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Decision No. S1043 NOV 20 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )

BAYVIEW TRUCKING, INC. )

For authority to enter into a line- )  
of-credit arrangement secured by )  
its accounts receivable and of )  
BASIC MATERIALS TRANSPORT, its )  
affiliate, to enter into a continuing )  
guaranty of said arrangement. )

Application No. 58995  
(Filed July 13, 1979)

O P I N I O N

Bayview Trucking, Inc. (Bayview) and Basic Materials Transport (BMT), pursuant to Sections 816 through 830 of the Public Utilities Code, seek authority (a) for Bayview to enter into a line-of-credit arrangement with Bank of America for a loan not to exceed the principal amount of \$500,000, and (b) for BMT to enter into a continuing guaranty of Bayview's liability under that line-of-credit arrangement.

Notice of the filing of the application appeared on the Commission's Daily Calendar of July 13, 1979.

Bayview and BMT are affiliated California corporations and are regulated as highway carriers of property under the Commission's jurisdiction. Bayview received its operating authority from the Commission pursuant to Decision No. 88626, dated March 21, 1978, in Application No. 56996. Bayview is permitted as a radial highway carrier, a dump truck carrier, an agricultural carrier and has been granted a highway common carrier certificate and a highway contract permit pursuant to Senate Bill 860 in File No. T-91220. Bayview also operates in interstate and foreign commerce in California and other states pursuant to authority issued by the Interstate Commerce Commission in Docket No. MC-121626.

BMT holds a highway common carrier certificate having received such authority from the Commission pursuant to Decision No. 87259, dated April 26, 1977, in Application No. 57003. BMT is also authorized to operate as a permitted highway contract carrier and an agricultural carrier by the Commission in File No. T-84228. BMT operates in interstate and foreign commerce in California and other states pursuant to authority issued by the Interstate Commerce Commission in Docket No. MC-99946.

Bayview proposes to enter into an agreement with Bank of America whereby the bank will make available to Bayview a line-of-credit not to exceed \$500,000 in the aggregate. BMT proposes to act as guarantor of Bayview's liability under the proposed line-of-credit.

Under the terms of the agreement, Bayview will be liable to repay, and BMT will guaranty that liability, all sums actually borrowed, plus interest thereon at Bank of America's prime rate for ninety-day loans to substantial commercial borrowers plus 2-1/4 percent. The loan will be secured by granting the Bank of America the first lien on all accounts receivable of Bayview and its affiliate, BMT.

A form of each of the documents to be executed by Bayview and BMT is attached to the application as Attachment "1".

The purpose of the proposed loan is to provide Bayview with a line-of-credit on which it may draw to cover day-to-day needs for working capital.

Bayview's Balance Sheet at December 31, 1978, as shown in the Annual Report to the Commission is summarized as follows.

<u>Assets</u>	<u>Amount</u>
Carrier Operating Property Less Accumulated Depreciation	\$ 509,152
Intangible Property - Permits	50,000
Current Assets	
Accounts Receivable	\$781,407
Other Current Assets	<u>253,101</u>
Deferred Charges	<u>(49,190)</u>
Total	<u>\$1,544,470</u>
<u>Liabilities and Common Equity</u>	
Common Equity	\$ 194,381
Long-Term Debt	448,819
Current Liabilities	<u>901,270</u>
Total	<u>\$1,544,470</u>

Bayview's Income Statement for the calendar year 1978, as shown in the Annual Report to the Commission, indicates that Bayview generated total operating revenues and net carrier operating income of \$5,691,915 and \$51,568 respectively.

The Revenue Requirements Division has reviewed the application and concludes that the Applicants' requests should be granted.

#### Findings of Fact

1. Bayview and BMT are affiliated California corporations and are both certificated and permitted as highway carriers of property subject to the jurisdiction of this Commission.

2. The proposed loan, secured by eligible accounts receivable of Bayview and BMT, is for a proper purpose.

3. The proposed loan guaranty is not adverse to the public interest.

4. There is no known opposition and no reason to delay granting the authority requested.

5. The money, property or labor to be procured or paid by the loan 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 income.

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 authorization granted by this decision is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before December 31, 1979, for the purposes specified in the application, Bayview Trucking, Inc. may issue and deliver to the Bank of America a Loan Agreement(Receivables) and a Security Agreement (Receivables) in substantially the same form and having the same terms as those attached to the application as Attachment "1".

2. On or after the effective date hereof and on or before December 31, 1979, Basic Materials Transport may issue and deliver to the Bank of America a Security Agreement (Receivables) and a Continuing Guaranty in substantially the same form and having the same terms as those attached to the Application as Attachment "1", as a guarantor's pledge of security, for the loan granted Bayview Trucking, Inc.

3. Bayview Trucking, Inc. shall file with the Commission a report, or 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 Bayview Trucking, Inc. has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$1,000.

Dated NOV 20 1979 at San Francisco, California.

John E. Bryson  
President

Commissioner Richard D. Gravello, being necessarily absent, did not participate in the disposition of this proceeding.

Philip T. Dwyer  
Lawrence J. Quinn  
Commissioners

