

ORIGINAL

Decision No. 82163

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of:  
(a) CALIFORNIA CARTAGE COMPANY, INC.,  
a corporation, to purchase, and PAN  
AMERICAN VAN LINES, INC., a corpora-  
tion, to sell public utility ware-  
house 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 warehouse-  
man in Dominguez (Los Angeles County),  
California; and  
(c) For authorization of PAN AMERICAN  
VAN LINES, INC. to cease operations at  
Dominguez (Los Angeles County),  
California; and  
(d) To extend or increase storage or  
warehouse floor space from 40,000  
square feet to 100,000 square feet,  
pursuant to Section 1051 of the  
California Public Utilities Code.

Application No. 54321  
(Filed September 12, 1973;  
amended November 9, 1973)

OPINION AND ORDER

Applicant California Cartage Company, Inc. (Cal Cartage) requests authority to buy, and applicant Pan American Van Lines, Inc. (PAVL) requests authority to sell, the latter's prescriptive operative right as a warehouseman at Dominguez for \$5,000. The subject operative right was set forth in Decisions Nos. 79165 and 81637 in Case No. 6643. Upon transfer applicant Cal Cartage requests that the square footage allowed to be devoted to storage space be increased from 40,000 square feet to 100,000 square feet and that it be authorized to charge the rates published by the tariff bureau in which it is a member rather than adopt PAVL's present rates.

Applicant Cal Cartage, a highway common carrier operating in both interstate and intrastate commerce in the state, possesses a prescriptive operative right as a warehouseman in the city of Vernon and, in connection with its warehouse operations, is a party to California Warehouse Tariff Bureau, Warehouse Tariffs Nos. 28-A and 29-B, Cal. P.U.C. 193 and 252, respectively, Jack L. Dawson, Agent. Cal Cartage states that it has a long term lease on a building at 2902 Val Verde Court, Dominguez, in which there is 100,000 square feet of useable storage space. It asserts that it will serve those PAVL warehouse customers who are willing to remove from PAVL's warehouse to that of Cal Cartage. However, at this time applicants assert that PAVL has no warehouse customers. Cal Cartage and its subsidiaries had a gross revenue of \$10,263,260 for a net profit of \$341,270 for the calendar year 1972.

Applicants assert that PAVL's present warehouse rates, the level of which was established 14 years ago and are on a square footage basis, are outmoded, outdated, inadequate, and incomplete, and transferee requests that upon transfer it be permitted to charge the somewhat higher rates and charges appearing in California Warehouse Tariff Bureau, Warehouse Tariffs Nos. 28-A and 29-B, including supplements thereto. Transferee states that it is desirous of avoiding discrimination between storers it is now serving in its warehouse 12 miles away and those at Dominguez, particularly since some of its Vernon warehouse customers are desirous of moving their storage space to transferee's proposed Dominguez warehouse.

The application, as amended, was noticed in the Commission's Daily Calendar of September 14, 1973, and November 14, 1973. No objections have been received to the granting of the application, as amended.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest; that public convenience and necessity require the increase in storage space under

the certificate proposed to be transferred from 40,000 square feet to 100,000 square feet; that the increase in rates proposed by transferee for service under the subject certificate is justified; and that the application, as amended, should be granted. We further find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, the revocation of the operative right presently held by Pan American Van Lines, Inc. and the issuance of a certificate in appendix form to California Cartage Company, Inc. Also, so that all of Cal Cartage's operative rights will be set forth in one appendix, the prescriptive operative right at Vernon will be restated in Appendix A attached hereto. Appendix A of the order dated August 23, 1960 in Case No. 6863 will be canceled.

California Cartage Company, Inc. is 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 holders 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.

IT IS ORDERED that:

1. On or before March 1, 1974, Pan American Van Lines, Inc. may sell and transfer the operative rights referred to in the application to California Cartage Company, Inc. and that upon transfer the number of square footage of floor space for operation shall be increased from 40,000 square feet to 100,000 square feet.

2. Within thirty days after the transfer the purchaser shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

3. California Cartage Company, Inc. is authorized to become a participant in California Warehouse Tariff Bureau Warehouse Tariffs Nos. 28-A and 29-B, Cal. P.U.C. No. 193 and 252, respectively, as proposed in the application, as amended, and to concurrently cancel Pan American Van Lines, Inc. Warehouse Tariff No. 1, Cal. P.U.C. No. 2. 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 transfer. 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-Series. Failure to comply with the provisions of General Order No. 61-Series 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 transfer the 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 year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, a certificate of public convenience and necessity is granted to California Cartage Company, Inc., a corporation, 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 set forth in Appendix A, attached hereto and made a part hereof. In addition, the prescriptive operative right at Vernon is restated in said Appendix A.

6. The prescriptive operative right set forth in Decisions Nos. 79165 and 81637 is revoked and Appendix A of order dated August 23, 1960 in Case No. 6863 is canceled effective concurrently with the effective date of the tariff filings required by paragraph 3.

7. Purchaser shall maintain its accounting records in conformance with any applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission, and each year shall file with the Commission an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

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

San Francisco

Dated at \_\_\_\_\_, California, this  
27<sup>th</sup> day of NOVEMBER, 1973.

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

California Cartage Company, Inc., 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>
Dominguez (Los Angeles County)	100,000

California Cartage Company, Inc. possesses a prescriptive operative right as a public utility warehouseman for the operation of storage or warehouse floor space as follows:

<u>Location</u>	<u>Number of Square Feet of Floor Space</u>
Vernon	6,000

(The floor space shown above is exclusive of the 50,000 square feet of expansion permissible under Section 1051 of the Public Utilities Code.)

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision No. 82163, Application No. 54321.