

ORIGINAL

Decision No. 62509

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of MARINE TRANSPORT COMPANY, a
California Corporation, for an
order authorizing issuance of a
promissory note and mortgage.

Application No. 43669
Filed August 9, 1961

O P I N I O N

Marine Transport Company, applicant herein, is a California corporation operating as a public utility highway common carrier of general commodities within the Los Angeles Basin Territory and between certain other points in southern California. Also, it operates as a public utility warehouseman in the vicinity of Bandini, Los Angeles County. It has filed this application for authorization to execute a mortgage and to issue a note in the principal amount of \$90,000.

The proposed note will be issued to Small Business Administration, will bear interest at the rate of 4 per cent per annum, and will be payable, principal and interest, in monthly installments of \$1,107 until eight years after its date when the unpaid balance of principal and interest will become due and payable. Payment of the note will be secured by a mortgage covering land, buildings and improvements now owned, or to be acquired, by applicant.

The company proposes to use the proceeds from the issue of the note to pay an indebtedness to Bank of America National Trust and Savings Association amounting to \$62,836 at July 31, 1961, and to provide working capital.

Applicant's financial statements, filed as Exhibits A, B and C, show, among other things, that during the first six months of 1961 its operating revenues amounted to \$163,870 and its net income to \$5,948, after provision of \$13,778 for depreciation. The statements further show that, as of June 30, 1961, applicant had current assets of \$28,787 and current liabilities of \$83,631, including all indebtedness due within one year. Its long-term debt and capital at such date are shown as \$98,992 and \$302,191, respectively.

From a review of the verified application, exhibits, and annual reports of the applicant on file with the Commission, we are of the opinion that applicant's operations should be sufficient to support and to service the proposed borrowing without interfering with its public utility duties.

Upon considering this matter, we find and conclude that applicant has need for additional working capital; that the proposed borrowing will enable the applicant to refinance an existing indebtedness at a lower interest rate; that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by applicant for the purposes specified herein; and that

such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Upon the basis of these findings, we will enter an order granting the company's requests.

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 and that the application should be granted,

IT IS ORDERED that -

1. Marine Transport Company, a corporation, on or after the effective date hereof and on or before December 31, 1961, may execute a mortgage, or mortgages, and may issue a note in the principal amount of not to exceed \$90,000 and bearing interest at the rate of not to exceed 4 per cent per annum, for the purposes set forth in this application.

2. Marine Transport Company, a corporation, shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. This order will become effective when Marine Transport Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$90.

Dated at San Francisco, California, this 5th day of September, 1961.

Charles H. Ray
 President

E. Mitchell

C. Lynn Fox

George T. Grover

Fredrick B. Holclaff
 Commissioners

