

Decision No. 37886

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 STATE TERMINAL CO. LTD., a corporation,)
 for a certificate of public convenience)
 and necessity, authorizing it to oper-)
 ate 100,000 square feet of warehouse)
 space within the City and County of San)
 Francisco.)

ORIGINAL

Application No. 26587

BY THE COMMISSION:

OPINION AND ORDER

State Terminal Co. Ltd. is engaged, among other things, in the business of storing property for the United States Government. It seeks authority to operate 100,000 square feet of warehouse floor space as a public utility warehouseman in San Francisco during the war emergency. The commodities proposed to be stored consist of (1) cotton held as security for loans made by Commodity Credit Corporation; (2) raw materials, including wool, crude rubber, tin, hemp and manganese for the United States Government; and (3) property discharged from vessels returned to San Francisco under orders of the United States Government or forwarded thereto for export but requiring storage because of a lack of available vessel space.

It is alleged that wartime shipping practices and manpower stringencies have created abnormally heavy demands upon San Francisco warehousemen and have rendered existing public storage facilities inadequate. The commodities involved in the temporary certificate here sought are the same as those which San Francisco Warehouse Company, Haslett Warehouse Company, Gibraltar Warehouses, Farnsworth and Ruggles, J. A. Clark Draying Co. Ltd., John Fox doing business as John McCarthy and Son and Daniel Gallagher Teaming, Mercantile and Realty Company have been authorized to store under certificates

scheduled to expire December 31, 1945.¹ These authorizations were based upon allegations substantially similar to those made here,

Competing warehousemen have been notified of the application and have no objection thereto. A public hearing is not necessary. We are of the opinion and find that public convenience and necessity will be served by granting applicant authority similar to the temporary authorities heretofore granted under like circumstances. Should extension thereof become necessary applicant may make an appropriate request.

State Terminal Co. Ltd. is hereby placed upon notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business. This monopoly 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,

Therefore, good cause appearing,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the temporary establishment and operation of 100,000 square feet of warehouse space by State Terminal Co. Ltd., to be situated in the City and County of San Francisco and all of said space to be used exclusively

¹ See Decision No. 33615 of October 22, 1940, as amended, in Application No. 22695, Decision No. 33777 of January 3, 1941, as amended, in Applications Nos. 23823, 23851, 23852 and 23857 and Decision No. 37455 in Applications Nos. 24946 and 24947.

(1) for the storage of cotton held as security for loans made by Commodity Credit Corporation; (2) for the storage of raw materials, including wool, crude rubber, tin, hemp and manganese for the United States Government; and (3) 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 (a) discharged from vessels returned to San Francisco under orders from the United States Government to unload the cargo and clear it from the docks or (b) forwarded to San Francisco for transshipment to the aforesaid ports and stored at San Francisco because vessel space is not available; and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity therefor, be and it is hereby granted to State Terminal Co. Ltd.

IT IS HEREBY FURTHER ORDERED that the rights and privileges hereinabove authorized shall expire on December 31, 1945, unless sooner canceled, changed or extended by appropriate order of the Commission.

IT IS HEREBY FURTHER ORDERED that in the operation of the public utility warehouse service hereinabove authorized State Terminal Co. Ltd. shall file written acceptance of the certificate herein granted within a period of ten (10) days from the effective date of this order; shall file in duplicate and make effective, a tariff covering operations under the certificate herein granted within thirty (30) days from the effective date of this order and on not less than one (1) day's notice to the Commission and to the public; and that the tariff filing made pursuant to this order shall comply with the provisions of General Order No. 61.

This order shall become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 15th day of May, 1945.

Howard Rudman
Justice D. Calveser
Richard Kachre
W. W. G. W.
W. H. Powell
Commissioners