

ORIGINAL

Decision No. 59538

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CONSOLIDATED FREIGHTWAYS CORPORATION
OF DELAWARE, a Delaware corporation,
and INLAND TRANSPORTATION CORPORATION,
a California corporation, for an order
authorizing them to enter into a
Credit Agreement with BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION
and incur and assume indebtedness as
provided in said Credit Agreement.

Application No. 41767
(Amended)

O P I N I O N

In this application filed on December 18, 1959, the Commission is asked to issue its order authorizing Consolidated Freightways Corporation of Delaware and Inland Transportation Corporation to enter into a Credit Agreement with Bank of America National Trust and Savings Association and to incur and assume indebtedness thereunder.

Consolidated Freightways Corporation of Delaware, sometimes hereinafter referred to as "Consolidated", and Inland Transportation Corporation, sometimes hereinafter referred to as "Inland", are engaged in business as highway common carriers in the State of California. Inland is a wholly-owned subsidiary of Consolidated and Consolidated is a wholly-owned subsidiary of Consolidated Freightways, Inc.,^{1/} a Delaware corporation.

^{1/} For the period January 1 through November 7, 1959, Consolidated Freightways, Inc., reports carrier operating revenues of \$60,961,251 and net income of \$1,221,277.

By Decision No. 58546, dated June 8, 1959, in Application No. 41139, Consolidated ^{2/} was authorized to enter into a Credit Agreement with Bank of America National Trust and Savings Association, providing for borrowings up to \$27,500,000, and to incur indebtedness thereunder.

Consolidated now desires to enter into a modification of its Credit Agreement with the Bank of America National Trust and Savings Association for the purpose of adding Inland as a party thereto, to increase the loan limits thereunder to \$39,000,000 and to make certain minor changes in the provisions thereof. It proposes to accomplish these objectives by the execution of a new agreement with the bank.

It is also contemplated that other wholly-owned subsidiaries of Consolidated, other than Inland, may enter into the Credit Agreement and borrow money thereunder, but none of such wholly-owned subsidiaries at this time conducts a public utility business in the State of California. In the event that a wholly-owned subsidiary of Consolidated, doing public utility business in the State of California, hereafter desires to enter into the Credit Agreement, an appropriate application requesting the required authority will be filed with the Commission.

Upon review, it appears to us that the granting of the authority herein requested will not be adverse to the public interest and an order will be entered granting applicants' requests.

2/

Name changed from Consolidated Freight Lines, Inc., to Consolidated Freightways Corporation of Delaware by amendment to Articles of Incorporation, dated September 28, 1959.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the execution of the Credit Agreement and evidence of indebtedness authorized herein is reasonably required for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Consolidated Freightways Corporation of Delaware and Inland Transportation Corporation may enter into a Credit Agreement with Bank of America National Trust and Savings Association in substantially the same form as the Credit Agreement filed in this proceeding on January 7, 1960, as Exhibit A, and may incur and assume indebtedness in the principal amount of not to exceed \$39,000,000, as provided in said Credit Agreement for the purpose of financing equipment purchases or for reimbursement for expenditures for equipment purchases.

2. This Order shall become effective when applicants have paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California,
this 26th day of January, 1960.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners

