

Decision No. 42273

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)	
of Pacific Freight Lines for	:	
permission to execute extension)	
agreements covering payments of	:	Application
purchase price of automotive)	No. 29822
equipment purchased under	:	
conditional sales contracts.)	
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O P I N I O N

In this application, Pacific Freight Lines, a corporation engaged in business as a highway common carrier, asks permission to execute agreements extending the time for payment of certain sums due under conditional sales contracts heretofore executed by it for the purpose of acquiring automotive equipment. A copy of the form of the proposed extension agreement is on file in this application as Exhibit "A".

The following is a summary of the conditional sales contracts to which reference is made in this application:

- (a) Contract with Pacific Built Trailer Company, dated November 18, 1947, covering the purchase of four 1947 Pacific Built 2-axle pull tanks at a cost of \$15,832; payable as follows: \$5,500 as down payment, 11 equal successive monthly payments of \$220 each beginning December 14, 1947, and one final payment of \$7,912 on November 14, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due November 14, 1948, over a period of 35 months.
- (b) Contract with Wegge-Pelton Motor Company, dated November 29, 1947, covering the purchase of two 1942 Fruehauf semi van trailers at a cost of \$2,872, payable as follows: \$718 as down payment, 11 equal successive monthly payments of \$60 each beginning December 29, 1947, and one final payment of \$1,494 on November 25, 1948, with interest at the rate of 4% per

annum. Applicant asks permission to extend the payment due November 25, 1948, over a period of 36 months.

- (c) Contract with Crenshaw Motors, dated December 3, 1947, covering the purchase of one 1948 Ford 8 Sup. Dlx Fordor at a cost of \$1,661.72, payable as follows: \$415.72 as down payment, 11 equal successive monthly payments of \$52 each beginning January 3, 1948, and one final payment of \$674 on December 1, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due on December 1, 1948, over a period of 36 months.
- (d) Contract with Brand Motors, Inc., dated December 3, 1947, covering the purchase of one 1947 Ford 8 Sup. Dlx Fordor at a cost of \$1,644.26, payable as follows: \$411.26 as down payment, 11 equal successive monthly payments of \$52 each beginning January 3, 1948, and one final payment of \$661 on December 1, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due on December 1, 1948, over a period of 36 months.
- (e) Contract with Mocca Freese, Inc., dated December 11, 1947, covering the purchase of 10 1947 International tractors at a cost of \$101,177.80, payable as follows: \$20,237.80 as down payment, 11 equal successive monthly payments of \$1,349 each beginning January 11, 1948, and one final payment of \$66,101 on December 8, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due on December 8, 1948, over a period of 48 months.
- (f) Contract with Coast Auto & Truck Salvage Co., dated December 16, 1947, covering purchase of one 1942 and three 1944 Highway trailers and one 1942 Fruchauf trailer at a cost of \$4,649.74, payable as follows: \$1,829.74 as down payment, 11 equal successive monthly payments of \$94 each beginning January 19, 1948, and one final payment of \$1,786 on December 16, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due December 16, 1948, over a period of 35 months.
- (g) Contract with Mercury Transportation Co., dated December 19, 1947, covering the purchase at a cost of \$15,103.06 of one 1942 Chevrolet truck, one 1944 Diamond T. truck, one 1942 International truck, three 1943 Autocars, two 1944 Highway trailers, one 1942 Fruchauf trailer and two 1945 Highway trailers. The purchase price of \$15,103.06 is payable as follows: \$6,433.06 as down payment, 11 equal successive monthly payments of \$290 each beginning January 19, 1948, and one final payment of \$5,480 on December 16, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due on December 16, 1948, over a period of 36 months.

- (h) Contract with Brokaw-Bauer Co., dated December 19, 1947, covering the purchase of five 1947 Chevrolet pickup trucks at a cost of \$6,432.05, payable as follows: \$1,632.05 as down payment, 11 equal successive monthly payments of \$134 each beginning January 19, 1948, and one final payment of \$3,326 on December 16, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due December 16, 1948, over a period of 36 months.
- (i) Contract with Pacific Built Trailer Company, dated December 30, 1947, covering the purchase of 10 Converter Gear at a cost of \$14,529.38, payable as follows: \$3,639.38 as down payment, 11 equal successive monthly payments of \$303 each beginning January 30, 1948, and one final payment of \$7,557 on December 30, 1948, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due December 30, 1948, over a period of 36 months.
- (j) Contract with Mecca Freese, Inc., dated January 2, 1948, covering the purchase of nine 1947 International trucks at a cost of \$20,991.21, payable as follows: \$91.21 as down payment, 11 equal successive monthly payments of \$436 each beginning February 22, 1948, and one final payment of \$16,104 on January 20, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due January 20, 1949, over a period of 35 months.
- (k) Contract with Mecca Freese, Inc., dated January 30, 1948, covering purchase of three 1948 International trucks at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning February 28, 1948, and one final payment of \$5,294 on January 26, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due January 26, 1949, over a period of 36 months.
- (l) Contract with Mecca Freese, Inc., dated February 25, 1948, covering purchase of three 1948 International chassis & cab at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning March 25, 1948, and one final payment of \$5,294 on February 25, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due February 25, 1949, over a period of 36 months.
- (m) Contract with Mecca Freese, Inc., dated March 4, 1948, covering purchase of one International truck and five International chassis & cab at a cost of \$13,994.14, payable as follows: \$194.14 as down payment, 11 equal successive monthly payments of \$292 each beginning April 4, 1948, and one final payment of \$10,588 on

March 4, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due on March 4, 1949, over a period of 36 months.

- (n) Contract with Mecca Freese, Inc., dated March 18, 1948, covering purchase of three 1948 International trucks at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning April 18, 1948, and one final payment of \$5,294 on March 16, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due March 16, 1949, over a period of 36 months.
- (o) Contract with Mecca Freese, Inc., dated April 7, 1948, covering purchase of three 1948 International trucks at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning March 18, 1948, and one final payment of \$5,294 on April 5, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due April 5, 1949, over a period of 36 months.
- (p) Contract with Mecca Freese, Inc., dated April 16, 1948, covering purchase of three 1948 International trucks at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning May 14, 1948, and one final payment of \$5,294 on April 14, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due April 14, 1949, over a period of 36 months.
- (q) Contract with Mecca Freese, Inc., dated April 23, 1948, covering purchase of three 1948 International trucks at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning May 23, 1948, and one final payment of \$5,294 on April 21, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due April 21, 1949, over a period of 36 months.
- (r) Contract with Mecca Freese, Inc., dated May 4, 1948, covering purchase of three 1948 International trucks at a cost of \$6,997.07, payable as follows: \$97.07 as down payment, 11 equal successive monthly payments of \$146 each beginning June 4, 1948, and one final payment of \$5,294 on May 2, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due May 2, 1949, over a period of 35 months.
- (s) Contract with Winslow B. Felix Co., dated May 5, 1948, covering the purchase of six 1948 Chevrolet one-half ton pickup trucks at a cost of \$7,819.08, payable as

follows: \$1,959.02 as down payment, 11 equal monthly payments of \$163 each beginning June 5, 1948, and one final payment of \$4,067 on May 3, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend the payment due May 3, 1949, over a period of 36 months.

- (t) Contract with Harry Mann Chevrolet Co. dated May 5, 1948, covering purchase of two 1948 Chevrolet 2 ton COE at a cost of \$4,574.98, payable as follows: \$24.98 as down payment, 11 equal monthly payments of \$95 each beginning June 5, 1948, and one final payment of \$3,505 on May 3, 1949, with interest at the rate of 4% per annum. Applicant asks permission to extend payment due on May 3, 1949, over a period of 35 months.

Applicant's petition shows that all of the above contracts are now held by Bank of America National Trust and Savings Association, and that the Bank has indicated its willingness to enter into said extension agreements giving Applicant additional time to make the final payments due under the several contracts. The contracts cover the purchase of 93 units of equipment at an aggregate cost of \$260,260.91. Upon the purchase of the equipment Applicant made down payments totaling \$43,765.91. The sum total of the final payments is \$166,313. The interest rate under the extension agreements will be the same as under the original contracts, to wit, 4% per annum, payable monthly on deferred balances due under the contracts.

Applicant reports that it has not sufficient funds on hand to meet the final payments due under the several contracts. It is for that reason that it is asking permission to execute extension agreements so that the final payments under the present contracts will be payable over the periods stated.

O R D E R

The Commission has considered this application and is of the opinion there is no need to hold a hearing thereon, that the money, property or labor to be procured or paid for by the execution of the extension agreements to which reference is made in the foregoing opinion is reasonably required by Pacific Freight Lines for the purpose of acquiring said equipment, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Pacific Freight Lines may, after the effective date hereof and on or before June 30, 1949, execute extension agreements in, or substantially in, the form of the extension agreement filed in this proceeding as Exhibit "A", providing for extensions of time, as indicated in the foregoing opinion and in this application, for the payment of the balances due under the conditional sales contracts referred to in said opinion.
2. The authority herein granted will become effective when Pacific Freight Lines has paid the fee prescribed by Section 57 of the Public Utilities Act.
3. Pacific Freight Lines shall file with the Commission a copy of each extension agreement executed under the authority herein granted, such agreement to be filed within thirty (30) days after its execution.

Dated at San Francisco, California, this 30th day
of November, 1948.

R. F. [unclear]
Justus J. [unclear]
Wass [unclear]

Commissioners

