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LAW OFFICES

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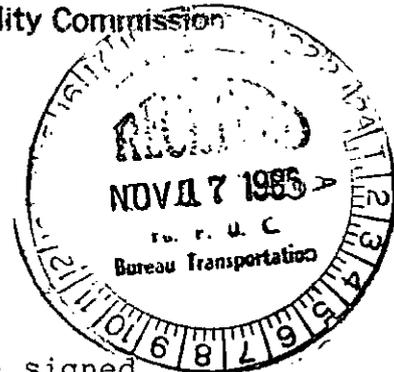
November 13, 1986

Re: Pitt-Ohio Express, Inc.  
Docket No. A-00102471, F. 1, Am-N  
Our File 2691-25

**RECEIVED**

**NOV 17 1986**  
**SECRETARY'S OFFICE**  
**Public Utility Commission**

Mr. Jerry Rich, Secretary  
Pennsylvania Public Utility  
Commission  
North Office Building  
P. O. Box 3265  
Harrisburg, PA 17120



Dear Mr. Rich:

We enclose for filing with the Commission the signed original and two copies of Applicant's Verified Statement in the above captioned case.

Please acknowledge receipt and filing of the enclosed on the duplicate copy of this letter of transmittal and return it to the undersigned in the stamped, self-addressed envelope provided for that purpose.

Sincerely yours,

VUONO, LAVELLE & GRAY

*William J. Lavelle*  
William J. Lavelle

mm

Enclosures

cc: Pitt-Ohio Express, Inc.

**DOCUMENT  
FOLDER**

**ORIGINAL**

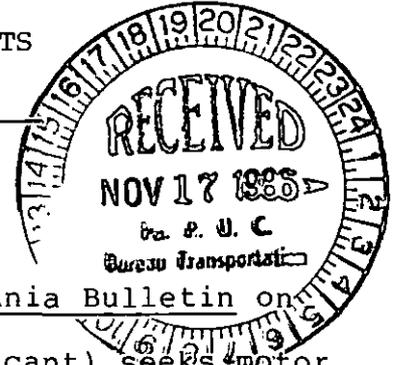
Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKET NO. A-00102471, F. 1, Am-N  
PITT-OHIO EXPRESS, INC.

**RECEIVED**  
**NOV 17 1986**  
**SECRETARY'S OFFICE**  
**Public Utility Commission**

APPLICANT'S VERIFIED STATEMENTS

I. STATEMENT OF THE CASE



By application published in the Pennsylvania Bulletin on August 2, 1986, Pitt-Ohio Express, Inc. (Applicant) seeks motor common carrier authority as follows:

To transport, as a Class D carrier,

(1) such commodities as are dealt in by retail shoe stores, from the distribution facilities of Kinney Service Corp. located in the township of Hampden, Cumberland County, to points in the counties of Blair, Clarion, Clearfield and Indiana, and vice versa; and

(2) such commodities as are dealt in by retail shoe stores, from points in the counties of Allegheny, Beaver, Butler, Lawrence, Armstrong, Westmoreland, Fayette and Washington, to the distribution facilities of Kinney Service Corp. located in the township of Hampden, Cumberland County.

The application is unopposed and has been assigned for review without an oral hearing. Applicant now submits its verified statements in support of the application and requests that it be granted in its entirety.

**DOCUMENT  
FOLDER**

**DOCKETED**  
APPLICATION DOCKET  
**NOV 18 1986**  
ENTRY No. *MS*

II. VERIFIED STATEMENT OF ROBERT F. HAMMEL  
ON BEHALF OF APPLICANT

1. Legal Name and Domicile of Carrier.

The applicant, Pitt-Ohio Express, Inc., is a Pennsylvania corporation. Its principal place of business is located at 26th and A.V.R.R., Pittsburgh, PA 15222.

2. Identity and Qualifications of Witness.

My name is Robert F. Hammel. I am the Secretary of Pitt-Ohio Express, Inc. My business address is the same as that of the company.

I have held this position with the Applicant since it was incorporated approximately seven years ago. I am actively involved actively in the day-to-day operations of the Applicant and I am completely familiar with its overall operations, facilities, equipment and authority. I have been authorized to present this statement to the Commission in support of the company's application at Docket No. A. 102471, F. 1, Am-N.

3. Applicant's Affiliation With Other Carriers.

Certain shareholders, officers and directors of Applicant have interests in the affairs of Hammel's Express, Inc. (Hammel's).

A. Pitt-Ohio Express, Inc.

I and my two brothers, Charles L. Hammel, III and Kenneth W. Hammel, each own one-third of the stock of Pitt-Ohio.

Charles L. Hammel, III is the President of the Applicant and a Director. Kenneth W. Hammel is Vice President of the Applicant and a Director. I am the Secretary-Treasurer and a Director. No other person has any ownership interest in or is an officer or director of Pitt-Ohio.

B. Hammel's Express, Inc.

I and my two brothers each own 12% of the issued and outstanding stock of Hammel's which is a motor common carrier that holds authority from this Commission at Docket No. A. 88995. Each of us are directors of Hammel's. The remaining stock of Hammel's is owned by other family members who also serve as the officers and directors of Hammel's.

The affiliation between Applicant and Hammel's is therefore based on the fact that I and my two brothers, who are the sole shareholders, officers and directors of the Applicant, also hold minority stock interests in Hammel's and serve on its Board of Directors.

4. Authority Sought.

By this application, Pitt-Ohio seeks common carrier authority as follows:

To transport, as a Class D carrier,

(1) such commodities as are dealt in by retail shoe stores, from the distribution facilities of Kinney Service Corp. located in the township of Hampden, Cumberland County, to points in the counties of Blair, Clarion, Clearfield and Indiana, and vice versa; and

(2) such commodities as are dealt in by retail shoe stores, from points in the counties of Allegheny, Beaver, Butler, Lawrence, Armstrong, Westmoreland, Fayette and Washington, to the distribution facilities of Kinney Service Corp. located in the township of Hampden, Cumberland County.

5. General Scope of Current Authorized Operations.

Pitt-Ohio is currently authorized by this Commission to conduct operations in Pennsylvania as a motor common carrier under authority at Docket No. A. 102471 and various amendments thereto. There is attached hereto as Appendix 1 a summary of the permanent operating authority presently held by the Applicant.

At Docket No. A. 102471, Folder 1, Am-J, Pitt-Ohio has been authorized to operate under the authority of Hammel's Express, Inc. at Docket No. A. 88995, Folder 2, Am-F pending final action by the Commission on the related transfer application. Under that temporary authority, the Applicant is able to transport property from points in that part of Pennsylvania on and west of U.S. Highway Route 219 (except points in Allegheny County) to points in that part of Pennsylvania on and east of U.S. Highway Route 15, and vice versa; and from points in Allegheny County to points in the Counties of Lebanon, Berks and Lancaster, and vice versa; with the right to interchange. It can also transport glassware from South Connellsville, Fayette County to points within one hundred fifty (150) miles of the limits of South Connellsville. Each of these grants is subject to several restrictions.

In addition, Applicant is authorized by the Interstate Commerce Commission to transport general commodities (except Classes A and B explosives, household goods as defined by the Commission and commodities in bulk), between points in 18 eastern states and the District of Columbia at Docket No. MC-30136 (Sub-No. 2). The authority extends from Massachusetts in the northeast to Wisconsin and Missouri in the west, and as far south as North Carolina. Under this authority Applicant is authorized to provide service between all points in Pennsylvania on an interstate basis.

6. Duplicating Authority Which Will Result From a Grant of Authority.

Approval of this application will result in only nominal duplicating authority. I do not believe that there is any significant duplication of part (1) of the application. As for part (2) of the application, Pitt-Ohio was recently granted authority at Folder 1, Am-I to transport property from points in Allegheny County to other points in Pennsylvania subject to a number of restrictions, none of which appear to be directly related to this application. As a result, under that authority, Pitt-Ohio can now operate from points in Allegheny County to the facilities of the supporting shipper in Hampden Township, Cumberland County. It also has a transfer application in the final processing stage which would permit service from points in Butler County to points in Hampden Township, Cumberland County. Applicant has no objection to a restriction in any grant of

authority which would prohibit the severance of any duplicating authority.

7. Dual Operations Resulting From a Grant of Authority.

Approval of this application will not result in any dual operations since Pitt-Ohio does not hold any contract carrier authority from this Commission.

8. Pertinent Terminal Facilities and Communications Network.

Applicant's main office is located at 26th and A.V.R.R., Pittsburgh, PA. AT this location it has in addition to its office a 26 door general freight terminal. There is also a large parking area for vehicles.

This terminal is used as a break-bulk facility for line-haul traffic and as the hub for pickup and delivery operations in western Pennsylvania, northern West Virginia and eastern Ohio. About 35 vehicles are presently assigned to the Pittsburgh terminal which is also the location of the company's central dispatch system.

Applicant's terminals are connected by a direct telephone line. A toll-free telephone number is provided to customers. Pitt-Ohio maintains contact with its 75 drivers by having them check in periodically each day to obtain instructions for new pickup orders, changes in itineraries, and other pertinent information. This pertains both to drivers assigned to pickup and delivery runs in a local area as well as line-haul drivers. Applicant's operations insofar as volume or truckload shipments

are concerned is set up on a direct dispatch system in order to facilitate the providing of equipment and service to customers. After delivery of a large shipment drivers are instructed to call the main office for instructions concerning the pickup of other loads in the immediate vicinity if prior arrangements have not already been made.

#### 9. Pertinent Equipment.

There is attached to my statement as Appendix 2 a current list of the equipment operated by Pitt-Ohio which it either owns or leases from Martera, Inc., an equipment leasing company which is owned by other members of my immediate family. The first three pages of Appendix 2 show the equipment owned by the company. The last four pages of Appendix 2 show the equipment which is leased from Martera.

Pitt-Ohio owns 44 straight trucks which are 20 feet in length, 48 tractors and 24 trailers. All of the trailers are closed vans. There are six 25-foot pup trailers (300 series), eight 48-foot vans (400 series), and ten 45-foot vans (600 series).

Pitt-Ohio leases from Martera 1 tractor, 13 straight trucks which are 20 or 21 feet in length, and 64 closed van trailers, all of which are either 42 or 45 feet in length.

#### 10. Safety Program.

Applicant maintains a complete safety program which is conducted in compliance with the safety regulations of the

Pennsylvania Department of Transportation, the Federal Department of Transportation, the Pennsylvania Public Utility Commission and the Interstate Commerce Commission. Under this program all drivers are investigated and thoroughly examined prior to employment. Before a driver is allowed to take charge of the road equipment, he must successfully demonstrate his ability to operate safely such equipment. During the time of his employment he is periodically given safety instructions that require him to meet certain high standards of operation. The program also includes safety meetings at which films are shown and discussions conducted concerning the safe operation of equipment. Safety awards are given for accident-free driving as an incentive to safe driving.

Pitt-Ohio has implemented a preventive maintenance program which requires the checking and servicing of equipment on a regular basis. At the end of each day each driver turns in an equipment report describing any defects which are repaired during the evening. No truck is dispatched until the defect has been fully corrected. Every outbound trailer is checked by mechanics prior to departure for tires, lights, brakes, etc.

Each vehicle is given a routine service check every 12,000 miles to insure that it is safe to operate and to avoid possible breakdowns while on the road. The company operates its own maintenance facility in Pittsburgh and employs five mechanics.

11. Type of Service Currently Provided to the Supporting Shippers.

Applicant now holds authority in its lead certificate to transport the same commodities from the shipper's distribution facility in Hampden Township, Cumberland County to points in Allegheny, Beaver, Butler, Lawrence, Armstrong, Westmoreland, Fayette and Washington Counties. Those are the same counties involved in part (2) of this application. The current authority is one-way outbound from the distribution facilities in Hampden Township. Part (2) of this application merely seeks the right to transport the same types of commodities in the reverse direction.

Applicant is providing service for the shipper under its lead certificate from this Commission and under its interstate operating authority. Shipments are picked up at the Kinney facilities in Hampden Township, Cumberland County, and delivered to points in Pennsylvania, Ohio and West Virginia. Pitt-Ohio is presently serving approximately 65 stores in these areas each week. Among the Pennsylvania destinations served are Pittsburgh, Greensburg, Washington, Baden, Monaca, Butler and New Castle.

Since the type of service presently provided is comparable to what is being proposed for the future, the details concerning service are set forth in the following section.

12. Type of Service to be Offered.

As a motor carrier of general property, Pitt-Ohio offers a full range of services. It handles all sizes of shipments from the smallest LTL to full truckloads although it does specialize in the transportation of less-than-truckload shipments. About 95% of the shipments handled weigh less than 10,000 pounds, and 60% weigh less than 1,000 pounds.

Service is generally available on a five day per week, 24 hour per day basis during normal business hours. In unusual circumstances, however, a shipper can obtain pickup and/or delivery service on weekends and holidays.

Pitt-Ohio currently spots three trailers on a regular basis at the Kinney facilities in Cumberland County. Kinney loads those trailers every Tuesday and Wednesday for distribution to points in Pennsylvania, Ohio and West Virginia. Pitt-Ohio is in constant communication with Kinney Service and has a tractor available to depart with the trailer as soon as it is loaded. Unless unusual circumstances or specific customer requirements are involved, all shipments must be delivered to the retail stores the day following pickup. Certain stores located in shopping malls require inside delivery.

Multiple stop-off delivery service is provided whenever the shipper is able to consolidate smaller shipments moving to stores in the same general vicinity. Otherwise, less-than-truckload shipments are transported in the usual fashion to the

destination. Pitt-Ohio handles both truckload and less-than-truckload shipments of the supporting shipper, regardless of size.

Split pickup service is available as required. This feature of our service may become more important to Kinney Service under the requested authority since the applicant would then be able to use a single vehicle to pickup up multiple inbound shipments to Kinney's facilities. With approximately 30 pickup and delivery runs operating daily out of the Pittsburgh terminal, prompt service in the local western Pennsylvania territory will not pose any problem.

### 13. Financial Data.

There is attached to my statement as Appendix 3 the comparative financial statements of Pitt-Ohio for the six months ended June 30, 1986 and June 30, 1985. The balance sheet portion of the financial statement shows that the total shareholders' equity increased during this twelve-month period by \$742,664.00. The total current assets exceed total current liabilities by almost \$500,000.00. The company is able to meet all of its obligations as they come due.

The income statement portion of the financial statement shows that the company's revenues increased substantially on a year-to-year basis. During the first six months of 1986, the company had gross freight revenues of more than \$6,400,000.00. Its net income after providing for federal and state income

taxes was \$514,366.00. For the entire year of 1985, Pitt-Ohio had a net income after taxes of \$448,452.00, so it is apparent that the financial condition of the company is steadily improving at a rapid rate. Pitt-Ohio is financially able to provide the proposed additional service to Kinney without any difficulty.

14. Feasibility of Operations.

Pitt-Ohio does not anticipate that there will be any significant empty mileage or backhaul situation created by approval of this application. Pitt-Ohio presently has vehicles operating throughout Pennsylvania under both its intrastate and interstate authority. The LTL freight of the shipper will simply be put on vehicles along with the freight of other shippers which is presently being handled. On truckload shipments, pickups at distant points will be made by vehicles which have made deliveries in the immediate vicinity. Truckload shipments moving outbound from the shipper's Pittsburgh facilities to distant points in Pennsylvania will be delivered and that vehicle will be assigned to make pickups in that area. As a consequence, Pitt-Ohio does not believe that there will be any significant increase in empty mileage operated.



APPENDIX 1

PITT-OHIO EXPRESS, INC.  
OPERATING AUTHORITY  
DOCKET NO. A-102471

LEAD CERTIFICATE

To transport, as a Class D carrier, 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.

FOLDER 1, AM-A

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.

FOLDER 1, AM-B

To transport, as a Class D carrier, property between points in the counties of Allegheny, Armstrong, Beaver, Butler, Clarion, Crawford, Erie, Fayette, Greene, Indiana, Lawrence, Mercer, Venango, Washington and Westmoreland;

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 and office furniture in use.
3. That no right, power or privilege is granted to transport commodities which because of their size or weight require special handling or the use of special equipment.
4. That no right, power or privilege is granted to transport iron and steel and iron and steel articles and refractories in single shipments weighing more than 24,000 pounds.

5. That no right, power or privilege is granted to transport iron and steel and iron and steel articles and refractories in single shipments weighing more than 10,000 pounds to, from or between points in Beaver County.
6. That no right, power or privilege is granted to transport money, bullion, securities and other valuables, including checks in process and proof work.
7. That no right, power or privilege is granted to provide service from points in Allegheny County to points in the counties of Armstrong, Butler, Clarion, Greene and Indiana and vice versa.

FOLDER 1, AM-C

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.

FOLDER 1, AM-D

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 conditions:

1. The above transportation is limited to shipments having a prior or subsequent movement in private carriage.
2. That no right, power or privilege is granted to transport property in bulk.
3. That no right, power or privilege is granted to transport household goods.

FOLDER 1, AM-F

To transport, as a Class D carrier, property, except commodities in bulk and household goods and office furniture in use, for G. C. Murphy Company between points in Pennsylvania.

FOLDER 1, AM-H

To transport, as a Class D carrier, property for Sherwin-Davis, Inc., from its facilities in the county of Allegheny, 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 and office furniture, in use.

FOLDER 1, AM-I

To transport, as a Class D carrier, property, from points in the county of Allegheny to other points in Pennsylvania beyond the county of Allegheny, and vice versa.

subject to the following conditions:

1. That no right, power or privilege is granted to transport household goods in use.
2. That no right, power or privilege is granted to transport commodities in bulk.
3. That no right, power or privilege is granted to transport shipments of iron or steel and iron or steel articles weighing in excess of ten thousand (10,000) pounds.
4. That no right, power or privilege is granted to transport commodities which, because of size or weight, require the use of special equipment or special handling.
5. That no right, power or privilege is granted to transport property for Hershey Foods Corp. and its subsidiaries, H. B. Reese, Co., San Giorgio Macaroni, Inc., and Y & S Candies, Inc., from the township of Derry, Dauphin County, the city of Lebanon and the township of North Cornwall, Lebanon County, and the township of East Hempfield, Lancaster County, to points in Pennsylvania, and vice versa.
6. That no right, power or privilege is granted to transport property from points in Allegheny County to points within an airline distance of twenty-five (25) miles of the City-County Building in the city of Pittsburgh, and vice versa.

7. That no right, power or privilege is granted to transport property from points in the county of Allegheny to points in the counties of Indiana, Clearfield, Cambria, Blair, Huntingdon, Somerset, Bedford, Lebanon, Berks, Lancaster, Beaver, Crawford, Erie, Fayette, Lawrence, Mercer, Venango, Washington and Westmoreland, and vice versa.
8. That no right, power or privilege is granted to transport limestone and limestone products for J. E. Baker Company, from its plant in the township of West Manchester, York County, and for the Thomasville Stone and Lime Company, from its plant in the township of Jackson, York County.
9. That no right, power or privilege is granted to transport property, from the facilities of American Home Foods Division of American Home Products Corp. located in the township of Turbot and the borough of Milton, Northumberland County, to points in Pennsylvania, and vice versa.
10. That no right, power or privilege is granted to transport motion picture films and accessories, dry ice, newspapers, magazines, and meat, meat products, meat by-products, dairy products, articles distributed by meat packing houses and such commodities as are used by meat packers in the conduct of their business.
11. That no right, power or privilege is granted to transport frozen and perishable foods, fresh fruits and vegetables, perishable non-food commodities in temperature controlled vehicles, from points in Allegheny County to points within 150 miles of the limits of Allegheny County.
12. That no right, power or privilege is granted to provide service (a) to or from the facilities of Dauphin Distribution Services Company in Cumberland County and Exhibitors Service Company in Allegheny County; (b) for Specialty Ladyfingers, Inc. to or from Perry County; (c) for Standard Brands, Inc., Armour and Company, Swift and Company, The Best Foods, Inc., Fairmont Creamery Company, Grennan Bakery Company, Seven Baker Brothers Company, and Highway Express Lines, Inc.; (d) for the Commonwealth of Pennsylvania to or from the Rockview Penitentiary in the County of Centre; (e) for Sears, Roebuck & Company and Montgomery Ward and Company in connection with the transportation of catalogs from the City of Pittsburgh.

APPENDIX 2

PITT OHIO EXPRESS, INC.

EQUIPMENT OWNED

STRAIGHT TRUCKS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
41	1978	MERCEDES BENZ	34403012394996	\$ 8,300
42	1978	MERCEDES BENZ	34403012396620	8,300
62	1978	MERCEDES BENZ	34403012394623	7,500
63	1978	MERCEDES BENZ	34403012395301	7,500
64	1978	MERCEDES BENZ	34403012395113	7,500
65	1980	MERCEDES BENZ	1MBZA24B2AN512225	8,000
66	1978	MERCEDES BENZ	34403012394911	7,500
67	1978	MERCEDES BENZ	34403012395302	7,500
68	1978	MERCEDES BENZ	34403012394460	7,500
69	1979	MERCEDES BENZ	34403312441474	7,500
70	1979	MERCEDES BENZ	34530012453141	11,500
71	1978	MERCEDES BENZ	34403012394900	8,500
72	1978	MERCEDES BENZ	34500312356643	9,500
76	1985	MERCEDES BENZ	1MBZB77A1FN676070	28,139
77	1985	MERCEDES BENZ	1MBZB77A3FN676071	28,139
79	1985	MERCEDES BENZ		28,139
80	1985	MERCEDES BENZ		28,139
100	1981	GMC	1GDL7D1F1BV555625	27,788
101	1981	GMC	1GDL7D1G2BV557196	22,500
102	1981	GMC	1GDL7D1F6BV568273	27,788
200	1982	MACK	VG6M111B5CB015361	24,500
201	1982	MACK	VG6M111B0CB015591	24,500
202	1982	MACK	VG6M111B0CB015381	24,500
203	1983	MACK	VG6M111B1CB015406	24,500
204	1982	MACK	VG6M111B9CB015413	24,500
205	1984	MACK	19692	22,800
206	1984	MACK	19723	22,800
207	1984	MACK	VG6M111B5EB019509	30,167
208	1982	MACK	VG6M111B2CB014104	13,500
209	1982	MACK	014104	13,500
210	1982	MACK	VG6M111B7CB013918	13,500
78	1985	MERCEDES BENZ	1MBZB77A7FN676073	28,139
81	1986	MERCEDES BENZ	1MBZB83A5GN708905	28,994
82	1986	MERCEDES BENZ	1MBZB83A7GN708906	28,994
83	1986	MERCEDES BENZ	1MBZB83A5GN708928	28,994
85	1986	MERCEDES BENZ	1MBZB83A8GN708929	28,994
86	1986	MERCEDES BENZ	1MBXB83A1GN710330	28,994
87	1986	MERCEDES BENZ	1MBZB83A8GN710332	28,994
88	1986	MERCEDES BENZ	1MBZB83A3GN710331	28,994
89	1986	MERCEDES BENZ	1MBZB83A9GN708907	28,994
211	1985	MACK	VG6M111B9FB023287	22,255
212	1985	MACK	VG6N111B0FB023288	22,255
213	1985	MACK	VG6MkkkB2FB023292	22,255
214	1985	MACK	VG6M111B9FB023323	22,255

PITT OHIO EXPRESS, INC.

EQUIPMENT OWNED

TRACTORS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
D6	1981	MACK	2M2W128Y7BC16586	\$ 42,000
D7	1981	MACK	2M2W128Y9BC016587	42,000
D9	1978	MACK	U686T4214	19,500
D10	1983	MACK	2M2N166YXDC087709	41,000
D11	1982	MACK	2M2W129Y7CC016636	43,981
D12	1983	MACK	2M2N166Y6DC087710	41,000
D14	1983	MACK	2M2N166Y8DC087711	41,000
D15	1983	MACK	2M2N166Y3DC087714	41,920
D16	1983	MACK	1M2N166B0DA087683	41,920
D17	1983	MACK	1M2N166B2DA087684	41,920
D18	1983	MACK	1M2N166C3DA087606	41,920
D19	1983	MACK	1M2N166C5DA087607	41,920
D20	1983	MACK	87715	41,000
D21	1984	MACK	EA088386	44,800
D22	1984	MACK	EA088387	44,800
D23	1977	MACK	U6855T13613	15,500
D24	1977	MACK	U685ST13623	15,500
D25	1978	MACK	R685ST72680	22,800
D26	1984	MACK	88383	48,375
D27	1984	MACK	88384	48,375
D28	1984	MACK	88385	48,375
D29	1984	MACK	90359	44,800
D30	1984	MACK	90360	44,800
D31	1984	MACK	1M2N185X1EA090361	44,800
D32	1984	MACK	1M2N185X3EA090362	44,800
D33	1984	MACK	1M2N185X5EA090363	44,800
D34	1985	MACK	98599	48,500
D35	1985	MACK	98600	48,500
D36	1985	MACK	98601	48,500
D37	1986	MACK	1M2N185Y96A003493	47,159
D38	1986	GMC	1M2N185Y76A003494	47,159
D39	1986	MACK	1M2N179Y5GA004002	53,241
D40	1986	MACK	1M2N179Y9GA004004	53,241
D41	1986	MACK	1M2N185X2GA004008	47,159
D42	1986	MACK	1M2N185X0GA004007	47,159
D52	1979	GMC	T49CJ9V625038	22,000
D53	1979	GMC	T49CJ9V625037	20,000
D54	1979	GMC	T49CJ9V625036	22,000
D43	1986	MACK	1M2N179Y2GA004006	53,241
D44	1986	MACK	1M2N179Y7GA004003	53,241
D45	1986	MACK	1M2N179Y8GA005239	53,251
D46	1986	MACK	1M2N179Y4GA005240	53,251
D47	1986	MACK	1M2N179Y4GA005190	53,251
D48	1986	MACK	1M2N179Y6GA005191	53,251
D49	1986	MACK	1M2N179Y8GA005192	53,251
D51	1986	MACK	1M2N185X2GA005241	47,159
D55	1986	MACK	1M2N185X6GA005243	47,159
D56	1986	MACK	1M2N185X8GA005244	47,159

PITT OHIO EXPRESS, INC.

EQUIPMENT OWNED

TRAILERS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T321	1973	STOUGHTON	732660	\$ 2,750
T322	1973	STOUGHTON	732589	2,850
T323	1973	STOUGHTON	732657	2,850
T324	1973	STOUGHTON	732590	2,850
T325	1973	STOUGHTON	732661	2,850
T326	1973	STOUGHTON	732656	2,850
T400	1972	FRUEHAUF	MEN261002	3,500
T401	1972	FRUEHAUF	MEP298801	2,800
T480	1983	FRUEHAUF	1HEV0482XDH046601	12,849
T481	1980	STRICK	230821	8,500
T482	1980	STRICK	7420232753	8,500
T483	1978	STRICK	222706	8,500
T484	1983	FRUEHAUF	1H2V04821DHD46602	12,849
T485	1980	STRICK	7420226826	8,500
T605	1982	FRUEHAUF	1H2V0452BH056736	12,895
T606	1982	FRUEHAUF	1H2V045268H056737	12,895
T607	1982	FRUEHAUF	1H2V04BH056738	12,895
T608	1982	FRUEHAUF	1H2V0452XBH056739	12,895
T609	1982	FRUEHAUF	1H2V04526BH056740	12,895
T610	1978	FRUEHAUF	MEZ582118	6,000
T623	1977	STRICK	215420	7,300
T624	1977	STRICK	215424	7,300
T625	1978	STRICK	223563	8,300
T626	1979	STRICK	218671	8,600

PITT OHIO EXPRESS, INC.

LEASED EQUIPMENT

TRUCKS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
43	1977	MERCEDES BENZ	23406	\$ 18,195
47	1978	MERCEDES BENZ	381014	20,100
48	1979	MERCEDES BENZ	442447	19,367
49	1979	MERCEDES BENZ	409764	19,367
54	1979	MERCEDES BENZ	442468	19,367
55	1979	MERCEDES BENZ	432735	19,367
56	1979	MERCEDES BENZ	432744	19,367
57	1979	MERCEDES BENZ	442456	19,367
58	1979	MERCEDES BENZ	427573	19,367
59	1979	MERCEDES BENZ	450581	19,367
60	1979	MERCEDES BENZ	450368	19,367
84	1977	INTERNATIONAL	25203	12,786
46	1977	INTERNATIONAL	25258	12,786

TRACTORS

D-8	1978	MACK	4213	19,500
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PITT OHIO EXPRESS, INC.

LEASED EQUIPMENT

TRAILERS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T-509	1972	FRUEHAUF	362979	\$ 4,808
T-510	1973	TRAILMOBILE	20369	5,500
T-452	1974	STRICK	177946	6,455
T-450	1974	STRICK	177947	6,455
T-453	1974	STRICK	177948	6,455
T-456	1974	STRICK	176148	6,495
T-514	1974	STRICK	194096	7,200
T-516	1974	STRICK	194097	7,200
T-518	1977	STRICK	213423	8,950
T-526	1979	FRUEHAUF	665406	10,941
T-520	1979	FRUEHAUF	665410	10,941
T-524	1979	FRUEHAUF	665403	10,600
T-522	1979	FRUEHAUF	665404	10,600
T-528	1980	STRICK	235927	13,995
T-530	1980	STRICK	235928	14,070
T-536	1968	STRICK	99309	3,205
T-538	1968	STRICK	99315	3,205
T-604	1982	FRUEHAUF	56712	12,420
T-600	1982	FRUEHAUF	56708	12,895
T-601	1982	FRUEHAUF	56709	12,895
T-603	1982	FRUEHAUF	56711	12,895

PITT OHIO EXPRESS, INC.

LEASED EQUIPMENT

TRAILERS (Continued)

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T-612	1978	FRUEHAUF	521327	\$ 5,500.00
T-614	1978	FRUEHAUF	521341	5,500.00
T-611	1978	FRUEHAUF	521347	5,500.00
T-613	1978	FRUEHAUF	521350	5,500.00
T-617	1978	STRICK	223559	7,900.00
T-618	1979	STRICK	210855	7,500.00
T-619	1979	STRICK	215849	7,500.00
T-620	1979	STRICK	222668	7,500.00
T-621	1977	HOBBS	779841	7,125.00
T-622	1980	STRICK	244013	8,200.00
T-616	1977	HOBBS	779850	7,177.00
T-615	1977	HOBBS	779949	7,177.00
T-627	1979	FRUEHAUF	670137	7,500.00
T-628	1979	FRUEHAUF	670115	7,500.00
T-629	1977	FRUEHAUF	582874	3,750.00
T-630	1977	FRUEHAUF	582848	3,750.00
T-631	1977	FRUEHAUF	582801	3,750.00
T-632	1974	FRUEHAUF	430874	2,250.00
T-633	1979	FRUEHAUF	670064	7,500.00
T-634	1979	GREAT DANE	13129	7,500.00
T-635	1979	GREAT DANE	13072	7,500.00
T-636	1979	GREAT DANE	11200	7,500.00
T-637	1979	GREAT DANE	11183	7,500.00
T-638	1977	GREAT DANE	03465	3,750.00
T-639	1977	GREAT DANE	03459	3,750.00
T-640	1976	STRICK	207752	3,750.00
T-641	1976	STRICK	207753	3,750.00
T-642	1974	STRICK	171964	3,750.00
T-643	1977	FRUEHAUF	564045	3,750.00
T-644	1977	FRUEHAUF	564040	3,750.00
T-645	1979	FRUEHAUF	665402	3,750.00
T-646	1982	FRUEHAUF	46513	3,750.00
T-647	1982	FRUEHAUF	59311	3,750.00

PITT-OHIO EXPRESS, INC.

LEASED EQUIPMENT

TRAILERS (Continued)

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T-668	1986	FRUEHAUF	1H2VO4526GB011601	13,145
T-669	1986	FRUEHAUF	1H2VO4525GB011606	13,145
T-670	1986	FRUEHAUF	1H2VO4528GB011602	13,145
T-671	1986	FRUEHAUF	1H2VO4527GB011607	13,145
T-672	1986	FRUEHAUF	1H2VO4527GB011610	13,145
T-673	1986	FRUEHAUF	1H2VO4520BG011609	13,145
T-674	1986	FRUEHAUF	1H2VO4521GB011604	13,145
T-675	1986	FRUEHAUF	1H2VO4523GB011605	13,145
T-676	1986	FRUEHAUF	1H2VO4529GB011608	13,145
T-677	1986	FRUEHAUF	1H2VO452XGB011603	13,145

APPENDIX 3

PITT-OHIO EXPRESS, INC.

COMPARATIVE FINANCIAL STATEMENTS - UNAUDITED

FOR THE

SIX MONTHS ENDED JUNE 30, 1986 AND 1985

JOSEPH L. BENDER, P.C.  
Certified Public Accountant

1876 Stage Court  
Allison Park, PA 15101  
412 364-5333

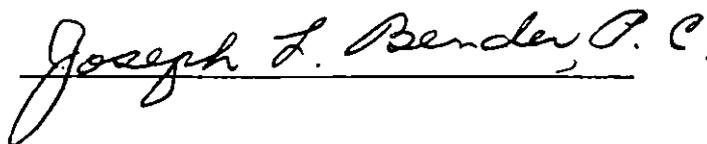
The Board of Directors of  
Pitt-Ohio Express, Inc.

We have reviewed the accompanying comparative balance sheet of  
PITT-OHIO EXPRESS, INC.

as of June 30, 1986 and 1985 and the related statement of income and retained earnings for the three months then ended, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management. A statement of changes in financial position has not been prepared for this interim statement.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

  
A handwritten signature in cursive script that reads "Joseph L. Bender, P.C." is written over a horizontal line.

Allison Park, Pennsylvania  
July 15, 1986

## PITT-OHIO EXPRESS, INC.

## COMPARATIVE BALANCE SHEET - UNAUDITED

	June 30,	
<u>ASSETS</u>	<u>1986</u>	<u>1985</u>
<u>CURRENT ASSETS</u>		
Cash In Bank	\$ 511,618	\$ 108,411
Notes Receivable - G	23,364	80,530
Accounts Receivable - Customers	1,268,016	800,857
Accounts Receivable - Other	25,483	8,656
Material & Supplies	61,113	41,747
Prepaid Items	142,014	188,151
<u>TOTAL CURRENT ASSETS</u>	<u>2,031,608</u>	<u>1,228,352</u>
<u>FIXED ASSETS AT COST</u>		
Revenue Equipment - C - D	3,243,848	2,009,314
Service Cars	9,964	9,964
Miscellaneous & Office Equipment	166,909	110,130
	<u>3,420,721</u>	<u>2,129,408</u>
Less: Depreciation Taken	1,429,202	824,932
	<u>1,991,519</u>	<u>1,304,476</u>
<u>OTHER ASSETS</u>		
Note Receivable - G	163,394	186,739
Deferred Debits	None	28,945
Intangible Property	36,617	None
Franchises & Organization Costs - E	187,963	185,138
	<u>387,974</u>	<u>400,822</u>
Less: Allowance for Amortization	104,816	100,000
	<u>283,158</u>	<u>300,822</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,306,285</u>	<u>\$ 2,833,650</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
Notes Payable - Bank - F	\$ None	\$ 110,000
Notes Payable - Other - D	44,035	None
Equipment Obligations - C - F	574,001	331,301
Accounts Payable	385,127	545,614
Interline Accounts Payable	388	3,177
Payroll Deductions	26,411	15,671
Accrued Salaries & Wages	75,632	45,916
Accrued Profit Sharing - H	66,745	36,000
C.O.D.'s Payable	2,109	None
Accrued Taxes	18,538	4,520
Other Accrued Liabilities	11,300	33,512
Federal & State Income Taxes	363,285	52,612
<u>TOTAL CURRENT LIABILITIES</u>	<u>1,567,571</u>	<u>1,178,323</u>
<u>LONG-TERM DEBT</u>		
Notes Payable - D	140,868	100,773
Equipment Obligations - C - F	589,009	288,381
<u>TOTAL LONG-TERM DEBT</u>	<u>729,877</u>	<u>389,154</u>
<u>SHAREHOLDERS' EQUITY</u>		
Common Stock - 50,000 Shares	50,000	50,000
Retained Earnings	1,958,837	1,216,173
<u>TOTAL SHAREHOLDERS' EQUITY</u>	<u>2,008,837</u>	<u>1,266,173</u>
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>\$ 4,306,285</u>	<u>\$ 2,833,650</u>

The accompanying notes are an integral part of these statements.  
See Accountants' Review Report.

## PITT-OHIO EXPRESS, INC.

COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS - UNAUDITED  
FOR THE SIX MONTHS ENDED JUNE 30, 1986 AND 1985

<u>INCOME</u>	June 30,	
	1986	1985
Freight Revenue	\$ 6,407,923	\$ 4,250,794
Other Fees & Charges	64,311	11,069
<u>TOTAL REVENUE</u>	6,472,234	4,261,863
 <u>EXPENSES</u>		
Salaries - Officers & Supervisory	437,311	288,873
Salaries & Wages	1,702,635	1,123,588
Other Fringes	501,129	310,608
Operating Supplies & Expenses	856,360	734,824
General Supplies & Expenses	168,047	123,807
Operating Taxes & Licenses	159,881	108,451
Insurance	226,038	99,777
Communications & Utilities	101,798	77,217
Depreciation & Amortization	311,357	224,291
Equipment Rents & Purchased Transportation	735,092	600,889
Building & Office Equipment Rents	123,672	88,072
Losses on Operating Assets	None	23,425
Miscellaneous Expenses	47,934	14,372
<u>TOTAL EXPENSES</u>	5,371,254	3,818,194
 <u>NET OPERATING REVENUE</u>	 1,100,980	 443,669
 <u>OTHER INCOME &amp; EXPENSES</u>		
Rental Income	3,000	None
Interest Income	22,602	17,900
Interest Expense	( 80,981)	( 45,790)
 <u>NET INCOME BEFORE INCOME TAXES</u>	 1,045,601	 415,779
Federal & State Income Taxes	514,366	173,353
 <u>NET INCOME TO RETAINED EARNINGS</u>	 531,235	 242,426
 <u>RETAINED EARNINGS - BEGINNING OF PERIOD</u>	 1,436,840	 982,985
Officers' Life Insurance Premiums	( 9,238)	( 9,238)
 <u>RETAINED EARNINGS - END OF PERIOD</u>	 <u>\$ 1,958,837</u>	 <u>\$ 1,216,173</u>

The accompanying notes are an integral part of these statements.  
See Accountants' Review Report.

PITT-OHIO EXPRESS, INC.

COMPARATIVE NOTES TO FINANCIAL STATEMENTS - UNAUDITED

FOR THE SIX MONTHS ENDED JUNE 30, 1986 AND 1985

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation are prepared on the accrual basis of accounting, consistent with reporting for federal income tax purposes.

Property is recorded at cost. Depreciation is provided for on the straight-line method based upon the estimated useful lives of the assets. Assets acquired after January 1, 1981 are being depreciated according to the new accelerated cost recovery system, as defined in the Economic Recovery Tax Act of 1981.

NOTE B - LEASE AGREEMENTS

The Corporation leases revenue equipment on a monthly basis with annual rentals amounting to \$265,172 and \$202,152 for 1985 and 1984, respectively.

The Corporation also leases terminal facilities with annual rentals amounting to \$209,181 and \$91,877 for 1985 and 1984, respectively.

The Corporation also leases certain computer hardware and software with annual rentals amounting to \$23,561 and \$23,556 for 1985 and 1984, respectively.

NOTE C - EQUIPMENT OBLIGATIONS

	<u>Current Monthly Payment</u>	<u>1986</u>		<u>1985</u>	
		<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Current Portion</u>	<u>Long-Term Portion</u>
Mellon Bank	\$ 19,205.13	\$ 230,461	\$ 230,462	\$ None	\$ None
Xerox Corp.	None	None	None	998	None
Mellon Bank	3,929.00	47,148	35,417	47,148	82,565
Charles L. Hammel, Jr.	5,737.06	60,276	22,230	52,387	77,828
Charles L. Hammel, Jr.	10,108.19	91,232	180,886	None	None
Mack Financial	None	None	None	15,067	4,994
Mack Financial	None	None	None	78,772	13,128
Mack Financial	None	None	None	53,328	39,996
Mack Financial	None	None	None	32,952	19,223
Mack Financial	None	None	None	33,558	33,557
Mack Financial	None	None	None	17,091	17,090
Mellon Bank	8,366.66	100,400	50,200	None	None
Charles L. Hammel, Jr.	4,808.63	44,484	69,814	None	None
<u>TOTALS</u>	<u>\$ 52,154.67</u>	<u>\$ 574,001</u>	<u>\$ 589,009</u>	<u>\$ 331,301</u>	<u>\$ 288,381</u>

See Accountants' Review Report.

PITT-OHIO EXPRESS, INC.

COMPARATIVE NOTES TO FINANCIAL STATEMENTS - UNAUDITED  
FOR THE SIX MONTHS ENDED JUNE 30, 1986 AND 1985

NOTE D - NOTES PAYABLE

The debt due is subject to interest at 12%.

	<u>1986</u>		<u>1985</u>	
	<u>Current</u>	<u>Long-Term</u>	<u>Current</u>	<u>Long-Term</u>
Martera, Inc.	\$ 39,457	\$ 64,611	\$ None	\$ None
Charles L. Hammel, Jr.	2,730	45,450	None	48,177
Shareholders	1,848	30,807	None	52,596
<u>TOTALS</u>	<u>\$ 44,035</u>	<u>\$ 140,868</u>	<u>\$ None</u>	<u>\$ 100,773</u>

NOTE E - FRANCHISES

The Corporation is writing off the cost of the Interstate Commerce Commission operating rights resulting from the enactment of the Motor Carrier Act of 1980 and the deregulation of motor carriers. This was done over a sixty-month period beginning with July 1, 1980.

NOTE F - LINE OF CREDIT

The Corporation has established a line of credit with Mellon Bank, N.A. consisting of \$200,000 for working capital and a \$1,200,000 equipment line of credit for new and used equipment dated May 30, 1986. Any loans will be subject to certain terms, conditions; security and aggregate balances in accordance with the agreements. As of June 30, 1986 and 1985, \$694,088 and \$129,713 had been borrowed against the equipment line and \$110,000 against the working capital loan at June 30, 1985.

NOTE G - NOTE RECEIVABLE

In March, 1985, the Corporation loaned \$212,000 to CRK Properties to purchase a freight terminal at Oaks, Pennsylvania for \$290,000. The partnership was formed by the shareholders of Pitt-Ohio Express, Inc. The terminal will be leased on a monthly basis to the Corporation starting April 1, 1985. The repayment of the loan will amount to \$3,856.70 per month, including interest at 13% and secured by the real estate.

NOTE H - RETIREMENT PLAN

In January, 1983, the Company adopted a profit sharing plan, effective January 1, 1983, in which the Corporation has the option to contribute to a plan for eligible employees. Profit sharing benefits for the years ended December 31, 1985 and 1984 amounted to \$99,719 and \$64,640, respectively.

See Accountants' Review Report.

III. VERIFIED STATEMENT OF LORI CAVANAUGH FOR  
KINNEY SERVICE CORP.

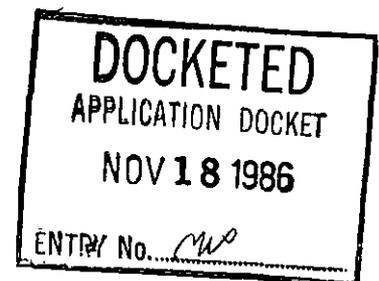
1. Legal Name and Domicile of Supporting Shipper.

Kinney Service Corp. is located at Simpson Ferry & St. John's Road, Camp Hill, PA.

2. Identity and Qualifications of Witness.

My name is Lori Cavanaugh. I am the Traffic Manager of Kinney Service Corp. My business address is Simpson Ferry & St. John's Road, Camp Hill, PA.

I have held the position of Traffic Manager for two years and have been employed by Kinney for a total of eight years. As the Traffic Manager, it is my responsibility to arrange the inbound and outbound transportation for approximately 2,800 retail shoe and clothing stores and four distribution centers. One of those distribution centers is located in Hampden Township in Cumberland County. Kinney has used the services of Pitt-Ohio Express, Inc. under its present operating authority for approximately six years. Kinney is supporting this application of Pitt-Ohio Express, Inc. at Docket No. A-00102471, F. 1, Am-N in order to have the applicant's service available on an outbound basis to four additional Pennsylvania counties, and on an inbound basis from those four new counties plus the eight counties that the applicant can now serve on an outbound basis only.



### 3. General Description of Supporting Shipper.

Kinney Service is engaged in business as a distributor of various products to retail footwear and clothing stores. It has a distribution center located in Hampden Township, Cumberland County. That distribution center normally ships on a five day per week basis between the hours of 7:15 a.m. and 11:45 p.m. During exceptionally busy periods, the distribution center may ship on weekends as well.

The commodities shipped outbound from the distribution center consist of footwear, clothing, hosiery, handbags, and various supplies used in retail shoe stores such as chairs, foot stools and display racks. All of these items are shipped to Kinney's retail shoe stores.

Approximately 94% of all shipments are distribution truckloads weighing about 22,000 pounds each. Only 6% of the shipments are made as individual LTL shipments. They range in weight from 20 pounds to 4,500 pounds. An average less-than-truckload shipment would weigh 850 pounds.

The inbound products consist of footwear, hosiery, handbags and clothing which were either overstocked by the retail stores or with which there may be some quality problem. These inbound shipments to the distribution center all originate at Kinney's retail stores.

On these shipments moving back to the distribution center, approximately 95% are less-than-truckload in size. The LTL

shipments range in weight from 50 pounds to 8,000 pounds. The occasional truckload shipment can weigh between 8,000 pounds and 20,000 pounds.

Kinney Service selects the carrier and pays the freight charges on all inbound and outbound shipments.

4. Volume and Frequency of Intended Use, and Representative Origins and Destinations.

Pitt-Ohio Express can now transport our commodities from the distribution center to points in Allegheny, Beaver, Butler, Lawrence, Armstrong, Westmoreland, Fayette and Washington Counties, which are the more heavily populated counties in western Pennsylvania. The four new counties being requested by this application are less densely populated and as a consequence Kinney has fewer retail stores in them. Retail stores are located in Altoona, Blair County, Indiana, Indiana County, Clarion, Clarion County, and Clearfield and DuBois, Clearfield County. If the size of the town justifies it, Kinney may have more than one store in a given area. Kinney now makes the equivalent of one less-than-truckload shipment each week to each of the above five towns. In the aggregate, that amounts to more than 250 shipments each year to points in these four counties.

The inbound shipments from the retail stores to the distribution center are less frequent but by no means less important. In order to minimize handling and shipping both at the retail store and distribution center levels, shipments are

returned from the stores on a quarterly schedule. The stores collect the defective merchandise and overstocked items and ship them back to the distribution center once every three months. As a result, every retail store in the twelve counties normally has shipments back to Hampden Township four times a year.

In addition to the stores in Altoona, Indiana, Clarion, Clearfield and DuBois, Kinney has stores throughout each of the other eight counties. In Allegheny County, for example, there are at least thirteen stores in Allegheny County located in Pittsburgh (5 stores), West Mifflin, Bridgeville, Bethel Park, North Versailles, Natrona Heights, Monroeville (2 stores) and Gibsonia. Kinney also has retail stores in Connellsville and Uniontown, Fayette County, Washington (2 stores), Washington County, Greensburg (2 stores), Westmoreland County, Kittanning, Armstrong County, Butler (2 stores), Butler County, New Castle, Lawrence County, and Beaver Falls, Monaca and Baden, Beaver County.

##### 5. Type of Service Required.

The volume of traffic moving between the distribution center and the retail stores requires that all shipping and receiving be performed according to a predetermined schedule. Since there is limited dock space at Hampden Township, carriers must spot trailers at the distribution center so that our crews can load them without delay. Each store has a specific day each week to receive deliveries. Special receiving crews are scheduled for those days. A trailer must therefore be loaded each week on a given day for delivery to a specified store or

stores the following day. These schedules require that all shipments be delivered on an overnight basis.

Occasionally, situations arise which permit the co-loading of LTL shipments on a single vehicle for delivery to stores in a certain area on a multiple stop-off basis. Blair and Indiana Counties are on a direct line with the more westerly counties presently served by Pitt-Ohio. It would therefore be possible in the future to load small shipments for either of those counties to be delivered as stop-off shipments with the truck proceeding on to a more distant final destination. The Clarion, Clearfield and DuBois stores are located in the same general area and since their shipments may not always be full truckloads in size, schedules could be set up so that multiple stop-offs could be made to those stores from the same truck.

There is the same need for scheduled pickup and scheduled delivery service in connection with the inbound shipments since the retail stores have crews available on specific days to load the trucks.

A large number of the retail stores are located in malls which have no accessible freight doors. Motor carriers serving Kinney must therefore be prepared to provide inside delivery or pickup.

#### 6. Similar Applications Supported.

During the last two years, Kinney Service has not supported any similar applications of this type.

7. Other Pertinent Information.

Kinney Service has occasion to use a large number of motor carriers. The major problems involve excessive time in transit resulting in late deliveries. In many cases, this appears to be caused by a carrier's inability to provide overnight service on a consistent basis to points located outside the commercial zone of a major city.

During the period of time Pitt-Ohio Express has been used by Kinney, it has provided a consistently excellent service. It spots trailers at the distribution center, provides overnight delivery service in accordance with the schedules, and makes inside pickups and deliveries. This application seeks only a four county extension of its operating authority insofar as outbound shipments are concerned, and the ability to provide inbound service from twelve counties. Pitt-Ohio is familiar with our system and we have a good working relationship with it. Our store managers, on the other hand, understand Pitt-Ohio's method of operations and they have good communications with the carrier.

For the reasons discussed above, Kinney Service Corp. requests that the Pennsylvania Public Utility Commission approve this application of Pitt-Ohio Express, Inc. Upon such approval, Kinney will use Pitt-Ohio's service throughout the twelve county area on both outbound and inbound traffic.



IV. CONCLUSION

On the basis of the preceding Verified Statements it is submitted that the supporting shipper has established a need for the Applicant's service to and from its facilities in Hampton Township, Cumberland County. Applicant is already providing service for the supporting shipper at that facility and has established its ability to meet the transportation requirements of the shipper. For these reasons, it is respectfully requested that the Commission grant this application in its entirety.

Respectfully submitted,  
PITT-OHIO EXPRESS, INC.

By: William J. Lavelle  
William J. Lavelle, Esq.  
Attorney for Applicant

VUONO, LAVELLE & GRAY  
2310 Grant Building  
Pittsburgh, PA 15219  
(412) 471-1800  
Of Counsel

Due Date: November 13, 1986