

**ORIGINAL**

Decision No. 68486

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 guarantee )  
 indebtedness incurred under a credit )  
 agreement between Canadian )  
 Freightways Limited, a corporation )  
 and Canadian Imperial Bank of )  
 Commerce. )

Application No. 47203  
Filed December 21, 1964

O P I N I O N

Consolidated Freightways Corporation of Delaware requests an order of the Commission authorizing it to assume liability as guarantor for repayment of an indebtedness of not to exceed \$750,000 to be incurred pursuant to a credit agreement between Canadian Freightways Limited and Canadian Imperial Bank of Commerce.

Applicant is engaged in business as a highway common carrier in the State of California under certificates of public convenience and necessity granted by this Commission, and it also conducts interstate operations subject to the jurisdiction of the Interstate Commerce Commission. The latest quarterly report filed by the company indicates that its carrier operating revenues and net income were \$92,364,535 and \$1,857,529, respectively, for the nine months ended September 30, 1964.

The application shows that Canadian Freightways Limited, a wholly-owned subsidiary of applicant, proposes to enter into a credit agreement with the Canadian Imperial Bank of Commerce for the purpose of financing the acquisition of equipment used or useful in its transportation business. Under the terms of said agreement, a copy of which is attached to the application as Exhibit A, the company may incur an indebtedness of not to exceed \$750,000 and it may borrow, repay and reborrow within the limit so specified with interest on outstanding loans payable at the bank's prime commercial rate. The credit agreement requires applicant to guarantee repayment of the borrowings made by Canadian Freightways Limited under said agreement.

Applicant asserts that it will benefit from guaranteeing repayment of such indebtedness inasmuch as said subsidiary corporation will be permitted to finance the expansion and modernization of its vehicle fleet and thus increase the size and profitability of its operations.

The Commission has considered this matter and finds that applicant's proposal to guarantee repayment of indebtedness will not be adverse to the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

ORDER

IT IS ORDERED that:

1. Consolidated Freightways Corporation of Delaware may assume liability as guarantor of indebtedness of Canadian Freightways Limited in the principal amount of not to exceed \$750,000, which indebtedness will be incurred in accordance with a credit agreement in the same form, or in substantially the same form, as that attached to the application as Exhibit A.

2. The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 19th day of January, 1965.

Fredrick B. Holdcroft  
President

Paul J. Mitchell

George T. Trover

William A. Dennis

Commissioners