

Decision No. 30051.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of OAKLAND BEAN CLEANING AND STORAGE COMPANY, a fictitious name, for a certificate declaring that Public Convenience and Necessity requires and will require the transaction of business by applicant by engaging in the cleaning, fumigating and storing of beans, peas, peanuts and rice.

ORIGINAL

Application No. 21127

Albert L. Johnson for applicant.
L. A. Bailey for California Warehousemen's Association.
M. D. McCarl for Board of Port Commissioners, Port of Oakland.

BY THE COMMISSION:

O P I N I O N

Antone A. Anastasi, doing business under the firm name and style of Oakland Bean Cleaning and Storage Company, seeks a certificate declaring that public convenience and necessity require the transaction of business by him as a warehouseman in the City of Oakland for the cleaning and storing of beans, peanuts, rice and peas. It appears that he has made arrangements with the Board of Port Commissioners, City of Oakland, to conduct the proposed warehousing operation in space in Terminal Building "C", a two-story steel and concrete structure situated on the waterfront at the Outer Harbor of the Port of Oakland at Wharf, Terminal and Transit Streets. The approximate space to be occupied by applicant is 1,000 square feet. The storage rates he proposes to charge are set forth in Schedule B attached to the application.

A public hearing was held before Examiner E. S. Williams at San Francisco, June 7, 1937, and the matter submitted.

In justification of the authority sought applicant alleges that large quantities of various kinds of beans, peas and rice arrive

at the Port of Oakland, which require cleaning, reconditioning if already partly cleaned, segregation, classification and storage to prevent spoliation; that quantities of peanuts arrive from Japan and other places which require immediate cleaning and storage after being unloaded at the Port of Oakland, to prevent spoliation before sale; that there is no similar warehouse business in the immediate vicinity of said proposed location; that a large part of such products to be stored in such warehouse would be stored for periods not exceeding three months; that the plan and method of conducting said warehouse business is substantially different from any warehouse business in the immediate vicinity of said proposed location.

At the request of L. A. Bailey, secretary of the California Warehousemen's Association it was stipulated that if any certificate be granted it may and shall be limited as follows:

1. The transaction of a public warehouse business for the storage only of beans and peas uncleaned, intended to be cleaned by applicant; or cleaned beans intended to be reconditioned to meet specified grades, or for consolidating with beans or peas cleaned or recleaned by applicant.
2. The storage of foreign peanuts and rice which are received by applicant, the owner of which gives written intention or order for cleaning or reconditioning; or said products which have been cleaned or reconditioned at said applicant's cleaner.
3. At a specific site and location, and no other, viz: The Terminal Building "C", situated on the waterfront at the outer harbor of the Port of Oakland, City of Oakland, at Wharf, Terminal and Transit Streets, and as laid down and delineated upon that certain map of Oakland Harbor, compiled and published by the Board of Harbor Commissioners of the Port of Oakland.
4. The warehouse space for which the particular Certificate is requested will not now exceed 1000 square feet nor hereafter exceed 25,000 square feet gross space.
5. That the existence of a Certificate for the storage and handling of beans, peas, rice and peanuts in the manner and under the conditions as herein set out in sub-paragraphs 1 and 2 will not be urged in any manner as a reason for any supplemental or additional Certificate of Public Convenience and Necessity for the storage and handling of any other goods or products than beans, peas, rice and peanuts, nor for the storage and handling of such articles in a different manner or under different conditions than those mentioned above in sub-paragraphs 1 and 2.

With this stipulation made there was no opposition to the granting of the application.

A resolution of the Board of Port Commissioners, City of Oakland, endorsing the proposed operation and recommending the granting of a certificate therefor to Antone A. Anastasi was introduced by witness M. D. McCarl, Traffic Manager and Assistant Port Manager for the Board and received as an exhibit. The position of the Board as disclosed by the resolution and testimony of witness McCarl was that the proposed business of cleaning beans, peas, peanuts and rice and the handling and storing incident to such cleaning operations was useful and necessary in connection with the handling of such commodities through the facilities of the Port of Oakland and the promotion of its commerce and shipping. Witness McCarl expressed the opinion that the proposed operation would not be competitive with the terminal warehousing facilities operated by the Port of Oakland. He stated that storage at the proposed location would be uneconomical unless shipments require cleaning or are likely to require cleaning because of the additional expense of transferring from and/or to the docks where shipments are destined to points beyond Oakland by vessel.

Three witnesses, representing firms dealing in dried beans, testifying in behalf of applicant, stated that they stored substantial quantities of dried beans originating at various points in California on the docks at Oakland, the bulk of which are shipped by water to inter-coastal and gulf ports although some are sold locally in the Oakland district. The storage arrangement, they stated, has been handicapped by a lack of cleaning, recleaning, hand picking, blending and repacking which has prevented the storing of certain lots of beans in Oakland and has at times made it necessary to move beans from storage in Oakland to San Francisco for cleaning or otherwise conditioning at a considerable extra expense over that which would have been incurred if reconditioning and storing were available in the City of Oakland in the same facility.

It is of particular advantage, they declare, to have storage and cleaning facilities located close to the docks in a city enjoying steamer service such as is here proposed as it affords greater convenience in handling and shipping and minimizes the expense of delivery to vessels.

It is apparent from the record that there is a need for the proposed service. Therefore the application will be granted.

Antone A. Anastasi, doing business under the firm name and style of Oakland Bean Cleaning and Storage Company, is hereby placed on notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business. This monopolistic feature may be changed or destroyed at any time by the State which is not in any respect limited to the number of rights which may be given.

O R D E R

This matter having been duly heard and submitted,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the transaction of business by Antone Anastasi, doing business under the firm name and style of Oakland Bean Cleaning and Storage Company, as a warehouseman as defined in Section 2(aa) of the Public Utilities Act, for the storing of beans, peanuts, rice and peas as described in the foregoing opinion.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor be and it is hereby granted to Antone Anastasi, doing business under the firm name and style of Oakland Bean Cleaning and Storage Company, subject to the following conditions:

1. Applicant's operations shall be confined to the storage only of beans and peas, uncleaned, intended to be cleaned by applicant, or cleaned beans intended to be recleaned or reconditioned to meet specific grades, or for consolidating with beans or peas cleaned or re-cleaned by applicant, and the storage of foreign peanuts and rice which are received by applicant, the owner of which gives written intention or order for cleaning or reconditioning of said products which have been cleaned or reconditioned at applicant's cleaner.
2. Applicant's operations shall be conducted at the specific site and location and no other, viz., Terminal Building "C" situated on the waterfront at the outer harbor of the Port of Oakland, City of Oakland, at Wharf Terminal and Transit Streets.
3. The warehouse space for which this certificate is issued shall be limited now and hereafter to not more than 25,000 square feet.
4. Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed fifteen (15) days from the date hereof.
5. Applicant shall file in duplicate within a period of not to exceed thirty (30) days from the date hereof, effective on not less than five (5) days' notice to the Railroad Commission and the public, a tariff or tariffs constructed in accordance with the requirements of the Commission's tariff circular and containing rates which in volume and effect shall be identical with the rates shown in Schedule B attached to the application in so far as they conform to the certificate herein granted or rates satisfactory to the Railroad Commission.
6. The rights and privileges herein authorized may not be discontinued, sold, leased, transferred nor assigned unless the consent of the Railroad Commission to such discontinuance, sale, lease, transfer or assignment has first been obtained.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 16th day of August, 1937.

[Handwritten Signature]
Leon A. [Handwritten]
[Handwritten Signature]
[Handwritten Signature]
[Handwritten Signature]
 Commissioners