

ORIGINAL

Decision No. 31912.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of R. Albert Dalton for a certificate of public convenience and necessity to operate a warehouse in the City of Los Angeles, State of California, under the fictitious firm name and style of the Dalton Warehouse Company.	}	Application No. 22365.
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Samuel P. Novick, of Novick and Briskin, for applicant.

Leroy M. Edwards and C. G. Munson, for Los Angeles Warehousemen's Association, protestant.

L. A. Bailey, for California Warehousemen's Association, protestant.

C. H. Smith, for Davies Warehouse Company, protestant.

Jackson W. Kendall, for Hollywood Storage Company, protestant.

W. E. Fessenden, for California Warehouse Company, protestant.

BY THE COMMISSION:

O P I N I O N

R. Albert Dalton, an individual, filed the above entitled application, seeking a certificate of public convenience and necessity to operate a public utility warehouse in the City of Los Angeles.

A public hearing was had before Examiner Gorman at Los Angeles on December 29th, 1938, at which time the matter was duly submitted.

Applicant proposes to lease a building, located at 684 South Santa Fe Avenue, Los Angeles, California, having a floor space of approximately 10,000 square feet, to be used

exclusively as a public utility warehouse for the storage of canned food products. The principal purpose for the establishment of such a warehouse, according to applicant, is for the creation of a central base for chain stores and markets in Arizona, which purchase canned goods in California, thereby providing storage of said canned goods for such time as may be necessary to accrue sufficient traffic in order to take advantage of the lower rates which would result for shipments in the higher weight brackets.

At the time of hearing, applicant had not made any definite arrangements for the leasing of any particular building and was somewhat doubtful as to the exact location of his proposed warehouse operations; nor had applicant definitely determined the rate to be charged either for storage or for consolidation service. By amended application, filed subsequent to the submission of this application, applicant proposed the leasing of a brick building at 684 South Santa Fe Avenue, Los Angeles, California, and proposed a rate of ten cents per hundred pounds for consolidation service, including fifteen days of storage, and one cent per hundredweight for the next fifteen days of storage, and to revert to the rates established by the Los Angeles Warehousemen's Association for storage for periods in excess of thirty days.

Applicant testified that he had contacted three warehouses in Los Angeles, for the purpose of determining whether or not said warehouses were rendering a consolidation service similar to the service proposed by him, and that he had ascertained that no such similar service was being rendered in the City of Los Angeles. Applicant also alleged that a friend had contacted several purchasers of canned goods in Arizona and had learned that those concerns would use the service of applicant if established. The

contacting of the three warehouses by applicant and the contacting of consignees of canned goods in Arizona by applicant's friend appears to be the extent of any study made by applicant as to the need for the establishment of the proposed service.

The record shows that the Davies Warehouse Company, operating a warehouse of 141,000 square feet at 164 South Central Avenue, and Jennings-Nibley Warehouse Company, operating a warehouse of 180,000 square feet at 440 Seaton Street, Los Angeles, have been actively engaged in rendering a consolidation service almost identical with that proposed by applicant.

California Warehouse Tariff No. 7-C, C.R.C. No. 102, in which twenty-five warehouse companies in Los Angeles and Vernon are participants, provides rates for the handling and storage of canned food products as follows:

Item	<u>Size of Package Pounds</u>	<u>Monthly Storage Rate Cents</u>	<u>Storage Handling Rate Cents</u>
366-a Canned Foods - in tins (Does not apply in glass)			
viz. fruits, vegetables, soup, salmon, liquid milk, fruit and vegetable juice, mushrooms, olives.	Up to 63	1.1	3.3

It may be seen from the above that purchasers of canned food products could avail themselves of the above rates by having all shipments forwarded to a warehouse awaiting accumulation of sufficient tonnage to secure the lower transportation rates available in the higher weight brackets. The evidence shows that the average weight per case or package of canned food products is approximately fifty pounds. On the basis of fifty pounds per package, the rate per hundred pounds for storage, for a period of thirty days, including handling into and out of the warehouse,

would be 8.8 cents. The rates on other canned food products, as provided for in said tariff, would be equal to or less than ten cents per hundred pounds, except for crab meat and imported sardines, which would be 13.5 cents and 11.4 cents per hundred pounds, on the basis of fifty pound cases, respectively. The tariff also provides that no reduction in storage for fractional months or periods shall be made, except that merchandise arriving at the warehouse and entered into storage between the 16th and last days of the calendar month would be charged a half month's storage charge for said calendar month.

Davies Warehouse Company provides a rate of 5 cents per 100 pounds for consolidation service, which consolidation is to be made within a period of 48 hours. Jennings-Nibley Warehouse Company provides a consolidation service at 60 cents per ton, which consolidation is likewise to be made within a 48-hour period.

It may be readily seen that purchasers of canned food products in Arizona now have available a consolidation service by at least two warehouses in Los Angeles and may avail themselves of consolidation service, although not offered under such a term, at any one of the other twenty-three warehouses in Los Angeles and Vernon at rates in many instances equal to or lower than the rates proposed by applicant. The record also shows that some of the Arizona purchasers of canned goods, which applicant testified would utilize his service if established, had also agreed to use the consolidation service of the Davies Warehouse Company.

Exhibit No. 1, introduced in evidence in this proceeding, shows the warehouse occupancy of the warehouses of member companies of the Los Angeles Warehousemen's Association, as of December 20th, 1938, which is as follows:

Warehouse	Net Space Available For Storage	Net Available Space Occupied So. Ft.	Net Available Space Vacant So. Ft.	Percentage of Available Space Occupied
American Warehouse	24650	14790	9860	60
Birch-Smith Storage Co.	33300	16650	16650	50
California Warehouse Co.	78292	58292	20000	75
Chaffee Warehouse Co.	51295	30777	20518	60
Citizens Warehouse	37000	20000	17000	54
Cook-McFarland Co.	4250	2250	2000	53
Davies Warehouse Co.	122280	73368	48912	60
Hollywood Storage Co.	29400	17640	11760	60
Jennings-Nibley Warehouse Co.	154000	100100	53900	65
Los Angeles Warehouse Co.	138600	69300	69300	50
Metropolitan Warehouse Co.	206079	86500	119579	42
Overland Terminal Warehouse Co.	174375	118375	56000	67
Pacific Coast Terminal Warehouse Co.	88500	61950	26550	70
Pacific Commercial Warehouse	78404	62723	15681	80
Star Truck & Warehouse Co.	147000	88200	58800	60
Union Terminal Warehouse #1	127500	107500	20000	84
#2	110500	95500	15000	86
Westland Warehouses, Inc.	121500	72500	49000	60
<b>Total</b>	<b>1726925</b>	<b>1096415</b>	<b>630510</b>	<b>63.5</b>

After carefully considering all of the evidence in this proceeding, we are of the opinion and hereby conclude that applicant has failed to make an affirmative showing of public convenience and necessity justifying the issuance of a certificate for the operation of a public utility warehouse in the City of Los Angeles, as proposed.

O R D E R

The above entitled application having been filed, a public hearing having been held and the Commission being fully apprised of the facts;

IT IS HEREBY ORDERED that the above entitled application be and the same is hereby denied.

Dated at San Francisco, California, this 11<sup>th</sup> day of April, 1939.

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 Justus J. Coenen  
 Commissioners.