

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

CARGO TRANSPORTATION,
SERVICES, INC.

Case No. 8:11-bk-00432-MGW
Chapter 11

Debtor.
_____ /

Hearing Requested on <u>Wednesday, July 6, 2011</u>

**DEBTOR'S SECOND MOTION FOR ENTRY
OF AN ORDER APPROVING NEW 13-WEEK BUDGET**

Cargo Transportation Services, Inc. (the "Debtor"), by counsel, moves for the entry of an order approving the new 13-week budget (the "New Budget"), for the period from the week ending July 9, 2011, through the week ending October 1, 2011, which is attached hereto as **Exhibit "A."** In support of the relief requested in this Motion, the Debtor states as follows:

1. On April 8, 2011, this Court entered its *Final Order Granting Debtor's Emergency Motion for Entry of Interim and Final Orders Authorizing Use of Cash Collateral and Granting Replacement Liens Pursuant to Sections 105(a), 361, 363, 541, and 522 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure* (Doc. No. 273) (the "Final Cash Collateral Order").

2. Paragraph 6 of the Final Cash Collateral Order provides that, on or before April 15, 2011, the Debtor shall file a motion with the Court seeking approval of a new budget.

3. On April 15, 2011, the Debtor filed a 13-week budget for the period from the week ending April 9, 2011, through the week ending July 2, 2011 (the "April Budget"). Because the April Budget expires on July 2, 2011, the Debtor has prepared the New Budget

and seeks the Court's approval of the New Budget through this Motion, using the same procedures set forth in the Final Cash Collateral Order.

4. The Final Cash Collateral Order also provides that the Court will set this motion for hearing on an expedited basis, but not sooner than five (5) days after this Motion is filed with the Court. Accordingly, the Debtor requests that this Court set this Motion for hearing on Wednesday, July 6, 2011, subject to the Court's calendar.

5. The Final Cash Collateral Order further provides, that, at the hearing on this Motion, the Court will solely determine issues relating to the New Budget and whether the equity cushion set forth therein adequately protects Comerica Bank for the period covered by the New Budget, unless the Debtor and Comerica Bank reach an agreement on such matters prior to the hearing. Attached hereto as **Exhibit "B"** is a schedule that sets forth the calculation of the Cash Collateral Base (as defined in the Final Cash Collateral Order) for the 13-week period covered by the New Budget. Prior to any hearing scheduled on this Motion, the Debtor will, in good faith, consult with Comerica Bank to attempt to resolve any issues related to the New Budget.

WHEREFORE, the Debtor respectfully requests that this Court enter an order granting this Motion, approving the New Budget, and granting any other and further relief

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the Court deems appropriate.

DATED this 1st day of July, 2011.

Respectfully submitted,

/s/ Kathleen L. DiSanto

David S. Jennis

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Counsel for the Debtor

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via the Court's CM/ECF electronic service to **United States Trustee**, 501 East Polk Street, Timber Lake Annex, Suite 1200, Tampa, Florida 33602; **Craig V. Rasile - Counsel for Official Committee of Unsecured Creditors** - DLA Piper, 200 S. Biscayne Blvd., Suite 2300, Miami, FL 33131; **Roy S. Kobert**, Broad and Cassel, P.O. Box 4961, Orlando, FL 32802-4961; **Kenneth Mather**, Broad and Cassel, 100 N. Tampa Street, Suite 3500, Tampa, FL 33602; and to those parties receiving electronic notices via CM/ECF in the normal course of business on this 1st day of July, 2011.

/s/ Kathleen L. DiSanto

Kathleen L. DiSanto

Exhibit "A"

In Thousands of Dollars

		SCHEDULE: 1-B STATEMENT OF CASH FLOWS														
Week ---->		1	2	3	4	5	6	7	8	9	10	11	12	13		
Week Ending -->		9-Jul	16-Jul	23-Jul	30-Jul	6-Aug	13-Aug	20-Aug	27-Aug	3-Sep	10-Sep	17-Sep	24-Sep	1-Oct	TOTAL	
Net Sales	\$	1,247.0	\$ 1,338.4	\$ 1,384.0	\$ 1,460.2	\$ 1,356.9	\$ 1,356.0	\$ 1,419.1	\$ 1,460.7	\$ 1,324.7	\$ 1,351.5	\$ 1,414.4	\$ 1,444.1	\$ 1,330.0	\$ 17,887.2	100.0%
Opening Cash Balance - Book	\$	418.7	\$ 364.9	\$ 514.1	\$ 420.2	\$ 567.5	\$ 253.8	\$ 226.0	\$ 111.6	\$ 291.9	\$ 146.3	\$ 293.8	\$ 136.7	\$ 276.5	\$ 418.7	2.3%
Cash Receipts																
Collections		1,269.5	1,372.0	1,376.3	1,341.8	1,311.7	1,324.9	1,352.7	1,406.2	1,412.7	1,371.4	1,384.8	1,424.1	1,404.9	17,752.9	99.2%
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Cash Receipts	\$	1,269.5	\$ 1,372.0	\$ 1,376.3	\$ 1,341.8	\$ 1,311.7	\$ 1,324.9	\$ 1,352.7	\$ 1,406.2	\$ 1,412.7	\$ 1,371.4	\$ 1,384.8	\$ 1,424.1	\$ 1,404.9	\$ 17,752.9	99.2%
Operating Disbursements																
Carrier / Fuel - Post-Petition		901.4	966.5	1,034.6	1,061.5	1,059.6	1,083.4	1,118.8	1,102.1	1,054.8	1,087.9	1,106.0	1,074.0	1,049.2	13,699.9	76.6%
Carrier / Fuel - Pre-Petition		20.0	25.0	30.0	30.0	30.0	30.0	10.0	50.0	20.0	25.0	25.0	25.0	30.0	350.0	2.0%
Branch Commissions		-	53.0	-	-	35.5	15.3	-	-	-	-	57.0	-	-	160.9	0.9%
Local Cartage / Other		35.8	72.3	64.5	69.1	48.8	50.4	51.0	52.8	53.7	50.6	51.2	52.8	52.7	705.8	3.9%
Payroll, P/R Taxes & Benefits		240.6	45.2	240.6	-	240.6	45.2	240.6	-	240.6	45.2	240.6	-	240.6	1,819.7	10.2%
Office Expenses		8.0	14.0	9.0	8.2	9.0	9.3	16.8	8.7	8.7	9.1	10.9	10.6	10.8	133.2	0.7%
Facilities Rent & Utilities		47.6	-	-	-	72.0	-	-	-	72.6	-	-	-	70.6	262.8	1.5%
Travel & Entertainment		-	24.1	-	-	18.9	5.9	-	-	-	-	31.0	-	-	79.9	0.4%
IT & Telecom		13.6	-	13.6	-	13.6	-	13.6	-	13.6	-	13.6	-	13.6	94.9	0.5%
Insurance & Claims		-	-	-	-	26.4	-	-	-	23.3	-	-	-	23.3	73.0	0.4%
Professional Fees		-	9.0	-	-	-	11.0	-	-	10.4	-	-	-	7.7	38.1	0.2%
Office Equipment		24.1	-	-	-	24.1	-	-	-	24.1	-	-	-	24.1	96.3	0.5%
Other		27.3	-	-	-	29.1	-	-	-	29.6	-	-	-	29.9	115.8	0.6%
Total Operating Disbursements	\$	1,318.3	\$ 1,209.2	\$ 1,392.3	\$ 1,168.8	\$ 1,607.5	\$ 1,250.7	\$ 1,450.8	\$ 1,213.6	\$ 1,551.3	\$ 1,217.7	\$ 1,535.3	\$ 1,162.5	\$ 1,552.5	\$ 17,630.4	98.6%
Operating Cash Flow	\$	(48.8)	\$ 162.9	\$ (16.0)	\$ 172.9	\$ (295.8)	\$ 74.2	\$ (98.1)	\$ 192.6	\$ (138.6)	\$ 153.7	\$ (150.5)	\$ 261.6	\$ (147.7)	\$ 122.4	0.7%
Accumulated		(48.8)	114.0	98.1	271.0	(24.8)	49.4	(48.7)	143.9	5.3	158.9	8.5	270.1	122.4		
Other (Sources)/ Uses																
Interest - Comerica LOC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Principle & Interest - Tractors & Trailers		2.2	10.9	6.3	5.7	2.2	-	12.5	10.3	-	2.2	4.6	18.2	-	75.1	0.4%
Principle & Interest - Other Capital Leases		0.8	0.8	1.7	-	5.7	-	1.7	-	5.0	1.9	-	1.7	-	19.3	0.1%
Restructuring Professionals		-	-	50.0	-	-	100.0	-	-	-	-	-	100.0	-	250.0	1.4%
Capital Expenditures		2.0	2.0	20.0	20.0	10.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	70.0	0.4%
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Other (Sources)/ Uses	\$	5.0	\$ 13.7	\$ 78.0	\$ 25.7	\$ 17.9	\$ 102.0	\$ 16.2	\$ 12.3	\$ 7.0	\$ 6.1	\$ 6.6	\$ 121.9	\$ 2.0	\$ 414.4	2.3%
Net Cash Flow	\$	(53.8)	\$ 149.2	\$ (93.9)	\$ 147.3	\$ (313.7)	\$ (27.8)	\$ (114.3)	\$ 180.3	\$ (145.6)	\$ 147.5	\$ (157.1)	\$ 139.7	\$ (149.7)	\$ (291.9)	-1.6%
Accumulated		(53.8)	95.4	1.5	148.7	(165.0)	(192.8)	(307.1)	(126.8)	(272.4)	(124.9)	(282.0)	(142.3)	(291.9)		
Comerica Loan Advances / (Paydowns)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Ending Cash Balance - Book		364.9	514.1	420.2	567.5	253.8	226.0	111.6	291.9	146.3	293.8	136.7	276.5	126.8	126.8	

SCHEDULE: 1-C CASH COLLATERAL BASE SCHEDULE Exhibit "B"

In Thousands of Dollars

Week ----->	1	2	3	4	5	6	7	8	9	10	11	12	13	
Week Ending ---->	9-Jul	16-Jul	23-Jul	30-Jul	6-Aug	13-Aug	20-Aug	27-Aug	3-Sep	10-Sep	17-Sep	24-Sep	1-Oct	Change
Cash Collateral Base Calculation (A) (85%, 85%, 100%)														
Opening														
Gross Billed A/R	6,330.3	6,309.1	6,276.9	6,286.0	6,405.9	6,452.5	6,485.0	6,552.8	6,608.8	6,522.2	6,503.6	6,534.7	6,556.2	6,482.6
Calculation Rate	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Subtotal Collateral Value	5,380.8	5,362.8	5,335.3	5,343.1	5,445.0	5,484.6	5,512.2	5,569.9	5,617.5	5,543.8	5,528.1	5,554.5	5,572.7	5,510.2
Gross Unbilled A/R (WIP)	1,257.7	1,184.7	1,271.5	1,245.6	1,241.2	1,153.4	1,152.6	1,206.3	1,241.6	1,126.0	1,148.8	1,202.3	1,227.5	1,130.5
Calculation Rate	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Subtotal Collateral Value	1,069.0	1,007.0	1,080.8	1,058.8	1,055.0	980.4	979.7	1,025.3	1,055.3	957.1	976.5	1,021.9	1,043.4	960.9
Cash Balance - Book	418.7	364.9	514.1	420.2	567.5	253.8	226.0	111.6	291.9	146.3	293.8	136.7	276.5	126.8
Calculation Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subtotal Collateral Value	418.7	364.9	514.1	420.2	567.5	253.8	226.0	111.6	291.9	146.3	293.8	136.7	276.5	126.8
Total Cash Collateral Base	6,868.6	6,734.7	6,930.2	6,822.1	7,067.5	6,718.8	6,717.8	6,706.9	6,964.7	6,647.3	6,798.4	6,713.1	6,892.6	6,598.0
Comerica Loan Balance	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9
Plus: Outstanding Letter of Credit	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Current Ending Loan Balance	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9
Excess Cash Collateral Base	335.7	201.8	397.3	289.1	534.6	185.9	184.9	173.9	431.8	114.3	265.4	180.2	359.6	65.1
Cash Collateral Base Calculation (B) (100%, 100%, 100%)														
Opening														
Gross Billed A/R	6,330.3	6,309.1	6,276.9	6,286.0	6,405.9	6,452.5	6,485.0	6,552.8	6,608.8	6,522.2	6,503.6	6,534.7	6,556.2	6,482.6
Calculation Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subtotal Collateral Value	6,330.3	6,309.1	6,276.9	6,286.0	6,405.9	6,452.5	6,485.0	6,552.8	6,608.8	6,522.2	6,503.6	6,534.7	6,556.2	6,482.6
Gross Unbilled A/R (WIP)	1,257.7	1,184.7	1,271.5	1,245.6	1,241.2	1,153.4	1,152.6	1,206.3	1,241.6	1,126.0	1,148.8	1,202.3	1,227.5	1,130.5
Calculation Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subtotal Collateral Value	1,257.7	1,184.7	1,271.5	1,245.6	1,241.2	1,153.4	1,152.6	1,206.3	1,241.6	1,126.0	1,148.8	1,202.3	1,227.5	1,130.5
Cash Balance - Book	418.7	364.9	514.1	420.2	567.5	253.8	226.0	111.6	291.9	146.3	293.8	136.7	276.5	126.8
Calculation Rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subtotal Collateral Value	418.7	364.9	514.1	420.2	567.5	253.8	226.0	111.6	291.9	146.3	293.8	136.7	276.5	126.8
Total Cash Collateral Base	8,006.8	7,858.8	8,062.5	7,951.8	8,214.6	7,859.7	7,863.5	7,870.7	8,142.3	7,794.5	7,946.2	7,873.7	8,060.1	7,740.0
Comerica Loan Balance	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9	6,482.9
Plus: Outstanding Letter of Credit	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Current Ending Loan Balance	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9	6,532.9
Excess Cash Collateral Base	1,473.9	1,325.8	1,529.6	1,418.9	1,681.7	1,326.8	1,330.6	1,337.8	1,609.4	1,261.6	1,413.3	1,340.7	1,527.2	1,207.0