

Decision 84 OS 065 AUG 1 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
TRANSCON LINES, a California corpora-
tion, for a general order of exemption
from Sections 816-830 of the Public
Utilities Code pursuant to Section 829
and from Sections 851-855 of the
Public Utilities Code pursuant to
Section 853.

Application 84-05-090
(Filed May 24, 1984)

O P I N I O N

This is an application in which Transcon Lines (Transcon), a California corporation, seeks an exemption from compliance with Public Utilities (PU) Code §§ 816-830 and 851-855 with respect to the issuance of its stocks, bonds and other evidences of indebtedness as well as the encumbrances or transfer of interests in its properties as would otherwise be subject to Commission approval.

Notice of filing of the application appeared in the Commission's Daily Transportation Calendar on May 30, 1984. There are no protests.

The Commission makes the following findings and conclusion.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Transcon holds a certificate of public convenience and necessity to operate as a highway common carrier issued by this Commission.
3. During the first nine months of 1983, Transcon had gross operating revenues of \$206,000,000. All of these revenues were earned in interstate operations.
4. Transcon has not reported any California intrastate revenues during the past three years. It wishes to keep the operating authority so that it is available if its shippers desire intrastate service.

5. In Application 83-11-04, Transcon requested and obtained from the Commission an order authorizing it to execute a loan and security agreement to exempt it from the necessity of obtaining such authority by finding under PU Code §§ 829 and 853 that the public interest did not require approval due to Transcon's de minimis intrastate traffic. In that application Transcon set forth that it was obtaining a revolving line of credit from General Electric Credit Corporation not to exceed the lesser of \$20 million or 85% of its eligible accounts receivable and a 5-year term loan in an aggregate principal amount of up to \$10 million which is secured by Transcon's revenue equipment. The application recited the critical need of applicant to obtain a line of credit and loan from the lender as soon as possible. Although Transcon was not performing and had not performed for some time any operations in intrastate commerce in California, this Commission was the only agency having jurisdiction over the proposed transaction. Had it not been for the need to obtain approval from the Commission, the credit agreement and loan could have been granted as soon as they were agreed upon.

6. By eliminating the substantial cost and delay associated with submitting each and every transaction, otherwise subject to the provisions of PU Code §§ 816-830 and 851-855 to this Commission for approval, Transcon's operating efficiency will be enhanced and its service to the public improved. In addition, the exemption will substantially relieve the burden upon the Commission in having to approve each and every transaction and will, in this matter, reduce the cost to the public.

7. Transcon's California intrastate operations have historically been de minimis by comparison to its overall systemwide transportation service.

8. The application of PU Code §§ 816-830 and 851-855 to Transcon under the present circumstances is not necessary in the public interest.

9. There is no known opposition and no reason to delay granting the authority requested. The order should be made effective on the date of issuance.

Conclusion of Law.

Transcon should be exempted from the approval of requirements of PU Code §§ 816-830 and 851-855 for the issuance of stocks, bonds, notes, and other evidences of indebtedness, as well as the encumbrance of transfer of interests in its properties, other than operating authority. The exemption should remain in effect as long as the company's intrastate operating revenues are less than 5% of its gross annual revenues in any calendar year preceding the year in which any security transaction is to be consummated.

O R D E R

IT IS ORDERED that Transcon Lines (Transcon), a California Corporation, is granted a limited exemption under PU Code §§ 816-830 and 851-855, from the requirements that it obtain this Commission's approval for its issuance of stocks, bonds, notes, and other evidences of indebtedness, as well as the encumbrance, or transfer, of interests in its properties, other than operating authority. This exemption is granted under PU Code §§ 829 and 853 and it shall remain in effect as long as Transcon's annual intrastate operating revenues

are less than 5% of its gross annual revenues in any calendar year preceding the year in which a security transaction is to be consummated. Transcon shall continue to be subject and adhere to this Commission's reporting, insurance, and safety requirements, and shall, as to its intrastate transportation, be subject to this Commission's rate regulation.

This order is effective today.

Dated AUG 1 1984, at San Francisco, California.

Commissioner Priscilla C. Crow,
being necessarily absent, did
not participate

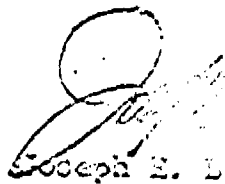
Commissioner William T. Bagley
being necessarily absent, did
not participate.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
DONALD VIAL

Commissioners

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


Joseph E. Blum, Director

