

Decision No. 60051

ORIGINAL

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. 42171

OPINION AND ORDER

On April 21, 1960, Consolidated Freightways Corporation of Delaware and Inland Transportation Corporation, its wholly-owned subsidiary, filed the above-entitled application for authorization to enter into a credit agreement with Bank of America National Trust and Savings Association.

By Decision No. 59538, dated January 26, 1960, the Commission authorized the two carriers to execute a credit agreement providing for a line of credit up to \$39,000,000 for the purpose of enabling such carriers to obtain working capital and to finance the cost of equipment. At this time, applicants report that they have found it desirable to increase the maximum credit to \$50,000,000 and that they have made, or are making, arrangements with the bank for the execution of a modification of the present credit agreement so as to increase the authorized amount and to make certain minor changes. Under the terms of the agreement, as thus modified, the loans to be made thereunder

will not be represented by notes or other evidences of indebtedness, but will be carried by the bank as debit balances subject to settlement from time to time, with interest at the rate of one-half of 1% above the bank's prime interest rate for 90-day commercial notes.

From a review of applicants' financial statements it appears that the operations should be sufficient to service the proposed borrowings and we find that the execution of the credit agreement will not impair applicants' ability to serve the public and will not be adverse to the public interest. We are 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 herein authorized, is reasonably required for the purposes specified herein; and that such 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, or substantially in, the same form as the credit agreement filed in this proceeding as Exhibit A, and, pursuant to the terms thereof, may incur and assume indebtedness in the principal amount of not to exceed \$50,000,000 for the purpose of providing working capital, financing equipment purchases and reimbursing the treasuries for equipment purchases.

2. The authorization herein granted will become effective when Consolidated Freightways Corporation of Delaware and Inland Transportation Corporation have paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$5,750.

Dated at San Francisco, California,
this 9th day of May, 1960.

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

PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
MAY 13 1960
BY