

Decision No. 80057

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)

ASSOCIATED FREIGHT LINES, a)
California corporation, for)
authority to execute a credit)
agreement, security and)
subordination agreements.)

Application No. 53296
(Filed April 27, 1972)

O P I N I O N

Associated Freight Lines seeks an order of the Commission authorizing it to execute a Security Agreement, a Subordination Agreement and a Credit Agreement evidencing an indebtedness of not exceeding \$1,300,000.

Applicant is a California corporation operating as a highway common carrier of general commodities between points in California extending from Willits to San Diego. It also operates under permits issued by this Commission and under Interstate Commerce Commission authority. For the year 1971, the carrier reports gross operating revenues and net income in the respective amounts of \$8,314,488 and \$213,668.

The carrier and an affiliated nonutility propose to enter into a Credit Agreement with United California Bank which would have the effect of increasing the maximum amount of the commitment under an existing Credit Agreement from \$850,000 to \$1,300,000. Interest would be payable monthly at the rate of 1½% above the bank's prime interest rate as it is from time to time established. The related documents would be similar to those previously authorized.

Under the new Credit Agreement applicant would retire all outstanding indebtedness under the existing Credit Agreement and would have available to it an expanded borrowing base for the acquisition of additional and replacement motor vehicle equipment.

After consideration the Commission finds that:

1. The proposed documents would not be adverse to the public interest.
2. The proposed evidence of indebtedness is for proper purposes.
3. The money, property or labor to be procured or paid for by the evidence of indebtedness 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.

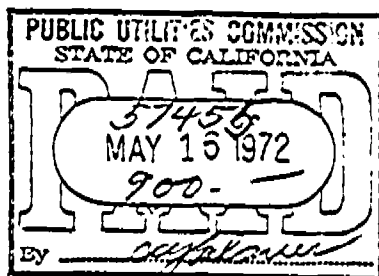
O R D E R

IT IS ORDERED that:

1. For the purposes specified in this proceeding, Associated Freight Lines may execute and deliver a Security Agreement, a Subordination Agreement and a Credit Agreement evidencing an indebtedness of not exceeding \$1,300,000. Said documents shall be in substantially the same forms as those attached to the application.
2. Associated Freight Lines shall file with the Commission the reports required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

3. This order shall become effective when Associated Freight Lines has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$900.

Dated at San Francisco, California, this 16th day of 1 MAY, 1972.



[Signature] Chairman
[Signature]
[Signature]
Vernon L. Sturgeon
[Signature] Commissioners