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Non-Rail Transportation
Public Utility Comm.

BEFORE THE
Pennsylvania Public Utility Commission

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DOCKET NO. A. 102471, FOLDER 1, Am-H

AUG 19 1985

APPLICATION OF

SECRETARY'S OFFICE
Public Utility Commission

PITT-OHIO EXPRESS, INC.

APPLICANT'S VERIFIED STATEMENT

WILLIAM J. LAVELLE
Attorney for
PITT-OHIO EXPRESS, INC.

Of Counsel:
VUONO, LAVELLE & GRAY
2310 Grant Building
Pittsburgh, Pennsylvania 15219

Due Date: September 3, 1985

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ENTRY No. _____

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCKET NO. A. 102471, FOLDER 1, Am-H

APPLICATION OF
PITT-OHIO EXPRESS, INC.

APPLICANT'S VERIFIED STATEMENT

I. STATEMENT OF THE CASE

By application published in the Pennsylvania Bulletin on June 15, 1985, Pitt-Ohio Express, Inc. (Pitt-Ohio or Applicant) 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 Sherwin-Davis, Inc., between points in Pennsylvania.

A protest to the application was filed by Newcomer Trucking, Inc. However, by letter to the Commission dated July 17, 1985 Newcomer's protest was withdrawn, leaving the application unopposed. The application has been assigned for review without an oral hearing. The application is supported by Sherwin-Davis, Inc. Applicant now submits its verified statement in support of the application.

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 & 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 six and one-half years ago. I am actively involved 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, Folder 1, Am-H.

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, property (except commodities in bulk, and household goods and office furniture in use), for Sherwin-Davis, Inc., between points in Pennsylvania.

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. The authority at Folder 1, Am-A, Am-C and Am-D is comparable to the present application in that it permits service for a named shipper between some or all points in Pennsylvania.

The Applicant has been authorized at Docket No. A. 102471, Folder 600 to operate under part of the operating rights of Breman's Express Company at Docket No. A. 80581 pending final action by the Commission on the related transfer application. Under that authority it is operating in several western Pennsylvania counties including Allegheny, Butler, Beaver and Lawrence.

Pitt-Ohio also holds authority at Docket No. 102471, Folder 601 to operate under part of the rights presently held by Exhibitors Service Company at Docket No. A. 24261 pending final action by the Commission on the related transfer application. Under that emergency temporary authority the Applicant is providing service from Allegheny County to points in Pennsylvania, with the exception of those counties authorized to be served under the existing rights at Folder 1, Am-B, and vice versa.

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 and 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.

The only permanent authority presently held by the Applicant which would be duplicated in part by approval of this application is that set forth in the Folder 1, Am-B certificate which is summarized in Appendix 1. To the extent that Sherwin-Davis has traffic moving between points authorized in those 15 western Pennsylvania counties, that service can already be provided and approval of this application in its present form would duplicate that limited western Pennsylvania service insofar as the supporting shipper is concerned. However, the balance of the proposed authority is not duplicated by any existing 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 & 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 also has a recently renovated terminal at Norristown in eastern Pennsylvania. This is a 20 door terminal which is used to serve the eastern part of Pennsylvania, both as a hub for pickup and delivery operations in that area as well as a break-bulk terminal for long-haul traffic.

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 three pages of Appendix 2 show the equipment which is leased from Martera.

Pitt-Ohio owns 23 straight trucks which are 20 feet in length, 33 tractors and 22 trailers. All of the trailers are closed vans. There are six-25 foot pup trailers (300 series), six-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 54 closed van trailers, all of which are either 42 or 45 feet in length.

Pitt-Ohio presently has under lease from owner-operators four additional tractors and four flatbed trailers. Martera also owns flatbed trailers which can be leased by Pitt-Ohio as needed. We are aware that the supporting shipper has certain shipments which must be handled on flatbed trailers and the Applicant is in a position to obtain that equipment either by purchase or lease upon approval of this application.

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 Shipper.

Except as explained previously, Applicant does not now hold any authority from this Commission to provide service for the supporting shipper. It has provided some service for Sherwin-Davis in the 15 western Pennsylvania county area, as well as on an interstate basis. 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 5 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 have no difficulty in providing service to the supporting shipper since its facilities are located in Pittsburgh just a block away from our Pittsburgh terminal. A truck can be provided to make a pickup at the shipper's facilities literally within five minutes after a call is received from the shipper. Because of our proximity to the shipper's facilities, we will be able to handle its traffic regardless of when a call for service is received. Emergency shipments or shipments which must be picked up late in the day will not be a problem.

Pitt-Ohio will spot equipment at Sherwin-Davis for loading and pick it up for delivery when called. Multiple stop-off delivery service will also be available.

Delivery of freight will ordinarily take place within one or two days following the day of pickup unless there are unusual circumstances or specific customer requirements involved. Pitt-Ohio will handle both the truckload and less-than-truckload shipments of the supporting shipper, regardless of size. Split pickup and multiple stop-off delivery service is available as needed. With approximately 30 pickup and delivery runs operating daily out of the Pittsburgh terminal, prompt service in the local western Pennsylvania territory will not be a problem.

As indicated previously, service in Pennsylvania from origin to destination is normally accomplished in one or two

days. On truckload traffic the normal standard would be overnight service. On less-than-truckload shipments the freight moving to or from points in western Pennsylvania would ordinarily be handled on an overnight basis, with shipments moving to or from more distant eastern Pennsylvania points being delivered on a second day delivery basis. Jobsite deliveries will be made to accommodate Sherwin-Davis.

13. Financial Data.

There is attached to my statement as Appendix 3 the comparative financial statements of Pitt-Ohio for calendar years 1983 and 1984 which are the latest available. The balance sheet portion of the financial statement shows that the total shareholders' equity increased by more than \$400,000 in the one year. Total current assets far exceed total current liabilities and 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 revenue almost doubled between December 31, 1983 and December 31, 1984. In 1984 Pitt-Ohio had a net income after taxes of \$434,860.

The financial statement shows that Pitt-Ohio is financially able to provide the proposed service without 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.

AFFIDAVIT

STATE OF PENNSYLVANIA)
) SS:
COUNTY OF ALLEGHENY)

Robert F. Hammel, being duly sworn according to law,
deposes and says that he has read the foregoing statement,
knows the contents thereof, and that the same is true as stated.



Robert F. Hammel

Sworn to and subscribed before me
this 13TH day of August, 1985.



Notary Public

My commission expires:

ROBERT E. TAYLOR, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JUNE 29, 1987
Member, Pennsylvania Association of Notaries

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.

APPENDIX 2

PITT OHIO EXPRESS, INC.

EQUIPMENT OWNED

TRUCKS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
41	1978	MERCEDES BENZ	34403012393996	\$ 8,300
42	1978	MERCEDES BENZ	34403012396620	8,300
62	1978	MERCEDES BENZ	34403012394632	7,500
63	1978	MERCEDES BENZ	34403013295301	7,500
64	1978	MERCEDES BENZ	344030102395113	7,500
66	1978	MERCEDES BENZ	34404012394911	7,500
67	1978	MERCEDES BENZ	34404012395302	7,500
100	1981	GMC	BV 555725	22,500
101	1981	GMC	BV 557196	27,788
102	1981	GMC	BV 568273	27,788
200	1982	MACK	CB 015361	24,500
201	1982	MACK	CB 015591	24,500
202	1982	MACK	CB 015381	24,500
203	1982	MACK	CB 015406	24,500
204	1982	MACK	DB 015413	24,500
205	1984	MACK	VG6M111B0E019692	22,800
206	1984	MACK	VG6M111B7E019723	22,800
207	1984	MACK	VG6M111B5E019509	30,167
68	1978	MERCEDES BENZ	34403012394460	7,500
69	1979	MERCEDES BENZ	34403312441474	7,500
70	1979	MERCEDES	279444	11,500
71	1978	Mercedes	218767	8,500
72	1978	Mercedes	356643	9,500

PITT OHIO EXPRESS, INC.

EQUIPMENT OWNED

TRACTORS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
D-54	1979	GMC	V 625036	\$ 22,000
D-50	1979	GMC	V 591662	20,000
D-52	1979	GMC	V 625038	22,000
D-53	1979	GMC	625037	22,000
D-6	1981	MACK	BC 016586	42,000
D-7	1981	MACK	BC 016587	42,000
D-9	1978	MACK	4214	19,500
D-10	1983	MACK	DC 087709	41,000
D-11	1982	MACK	CC 016636	43,981
D-12	1983	MACK	DC 087710	41,000
D-14	1983	MACK	DC 087711	41,000
D-15	1983	MACK	DC 087714	41,920
D-16	1983	MACK	DA 087683	41,920
D-17	1983	MACK	DA 087684	41,920
D-18	1983	MACK	DA 087606	41,920
D-19	1983	MACK	DA 087607	41,920
D-20	1983	MACK	DC 087715	41,000
D-21	1984	MACK	88386	44,800
D-22	1984	MACK	88387	44,800
D-23	1977	MACK	13613	15,500
D-24	1977	MACK	13623	15,500
D-25	1978	MACK	73680	22,800
D-26	1984	MACK	88383	48,375
D-27	1984	MACK	88384	48,375
D-28	1984	MACK	88385	48,375
D-29	1984	MACK	1M2N185X3EA090359	44,800
D-30	1984	MACK	1M2N185XXEA090360	44,800
D-31	1984	MACK	1M2N185X1EA090361	44,800
D-32	1984	MACK	1M2N185X1EA090362	44,800
D-33	1984	MACK	1M2N185X5EA090363	44,800
D-34	1985	MACK	98599	47,150
D-35	1985	MACK	98600	47,150
D-36	1985	MACK	98601	47,150

PITT OHIO EXPRESS, INC.

EQUIPMENT OWNED

TRAILERS

<u>UNIT NO.</u>	<u>YEAR</u>	<u>MAKE</u>	<u>SERIAL NUMBER</u>	<u>COST</u>
T-323	1973	STOUGHTON	732657	\$ 2,850
T-324	1973	STOUGHTON	732590	2,850
T-322	1973	STOUGHTON	732589	2,850
T-326	1973	STOUGHTON	732656	2,850
T-325	1973	STOUGHTON	732661	2,850
T-321	1973	STOUGHTON	732660	2,750
T-485	1980	STRICK	226826	8,500
T-482	1980	STRICK	232753	8,500
T-481	1980	STRICK	230821	8,500
T-483	1980	STRICK	222706	8,500
T-480	1983	FRUEHAUF	2DH-046601	12,849
T-484	1983	FRUEHAUF	2DH-046602	12,849
T-605	1982	FRUEHAUF	BH056736	12,895
T-606	1982	FRUEHAUF	BH056737	12,895
T-607	1982	FRUEHAUF	BH056738	12,895
T-608	1982	FRUEHAUF	BH056739	12,895
T-609	1982	FRUEHAUF	BH056740	12,895
T-610	1978	FRUEHAUF	MEZ582118	6,000
T-623	1977	STRICK	215420	7,300
T-624	1977	STRICK	215424	7,300
T-625	1978	STRICK	223563	8,300
T-626	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

APPENDIX 3

PITT-OHIO EXPRESS, INC.

COMPARATIVE FINANCIAL STATEMENTS - UNAUDITED

FOR THE

YEARS ENDED DECEMBER 31, 1984 AND 1983

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 December 31, 1984 and 1983, and the related statements of income, retained earnings and changes in financial position for the years 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 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
March 12, 1985

PITT-OHIO EXPRESS, INC.
COMPARATIVE BALANCE SHEET - UNAUDITED

	December 31,	
<u>ASSETS</u>	<u>1984</u>	<u>1983</u>
<u>CURRENT ASSETS</u>		
Cash in Bank	\$ 572,521	\$ 129,490
Accounts Receivable - Customers	541,369	369,405
Accounts Receivable - Other	1,421	1,325
Prepaid Items	107,925	88,778
Material & Supplies	33,947	11,427
<u>TOTAL CURRENT ASSETS</u>	<u>1,257,183</u>	<u>600,425</u>
<u>FIXED ASSETS AT COST</u>		
Revenue Equipment - C - D	1,770,872	988,441
Miscellaneous & Office Equipment	61,045	20,586
	1,831,917	1,009,027
Less: Allowance for Depreciation	631,343	273,065
	<u>1,200,574</u>	<u>735,962</u>
<u>OTHER ASSETS</u>		
Deferred Interest	48,351	None
Franchises & Organization Costs - E - F	119,638	110,013
	167,989	110,013
Less: Allowance for Amortization	91,173	71,076
	<u>76,816</u>	<u>38,937</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,534,573</u>	<u>\$ 1,375,324</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
Equipment Obligations - C	\$ 281,492	\$ 96,847
Accounts Payable	262,878	195,365
Interline Accounts Payable	2,709	5,221
Payroll Deductions	18,992	8,883
Accrued Salaries & Wages	52,038	54,283
C.O.D.'s Payable	None	788
Accrued Taxes	23,099	18,354
Other Accrued Liabilities	127,312	72,579
Federal & State Income Taxes	176,324	80,619
<u>TOTAL CURRENT LIABILITIES</u>	<u>944,844</u>	<u>532,939</u>
<u>LONG-TERM DEBT</u>		
Equipment Obligations - Long-term - C	362,179	158,909
Note Payable - Other - D	194,564	80,000
<u>TOTAL LONG-TERM DEBT</u>	<u>556,743</u>	<u>238,909</u>
<u>SHAREHOLDERS' EQUITY</u>		
Common Stock	50,000	50,000
Retained Earnings	982,986	553,476
<u>TOTAL SHAREHOLDERS' EQUITY</u>	<u>1,032,986</u>	<u>603,476</u>
<u>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</u>	<u>\$ 2,534,573</u>	<u>\$ 1,375,324</u>

The accompanying footnotes are an integral part of these statements.

See Accountants' Review Report.

PITT-OHIO EXPRESS, INC.

COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS - UNAUDITED

<u>INCOME</u>	<u>December 31,</u>	
	<u>1984</u>	<u>1983</u>
Freight Revenue	\$ 6,844,553	\$ 3,631,403
C.O.D. Fees	8,167	4,828
<u>TOTAL REVENUE</u>	<u>6,852,720</u>	<u>3,636,231</u>
<u>EXPENSES</u>		
Salaries - Officers	147,000	117,000
Salaries & Wages	2,078,708	1,026,122
Other Fringes	554,028	253,147
Operating Supplies & Expenses	1,210,487	559,629
General Supplies & Expenses	177,389	88,027
Operating Taxes & Licenses	135,987	74,197
Insurance	129,480	73,685
Communications & Utilities	119,735	58,635
Depreciation & Amortization	378,375	210,654
Equipment Rents & Purchased Transportation	1,028,563	686,352
Building & Office Equipment Rents	115,433	49,630
Gains on Operating Assets	(3,833)	None
Miscellaneous Expenses	20,010	20,135
<u>TOTAL EXPENSES</u>	<u>6,091,362</u>	<u>3,217,213</u>
<u>NET OPERATING REVENUE</u>	761,358	419,018
<u>OTHER INCOME & EXPENSES</u>		
Interest Income	25,527	8,731
Interest Expense	(45,301)	(7,667)
<u>NET PROFIT BEFORE INCOME TAXES</u>	741,584	420,082
Federal & State Income Taxes	306,724	144,712
<u>NET INCOME</u>	434,860	275,370
<u>RETAINED EARNINGS - BEGINNING OF YEAR</u>	553,476	289,685
Officers' Life Insurance Premiums	(8,090)	(8,827)
Prior Period Adjustment	2,740	(2,752)
<u>RETAINED EARNINGS - END OF YEAR</u>	<u>\$ 982,986</u>	<u>\$ 553,476</u>

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

PITT-OHIO EXPRESS, INC.

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION - UNAUDITED

	<u>December 31,</u>	
<u>SOURCE OF WORKING CAPITAL</u>	<u>1984</u>	<u>1983</u>
Net Income	\$ 434,860	\$ 275,370
Depreciation of Fixed Assets	358,278	190,419
Amortization of Organization Expense	97	235
Amortization of Operating Rights	<u>20,000</u>	<u>20,000</u>
<u>WORKING CAPITAL PROVIDED FROM OPERATIONS</u>	813,235	486,024
Additions to Long-term Debt	577,749	365,527
Prior Period Adjustment	2,740	None
Decrease in Working Capital	<u>None</u>	<u>None</u>
	<u>\$ 1,393,724</u>	<u>\$ 851,551</u>
<u>APPLICATION OF WORKING CAPITAL</u>		
Additions to Deferred Interest	\$ 48,351	\$ None
Officers' Life Insurance Premiums	8,090	8,827
Prior Period Adjustment	None	2,752
Additions to Franchises	9,625	8,840
Additions to Property, Plant & Equipment	822,890	609,761
Current Maturity of Long-term Debt	259,915	155,294
Increase in Working Capital	<u>244,853</u>	<u>66,077</u>
	<u>\$ 1,393,724</u>	<u>\$ 851,551</u>
<u>CHANGES IN WORKING CAPITAL</u>		
Increases (Decreases) in Current Assets		
Cash	\$ 443,031	\$ 52,179
Notes & Accounts Receivable	172,060	218,201
Other Current Assets	41,667	73,519
	<u>656,758</u>	<u>343,899</u>
Decreases (Increases) in Current Liabilities		
Notes Payable	(184,645)	(82,511)
Accounts Payable	(67,513)	(89,997)
Federal & State Income Taxes	(95,705)	(62,234)
Other Current Liabilities	(64,042)	(43,080)
	<u>(411,905)</u>	<u>(277,822)</u>
<u>NET INCREASE (DECREASE) IN WORKING CAPITAL</u>	<u>\$ 244,853</u>	<u>\$ 66,077</u>

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

PITT-OHIO EXPRESS, INC.

NOTES TO FINANCIAL STATEMENTS - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 1984 AND 1983

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 \$202,152 and \$131,340 for 1984 and 1983, respectively.

The Corporation also leases terminal facilities with annual rentals amounting to \$91,877 and \$43,769 for 1984 and 1983, respectively.

The Corporation also leases certain computer hardware and software with annual rentals amounting to \$23,556 and \$5,860 for 1984 and 1983, respectively.

NOTE C - EQUIPMENT OBLIGATIONS

The Corporation purchased several pieces of revenue equipment which were financed through Mack Financial Corporation. Also, office equipment was purchased from Xerox Corporation.

	<u>Monthly Payment</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Charles L. Hammel, Jr.	\$ 5,737.06	\$ 48,529	\$ 105,023
Xerox	199.58	2,195	None
Mack Financial	1,255.62	15,067	12,556
Mack Financial	6,564.29	78,772	59,079
Mack Financial	4,444.02	53,328	71,104
Mack Financial	2,746.04	32,952	38,445
Mack Financial	2,796.47	33,558	50,336
Mack Financial	1,424.22	17,091	25,636
	<u>\$ 25,167.30</u>	<u>\$ 281,492</u>	<u>\$ 362,179</u>

See Accountants' Review Report.

PITT-OHIO EXPRESS, INC.
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 1984 AND 1983

NOTE D - NOTES PAYABLE

The debt due is subject to interest at 12% for 1984 and 1983.

	<u>1984</u>		<u>1983</u>	
	<u>Current</u>	<u>Long-Term</u>	<u>Current</u>	<u>Long-Term</u>
Charles L. Hammel, Jr.	\$ None	\$ 45,450	\$ None	\$ None
Capp Express, Inc.	None	None	None	80,000
Shareholders	<u>None</u>	<u>149,114</u>	<u>None</u>	<u>None</u>
<u>Total</u>	<u>\$ None</u>	<u>\$ 194,564</u>	<u>\$ None</u>	<u>\$ 80,000</u>

The money owed to Capp Express, Inc. was distributed to Capp Express, Inc.'s shareholders as a part of a dissolution distribution at December 31, 1984.

NOTE E - AMORTIZATION OF ORGANIZATIONAL EXPENSES

Pursuant to regulation 1.248-1(c), the Corporation elects to amortize organizational expenses over a sixty-month period beginning with May 1, 1979. Organizational expenses amounted to \$1,173.

NOTE F - 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 is being done over a sixty-month period beginning with July 1, 1980.

NOTE G - 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 \$500,000 equipment line of credit for new and used equipment dated August 23, 1984. Any loans will be subject to certain terms, conditions, security and aggregate balances in accordance with the agreements.

See Accountants' Review Report.

III. VERIFIED STATEMENT OF DAN SHERWIN
FOR SHERWIN-DAVIS, INC.

1. Legal Name and Domicile of Supporting Shipper.

Sherwin-Davis, Inc. is domiciled in Pittsburgh, PA at 24 27th Street, Pittsburgh, PA 15222.

2. Identity and Qualifications of Witness.

My name is Dan Sherwin. I am the Warehouse Manager and Traffic Manager for Sherwin-Davis, Inc. My address is the same as shown above.

I have been employed by the company in my present position for five years. As its Warehouse Manager and Traffic Manager, I am responsible for the daily operation of the warehouse and for the transportation of all inbound and outbound shipments. It is my responsibility to make certain that the company has adequate motor carrier service available to it. I am familiar with the company's transportation needs within the state of Pennsylvania and based on my experience I am of the opinion that there is a definite need for the service being proposed by Pitt-Ohio Express, Inc. I am authorized to present this statement to the Pennsylvania Public Utility Commission on behalf of Sherwin-Davis, Inc. in support of the application at Docket No. A. 102471, Folder 1, Am-H.

3. General Description of Supporting Shipper.

Sherwin-Davis is engaged in business as a distributor of electrical products. It has a warehouse in Pittsburgh on 27th

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Street which is open for business between 8 a.m. and 5 p.m. It has three doors to load and unload motor vehicles.

The inbound and outbound commodities are the same since we do not manufacture items ourselves but operate as a distributor. The inbound commodities received from various manufacturing companies consist of conduit fittings, steel pipe, copper wire and plastic pipe. Within each category there are a wide range of sizes and shapes. These same commodities are shipped outbound to electrical supply houses and electrical contractors in Pennsylvania.

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

Although the commodities are the same, the inbound and outbound transportation characteristics of the freight are very dissimilar. About 90% of the inbound traffic moves in full truckload lots weighing between 30,000 pounds and 45,000 pounds each. The other 10% of the shipments are less-than-truckload in size and weigh as little as 1,000 pounds each. Any point in Pennsylvania at which a manufacturer of steel pipe, plastic pipe, copper wire or conduit fittings is located is a potential source of material. Several major supply points for these commodities would be Philadelphia, Wheatland and Washington.

The outbound shipments from Sherwin-Davis are much smaller in size. About 95% of the outbound shipments range in weight from 150 pounds to 20,000 pounds. Truckload shipments which

comprise about 5% of the total weigh approximately 30,000 pounds each. All of this traffic is routed by Sherwin-Davis.

There are customers located throughout Pennsylvania which receive products from Sherwin-Davis. Representative destination points would be Johnstown, Indiana, Altoona, Clearfield, Somerset, Uniontown, Erie, State College, Clarion, DuBois, Brookville and St. Marys. There are many electrical supply houses and contractors throughout Pennsylvania which at one time or another have occasion to buy materials from Sherwin-Davis.

5. Type of Service Required.

We have need for the services of a motor carrier which will attempt to meet our transportation needs and work with us in developing a relationship that will be beneficial to both parties. The applicant's service has been used on interstate shipments and to a limited extent on intrastate Pennsylvania shipments for about five years. That service has always been excellent. If this application is approved, Sherwin-Davis intends to offer to the applicant all of its inbound and out-bound intrastate freight.

One reason for giving all of our freight to Pitt-Ohio is the fact that its main terminal in Pittsburgh is located just one block from our warehouse. This allows us to easily discuss our needs face to face and to coordinate efforts so that the freight moves according to our schedules. All of the shipments

must be picked up promptly and delivered to destination as soon as possible since our customers are primarily small companies which cannot maintain large inventories. As a result, they require frequent replenishment of their supplies and often work almost on a hand to mouth basis. To satisfy their needs Sherwin-Davis must be in a position to accept and fill an order on very short notice.

Overnight delivery service is usually required. On a large shipment or one which involves commodities that are difficult to load, we must have a trailer spotted at our warehouse so that it can be loaded as our personnel have the time. With a terminal just down the street, Pitt-Ohio is able to spot that trailer for us on short notice.

It is extremely important that we have a motor carrier that can make scheduled pickups and scheduled deliveries. In emergency type situations we must have equipment to make a pickup immediately and deliver quickly to destination. Often the destination is a construction site at which a contractor must assemble an unloading crew. In those cases we are given a day and time for delivery and if the shipment does not arrive on time there is a work force assembled with nothing to do. Arriving at destination according to the predetermined schedule has not been a problem when we have used Pitt-Ohio. I would estimate that we have between one and three jobsite deliveries each day.

There are occasions when we have shipments moving into towns in the same general vicinity and want the traffic delivered on a stop-off basis. Altoona and Johnstown would be a typical example of this.

Sherwin-Davis needs both van and flatbed trailers. Many of its shipments can be handled on van trailers but there are numerous occasions when flatbed trailers are needed. This is in connection with both inbound and outbound traffic. A specific example of this would be shipments moving to jobsites where the unloading equipment is generally of a type to be used with flatbed trailers. The unloading equipment in the field generally is unsuitable for unloading closed van trailers.

6. Similar Applications Supported.

Sherwin-Davis has not supported any similar type application.

7. Other Pertinent Information.

The motor carriers available to Sherwin-Davis in the Pittsburgh area have been disappearing over the last several years. Among the carriers that were used at one time which are no longer in business are LaFace Express, Breman's, Capp Trucking and Motor Freight Express. All of these were at one time major trucking companies in Pennsylvania but their services are no longer available.

With the declining number of carriers there has been a corresponding decline in the dependability of the service.

Late pickups are a regular problem. Certain carriers won't guarantee to make pickups on orders called in after 2 p.m. That is why having available the service of Pitt-Ohio which is a block away will serve to overcome that particular difficulty.

The present carriers also have difficulty in meeting scheduled delivery dates and times. The excessive time in transit interferes with our ability to sell products. We compete with other companies which have their own fleet of trucks. In order to be competitive with them, we must be able to deliver our products to destination in the same time as they do with their own trucks.

With the disappearance of the carriers mentioned above, there is a smaller amount of single-line service available to points throughout Pennsylvania. This also has resulted in a loss of multiple stop-off delivery service. Sherwin-Davis has experienced an excessive loss and damage ratio with certain carriers. There are also carriers that fail to pay claims promptly.

We have also had problems in obtaining prompt tracing information with other carriers. Our customers often find themselves in out of stock conditions on common items and place an emergency order with us. They are anxious to know when the shipment left our facility and when to expect it at destination. This requires tracing the shipment with the carrier in

order to provide the information. We have not had any problem in obtaining tracing information from Pitt-Ohio. On the other hand, other carriers are unable to provide us quickly with the necessary information, causing problems with our customers. In some cases we have been able to accommodate these customers in these emergencies by having Pitt-Ohio provide same day pickup and delivery service. This is not possible with other motor carriers.

For the reasons set forth in this statement, Sherwin-Davis respectfully requests that the Commission approve this application of Pitt-Ohio Express, Inc.

AFFIDAVIT

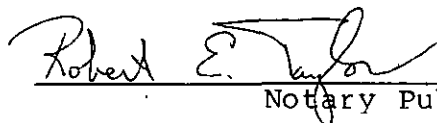
STATE OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

Dan Sherwin, being duly sworn according to law, deposes and says that he has read the foregoing statement, knows the contents thereof, and that the same is true as stated.



Dan Sherwin

Sworn to and subscribed before me
this 13TH day of AUGUST, 1985.



Notary Public

My commission expires:

**ROBERT E. TAYLOR, NOTARY PUBLIC
PITTSBURGH, ALLEGHENY COUNTY
MY COMMISSION EXPIRES JUNE 29, 1987
Member, Pennsylvania Association of Notaries**

IV. CONCLUSION

For the reasons set forth in the foregoing statements submitted in support of the application, Pitt-Ohio Express, Inc. respectfully requests that the Commission grant the application in its entirety.

Respectfully submitted,

By: William J. Lavelle
William J. Lavelle
Attorney for
Pitt-Ohio Express, Inc.

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

Due Date: September 3, 1985



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

August 20, 1985

IN REPLY PLEASE
REFER TO OUR FILE

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

In re: A-00102471, F. 1, Am-H

Fate File

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 Barbara Honegger
For Peter S. Marzolf, Supervisor
Technical Review Section
Bureau of Transportation

DOCUMENT
FOLDER

DOCKETED
APPLICATION DOCKET
AUG 22 1985
ENTRY No. *ms*

#13