

Decision No. 79200

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of G. I. TRUCKING COMPANY, a)
corporation, for authority to)
issue promissory notes and to)
execute and deliver security)
agreements pursuant to Sections)
816-830 and 851-853 of the)
California Public Utilities)
Code.)
_____)

Application No. 52860
Filed September 10, 1971

O P I N I O N

G. I. Trucking Company seeks an order of the Commission authorizing it to enter into a Credit Agreement and, pursuant to the terms and provisions of such agreement, to issue promissory notes in the aggregate principal amount of not exceeding \$1,500,000 at any one time outstanding and to execute and deliver Security Agreements.

Applicant is a California corporation operating as a highway common carrier of general commodities in portions of southern California. Operations are also conducted under permits issued by this Commission and under Interstate Commerce Commission authority.

For the year 1970, the carrier reports gross operating revenues and net income of \$6,664,627 and \$214,275, respectively. Its reported assets and liabilities at June 30, 1971, are summarized from Exhibit E, attached to the application, as follows:

<u>Assets</u>	
Current assets	\$ 738,816
Tangible property less reserves for depreciation	4,559,122
Other assets	<u>236,417</u>
Total	<u>\$5,534,355</u>
<u>Liabilities</u>	
Current liabilities	\$ 520,584
Long-term debt	3,540,821
Deferred credits	193,321
Common stock equity	<u>1,279,629</u>
Total	<u>\$5,534,355</u>

The company proposes to enter into a Credit Agreement with Bank of America National Trust and Savings Association, whereby the latter would lend to applicant from time to time not exceeding \$1,500,000 at any one time outstanding. The borrowings would be evidenced by promissory notes repayable in monthly principal payments of \$25,000 plus interest at a rate equal to 1½% over said bank's prime rate from time to time. The notes would be secured by Security Agreements on applicant's entire fleet of operating revenue equipment.

The application indicates that the initial borrowing under the proposed Credit Agreement would be in the amount of \$992,000, which would provide funds to refinance existing equipment obligations and to increase working capital by approximately \$134,000. Subsequent equipment advances would be combined with the principal amount of any existing note and evidenced by a new note.

It appears that there has been a tremendous demand upon applicant with respect to the expansion of its transportation duties to the public, and that the proposed financial program would facilitate meeting such demand.

After consideration the Commission finds that:

1. The proposed documents would not be adverse to the public interest.
2. The proposed note issues are for proper purposes.
3. The money, property or labor to be procured or paid for by the issue of the notes herein authorized 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.

On the basis of the foregoing 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. G. I. Trucking Company may enter into a Credit Agreement with Bank of America National Trust and Savings Association and may execute and deliver Security Agreements pursuant to the terms of said agreement. The documents shall be in substantially the same forms as Exhibits B and D, respectively, attached to the application.

2. G. I. Trucking Company, pursuant to the terms of said Credit Agreement, for the purposes set forth in the application, may issue promissory notes in the aggregate

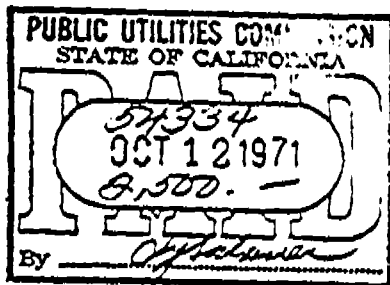
principal amount of not exceeding \$1,500,000 at any one time outstanding, which notes shall be in substantially the same form as Exhibit C, attached to the application.

3. G. I. Trucking Company shall file with the Commission monthly reports as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. This order shall become effective when G. I. Trucking Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$2,500.

Dated at San Francisco, California,
this 5th day of OCTOBER, 1971.

[Signature]
Chairman
William F. Jones, Jr.
[Signature]
[Signature]
Commissioners



Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.