

Decision No. 79435

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of CONSOLIDATED WAREHOUSE COMPANY)
OF CALIFORNIA, a California)
corporation, to transfer, and)
CONSOLIDATED FREIGHTWAYS)
CORPORATION OF DELAWARE, a)
Delaware corporation, to acquire)
certain warehousemen's rights.)

Application No. 52998
Filed November 12, 1971

O P I N I O N

Consolidated Warehouse Company of California seeks an order of the Commission authorizing it to transfer its warehouseman certificate of public convenience and necessity to Consolidated Freightways Corporation of Delaware.

The transferor is a California corporation operating under the jurisdiction of this Commission in the City of Commerce as a public utility warehouseman pursuant to the certificate of public convenience and necessity granted by Decision No. 66778, dated February 11, 1964, in Application No. 46027. For the year 1970, the company's reported gross operating revenues amount to \$15,976. The utility's balance sheet at March 31, 1971, set forth in Exhibit D attached to the application herein, shows the following:

Assets

Investments in and advances to affiliates	\$41,989
Operating rights	<u>1,076</u>
Total	<u>\$43,065</u>

Equity

Common stock	\$10,000
Capital surplus	89,825
Retained earnings	<u>(56,760)</u>
Total	<u>\$43,065</u>

The transferee is a Delaware corporation operating as a motor carrier of property in intrastate and interstate commerce in the State of California and elsewhere in the United States of America. For the year 1970, its reported carrier gross operating revenues amount to \$261,444,920. In addition, the application shows that the corporation operates public utility warehouses in Portland, Oregon and Seattle, Washington, and also holds all the outstanding capital stock of the transferor, which stock consists of 100 shares of \$100 par value common stock.

Consolidated Warehouse Company of California proposes to sell its warehouseman certificate of public convenience and necessity, together with the business and goodwill pertinent thereto, to Consolidated Freightways Corporation of Delaware. In payment for said certificate, business and goodwill, the latter would transfer to the former 10 shares of the California warehouseman's outstanding \$100 par value common stock.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest and concludes that it should be authorized. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is consummated, the revocation of the certificate presently held by Consolidated Warehouse Company of California and the issuance of a certificate in appendix form to Consolidated Freightways Corporation of Delaware.

Consolidated Freightways Corporation of Delaware 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, these rights extend to the holder a full or partial monopoly of a class of business. 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

IT IS ORDERED that:

1. On or before March 31, 1972, Consolidated Warehouse Company of California may sell and transfer, and Consolidated Freightways Corporation of Delaware may purchase and acquire, the certificate of public convenience and necessity referred to in the foregoing opinion.

2. Within thirty days after the consummation of the transfer herein authorized, Consolidated Freightways Corporation of Delaware shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. Consolidated Freightways Corporation of Delaware shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff filings shall be made effective not earlier than ten days after the date of this order on not less than ten days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfer herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 61-A. Failure to comply with and observe the provisions of General Order No. 61-A may result in a cancellation of the operating authority granted by this decision.


4. In the event the transfer authorized in Paragraph No. 1 hereof is consummated, a certificate of public convenience and necessity is granted to Consolidated Freightways Corporation of Delaware authorizing it to operate as a public utility warehouseman, as defined in Section 239(b) of the Public Utilities Code, for the operation of storage or warehouse floor space as set forth in Appendix A attached hereto and made a part hereof.


5. The certificate of public convenience and necessity granted in Paragraph No. 4 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 66778, which certificate is revoked effective concurrently with the effective date of the tariff filings required by Paragraph No. 3 hereof.


6. Within thirty days after the transfer herein authorized is consummated, Consolidated Freightways Corporation of Delaware shall file a written acceptance of the certificate herein granted. Consolidated Freightways Corporation of Delaware is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it will be required, among other things, to file annual reports of its warehouseman operations.


7. The effective date of this order is the date hereof.


Dated at San Francisco, California, this
7th day of DECEMBER, 1971.



Chairman








Commissioners

Consolidated Freightways Corporation of Delaware, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to operate as a public utility warehouseman as defined in Section 239(b) of the Public Utilities Code for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
City of Commerce	30,000

(The floor space shown is exclusive of the expansion permissible under Section 1051 of the Public Utilities Code.)

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision No. 79435, Application No. 52998.