

ORIGINAL

Decision No. 67038

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, for an order authorizing it to enter into a real estate credit agreement with Bank of America National Trust and Savings Association, and to incur indebtedness as provided in said real estate credit agreement

Application No. 46276
Filed March 11, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Consolidated Freightways Corporation of Delaware to enter into a real estate credit agreement with Bank of America National Trust and Savings Association and from time to time thereafter to incur indebtedness thereunder.

Applicant is a Delaware corporation and a wholly owned subsidiary of Consolidated Freightways, Inc. It is engaged in business as a motor carrier of property in the State of California under certificates of public convenience and necessity granted by this Commission. For the year 1963 it reports carrier operating revenues of \$117,423,140 and net income of \$104,595.

To finance the acquisition and/or construction of interests in real property, including improvements thereto, to be used in its business operations, applicant proposes to enter into an unsecured real estate credit agreement with Bank of America National Trust and Savings Association providing for a line of credit of not to exceed the lesser of the aggregate real estate borrowing base provided for by the agreement, or \$4,500,000. Under the terms of the agreement the loans are not represented by notes or other evidences of indebtedness but are carried by the bank as debit balances, subject to settlement from time to time, with interest at the rate of three-quarters of 1% above bank's prime rate for 90-day commercial notes. The agreement also provides for a commitment fee of one-half of 1% per annum on the daily average unused amount of the commitment up to \$2,500,000 for the period ending November 30, 1964, and thereafter on the unused amount of the entire \$4,500,000 commitment.

The obligations of applicant under the proposed agreement are to be guaranteed by Consolidated Freightways, Inc., the owner of all of applicant's outstanding capital stock.

The Commission has considered this request and finds that: (1) the proposed execution of the real estate credit agreement will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the execution of the real estate credit agreement herein authorized

is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

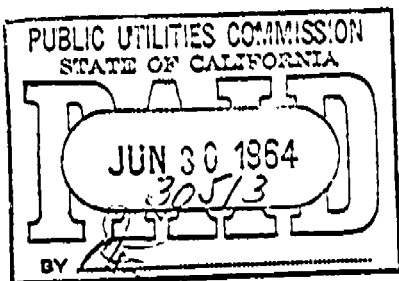
O R D E R

IT IS ORDERED that:

1. Consolidated Freightways Corporation of Delaware may enter into a real estate credit agreement with Bank of America National Trust and Savings Association in the same form, or in substantially the same form, as that filed in this proceeding as Exhibit A, and pursuant to the terms thereof, may incur indebtedness in the principal amount of not to exceed \$4,500,000 for the purposes set forth in the application.

2. This order shall become effective when Consolidated Freightways Corporation of Delaware has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$2,750.

Dated at San Francisco, California, this 7th day of April, 1964.



Hallegra Berne
President
George E. Hoover
Frederick B. Halaloff
Commissioners