

Decision No. 45448

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
COAST VAN LINES, INCORPORATED, to sell,)
and REPUBLIC VAN & STORAGE CO., INC.,) Application No. 31846
to purchase the warehouse operative)
rights of the seller.)

O P I N I O N

By this application, as amended, Coast Van Lines, Incorporated, seeks authority to sell, and Republic Van & Storage Co., Inc., seeks authority to buy, a right to conduct business as a public utility warehouseman in the City of Los Angeles.

The right involved herein is prescriptive in character, having been created by virtue of public utility warehouse operations of one Cook-McFarland Company prior to the enactment, in 1927, of Sections 2½ and 50½ of the Public Utilities Act. Operative authority stemming from the right of Cook-McFarland Company was transferred to a Donald W. Ayres in 1948, and has been subsequently and successively transferred to Coast Van & Storage, Inc., and Coast Van Lines, Incorporated.¹ The scope of the right, as originally established or as existent at any specified time since, is not a matter of record.

The verified application recites that Coast Van Lines, Incorporated (hereinafter called Seller), in the operation of its warehouse business, dedicated to public use a gross area of 32,500 square feet of warehouse floor space,² of which 22,500 square feet were occupiable for storage purposes; that said warehouse facilities

¹ Decisions Nos. 41598, 42640, and 44050.

² The application states Coast Van Lines, Incorporated, conducted its warehouse business at two locations in Los Angeles. The published tariff of the warehouse company shows operations at only one location, however. On the latter basis it appears that the gross space that was dedicated to public utility warehouse operations was 25,000 square feet.

were leased from Coast Van & Storage, Inc., a California corporation with a common identity of ownership with Seller; that in August, 1950, Coast Van & Storage, Inc., terminated the lease with Seller's consent and leased the warehouse facilities to Republic Van & Storage Co., Inc. (hereinafter called Buyer), upon the condition and understanding that the Buyer would accept for the account of Seller any general commodities tendered to Seller by the public for storage until such time as Seller either transferred its operative right to Buyer, pursuant to authorization of the Commission, or until other facilities were obtained by Seller. Assertedly, Seller at no time has refused or been unable to accept any and all general commodities tendered to it by the public for storage.

The application further states that Buyer has had many years experience in truck transportation and storage activities, principally with respect to household goods. In seeking authority to acquire the operative right of Coast Van Lines, Incorporated, Buyer proposes to serve the public generally at rates and charges of the same volume and effect as those maintained by Seller and other warehousemen in the Los Angeles area. It is alleged that there is a continuing demand for public storage space in Los Angeles, and that it is in the public interest that the operative right herein involved be preserved. The proposed transfer will not require movement of any existing storage accounts. The consideration agreed upon between Buyer and Seller for the operative right is \$1,000.

The Los Angeles Warehousemen's Association has been informed of the sought transfer, and has informed the Commission that it has no objections to the proposal.

Public hearing of the application does not appear necessary.

Upon careful consideration of the circumstances and allegations, as set forth in the application, as amended, the Commission is of the opinion that the proposed transfer of the public utility warehouse operative right from Coast Van Lines, Incorporated, to Republic Van & Storage Co., Inc., is not adverse to the public interest. The application will be granted.

In granting the application no finding is made relative to the reasonableness of the price to be paid for the operative right, nor is any finding made as to the nature or scope of the right. Republic Van & Storage Co., Inc., is hereby placed upon notice that an operative right, as such, does 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 such right. Aside from its purely permissive aspect, the right extends to the holder a full or partial monopoly of a class of business. This monopoly feature may be changed 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

The Commission having considered the above-entitled matter, and being of the opinion that the application should be granted as herein provided; therefore,

IT IS HEREBY ORDERED:

(1) That after the effective date hereof and on or before April 30, 1951, Coast Van Lines, Incorporated, may sell to Republic Van & Storage Co., Inc., and Republic Van & Storage Co., Inc., may buy, such right as Coast Van Lines, Incorporated, may possess to operate a public utility warehouse in the City of Los Angeles; the

transfer of said operative right from Coast Van Lines, Incorporated, to Republic Van & Storage Co., Inc., shall be subject to the following conditions:

a. Applicants shall file with the Commission a verified copy of the bill of sale covering the transfer herein authorized, showing the date that title to the right to be transferred is to pass from Seller to Buyer.

b. Applicants, on not less than ten (10) days' notice to the Commission and to the public, shall amend or reissue tariffs on file with the Commission governing the warehouse operations of Coast Van Lines, Incorporated, to show that Coast Van Lines, Incorporated, has withdrawn from the tariffs and that Republic Van & Storage Co., Inc., has adopted or established as its own the tariff rates, rules and regulations which governed Coast Van Lines, Incorporated. The effective date of tariff filings made pursuant to this order shall coincide with the date that title to such right as is herein involved is transferred from Coast Van Lines, Incorporated, to Republic Van & Storage Co., Inc. The tariff filings shall comply in all respects with the regulations governing the construction and filing of tariffs as set forth in the Commission's General Order No. 61.

c. Within thirty (30) days after Coast Van Lines, Incorporated, relinquishes control of such operative right as is herein involved, it shall complete its filing with the Commission of all reports required of it as a public utility warehouseman, including (a) an annual report of operations

for the year 1950, (b) a corresponding report for that portion of 1951 prior to the assumption by Republic Van & Storage Co., Inc., of the warehouse operations theretofore conducted by Coast Van Lines, Incorporated, and (c) a warehouse occupancy report as of the date of termination of public utility warehouse operations by Coast Van Lines, Incorporated.

(2) That the effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 13th day of March, 1951.

R. T. [Signature]
Justus F. [Signature]
Harold A. [Signature]
[Signature]
[Signature]
Commissioners