

Decision No. 22252**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 WILMINGTON TRANSFER AND STORAGE COMPANY,  
 a corporation, for a certificate of  
 public convenience and necessity to add  
 to, extend and otherwise increase its  
 storage and warehouse space. )  
 )  
 ) Application  
 ) No. 16303  
 )

Henry E. Carter, for Applicant.  
 O'Melveny, Tuller & Myers, by William W. Clary,  
 for Crescent Wharf and Warehouse Company,  
 Interested Party.  
 A. E. Drew, for Harbor Warehouse, Interested Party.

BY THE COMMISSION -

O P I N I O N

Wilmington Transfer and Storage Company, a corporation, has petitioned the Railroad Commission for an order that public convenience and necessity now requires, and will require, the addition, extension and increase of applicant's storage warehouse space to an extent of approximately 75,000 square feet at Wilmington, and to the extent of approximately 25,000 square feet at Terminal Island.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, at which time the matter was duly submitted, and it is now ready for decision.

Applicant relies as justification for the granting of the application on the alleged fact that the warehouse space available for the public at Wilmington and Terminal Island is inadequate and insufficient, and that practically all available space is continuously occupied, resulting in occasions when material or commodities intended for storage cannot be cared for.

The present storage warehouse of applicant is located at No. 237 Fries Avenue, Wilmington, and represents approximately 55,230 square feet of storage space. Due to the demands made

upon applicant for storage space, it has been necessary to lease 24000 additional square feet of warehouse space at Wilmington, said leased space, however, being separate from the main warehouse and inconveniently located for the economical and satisfactory handling of warehouse business. Applicant alleges that its storage requirements during the past five years have increased from approximately 10,000 square feet to 79,230 square feet of floor space as now in use; that much of the tonnage at the Los Angeles Harbor is stored prior to shipment, and that a large volume of the incoming shipments from vessels at Los Angeles Harbor is stored for later distribution to consignees; that there are no other warehouses or storage facilities available at the Harbor affording space or facilities for the present demands of the public or to meet the needs of the increasing volume of tonnage handled at Los Angeles Harbor.

J. P. Puckett, president of applicant corporation, testified that his company had been engaged in the warehouse business for about ten years, approximately 55,000 square feet of storage space being contained in the two main buildings and approximately 35,000 square feet of warehouse space being located in leased buildings, the latter, however, not being well adapted for economical storage, lacking proper facilities and not being satisfactorily located. All warehouse space controlled by the applicant is practically filled at the present time, and there being no other warehouse space in Wilmington, available for lease by applicant, it is proposed to construct additional warehouse facilities with a storage space of approximately 75,000 square feet of storage space. Witness is also contemplating the assignment of a portion of the space in the proposed Wilmington warehouse for the conduct of a bonded warehouse, and in its construction and arrangement to meet the requirements of the federal government for the conduct of a bonded warehouse.

J. W. Puckett, a witness for applicant, testified regarding the present patronage enjoyed from the public in the storage of a wide range of commodities, practically all space now being occupied and some material offered requiring refusal by reason of sufficient space not being available. According to the testimony of this witness, the Los Angeles Harbor area is divided into three sections known as the San Pedro (or Outer Harbor) district, the west basin (or Wilmington) district, and the Terminal Island district. A statement prepared by this witness and filed as an exhibit, shows the merchandise tonnage (exclusive of lumber and fuel oil), handled at Los Angeles Harbor during the fiscal year ending June 30, 1929, divided as to the three districts, also showing the storage space available in each of the three districts:

<u>DISTRICT</u>	<u>TONNAGE</u>	<u>PERCENT</u>	<u>STORAGE SPACE</u>	<u>PERCENT</u>
San Pedro (or Outer Harbor)	207,585	5%	617,000 Sq.ft.	77%
Wilmington	2,615,571	63%	90,000 " "	11%
Terminal Island	1,328,547	32%	98,000 " "	12%
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Total -	4,151,703	100%	805,000 " "	100%

The following statement, prepared by the witness from the records of the Los Angeles Harbor Commission, shows the increase in merchandise tonnage, exclusive of lumber and fuel oil, for the fiscal years as tabulated:

<u>Fiscal Year Ending June 30th</u>	<u>Tonnage</u>
1923	1,531,066
1924	2,537,835
1925	2,398,366
1926	2,760,534
1927	3,095,108
1928	3,139,849
1929	4,151,709

This witness also presented exhibits showing the warehouse space of applicant, the tonnage handled each year, and the estimated number of carloads comprising such tonnage, as follows:

<u>Year</u>	<u>Square feet of warehouse space</u>	<u>Tonnage handled</u>	<u>Estimated number of carloads</u>
1923	22,425	1752	58
1924	55,425	3515	117
1925	55,425	4125	138
1926	59,425	3309	110
1927	66,925	4418	147
1928	66,925	3922	279
1929	66,925	20081	669

In the opinion of witness an increase in the storage space of applicant is necessary to enable the proper handling of increased business requiring storage prior to shipment or after arrival at Los Angeles Harbor.

Clarence H. Matson, Manager of the Los Angeles Chamber of Commerce Department of Foreign Commerce and Shipping; A.C. Williams, Custom House Broker and Freight Forwarder; H. D. Final, Wholesale grocer; S.R. Hornstein, President of Coast Fishing Company, fish canners; H. E. Fitch, local manager of Scott Paper Company; T. C. Leubisch, District Manager of Proctor & Gamble Distributing Company; R. H. Walters, Chief Clerk for American Cyanamid Sales Company; J. W. Therkon, buyer and manager for Boyden's Honey; and L. Koppell, Freight Forwarder and Public Weigher, testified in behalf of applicant, all being of the opinion that the establishment of additional warehouse storage space at Los Angeles Harbor is necessary; also regarding satisfactory service having been rendered <sup>by</sup> applicant. Exhibits were filed, endorsing the application, consisting of letters from F. A. Hooper, Los Angeles District Manager of the American-Hawaiian Steamship Company; Jos. M. Mardesich, President of Franco-Italian Packing Co., Inc.; and

Van Camp Sea Food Co., Inc. Resolutions were presented as exhibits endorsing the application from the Wilmington Division of the Los Angeles Realty Board as adopted March 26, 1930, and from the Wilmington Chamber of Commerce as adopted March 19, 1930.

Counsel for Crescent Wharf & Warehouse Company, interested party, stated the position of his client regarding the granting of this application. Subsequent to the filing of this application an application was filed by Crescent Wharf & Warehouse Company for a certificate of public convenience and necessity to operate a public warehouse on Terminal Island with an area of 50,000 square feet. Crescent Wharf & Warehouse Company contends that a decision on this application should be held in abeyance until after a hearing will have been held on its application for a certificate, or if the instant application be granted that such certificate be authorized without prejudice against the application filed by the Central Wharf & Warehouse Company.

A. E. Drew, proprietor, Harbor Warehouse, appearing as an interested party, testified that he formerly operated some 12,000 square feet of warehouse space on leased premises. In 1927 the lease expired and the witness was obliged to seek another location at Wilmington, and a temporary warehouse was secured having a maximum space of approximately 5000 square feet. The operation of warehouse facilities has been continuous, although a reduction of space was necessary due to the loss of the leased space and the necessity for the relocation of the business. Witness proposes to construct additional facilities and objects to the granting of the requested certificate if such grant precluded the enlargement of the facilities of the Harbor Warehouse. It appears that the plans of witness are tentative, being dependent on the securing of a satisfactory location at Wilmington and to the necessary financing of

additional warehouse space. Under the provisions of Section 50 $\frac{1}{2}$  of the Public Utilities Act, this witness, as proprietor of the Harbor Warehouse is authorized to continue the operation of the warehouse space as actually operated in good faith at the time Chapter 878, Statutes of 1927, became effective and is further authorized to extend or otherwise increase warehouse space to the extent of 50,000 square feet. There was no showing that the Harbor Warehouse contemplates such additional space being made available within any definite future time, nor that it is anticipated to construct a greater capacity than that which under the statutory law may be added without the necessity of securing a certificate of public convenience and necessity.

We have fully considered the evidence and exhibits in this proceeding. It appears therefrom that the additional space proposed to be established by applicant in the establishment of additional warehouse capacity at Wilmington and Terminal Island is urgently required by the public. The record shows no warehouse space to be available on Terminal Island, other than second-story space on the municipal wharves, all of which is now either occupied by goods stored or in use for other purposes by the municipal board of Harbor Commissioners. Some objection exists by parties who have heretofore stored commodities on the municipal wharves due to the large volume of cement handled over the wharves upon which the second story warehouses are located. Establishment of public warehouse facilities on Terminal Island will also prove advantageous to the fish canners and packers whose plants are concentrated at the southerly end of Terminal Island. The canning of fish is largely seasonal and storage of the packed product is necessary for market distribution throughout the year and when the storage space of the canneries is filled it is necessary to store in public warehouses in Wilmington or points outside the harbor district, resulting in transportation expense which would be unnecessary if public storage space were available at Terminal Island.

As regards the additional storage space proposed to be established as an extension of applicant's facilities at Wilmington, the record shows a present need for additional space and a prospective need to keep pace with the rapidly increasing tonnage handled in and out of Los Angeles Harbor, the record showing a rapid increase in the volume of commodities which are placed in storage prior to shipment from the harbor or for gradual distribution after arrival from coastal, inter-coastal and foreign ports.

O R D E R

A public hearing having been held on the above entitled application, the matter having been duly submitted and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity now requires and will in future require the establishment of additional public storage warehouse space by applicant Wilmington Transfer <sup>and</sup> Storage Company, a corporation, to the extent of 75,000 square feet at Wilmington in the Los Angeles Harbor district, and of 25,000 square feet at Terminal Island in said Los Angeles Harbor District, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same hereby is granted to Wilmington Transfer and Storage Company, a corporation, for the addition of public storage warehouse space in conjunction with its present storage warehouse business at Wilmington, said additional space hereby authorized consisting of not more than 75,000 square feet of public warehouse space to be located at Wilmington and not more than 25,000 square feet of public warehouse space to be located at Terminal Island, both authorizations for additional/<sup>warehouse storage</sup>space to be located in the Los Angeles Harbor District, in the County of Los Angeles, State of California.

This order is subject to the following conditions:

1- Applicant herein shall file within twenty (20) days from the date hereof its written acceptance of the certificate herein granted and the conditions herein imposed.

2- The tariff rates, rules, regulations and conditions as now lawfully filed with this Commission and covering the operation of existing warehouse storage now operated by applicant at Wilmington shall apply to and govern the operation of the additional warehouse space herein authorized until changed or amended by proper application and subsequent order of this Commission.

3- The authority herein granted for the operation of additional space at Wilmington and Terminal Island shall be subject to the establishment by applicant of the additional space for the use of the public within one year from the date hereof, and if not so established this certificate shall be null and void, unless further time for the establishment of said facilities be authorized by subsequent order of this Commission.

4- The rights and privileges herein authorized may not be discontinued, sold, leased, transferred, hypothecated nor assigned by the applicant herein unless the written consent of the Railroad Commission to such discontinuance, sale, lease, transfer, hypothecation or assignment has first been secured.

Dated at San Francisco, California, this 22<sup>nd</sup> day of April, 1930.

C. S. Leavelle

Leon Whitney

Paul S. Little

W. J. Carr  
COMMISSIONERS.