

ORIGINAL

Decision 84 07 018

JUL 5 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of VIKING FREIGHT)
 SYSTEM, INC. for an Amendment to the)
 Commission's Decision No. 82-12-078)
 Approving and Authorizing the)
 Assumption of Liability for)
 Industrial Development Revenue Bonds)
 and the Pledge of Certain Assets.)

Application 84-04-121
 (Filed April 24, 1984)

O P I N I O N

Viking Freight System, Inc. (Viking) requests authority, under Public Utilities (PU) Code Sections 816.5 and 851, for a modification of Decision (D.) 82-12-078 dated December 15, 1982 in Application (A.) 82-11-01, as amended, to expressly approve and authorize the pledge by Viking of certain items of personal property, as collateral security, for its obligations in connection with the Industrial Development Revenue Bonds (IDBs) issued by the Cities of Modesto, Petaluma, and San Diego. Viking requests this authority to be retroactive to December 15, 1982 because such a pledge has already been executed.

Notice of the filing of the application appeared on the Commission's daily calendar of April 30, 1984. No protests have been received.

Summary of Decision

This decision ratifies the pledge of personal property in question. We may validate prior actions where our authorization was inadvertently not obtained and where it is in the public interest to do so (App. of Star & Crescent Boat Co. (1962) 59 CPUC 317).

Viking, a California corporation, operates as a highway common carrier of general commodities subject to the jurisdiction of this Commission. Viking holds a certificate of public convenience and necessity issued under PU Code Section 1063 to engage in the business of providing pickup and delivery service for commercial freight throughout California under File T-84649. In addition, Viking operates as an interstate common carrier of general freight between California, Nevada, Arizona, Oregon, and Washington and by interline operations serving the eastern half of the United States, Hawaii, Alaska, and Canada.

For calendar year 1983, Viking reports it generated total operating revenues of \$79,821,000 and a net income of \$739,000 shown as part of Exhibit A attached to the application.

Also shown as part of Exhibit A is Viking's Balance Sheet as of December 31, 1983 summarized as follows:

<u>Assets</u>	<u>Amount</u>
Net Operating Equipment	\$48,165,000
Current Assets	15,953,000
Other Assets	<u>1,396,000</u>
Total	\$65,514,000
<u>Liabilities and Equity</u>	
Common Equity	\$33,579,000
Long-Term Debt	16,870,000
Current Liabilities	10,016,000
Other Liabilities	<u>5,049,000</u>
Total	\$65,514,000

Background

D.82-12-078 in A.82-11-01 authorized Viking to assume obligations set forth in Loan Agreements with the Cities of Modesto, Petaluma, and San Diego. Under these agreements, Viking agreed to make payments to the cities sufficient to provide for the payment of the principal and interest on the due dates of the IDBs which were issued by the cities on Viking's behalf. D.82-12-078 also authorized Viking to pledge, to Crocker National Bank (Crocker) and to the Trustee for the holders of the IDBs, the real property and improvements purchased and/or constructed with the proceeds from the IDBs.

Included among the documents executed by Viking and Crocker was a Security Agreement with respect to each issuing city that provided for the pledge of certain items of Viking's personal

property as collateral security for Viking's obligation to repay Crocker for certain sums that may become due, from time to time, in connection with the IDBs. Copies of the Security Agreements are attached to Viking's application as Exhibits C and D.

The Security Agreements provide for a pledge of certain used motor vehicles, trailers, and other items of personal property having an aggregate value of \$1,701,650.

Though references to the pledge by Viking of certain items of personal property in connection with the IDBs are set forth in the various bond documents previously filed with the Commission, Viking did not seek express authority for the pledge of this personal property as collateral security. Accordingly, Viking has now requested that the Commission amend its 1982 Decision to expressly authorize and approve the pledge as set forth in the Security Agreements.

The Commission's Revenue Requirements Division has reviewed the application and has no objection to the authority requested.

Findings of Fact

1. Viking, a California corporation, operates as a highway common carrier of general commodities subject to the jurisdiction of this Commission.

2. The pledge of collateral security, as described in the application is for lawful purposes and is reasonably required for the purposes specified in the application. The authority for the pledge is in the public interest.

3. There is no known opposition to this proceeding and no reason to delay ratifying the pledge in question and authorizing future pledges of substitute property.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

The following order should be effective on the date of signature to enable Viking to substitute its personal property used as collateral under its Security Agreements and to pledge any substitute property expeditiously.

O R D E R

IT IS ORDERED that:

1. The pledge by Viking Freight Systems, Inc. of certain personal property made in connection with the security agreements authorized in Decision 82-12-078 dated December 15, 1982 in Application 82-11-01 is ratified. Viking may substitute collateral thereunder from time to time, provided that at no time, the aggregate value of all personal property pledged shall not exceed \$1,701,650.

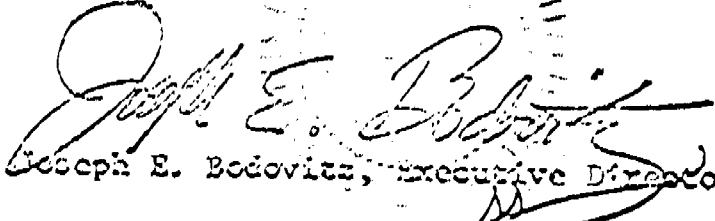
2. The petition is granted as set forth above.

This order is effective today.

Dated JUL 5 1984 at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bođovitz, Executive Director

Summary of Decision

This decision ratifies the pledge of personal property in question. Section 1708 of the Public Utilities Code, which authorizes the subsequent modification of final decisions does not provide for our doing so retroactively (of City of Los Angeles v Public Utilities Commission, 15 C 3d 680). However, we may validate prior actions where our authorization was inadvertently not obtained and where it is in the public interest to do so (App. of Star & Crescent Boat Co. (1962) 59 CPUC 317).

Viking, a California corporation, operates as a highway common carrier of general commodities subject to the jurisdiction of this Commission. Viking holds a certificate of public convenience and necessity issued under PU Code Section 1063 to engage in the business of providing pickup and delivery service for commercial freight throughout California under File T-84649. In addition, Viking operates as an interstate common carrier of general freight between California, Nevada, Arizona, Oregon, and Washington and by interline operations serving the eastern half of the United States, Hawaii, Alaska, and Canada.

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