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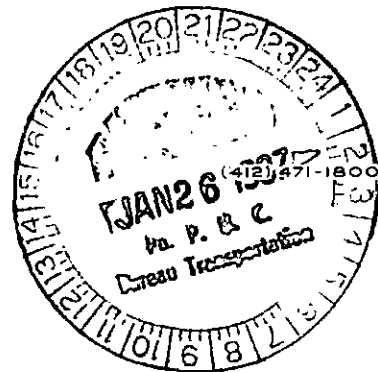
LAW OFFICES

VUONO, LAVELLE & GRAY

2310 GRANT BUILDING
PITTSBURGH, PA. 15219

JOHN A. VUONO
WILLIAM J. LAVELLE
WILLIAM A. GRAY
MARK T. VUONO
RICHARD R. WILSON
DENNIS J. KUSTURISS

January 23, 1987



Re: Pitt-Ohio Express, Inc.
Docket No. A-00102471, F. 1, Am-L
Our File 2691-21

RECEIVED

JAN 23 1987

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.

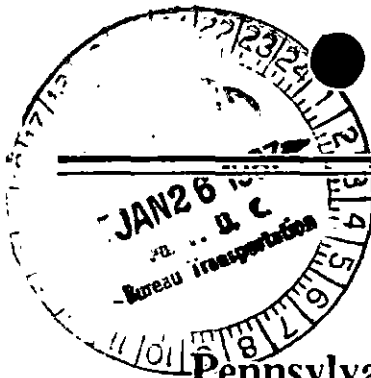
Sincerely yours,

VUONO, LAVELLE & GRAY

William J. Lavelle
William J. Lavelle

pz
Enclosures
cc: Pitt-Ohio Express, Inc.

**DOCUMENT
FOLDER**



BEFORE THE
Pennsylvania Public Utility Commission

RECEIVED

DOCKET NO. A-00102471, F. 1, Am-L

JAN 23 1987

PITT-OHIO EXPRESS, INC.

SECRETARY'S OFFICE
Public Utility Commission

APPLICANT'S VERIFIED STATEMENTS

WILLIAM J. LAVELLE, ESQ.
Attorney for APPLICANT

Of Counsel:
VUONO, LAVELLE & GRAY
2310 Grant Building
Pittsburgh, Pennsylvania 15219
Due Date: January 23, 1987

**DOCUMENT
FOLDER**

DOCKETED
APPLICATION DOCKET
JAN 27 1987
ENTRY No. *MS*

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

APPLICANT'S VERIFIED STATEMENTS

I. STATEMENT OF THE CASE

By application published in the Pennsylvania Bulletin on March 29, 1986, as amended, Pitt-Ohio Express, Inc. (Applicant or Pitt-Ohio) seeks motor common carrier authority as follows:

To transport, as a Class D carrier, property (except commodities in bulk, and household goods and office furniture in use) for Midland-Ross Corporation, from points in the county of Allegheny to points in the counties of Indiana, Clearfield, Cambria, Blair, Huntingdon, Somerset and Bedford, and vice versa.

A protest was filed to the application by Evans Delivery Company, Inc., but it was withdrawn on November 6, 1986 as a result of the restrictive amendment. The application is now 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, as amended.

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-L.

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, as amended, Pitt-Ohio seeks common carrier authority as follows:

To transport, as a Class D carrier, property (except commodities in bulk, and household goods and office furniture in use) for Midland-Ross Corporation, from points in the county of Allegheny to points in the counties of Indiana, Clearfield, Cambria, Blair, Huntingdon, Somerset and Bedford, and vice versa.

As originally filed, the application sought authority between all points in Pennsylvania. As explained in Section 6 below, Pitt-Ohio now holds authority to serve the shipper from

its Allegheny County facilities to all points in Pennsylvania, and vice versa, with the exception of Indiana, Clearfield, Cambria, Blair, Huntingdon, Somerset and Bedford Counties. The amendment, therefore, merely limits this application to the seven county area in which the Applicant is unable to provide service to the shipper.

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 not result in any duplicating authority. It will, in fact, round out the existing authority of Pitt-Ohio to serve the supporting shipper to and from points in Allegheny County.

Under the Applicant's present authority at Folder 1, Am-I, it is authorized to transport property from points in Allegheny County to other points in Pennsylvania beyond the county of Allegheny, and vice versa, subject to certain restrictions. The significant restrictions are numbers 6 and 7. Those two restrictions are superseded in part by the authority at Folder 1, Am-B, which authorizes the transportation of property between points in 15 western Pennsylvania counties. Under that authority, the Applicant can operate for the supporting shipper from

points in Allegheny County to points in Beaver, Crawford, Erie, Fayette, Lawrence, Mercer, Venango, Washington, and Westmoreland Counties, and vice versa, offsetting the seventh restriction as to those counties. The Folder 1, Am-B authority also permits the Applicant to operate between points in Allegheny County, which offsets to a significant extent the effect of the sixth restriction under Folder 1, Am-I. On the other hand, the authority at Folder 1, Am-I offsets the seventh restriction under Folder 1, Am-B so that the Applicant can operate from points in Allegheny County to points in Armstrong, Butler, Clarion and Greene Counties.

As previously indicated, the pending transfer application at Folder 1, Am-J, and related temporary authority, would authorize transportation from points in Allegheny County to points in Lebanon, Berks and Lancaster Counties, and vice versa, thereby offsetting a portion of the seventh restriction of Folder 1, Am-I.

The net effect of these various grants of authority is that the Applicant can now perform service for Midland-Ross from points in Allegheny County to all points in Pennsylvania, and vice versa, with the exception of the following seven counties referred to in restrictive paragraph 7 of Folder 1, Am-I: Indiana, Clearfield, Cambria, Blair, Huntingdon, Somerset and Bedford. The purpose of this application is to obtain authority to and from those seven counties so that Pitt-Ohio can perform a statewide service for Midland-Ross in connection with its

facilities in Allegheny County. Applicant does not believe that approval of the application will result in any duplicating authority but if it should, Applicant has no objection to a restriction in any new 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 linehaul 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.

The Applicant's operations, being headquartered in Allegheny County, will provide the supporting shipper with a very responsive and dependable type of service since the shipper is also located in Allegheny County. The proximity of the Applicant's terminal to the shipper's facilities will permit the Applicant to respond promptly to requests for service.

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 five pages of Appendix 2 show the equipment owned by the company. The last five pages of Appendix 2 show the equipment which is leased from Martera.

Pitt-Ohio owns 52 tractors, 20 trailers and 48 straight trucks which are 20 feet in length. All of the trailers are closed vans. There are two 25-foot pup trailers (300 series),

eight 48-foot vans (400 series), and ten 45-foot vans (600 series).

Pitt-Ohio leases from Martera 2 tractors, 90 closed van trailers all of which are either 42 or 45 feet in length, and 18 straight trucks which are either 20 or 21 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.

As previously explained, Applicant now holds certain authority from this Commission to provide service for the supporting shipper to and from all points in Pennsylvania with the exception of the seven involved counties. Applicant is providing service for the shipper under its existing authority from this Commission and under its interstate operating authority. Approval of this application will permit the rendition of service to and from a small but important new service area. This will enable Pitt-Ohio to offer a more complete, efficient and cost effective service to Midland-Ross.

Since the type of service presently provided is comparable to what is being proposed for the future, the details concerning that 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 will spot equipment for loading and unloading at the facilities of the shipper when that service is required. Multiple stop-off delivery service is provided whenever the shipper is able to consolidate smaller shipments moving to points within 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. In this instance, that would pertain primarily to inbound shipments originating not only at points in the seven involved counties, but in other counties presently served by the Applicant. With approximately 30 pickup and delivery runs operating daily out of the Pittsburgh terminal in western Pennsylvania, 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 Midland-Ross 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 points in the seven counties will be delivered and the vehicle will then be assigned to make pickups in the vicinity of the delivery. 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.

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held February 13, 1986

Commissioners Present:

Linda C. Taliaferro, Chairman
Frank Fischl
Bill Shane

Pitt-Ohio Express, Inc.
Temporary Authority application
to operate part of the rights
granted to Hammel's Express, Inc.
at A-00088995, F. 2 and 4.

A-00102471
F. 1, Am-J

Vuono, Lavelle & Gray by John A. Vuono for the applicant.

O R D E R

BY THE COMMISSION:

The above application was filed November 25, 1985, Pitt-Ohio Express, Inc. seeks Commission approval for temporary authority to operate under part of the rights granted to Hammel's Express, Inc., pending disposition of an accompanying transfer application for permanently acquired said rights. The one paragraph at A-00088995, F. 2 shall be fractionalized between both transferee and transferor, and only one paragraph at F. 4 is transferred.

Pitt-Ohio Express, Inc. was granted an ETA and extension thereof to operate transferor's rights by Commission order of December 5, 1985.

The averred reason for the TA request is transferor, Hammel's Express, Inc., is experiencing financial difficulties, therefore wishes to streamline its operation, and still preserve the transportation services of the public.

We find:

1. That transferor wishes to restrict its authority to local hauling in order to streamline its operation.

2. That applicant is presently certificated with experience in the authority sought.

3. The applicant is in compliance with the Commission's insurance and tariff filing regulations.

4. The applicant appears to be financially fit to operate under the rights granted to the transferor.

5. That the application for temporary authority is warranted in order to allow a continuous service to the public; THEREFORE,

IT IS ORDERED: That the above application for temporary authority be and is hereby approved, as follows:

To transport, as a Class D carrier, 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; with the right to interchange property with Class A, Class B and Class D carriers so authorized.

To transport, as a Class D carrier, property from points in Allegheny County to points in the counties of Lebanon, Berks and Lancaster, and vice versa; with the right to interchange property with Class A, Class B and Class D carriers so authorized.

subject to the following restrictions:

FIRST: That no right, power or privilege is granted to transport household goods and office furniture in use, property in bulk, property which because of size or weight requires the use of special equipment, or commodities in vehicles equipped with mechanical refrigeration.

SECOND: That no right, power or privilege is granted to transport (a) property to or from points in the boroughs of Exeter and West Pittston and the city of Wilkes-Barre, Luzerne County, (b) property to or from the facilities of American Home Foods Division of American Home Products Corporation located in the township of Turbot and the borough of Milton, Northumberland County, (c) such merchandise, as is dealt in by wholesale, retail and chain grocery and food business houses to or from points in York County, and (d) limestone, limestone products or fertilizer from points in York County.

To transport, as a Class D carrier, glassware, from the borough of South Connellsville, Fayette County, to points within one hundred fifty (150) miles of the limits of the said borough, with the right to return damaged, refused or rejected merchandise;


subject to the following conditions:

FIRST: That no right, power or privilege is granted to transport glassware from the borough of South Connellsville, Fayette County, to the borough of Latrobe, Westmoreland County, or to the villages of Schenley and Aladdin, Armstrong County.

SECOND: That no right, power or privilege is granted to transport glassware from the borough of South Connellsville, Fayette County, to points in Pennsylvania east of U.S. Highway Route 219, except to the city of Altoona, Blair County.

IT IS FURTHER ORDERED: That approval of the temporary authority granted herein shall have no bearing on the disposition of the accompanying application for approval of the transfer application for permanent authority.

BY THE COMMISSION,


Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: February 13, 1986

ORDER ENTERED: FEB 28 1986

APPENDIX 2

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	1983	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	1983	MACK	EA088386	44,800
D22	1984	MACK	EA088387	44,800
D23	1984	MACK	U6855T13613	15,500
D24	1977	MACK	U685ST13623	15,500
D25	1977	MACK	R685ST72680	22,800
D26	1978	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	1984	MACK	98599	48,500
D35	1985	MACK	98600	48,500
D36	1985	MACK	98601	48,500
D37	1985	MACK	1M2N185Y96A003493	47,159
D38	1986	MACK	1M2N185Y76A003494	47,159
D39	1986	MACK	1M2N179Y5GA004002	53,241
L40	1986	MACK	1M2N179Y9GA004004	53,241
D41	1986	MACK	1M2N185X2GA004008	47,159
D42	1986	MACK	1M2N185X0GA004007	47,159
D43	1986	MACK	1M2N179Y2GA004006	53,241
D44	1986	MACK	1M2N179Y7GA004003	53,241
D52	1979	GMC	T49CJ9V625038	22,000
D53	1979	GMC	T49CJ9V625037	20,000
D54	1979	GMC	T49CJ9V625036	22,000

PITT OHIO EXPRESS, INC

EQUIPMENT OWNED
 SUPPLEMENT LIST
TRACTORS - ADDED

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
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.
D57	1986	MACK		
D58	1986	MACK		
D59	1987	MACK		
D60	1987	MACK		

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
T325	1973	STOUGHTON	732661	2,850
T400	1972	FRUEHAUF	MEN261002	3,500
T401	1972	FRUEHAUF	MEP298801	2,800
T480	1983	FRUEHAUF	1HEVO482XDH046601	12,849
T481	1980	STRICK	230821	8,500
T482	1980	STRICK	7420232753	8,500
T483	1978	STRICK	222706	8,500
T484	1983	FRUEHAUF	1H2V04821DH046602	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.

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	34403312441274	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
78	1985	MERCEDES BENZ	1MBZB77A7FN676073	28,139
79	1985	MERCEDES BENZ	1MBZB77A9FN676074	28,139
80	1985	MERCEDES BENZ	1MBZB77A5FN676072	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
204	1984	MACK	VG6M111B5EB019509	30,167
208	1982	MACK	VG6M111B2CB014104	13,500
209	1982	MACK	014104	13,500
210	1982	MACK	VG6M111B7CB013918	13,500

PITT OHIO EXPRESS, INC

EQUIPMENT OWNED
 SUPPLEMENT LIST
STRAIGHT TRUCKS -ADDED

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
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	1MBZB83A1GN710330	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	VG6M111B2FB023292	22,255.
214	1985	MACK	VG6M111B9FB023323	22,255,

MARTERA, INC.

EQUIPMENT OWNED

TRACTORS

<u>UNIT</u>	<u>ACQUIRED DATE</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
D1	11/75	1974	GMC	TH1904V605741	\$11,200
D8	6/83	1978	MACK	U686T4213	19,500

MARTERA, INC.

EQUIPMENT OWNED

TRAILERS

<u>UNIT</u>	<u>ACQUIRED DATE</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T26	9/78	1978	STRICK	219482	\$ 7,775.00
T327	8/85	1979	STRICK	233338	4,600.00
T328	8/85	1979	STRICK	233336	4,600.00
T329	8/85	1979	STRICK	233333	4,700.00
T330	8/85	1979	STRICK	233339	4,600.00
T331	8/85	1979	STRICK	233332	4,600.00
T332	8/85	1979	STRICK	233337	4,700.00
T450	1/74	1974	STRICK	177947	6,455.00
T453	1/74	1974	STRICK	7450533NSW177948	6,455.00
T456	4/74	1974	STRICK	177949	6,495.00
T457	11/85	1978	BUDD	157767E	6,950.00
T506	8/69	1969	TRAILMOBILE	E32979	5,076.00
T507	5/71	1971	FRUEHAUF	MAN297546	4,342.00
T508	5/71	1971	FRUEHAUF	MAN297545	4,343.11
T509	9/72	1972	FRUEHAUF	MAP362979	4,808.50
T510	5/73	1973	TRAILMOBILE	K30269	5,500.00
T514	10/74	1974	STRICK	194096	7,200.00
T516	10/74	1974	STRICK	194097	7,200.00
T518	2/78	1977	STRICK	213423	8,950.00
T520	9/79	1979	FRUEHAUF	665410	10,941.00
T522	9/79	1979	FRUEHAUF	HPV665404	10,600.00
T524	9/79	1979	FRUEHAUF	HPV665403	10,600.00
T526	9/79	1979	FRUEHAUF	665406	10,941.00
T528	11/79	1980	STRICK	235927	10,645.00
T530	11/79	1980	STRICK	235928	10,645.00
T536	2/80	1968	STRICK	990309	3,205.00
T540	7/83	1971	FRUEHAUF	SWN1356505	5,915.00
T600	4/82	1982	FRUEHAUF	1H2V0452XBH056708	12,895.00
T601	4/82	1982	FRUEHAUF	1H2V04521BH056709	12,895.00
T602	2/80	1982	FRUEHAUF	1H2V04528BH056710	12,420.00
T603	4/82	1982	FRUEHAUF	1H2V0452XBH056711	12,895.00
T604	2/80	1982	FRUEHAUF	1H2V04521BH056712	12,420.00
T611	3/84	1978	FRUEHAUF	MAY521347	5,500.00
T612	3/84	1978	FRUEHAUF	MAY521327	5,500.00
T613	3/84	1978	FRUEHAUF	MAY521350	5,500.00
T614	3/84	1978	FRUEHAUF	MAY521341	5,500.00
T615	5/84	1977	HOBBS	BLY77949	7,177.00
T616	5/84	1977	HOBBS	BLY779850	7,177.00
T617	5/84	1978	STRICK	223559	7,900.00
T618	5/84	1979	STRICK	210855	7,500.00
T619	5/84	1979	STRICK	215849	7,500.00
T620	5/84	1979	STRICK	222668	7,500.00
T621	6/84	1977	HOBBS	BLY779841	7,125.00
T622	6/84	1980	STRICK	244013	8,200.00
T627	10/84	1979	FRUEHAUF	HPV670137	6,750.00
T628	10/84	1979	FRUEHAUF	HPV670115	6,750.00
T629	10/84	1977	FRUEHAUF	HPY582874	3,750.00
T630	10/84	1977	FRUEHAUF	HPY582848	3,750.00
T631	10/84	1977	FRUEHAUF	HPY582801	3,750.00
T632	10/84	1974	FRUEHAUF	MES430874	3,000.00
T633	10/84	1979	FRUEHAUF	HPV670064	6,750.00

MARTERA, INC.

EQUIPMENT OWNED

TRAILERS

<u>UNIT</u>	<u>ACQUIRED DATE</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T634	10/84	1979	GREAT DANE	B13129	\$7,500
T635	10/84	1979	GREAT DANE	N13072	7,500
T636	10/84	1979	GREAT DANE	B11200	7,500
T637	10/84	1979	GREAT DANE	B11183	7,500
T638	10/84	1977	GREAT DANE	NB03465	4,500
T639	11/84	1977	GREAT DANE	B03459	4,500
T640	11/84	1976	STRICK	207752	4,228
T641	11/84	1976	STRICK	207753	4,228
T642	11/84	1974	STRICK	171964	4,228
T643	11/84	1977	FRUEHAUF	HPY564045	4,228
T644	11/84	1977	FRUEHAUF	HPY564040	4,228
T645	11/84	1979	FRUEHAUF	HPV665402	4,228
T646	11/84	1982	FRUEHAUF	1H2V04520BH046513	4,228
T647	11/84	1982	FRUEHAUF	1H2V0452BH059311	4,228
T648	8/85	1979	FRUEHAUF	83906	6,750
T649	8/85	1979	FRUEHAUF	83913	7,700
T650	8/85	1979	FRUEHAUF	83924	6,750
T651	8/85	1979	FRUEHAUF	83910	7,850
T652	8/85	1979	FRUEHAUF	83917	7,700
T653	8/85	1979	FRUEHAUF	83904	7,850
T654	4/86	1979	STRICK	214299	6,000
T655	4/86	1979	STRICK	222544	5,900
T656	4/86	1980	STRICK	232630	6,800
T657	4/86	1979	STRICK	242747	6,100
T658	4/86	1979	STRICK	242710	6,500
T659	4/86	1979	STRICK	242804	6,500
T660	4/86	1980	STRICK	244871	6,800
T661	4/86	1979	STRICK	243262	6,600
T662	4/86	1980	STRICK	232635	6,800

MARTERA, INC.

EQUIPMENT OWNED
SUPPLEMENT LIST

TRAILERS - ADDED

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T668	1986	FRUEHAUF	1H2VO4526GB011601	13,145.
T669	1986	FRUEHAUF	1H2VO4525GB011606	13,145.
T670	1986	FRUEHAUF	1H2VO4528GB011602	13,145.
T671	1986	FRUEHAUF	1H2VO4527GB011607	13,145.
T672	1986	FRUEHAUF	1H2VO4527GB011610	13,145.
T673	1986	FRUEHAUF	1H2VO4520GB011609	13,145.
T674	1986	FRUEHAUF	1H2VO4521GB011604	13,145.
T675	1986	FRUEHAUF	1H2VO4523GB011605	13,145.
T676	1986	FRUEHAUF	1H2VO4529GB011608	13,145.
T677	1986	FRUEHAUF	1H2VO452XGB011603	13,145.

MARTERA, INC.

EQUIPMENT OWNED

STRAIGHT TRUCKS

<u>UNIT</u>	<u>ACQUIRED DATE</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
43	7/77	1977	MERCEDES BENZ	34403012323406	\$18,195
44	7/85	1979	MERCEDES BENZ	34403012454829	7,600
45	7/85	1981	MERCEDES BENZ	1MBZA24BxBN559276	6,000
47	5/78	1978	MERCEDES BENZ	34403012381014	15,686
48	8/79	1979	MERCEDES BENZ	34403012442447	19,367
49	8/79	1979	MERCEDES BENZ	34403012409764	19,367
54	8/79	1979	MERCEDES BENZ	34403012432368	19,367
55	8/79	1979	MERCEDES BENZ	34403012432735	19,367
56	8/79	1979	MERCEDES BENZ	34403012432744	19,367
57	8/79	1979	MERCEDES BENZ	34403012442456	19,367
58	8/79	1979	MERCEDES BENZ	34403012427573	19,367
59	8/79	1979	MERCEDES BENZ	34403012450581	19,367
60	8/79	1979	MERCEDES BENZ	34403012450638	19,367
73	7/85	1980	MERCEDES BENZ	37602412513030	7,500
74	7/85	1980	MERCEDES BENZ	37602412513056	7,500
75	7/85	1980	MERCEDES BENZ	37602412516260	7,500
84	9/77	1977	INTERNATIONAL	D0522GCA25203	12,786
90	9/77	1977	INTERANTIONAL	D0522GCA25246	12,786

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.

Joseph L. Bender, P.C.

Allison Park, Pennsylvania
July 15, 1986

PITT-OHIO EXPRESS, INC.

COMPARATIVE BALANCE SHEET - UNAUDITED

	<u>June 30,</u>	
<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,	
	<u>1986</u>	<u>1985</u>
Freight Revenue	\$ 6,407,923	\$ 4,250,794
Other Fees & Charges	64,311	11,069
<u>TOTAL REVENUE</u>	<u>6,472,234</u>	<u>4,261,863</u>
<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>	<u>5,371,254</u>	<u>3,818,194</u>
<u>NET OPERATING REVENUE</u>	<u>1,100,980</u>	<u>443,669</u>
<u>OTHER INCOME & 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>	<u>1,045,601</u>	<u>415,779</u>
Federal & State Income Taxes	514,366	173,353
<u>NET INCOME TO RETAINED EARNINGS</u>	<u>531,235</u>	<u>242,426</u>
<u>RETAINED EARNINGS - BEGINNING OF PERIOD</u>	<u>1,436,840</u>	<u>982,985</u>
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
TOTALS	\$ 52,154.67	\$ 574,001	\$ 589,009	\$ 331,301	\$ 288,381

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 DONALD VARSHINE
FOR MIDLAND ROSS CORPORATION

1. Legal Name and Domicile of Supporting Shipper.

Midland Ross Corporation is domiciled at Columbus and Pennsylvania Avenues, Pittsburgh, Allegheny County, PA.

2. Identity and Qualifications of Witness.

My name is Donald Varshine. I am the Manager of Warehousing, Traffic and Customer Service for Midland Ross. I have been employed by the company for nine years and have held my present position for four years. I have total responsibility for all transportation matters concerning the company. It is the position of Midland Ross that there is a need for the applicant's proposed service since it will enable Pitt-Ohio to provide a complete service within Pennsylvania for Midland Ross. I have been authorized to present this statement to the Pennsylvania Public Utility Commission in support of the application.

3. General Description of Supporting Shipper.

Midland Ross is a manufacturer and distributor of electrical construction products for industry and the home. With respect to this application, Midland Ross has a plant in Pittsburgh, Allegheny County, which ships between the hours of 8:00 a.m. and 4:30 p.m., 250 days per year. It also has a large distribution center warehouse in Leetsdale, Allegheny County. That operates also between the hours of 8:00 a.m. and 4:30 p.m., 250 days a year.

The specific commodities produced include conduit outlet and switch boxes, conduit fittings, steel channel, and iron or steel structural braces.

Those commodities are all shipped outbound from the Leetsdale distribution center. Those are also the types of commodities that are received inbound at Leetsdale, primarily from the Pittsburgh plant. The plant receives inbound steel coils from which the various finished products are manufactured.

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

The Pittsburgh plant receives inbound from points in Pennsylvania approximately 35 shipments a week. This amounts to more than 1,800 shipments a year. About 50% of those shipments are less-than-truckload in size, ranging in weight from 500 pounds to 5,000 pounds. The other 50% of the shipments are truckload in size, weighing approximately 40,000 pounds.

The finished products are shipped from the Pittsburgh plant to various locations, primarily in truckload lots weighing about 40,000 pounds. Only 10% of the outbound shipments are less-than-truckload, ranging in size from 500 pounds to 10,000 pounds.

The Leetsdale distribution center receives approximately 400 shipments annually, or 7-8 each week. About 70% of those shipments are truckload in size, weighing about 40,000 pounds each. The other 30% of the shipments are less-than-truckload in size ranging up to 5,000 pounds each.

The Leetsdale facility ships outbound to points throughout Pennsylvania. Ninety-five percent of the outbound shipments are

less-than-truckload in size. They range from 500 pounds to 10,000 pounds. There are approximately five shipments each day from Leetsdale, or 1,200 shipments annually.

There is a considerable volume of traffic from the Pittsburgh plant to the Leetsdale distribution center. Representative destinations and their volume of traffic include the following within the application area: Altoona, Blair County - 350 shipments a year weighing 710,000 pounds; Indiana, Indiana County - 39 shipments a year weighing 77,000 pounds; and Johnstown, Cambria County - 77 shipments a year weighing 153,000 pounds.

In addition, there are regular shipments to other customers throughout the area. Many of these customers are electrical contractors or distributors. Approximately 70% of the outbound shipments go to distributors and 30% of the shipments move to jobsites for almost immediate use in the construction project. Other destinations would include DuBois and Clearfield, Clearfield County, Blairsville, Indiana County, Ebensburg, Carrolltown and Barnesboro, Cambria County; Hollidaysburg, Blair County, Huntingdon, Huntingdon County, Bedford and Everett, Bedford County, and Somerset and Windber, Somerset County.

5. Type of Service Required.

Since we deal with the electrical construction industry, there are usually strict time constraints on the shipments. Contractors may place complete orders at the beginning of a construction project, but the individual items then are often

shipped when release orders are received. On a high-rise building, for example, the material has to be shipped to reach the construction site on a certain date when the contractor is going to pour a concrete floor or erect a wall. Most construction sites do not have a large area to store material so they order it for delivery only several days in advance. Approximately 90% of all outbound shipments must be delivered on an overnight basis.

Scheduled deliveries are also a necessity. The vehicle must arrive at the destination at a certain time when a crane and unloading crew has been scheduled. If the truck is late, then that crew has nothing to do. Shipments to distributors often have the same service requirements since some of them only receive shipments several hours each day.

Because of the large number of shipments being made from the Leetsdale facility each day, Midland Ross often requests a carrier to spot equipment ahead of time so that the truck can be loaded at our convenience. The carrier must also regularly notify the consignee prior to delivery so that unloading crews and other arrangements can be made before the truck arrives.

6. Similar Applications Supported.

To the best of my knowledge, Midland Ross has not supported any similar application within the last two years.

7. Other Pertinent Information.

Midland Ross is of the opinion that it does have a need for an improved transportation service to and from the seven in-

volved counties. It has experienced late deliveries and excessive time in transit with other carriers. On the other hand, the applicant's service has been used for approximately seven years and has been excellent. Pitt-Ohio provides a very personalized type of motor carrier service, has very few claims, and has performed well for us over the years. Upon approval of this application, Midland Ross anticipates that it will tender to Pitt-Ohio about 60% of the outbound traffic and 40% of the inbound traffic.

For the reasons set forth in my statement, Midland Ross requests that the Public Utility Commission grant this application.

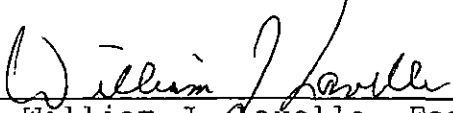
IV. CONCLUSION

For the reasons set forth in the preceding verified statements of the Applicant and supporting shipper, it is respectfully requested that the Commission grant this application in its entirety, as amended.

Respectfully submitted,

PITT-OHIO EXPRESS, INC.

By:



William J. Lavelle, Esq.
Attorney for Applicant

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

Due Date: January 23, 1987



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

January 28, 1987

IN REPLY PLEASE
REFER TO OUR FILE

William J. Lavelle
Attorney at Law
2310 Grant Building
Pittsburgh, PA 15219

In re: A-00102471, Folder 1, Am-L

Application of Pitt-Ohio Express, Inc.

Dear Mr. Lavelle:

We have received the verified statements filed in the above referenced proceeding.

The record will be reviewed and will be put before the Commission for its decision. You will be notified of the Commission's action.

Very truly yours,

By William P. Hoshour
For Peter S. Marzolf, Supervisor
Technical Review Section
Bureau of Transportation

DOCUMENT
FOLDER

INDEXED
APPLICATION DOCKET
JAN 28 1987
ENTRY No. *MS*