

Decision No. 80745

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:

(a) TRAMMELL CROW PUBLIC WAREHOUSES OF LOS ANGELES, INC., a California corporation, to purchase, and SUPERIOR FAST DRAYAGE, a California corporation, to sell, public-utility warehouse operating authority, pursuant to Section 851, et seq., and Section 1052 of the California Public Utilities Code; and upon approval thereof,

(b) To operate as a public warehouseman in Commerce, California;

(c) For authorization to cease operations at Los Angeles, California; and

(d) For authorization for TRAMMELL CROW PUBLIC WAREHOUSES OF LOS ANGELES, INC., to do business as TRAMMELL CROW WAREHOUSE COMPANY.

Application No. 53621  
(Filed October 4, 1972)

O P I N I O N

Superior Fast Drayage (Superior) requests authority to sell and transfer, and Trammell Crow Public Warehouses of Los Angeles, Inc. (Trammell) requests authority to purchase and acquire, a certificate of public convenience and necessity authorizing operations as a public utility warehouseman in 32,000 square feet of floor space in Los Angeles. The agreed cash consideration is \$12,000. Applicant purchaser also requests that upon approval of the transfer the authority to operate pursuant to the certificate be transferred to Commerce, California.

The certificate presently held by Superior was granted by Decision No. 72397, dated May 9, 1967, in Application No. 49176. Under that certificate, Superior obtained the right to operate 32,000 square feet of storage or warehouse space for the storage of general commodities at 611 North Mission Road in the City of Los Angeles.

Trammell has recently obtained 86 acres at 5800 South Eastern Avenue, Commerce, California, on which is located a warehouse containing approximately 800,000 square feet. Trammell plans ultimately to develop an industrial park occupying approximately 2,000,000 square feet. Adjacent to this area and available for use by Trammell are office facilities, parking areas, a double-rail spur, and a truckloading dock, all of which are suitable for use in connection with the operations of a public warehouse.

Trammell proposes to file with the Commission, upon approval of its application, its tariff naming rates and rules governing the warehouse operation herein sought that are the same as, or similar to, those presently adopted by Superior and plans to join the Los Angeles Warehousemen's Association and to participate in its tariff.

Trammell asserts that the operating authority herein sought to be transferred and relocated at Commerce, California, is required by public convenience and necessity because the storage space is located on a double-rail spur, has truck loading and unloading facilities, both the old and new locations are within the same commercial area of the Greater Los Angeles metropolitan area, and the change will not disadvantage any customer presently storing with Superior. Instead, the greater accessibility to rail facilities will provide an additional advantage to customers presently storing with Superior.

Superior will make arrangements to transfer the property of any remaining customers to the new location or to other public utility warehousemen in the immediate area. Superior states that none of its customers has any objection to the discontinuance of operations by Superior as a public warehouseman at Los Angeles. Superior is prepared to pay the cost incurred in moving goods for customers in Los Angeles to Trammell's warehouse facilities in Commerce, or to other facilities.

Applicants aver that the granting of the sought authority will be in the public interest for the following reasons:

1. Trammell's principals and employees are well qualified and experienced to conduct the management and operations of a public utility warehouse.

2. Trammell has received requests from the public for the use of warehouse facilities and the storage and handling of merchandise at Commerce, California.

A copy of the application was served upon the Los Angeles Warehousemen's Association. No protest has been received.

After consideration the Commission finds that:

1. The proposed transfer would not be adverse to the public interest.

2. Public convenience and necessity no longer require the operation of Superior Fast Drayage in Los Angeles.

3. Public convenience and necessity require the operations of Trammell Crow Public Warehouses of Los Angeles, Inc. as a public utility warehouseman in 32,000 square feet of space in Commerce.

The Commission concludes that the application should be granted subject to the condition that Superior Fast Drayage shall pay the cost of moving the property of its present customers to a warehouse of its customers' choice within the Los Angeles area.

Trammell 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 February 1, 1973, and upon the condition that Superior Fast Drayage shall pay the cost of moving the property of its present customers to a warehouse of its customers' choice in the Los Angeles area, Superior Fast Drayage may sell and transfer, and Trammell Crow Public Warehouses of Los Angeles, Inc. may purchase and acquire, the operative rights referred to in the application.

2. Within thirty days after the consummation of the transfer herein authorized, purchaser 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. Purchaser 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 effective 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. On or before the end of the third month after the consummation of the transfer as herein authorized, purchaser shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the seller for the period commencing with the first day of the current fiscal year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to Trammell Crow Public Warehouses of Los Angeles, Inc., 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.

6. The certificate of public convenience and necessity granted in paragraph 5 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 72397, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 3 hereof.

7. Within thirty days after the transfer herein authorized is consummated, purchaser shall file a written acceptance of the certificate herein granted. Purchaser 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 operations.

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

Dated at San Francisco, California, this 21st  
day of NOVEMBER, 1972.

Vernon L. Sturgeon  
President  
William J. Sturgeon  
William J. Sturgeon  
William J. Sturgeon  
Commissioners

Trammell Crow Public Warehouses of Los Angeles, a corporation, 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>
Commerce	32,000

(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. 80745, Application No. 53621.