1984

ORDER ENTERED: JAN 30 1984