

Decision No. 40088**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Los Angeles Warehouse Company to dis-
 continue storage of property generally,
 and to abandon its public utility
 service.) Application No. 27956

Appearances

Wyman C. Knapp, for applicant
 W. G. O'Barr, for Los Angeles Chamber
 of Commerce, interested party
 C. G. Munson, for Los Angeles Ware-
 housemen's Association.

OPINION ON FURTHER HEARING

Los Angeles Warehouse Company, a corporation conducting business as a public warehouseman in the City of Los Angeles, seeks authority to discontinue service and to withdraw permanently from the public utility field. After a public hearing had at Los Angeles on December 2, 1946, the Commission found that public convenience and necessity required that the services be continued. The application was denied "without prejudice to further hearing if and when applicant is prepared to show that its facilities and services are no longer required by the general public, or to show convincingly that the services can no longer be continued except at a financial loss or at an unreasonably low return which cannot be corrected through rate adjustment."¹

Upon applicant's petition and offer to submit evidence

¹ Decision No. 39923, February 4, 1947. See that decision for a description of the properties, their location, and reasons advanced by applicant for the proposed abandonment.

to show "that its facilities and services are no longer required by the general public," the proceeding was reopened for further hearing. Further hearing was had before Examiner Bryant at Los Angeles on March 3, 1947, at which time the application was submitted for decision on the full record.

The record on further hearing shows that the merchandise currently being stored for the public by Los Angeles Warehouse Company occupies approximately 70,000 square feet of floor area. The secretary-treasurer of the Los Angeles Warehousemen's Association, called as a witness by applicant, testified that he maintained familiarity with warehouse occupancy conditions in the metropolitan Los Angeles area; that he had made a study of the extent to which space was available on February 7, 1947; that the results of his study were correctly set forth in a statement which he introduced as an exhibit; and that in his opinion the amount of available space had increased in the three weeks which followed the date of his study.

According to the exhibit, of 22 warehouses in the City of Los Angeles, 13 have no space available for new accounts and the other nine have available some 146,500 square feet of floor area. In addition, it shows that warehouses in Pasadena, in Long Beach, and in the Los Angeles harbor area can offer 45,000 square feet of floor area. The witness testified further that storage space approximating 400,000 square feet, located on a pier at Los Angeles harbor, had recently been released by the federal government and would be made available for public warehousing within about 90 days. He said that increased facilities at the harbor would tend to relieve the demand for warehouse space in the Los Angeles industrial area.

The largest single block of storage space currently available is shown in the exhibit as 75,000 square feet offered by Central Warehouse & Storage Company. The president of this company testified

that this figure represented the total usable area of a building into which his company had recently moved. He explained that government property had constituted a large part of the merchandise stored at the old location; that the government property had been withdrawn; that this circumstance, combined with the change in location and the fact that the new building had required reconditioning, brought about the condition under which his company found itself temporarily in a position to accept a substantial amount of new storage. This witness said that property had been and was being received since the exhibit was prepared on February 7, and estimated that 55,000 or 65,000 square feet of space were still available at the time of the further hearing on March 3, 1947. He declared that, if arrangements were made promptly, his company could accommodate a substantial portion of the merchandise now stored in the warehouse of applicant, Los Angeles Warehouse Company.

The president of the applicant warehouse company testified that, if this application were granted, it would be the offer and the purpose of his company to absorb all expenses involved in transferring any of the stored property to new locations in the Los Angeles area, including cost of transportation, cost of additional warehouse handling charges, cost of additional storage charges resulting from any unfavorable difference in warehouse billing dates, and any other expenses which might result from the change of location. The original record contains applicant's offer to (1) allow its present storers a period up to six months from the date of hearing within which to remove goods currently in storage, (2) transport the goods at no expense to the storers to any location designated by the storers within the metropolitan Los Angeles area, and to (3) continue to accommodate such goods for a reasonable time beyond the six-month period if any storer were unable to find space elsewhere. It was specified that the tariff rates would be assessed on all goods so long as they remained in storage; and that no goods would be received in storage during the termination period.

As an addition to the reasons given at the original hearing as justifying the withdrawal from public service, applicant's president testified that the former general manager of the company, the only experienced warehouseman in the organization, had recently died. It was stated that the general manager had been with the company for about 40 years, and that he had had complete charge of the entire operation of the business. The president said that, in his opinion, it would take between three and four years "to get a man to establish the type of contacts which he had and to know all that he had to know about the warehouse business and its operation."

At the further hearing no one appeared to protest the granting of this application. A representative of the Los Angeles Chamber of Commerce, appearing as an interested party, made the statement, as argument, that inquiries received from time to time by the Chamber indicated that the present supply of warehouse space in the Los Angeles area is so low as to constitute a shortage; and that, in the opinion of the Chamber of Commerce, more public warehouse space is needed in the Los Angeles area at the present time rather than less space.

From the record developed on further hearing it appears that there is now sufficient warehouse space in the Los Angeles area adequately to accommodate the property now stored in the buildings of Los Angeles Warehouse Company. Although many warehouses still report no space available for new accounts, and although much of the available space is in relatively small blocks, the record is convincing that some improvement in space availability may reasonably be expected in the near future.

Upon careful consideration of all of the facts and circumstances of record, we are of the opinion that Los Angeles Warehouse Company should be permitted to discontinue its public utility services. The application will be granted, subject to specified conditions designed to protect the interests of the present patrons.

O R D E R

Further public hearing having been had in the above entitled proceeding, and based upon all of the evidence of record and upon the conclusions set forth in the preceding opinion,

IT IS HEREBY ORDERED that Los Angeles Warehouse Company be and it is hereby authorized to discontinue the handling and storage of property as a public utility warehouseman, subject to the following provisions and conditions:

1. Applicant shall continue as a public utility warehouseman, rendering all services specified in its tariffs, at rates and charges therein provided, so long as any property remains in storage in its warehouse; except that from and after the date of filing the written acceptance specified in Condition 2 hereof, applicant shall not be required to receive any additional goods for storage.
2. Applicant shall, within ten (10) days from the effective date of this order, file with the Commission its written acceptance of this order, including all of the provisions and conditions thereof.
3. Applicant shall cause to be prepared and to be mailed or otherwise delivered to each of its storage patrons on or before twenty (20) days from the effective date of this order, a true and complete copy of this order.
4. Applicant's storage patrons may designate any available public warehouse or other location within the City of Los Angeles or its environs to which their stored property shall be moved; however, in the absence of such election on or before June 1, 1947, Los Angeles Warehouse Company may transport such property to any public utility warehouse within the City of Los Angeles.
5. Los Angeles Warehouse Company shall pay, for its own account, and at no expense to its patrons, any and all costs connected with the transfer of stored property from its warehouse to other locations, whether designated by its patrons or otherwise, including transportation, the handling charges of the receiving warehouse, and any additional storage charges occasioned by a difference in storage periods between its own and the receiving warehouse.

6. Applicant shall, promptly upon removal of all stored property from its warehouse, (a) file with the Commission a verified statement that it has fully complied with the Conditions 1 to 5 inclusive, and (b) cancel all tariffs, concurrences and powers of attorney which it has on file with the Commission.

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

Dated at Los Angeles, California, this 25th day of March, 1947.

Harold P. Hula
Justin J. Cooney
A. E. Anderson
Frederick Potter
Commissioners