

Decision No. 35359

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of HASLETT WAREHOUSE COMPANY, a corporation, for a certificate of public convenience and necessity authorizing it to increase its storage space within the City and County of San Francisco, California. )

Application No. 23823

In the Matter of the Application of SAN FRANCISCO WAREHOUSE COMPANY, a corporation, for a certificate of public convenience and necessity authorizing it to increase its storage space within the City and County of San Francisco, California. )

Application No. 23851

In the Matter of the Application of C. L. TILDEN, C. L. TILDEN, JR. and IRVING S. CULVER, a co-partnership doing business as GIBRALTAR WAREHOUSES, for a certificate of public convenience and necessity authorizing them to increase their storage space within the City and County of San Francisco, California. )

Application No. 23852

In the Matter of the Application of FARNSWORTH AND RUGGLES, a corporation, for a certificate of public convenience and necessity authorizing it to increase its storage space within the City and County of San Francisco, California. )

Application No. 23857

In the Matter of the Application of HOWARD TERMINAL, a corporation, for a certificate of public convenience and necessity authorizing it to increase its storage space within the City of Oakland, County of Alameda, California. )

Application No. 24785

In the Matter of the Application of HASLETT WAREHOUSE COMPANY, a corporation, for a certificate of public convenience and necessity authorizing it to increase its storage space within the City of Oakland, County of Alameda, California. )

Application No. 24864

In the Matter of the Application of J. A. CLARK DRAYING COMPANY, LTD., a corporation, for a certificate of public convenience and necessity authorizing it to increase its storage space within the City and County of San Francisco, California. )

Application No. 24892

BY THE COMMISSION:

Appearances

Reginald L. Vaughan, for applicants.  
O'Day and Kearns by Edward F. O'Day, for  
Dan Gallagher Drayage Co.

O P I N I O N

Applicants are public utility warehousemen. They seek authority temporarily to maintain additional warehouse space for the storage of property destined to ports along the Atlantic Coast of the United States, ports of territories or possessions of the United States or ports of foreign countries, when said property is (1) discharged from vessels returned to San Francisco or Oakland under orders from the United States Government to unload the cargo and clear it from the docks; or (2) forwarded to San Francisco or Oakland for transshipment to the aforesaid ports and stored in those cities because vessel space is not available. J. A. Clark Draying Company, Ltd. also seeks temporary authority to use the sought additional space for the storage of raw materials and cotton. Those matters were consolidated for the purpose of hearing and decision. Evidence was received therein at a public hearing had at San Francisco on April 10, 1942, before Examiner Mulgrew.

Haslett Warehouse Company, San Francisco Warehouse Company, Gibraltar Warehouses and Farnsworth and Ruggles have been operating public warehouses in San Francisco for a number of years. They have recently been authorized temporarily to maintain additional warehouse space in that city for the storage of raw materials for the United States Government, and for the storage of cotton held as security for loans made by Commodity Credit Corporation, an

agency of that government.<sup>1</sup> They seek authority to use this space for those purposes and also for the storage of cargoes discharged from vessels at San Francisco and for the storage of property for transshipment at San Francisco under the conditions hereinabove outlined. J. A. Clark Draying Company, Ltd. operates in San Francisco but holds no temporary authority similar to that held by the other San Francisco warehousemen. It seeks permission to establish and operate 50,000 square feet of additional space and proposes that the use of this space be restricted to the storage of raw materials, cotton, discharged vessel cargoes and transshipment freight under the same conditions and subject to the same limitations as the other San Francisco applicants.

Howard Terminal and Haslett Warehouse Company operate public warehouses in Oakland. Each of these applicants seeks authority to establish and operate 150,000 square feet of additional warehouse space to be used exclusively for the storage of vessel cargoes discharged at Oakland and property for transshipment stored in that city, under conditions similar to those referred to in connection with the proposals of the San Francisco warehousemen. All of the sought authorizations are proposed to be limited to the duration of the abnormal conditions now prevailing.

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<sup>1</sup> See Decision No. 33615 of October 22, 1940, as amended, in Application No. 22695 and Decision No. 33777 of January 3, 1941, as amended, in Applications Nos. 23823, 23851, 23852 and 23857, which granted this additional operating authority. Unless sooner cancelled, modified or extended by further order of the Commission the temporary authority granted by these decisions will expire December 31, 1942. Haslett Warehouse Company, Gibraltar Warehouses and Farnsworth and Ruggles have each been authorized to devote 400,000 square feet of additional space to that storage; San Francisco Warehouse Company has been authorized to devote 564,500 square feet of additional space to the storage of cotton and 200,000 square feet of additional space to the storage of raw materials.

Granting of the sought authorizations, applicants contend, is necessary to meet heavy demands for public utility warehousing at San Francisco and Oakland which have arisen because of the disruption of normal vessel movements from San Francisco and Oakland. Applicants' witnesses testified that shortly after the outbreak of the war certain vessel movements had been interrupted and the vessels' cargoes had been returned to San Francisco and Oakland for storage; and that under war conditions delays not anticipated at the time shipments were forwarded had been experienced in connection with the transshipment of freight via these ports and that further demands for storage had resulted from these delays.

The witnesses said that applicants anticipated few, if any, further demands for the storage of vessel cargoes because of interruptions in vessel movements but that some of the property discharged from vessels which had been unloaded is still in storage. In addition to this storage, they claimed, suitable space is needed, and would continue to be needed, for transshipment freight held at San Francisco and Oakland awaiting transfer to the vessels which will carry the property to final destination. Much of the storage in question, the witnesses said, consists of commodities not ordinarily stored by public warehousemen. They asserted that the characteristics of the commodities are such that in many cases they cannot be accommodated in structures used for regular warehouse operations or stored with other commodities. This so-called "distress storage" may reasonably be expected, in the opinion of experienced warehousemen, to overtax existing storage facilities.

Representatives of those warehousemen holding temporary authority to operate additional space for the storage of raw materials

and cotton said that under emergency conditions they had used some of that space to store vessel cargoes to avoid the commandeering of the required facilities. The representative of one of the Oakland warehouses said that lack of the necessary space had caused that warehouse to refuse to store certain vessel cargoes which had been then diverted to other ports for storage.

No one opposed the granting of the applications.

The record discloses that there has been a considerable quantity of property requiring public utility storage tendered to San Francisco and Oakland warehousemen because of the dislocation of established shipping practices caused by the war. Moreover, a persuasive showing has been made that suitable warehouse facilities will doubtless continue to be needed for that storage and the storage of other freight which will be forwarded to San Francisco or Oakland for transshipment but must be stored because vessel space to carry the goods to their final destination cannot be obtained. It has been demonstrated that in so far as some of the proposed storage is concerned it is not susceptible to being handled in applicants' regular facilities, and that in the aggregate the volume of the storage which may be expected to be offered will exceed that which may be accommodated in existing public warehouse facilities available for that storage.

In San Francisco, the record shows, demands for the storage in question may largely be met by permitting applicants to use for that storage the additional space heretofore authorized to be used exclusively for the storage of cotton and reserve raw materials. Such permission coupled with the addition of 50,000 square feet by applicant J. A. Clark Draying Company would evidently provide suit-

able and adequate space for the storage involved. In Oakland, it appears that the establishment and operation of the sought additional space is required to meet the anticipated demands for the storage of vessel cargoes and transshipment freight. No showing has been made in support of the J. A. Clark Draying Company's request for authority to also store raw materials and cotton. The record indicates that ample space is now available for those purposes.

For these reasons, and to the extent indicated, the applications will be granted on a temporary basis. These authorizations will be limited at this time to December 31, 1942, the date upon which the existing San Francisco authorizations to use additional space for cotton and raw materials storage are scheduled to expire. The order will also provide, however, for earlier cancellation, modification or extension should such action become necessary.

O R D E R

Howard Terminal, a corporation, Haslett Warehouse Company, a corporation, and J. A. Clark Draying Company, Ltd., a corporation, having made applications as above entitled, a public hearing having been hold, evidence received, the matters submitted and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the temporary establishment and operation of additional warehouse space by applicants, said additional space to be composed of 150,000 square feet by Howard Terminal, a corporation, and 150,000 square feet by Haslett Warehouse Company, a corporation, and to be situated in the City of Oakland, and 50,000 square feet by J. A. Clark Draying Company, Ltd. a corporation, to be situated in the City and County of San Francisco and all of said additional space to be used exclusively for the

storage of property destined to ports along the Atlantic Coast of the United States, ports of territories or possessions of the United States or ports of foreign countries, when said property is (1) discharged from vessels returned to Oakland in the case of the aforesaid Howard Terminal and Haslett Warehouse, and to San Francisco in the case of the aforesaid J. A. Clark Draying Company, Ltd., under orders from the United States Government to unload the cargo and clear it from the docks and (2) forwarded to Oakland and San Francisco, respectively, for transshipment to the aforesaid ports and stored at Oakland or San Francisco because vessel space is not available; and

IT IS HEREBY ORDERED that certificates of public convenience and necessity therefor, be and they are hereby granted to the said Howard Terminal, Haslett Warehouse Company and J. A. Clark Draying Company, Ltd.

IT IS HEREBY FURTHER ORDERED that the rights and privileges hereinabove authorized shall expire on December 31, 1942, unless sooner cancelled, changed or extended by appropriate order of the Commission.

Application having been made by Haslett Warehouse Company, a corporation, San Francisco Warehouse Company, a corporation, C. L. Tilden, C. L. Tilden, Jr., and Irving S. Culver, a co-partnership, doing business as Gibraltar Warehouses, and Farnsworth and Ruggles, a corporation, for modification of the authorizations heretofore granted said applicants, a public hearing having been had, evidence received, the matters submitted, and the Commission being now fully advised,

IT IS HEREBY ORDERED that Decision No. 33777 of January 3, 1941, as amended, in Applications Nos. 23823, 23851, 23852 and 23857, be and it is hereby further amended by modifying the authorizations

heretofore granted said applicants so as to permit them to utilize the additional space involved for storage of property destined to ports along the Atlantic Coast of the United States, ports of territories or possessions of the United States or ports of foreign countries when said property is (1) discharged from vessels returned to San Francisco under orders from the United States Government to unload the cargo and clear it from the docks and (2) forwarded to San Francisco for transshipment to the aforesaid ports and stored at San Francisco because vessel space is not available.

In all other respects said Decision No. 33777, as amended, shall remain in full force and effect.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 12<sup>th</sup> day of May, 1942.

Ray L. Rice  
T. Baker  
James V. Havener  
Richard Hachre  
Commissioners