

ORIGINAL

Decision No. 60806

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
HECHT FAST FREIGHT, INC., a California  
corporation, for a certificate of  
public convenience and necessity  
to operate the business of a  
warehouseman.

Application No. 41893

Greenwald, Holland, Landrum & Bain, by  
Alvin G. Greenwald and Lee W. Landrum,  
for applicant.  
Morgan Stanley for Star Truck & Warehouse;  
B. A. Beckham for Central Terminal Warehouse  
Company; A. J. Politski for Westland Ware-  
houses, Inc.; Harold A. Drury for Pacific  
Coast Terminal Warehouse Company; Jackson W.  
Kendall for Bekins Warehousing Corporation;  
protestants.  
Arlo D. Poe and Carl F. Peters for Los Angeles  
Warehousemen's Association, interested  
party.

O P I N I O N

Hecht Fast Freight, Inc., a corporation, is applying,  
pursuant to Section 1051 of the Public Utilities Code, for a cer-  
tificate declaring that public convenience and necessity require or  
will require the transaction by applicant of a warehouse business  
as defined in subdivision (b) of Section 239 of said code.

A public hearing was held at Los Angeles on July 7 and 8,  
1960, before Examiner Mark V. Chiesa. Oral and documentary evi-  
dence having been adduced, the matter was submitted for decision.

Findings of Fact:

Applicant is now engaged in the business of transporting  
property as a Highway Contract Carrier and as a City Carrier

(Permits Nos. 19-50502 and 19-50503, respectively) with its principal place of business at 732 Terminal Street in the City of Los Angeles, at which location, in conjunction with said transportation business, it also acts as a distributor of pool car shipments of furniture, plumbing equipment and supplies, light fixtures, glass spheres, soft goods and related items originating outside of California. As of the time of the hearing applicant performed the service of receiving, distributing and incidental warehousing for some eight such suppliers and for some of their consignees. As the shipments are usually destined to retail establishments, it is necessary from time to time, in order that an adequate supply of merchandise be readily available to stores with limited shelf or storage space, that applicant, either for the out-of-state shippers or local consignees, store or warehouse surplus inventories. Applicant has been in business at said address approximately four years, and on or about January 1, 1959, applicant leased approximately 50,000 square feet of space, which lease was later extended as to time and rental area to December 31, 1961, and approximately 94,000 square feet, respectively. Under said lease applicant occupies all or portions of four floors of a six-story Class A fireproof concrete- and steel-reinforced building having two freight elevators, sprinkler system, truck loading dock and rail siding. Applicant leases and operates 12 to 16 bobtail trucks, owns and maintains suitable equipment for its warehouse needs, and has 20 employees. Applicant operates a coordinated trucking and pool car distribution service with incidental storage for the suppliers or retailers of the type of merchandise hereinabove mentioned. It

proposes to continue to store such items, crated or in cartons, on behalf of said suppliers or consignees pending receipt of instructions as to time and place of delivery. It proposes to confine operations to a storage and trucking business as hereinabove described. The evidence of record established the fact that the average occupancy to date has been 30,000 to 38,000 square feet. Applicant will either file an appropriate tariff, publishing rates on the same general level as those in California Warehouse Tariff Bureau Warehouse Tariff No. 28, Cal. P.U.C. No. 165, or become a party to said tariff.

Applicant's financial condition as of March 31, 1960, (Exhibit No. 1), shows Total Tangible Assets of \$61,916.21, Total Liabilities of \$47,257.27, and Net Worth of \$14,658.85, represented by Outstanding Capital Stock of \$1,000 and Earned Surplus of \$13,658.85. For the six-month period ending March 31, 1960, its Net Income was \$4,711.31 before income taxes.

Five witnesses representing out-of-state manufacturing concerns and a local retailer testified that applicant's warehousing services are necessary and convenient because temporary storage is required in order to have available on the local market a varied supply of items for prompt sale and delivery. There is substantial evidence that there is a public demand for the transaction of a warehouse business by applicant. It was testified that applicant is providing a necessary and dependable combined storage and transportation service.

Two protestants presented evidence in support of their position that adequate public warehouse space is now available.

The testimony of one protesting witness disclosed that of eleven warehouses operated in Los Angeles it had available public warehousing space, at locations with spur trackage and pool car distribution facilities, as follows: (1) at Wilmington (Los Angeles Harbor) 20,000 square feet; (2) at West Hollywood 10,000 square feet; and (3) at its Los Angeles Grand Avenue warehouse 30,000 square feet "could be made available." Said three locations have in excess of 376,000 square feet of dedicated space for public warehousing. This protestant's principal warehouse, with spur trackage and pool car distribution facilities, is located in downtown Los Angeles at Fourth Street and Alameda Avenue. Said facility was fully occupied at the time of the hearing. The other protestant testified that his company had between 35,000 and 40,000 square feet of space available, with spur track and pool car distribution facilities, out of a dedicated floor space of approximately 265,000 square feet. Protestants' testimony discloses a high degree of occupancy. Los Angeles Warehousemen's Association appeared as an interested party herein to help develop the record and for the purpose of assisting the Commission, "insofar as possible in a determination of proper standards to be established and administered in a determination of applications for need or extended rights for the reason that the number and extent of warehouse facilities in the City and vicinity of Los Angeles has a necessary and important relationship to the successful and economical operation of those public utility warehouses that now exist; and, incidentally, that interest also involved the efforts to preserve and maintain a just and reasonable scale of rates for public utility storage in this area." The Commission is appreciative of this assistance.

The Commission having considered the evidence, being fully advised in the premises and having found facts as hereinabove set forth, finds and declares that public convenience and necessity require the transaction of a warehouse business by applicant as set forth in the following order.

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 Hecht Fast Freight, Inc, a corporation, authorizing the establishment and operation of service as a warehouseman, as defined in Section 239(b) of the Public Utilities Code, at 732 Terminal Street in the City of Los Angeles, and limited to not more than 40,000 square feet of warehouse floor space at said location.

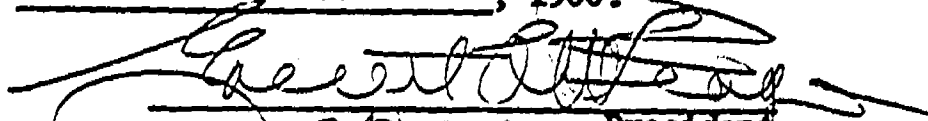

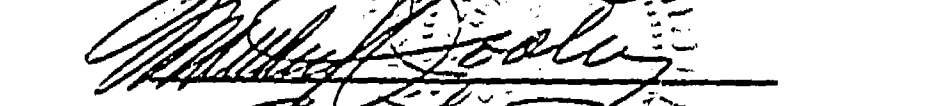
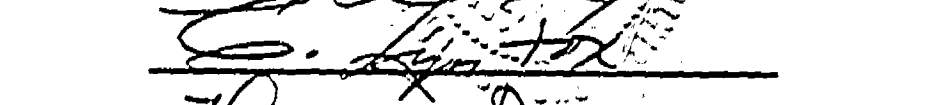
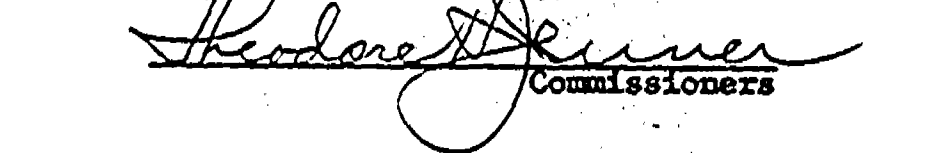
(2) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.
- (b) Within sixty days after the effective date hereof, and on not less than ten days' notice to the Commission and to

the public, applicant shall establish the service and concurrently make effective tariffs satisfactory to the Commission.

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

Dated at San Francisco, California,  
this 4<sup>th</sup> day of OCTOBER, 1960.

  
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President  
  
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Commissioners