

**ORIGINAL**

Decision No. 62520

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:  
STATES WAREHOUSES, INC., a corpo-  
ration, for a certificate of public  
convenience and necessity as a high-  
way common carrier of general commodi-  
ties between all points in the Los  
Angeles Basin Territory, pursuant to  
Sections 1063-1064 of the California  
Public Utilities Code.

Application No. 43160  
(Filed February 16, 1961)

Russell & Schureman, by R. Y. Schureman, for applicant.  
Graham James & Rolph, by Boris H. Lakusta and Leo J.  
Vander Lans, for California Motor Express, Ltd., and  
California Motor Transport Co., Ltd.; Delta Lines,  
Inc.; Interlines Motor Express; Merchants Express  
of California; Oregon-Nevada-California Fast Freight  
and Southern California Freight Lines; Pacific Motor  
Trucking Co.; Shippers Express; Sterling Transit Co.,  
Inc.; Valley Express Co. and Valley Motor Lines, Inc.;  
Willig Freight Lines; California Cartage Company, Inc.;  
and Boulevard Transportation Co., protestants.

O P I N I O N

This application was heard before Examiner Robert D. DeWolf at Los Angeles, California, on April 21, 1961, and May 8, 1961, and was submitted on May 8, 1961, subject to the filing of concurrent briefs, which are now filed. Copies of the application and the notice of hearing were served in accordance with the Commission's procedural rules. Four of the protestants above-named, California Motor Express, Ltd., and California Motor Transport Co., Ltd.; Oregon-Nevada-California Fast Freight and Southern California Freight Lines; California Cartage Company, Inc.; and Boulevard Transportation Co., are highway common carriers, appeared at the hearing, and submitted testimony in protest to the application.

Applicant is a permitted carrier and public warehouseman engaged in the transportation of general commodities in the Los Angeles Basin Territory for its warehouse depositors and one other large shipper. Applicant requests authorization to conduct operations as a highway common carrier for the transportation of general commodities in the Los Angeles Basin Territory. Applicant was incorporated in October 1958 and pursuant to Decision No. 57654 dated December 2, 1958, issued \$10,000 in stock and pursuant to Decision No. 61209, dated December 20, 1960, issued \$15,000 in stock for purchase of motor vehicle equipment to institute its transportation business. Applicant holds a city carrier permit and a radial highway common carrier permit, and States Warehouse Tariff No. 1 has been on file with the Commission for the past two years. Applicant has occupied 44,000 square feet of the former Studebaker plant in Vernon jointly with four other tenants and is leasing a more suitable building on 49th Street, also near Vernon, of about 61,000 square feet of covered space. The trucking operation was started in February, 1961. Prior to that time common carriers were used from the warehouse.

Applicant proposes to provide an on-call service on a daily basis, except Sundays and holidays, and to publish a tariff with rates and charges substantially in conformity with rates and charges published in Minimum Rate Tariff No. 2.

The documentary evidence consists of Exhibit No. 1, an operating map of the Los Angeles Basin Territory. Exhibit No. 2 is a schedule of trucks in operation, being a total of four trucks, two tractors, and three semitrailers. Exhibit No. 3 is a balance sheet and profit and loss statement covering the period January 1, 1961, through March 31, 1961, showing total assets of \$44,092.85 and income of \$34,185.13. Applicant's president testified that additional

capital would be available for purchasing any needed additional equipment. Applicant has a total of fifteen major warehouse depositors.

The applicant provides a specialized service which helps its customers meet competition by confining warehousing and distribution in the Los Angeles basin which is now a commercially integrated and unified trading area where all points can be served on same-day or overnight delivery.

Nine shipper witnesses testified in support of the application and eight of these stated that they were using and had great need for the combined warehouse and trucking service furnished by the applicant. All of these eight shippers maintained offices in the warehouse. Three of these witnesses testified that they had tried other methods of handling their warehouse and shipping needs and that this proved unsatisfactory and inadequate.

The applicant's combination service will provide a substantial segment of the shipping public with a more efficient service by using a single line operation with warehousing; reduce delays and time in transit, reduce dock congestion and combine receiving and distribution platforms, simplify office procedures and billing, provide personnel more skilled in handling the products and provide equipment better adapted to the transportation of the product.

The protestants placed in evidence Exhibits Nos. 4 through 15, which are points lists, advertising brochures, terminal information and statistics regarding their authority, accounts, and rates. Protestants stated they have truck capacity and offer daily overnight service sufficient to handle additional freight in the proposed area.

One of the shipper witnesses testified to the movement of freight by applicant between points exclusive of the warehouse but the evidence does not establish that this is used or needed by a major segment of the shipping public. Therefore, we are unable to find, upon the evidence, that public convenience and necessity require that applicant be authorized to operate as a highway common carrier to the extent requested. The application will be granted in part and denied in part.

Upon consideration of the evidence the Commission finds and concludes as follows:

1. Applicant possesses the experience, equipment, personnel, and financial resources to institute and maintain the service as hereinafter set forth.

2. Public convenience and necessity require that the application be granted as set forth in the ensuing order.

States Warehouses, Inc., a corporation, is hereby placed on 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

An application having been filed, a public hearing having been held and based on the evidence therein adduced,

IT IS ORDERED:

1. That a certificate of public convenience and necessity be and it is granted to States Warehouses, Inc., a corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and over the routes as more particularly set forth in Appendices A and B attached hereto and hereby made a part hereof.

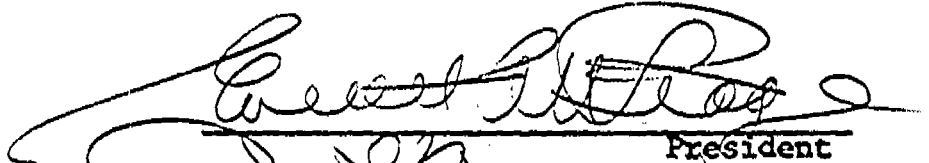
2. That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

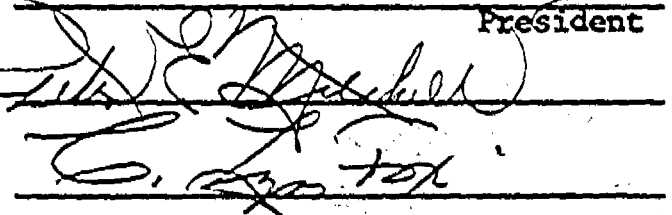
- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the safety rules and other regulations of the Commission's General Order No. 99 and insurance requirements of the Commission's General Order No. 100-B. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Orders Nos. 99 and 100-B, may result in a cancellation of the operating authority granted by this decision.

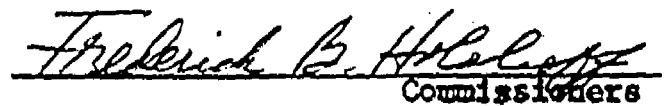
- (b) Within one hundred twenty days after the effective date hereof, and on not less than ten days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate, and concurrently make effective, tariffs satisfactory to the Commission.

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

Dated at San Francisco, California, this 5th day of September, 1961.

  
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President

  
\_\_\_\_\_  
Commissioner

  
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Commissioners

States Warehouses, Inc., a corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport general commodities which originate in or are destined to applicant's warehouses in Vernon, California, from and between said warehouses to all points and places in the Los Angeles Basin Territory as described in Appendix B attached hereto. Applicant shall not transport any shipments of:

1. Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of Item No. 10-C of Minimum Rate Tariff No. 4-A.
2. Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses and bus chassis.
3. Livestock, viz.: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags or swine.
4. Commodities requiring protection from heat by the use of ice (either water or solidified carbon dioxide) or by mechanical refrigeration.
5. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.

Issued by California Public Utilities Commission.

Decision No. 62520, Application No. 43160.

6. Commodities when transported in bulk in dump trucks or in hopper-type trucks.
7. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
8. Logs.

End of Appendix A

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LOS ANGELES BASIN TERRITORY includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County boundary line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway No. 118, approximately two miles west of Chatsworth; easterly along State Highway No. 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary to McClay Avenue; northeasterly along McClay Avenue and its prolongation to the Angeles National Forest boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest boundary to the county road known as Mill Creek Road; westerly along Mill Creek Road to the county road 3.8 miles north of Yucaipa; southerly along said county road to and including the unincorporated community of Yucaipa; westerly along Redlands Boulevard to U. S. Highway No. 99; northwesterly along U. S. Highway No. 99 to the corporate boundary of the City of Redlands; westerly and northerly along said corporate boundary to Brookside Avenue; westerly along Brookside Avenue to Barton Avenue; westerly along Barton Avenue and its prolongation to Palm Avenue; westerly along Palm Avenue to La Cadena Drive; southwesterly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to U. S. Highway No. 60; southwesterly along U. S. Highways Nos. 60 and 395 to the county road approximately one mile north of Perris; easterly along said county road via Nuevo and Lakeview to the corporate boundary of the City of San Jacinto; easterly, southerly and westerly along said corporate boundary to San Jacinto Avenue; southerly along San Jacinto Avenue to State Highway No. 74; westerly along State Highway No. 74 to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to the right of way of The Atchison, Topeka & Santa Fe Railway Company; southwesterly along said right of way to Washington Avenue; southerly along Washington Avenue, through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to the County road intersecting U. S. Highway No. 395, 2.1 miles north of the unincorporated community of Temecula; southerly along said county road to U. S. Highway No. 395; southeasterly along U. S. Highway No. 395 to the Riverside County-San Diego County boundary line; westerly along said boundary line to the Orange County-San Diego County boundary line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning.