

Decision No. 53787

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SIGNAL TRUCKING SERVICE, LTD.,
a corporation, for a certificate
authorizing the operation of a
warehouse.

Application No. 37761

Edward M. Berol, for applicant.
Glanz & Russell by Arthur H. Glanz, for West Coast
Warehouse Corporation and City Transfer Co., Inc.,
protestants.
Wahlfred Jacobson and Leslie E. Still, for City of
Long Beach, Harbor Department, interested party.
John F. Specht, for the Commission staff.

O P I N I O N

Applicant seeks authority to establish and operate a public warehouse at 1500 West 8th Street, Long Beach, California. Said location is in the Long Beach Harbor area, where the Long Beach Harbor Department has recently completed a new shed designated as Warehouse No. 4. Applicant requests a certificate of public convenience and necessity for 76,000 square feet of space in said warehouse.

A public hearing was held in Long Beach before Examiner Mark V. Chiesa. Oral and documentary evidence having been adduced the matter was submitted for decision.

Signal Trucking Service, Ltd., a corporation, now operates, under authority of the Commission, as a highway common carrier and as a permitted carrier. It also conducts public and private warehousing operations. Its public warehouses are located at 4455 Fruitland Avenue, in the City of Vernon, and at 314 Marine

Avenue in the Wilmington District (Los Angeles Harbor area) of the City of Los Angeles (Decision No. 53580).^{1/}

The record shows that Warehouse No. 4 is a modern building 80 feet by 1,000 feet and has a ceiling of approximately 22 feet. It was rented by applicant, on a year to year basis, from the Long Beach Harbor Department on March 1, 1956. It is proposed to dedicate 76,000 square feet for public warehousing. Sixty-five per cent of said space is now leased from applicant by the Ford Motor Company and The Proctor & Gamble Manufacturing Company. Warehouse No. 4 has a 1,000-foot truck dock and rail facilities to accommodate as many as 40 cars. Up-to-date mechanical equipment is available and in use.

In Long Beach and the Long Beach Harbor area, exclusive of the Los Angeles Harbor area in San Pedro and Wilmington, there are three certificated or "prescriptive" public warehouses, one of which is temporarily inoperative.^{2/} Protestant West Coast Warehouse Corporation (hereinafter referred to as West Coast) operates a public warehouse in Long Beach Harbor on Pier A at Warehouse No. 1 where it has rented from the Long Beach Harbor Department 150,000 square feet of space.^{3/} Protestant's vice president testified that

^{1/} Applicant has 71,500 square feet of public warehouse space at Wilmington and 147,200 square feet of public warehouse space at Vernon and also conducts private warehousing at Vernon and at the Long Beach Harbor.

^{2/} Crescent Warehouse Company, Ltd., as of December 31, 1955, was operating 9,600 square feet of public warehouse space at 1110 West Third Street in the City of Long Beach (see annual report of 1955). Its authority was acquired by Decision No. 48207. By another decision issued today, in Application No. 37888, authority was granted to transfer said operative right to Bekins Warehousing Corp., which is engaged in warehousing household goods in the City of Long Beach. Crescent Warehouse Company, Ltd., and Bekins Warehousing Corp., were not represented at the hearing, although notices were mailed to them.

^{3/} West Coast's present warehouse operating authority is derived from Decision No. 36944 on Application No. 26011 and Decision No. 50209 on Application No. 35164.

of the said area 20,000 square feet has been allocated to the U. S. Customs for use as a bonded warehouse, 110,000 square feet is now occupied by public storage, and the remainder, 20,000 square feet, is not at present in use although there are commodities occupying some 5,000 additional square feet of space on the ground outside the shed. In September of 1953, or immediately prior thereto, West Coast discontinued its warehousing at its former locations in Long Beach and moved into said Warehouse No. 1, having rented two bays totalling 52,500 square feet of space. In October of 1953, it rented two additional bays totalling 52,500 square feet; one additional bay of 22,500 square feet was rented in September 1954; and another bay of 22,500 square feet was added in April of 1956.

Protestant City Transfer Co., Inc., operates a public warehouse at 1530 West 12th Street in the City of Long Beach, which location is near Warehouse No. 4. The president of this company testified that there is approximately 20,000 square feet of storage space available to the public and that the average monthly vacancy is approximately 4,870 square feet. A trucking service is conducted in conjunction with the storage business. The record shows that this protestant usually has some space available for public storage, but not enough for large quantities of merchandise.

Witnesses representing the Ford Motor Company and The Proctor & Gamble Manufacturing Company testified in support of this applicant. The Ford Motor Company now occupies nearly all of applicant's warehouse space in the Wilmington warehouse and has motors occupying about 49,000 square feet of space in applicant's Warehouse No. 4 in Long Beach. The Proctor & Gamble Manufacturing Company also has been using applicant's public warehouse facilities and at present its merchandise occupies about 27,000 square feet in Warehouse No. 4. Together, said companies are using 65 percent of the facility for

which applicant seeks a certificate. Both of these companies desire to use applicant's warehouse on a public storage basis in order to reduce the cost for storage. Private storage requires the renting of a definite space for a definite period and as storage requirements fluctuate, public storage would be less expensive.^{4/}

The general manager of the Long Beach Harbor Department testified that Warehouse No. 4 was completed this year at a cost of approximately \$500,000; that its construction was necessary to meet a demand for storage, both private and public, due to the increased shipping activity and use of the Long Beach harbor facilities; that since 1950, \$65,000,000 has been invested by the city in the development of said harbor, and that an additional \$44,000,000 was recently budgeted for further harbor improvements such as bridges, streets, fills, piers, buildings, etc. This witness testified that the rent for Warehouses Nos. 1 and 4 is on the same basis, sixty per cent of the gross storage revenue. P. 10

The Commission having considered the evidence of record in this proceeding is of the opinion and finds that public convenience and necessity require the granting of the application. Applicant now has an occupancy in Warehouse No. 4 greater than the available space in existing public warehouses in the vicinity. The evidence further shows a continuous and steady expansion of the

^{4/} Applicant proposes to charge rates as published in California Warehouse Tariff Bureau, Warehouse Tariff No. 7-C, and in Signal Trucking Service, Ltd., Warehouse Tariff No. 2, both issued by Jack L. Dawson, Agent.

harbor traffic and a marked increase in demand for public warehousing.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises, and having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to Signal Trucking Service, Ltd., a corporation, authorizing it to establish and operate a business as a warehouseman, as defined in subdivision (b) of Section 239 of the Public Utilities Code, utilizing not more than 76,000 square feet of storage warehouse floor space at 1500 West 8th Street, in the City of Long Beach (also known as Warehouse No. 4, Port of Long Beach), subject to the following condition:

That applicant shall not add to, extend, or otherwise increase its storage or warehouse floor space at said address, without first having obtained from this Commission a certificate declaring that public convenience and necessity require such addition or extension or increase of such storage or warehouse floor space.

(2) That in providing service pursuant to the certificate herein granted applicant shall comply with and observe the following service regulations:

(a) Applicant shall file a written acceptance of the certificate herein granted within a period of not to exceed thirty days after the effective date hereof.

(b) Within ninety days after the effective date hereof and on not less than five days' notice to the Commission and to the public, applicant shall establish the service herein authorized and comply with the provisions of General Order No. 61, by filing in triplicate and concurrently making effective appropriate tariffs.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California,
this 18th day of SEPTEMBER, 1956.

[Signature]
President
Justice J. Carmel
Paul S. Winter
[Signature]
[Signature]
Commissioners