

Decision No. 84404**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Applica-)
 tion of GIBRALTAR WAREHOUSES,)
 a corporation, and of CENTRAL)
 WAREHOUSE & DRAYAGE CO., INC.,)
 a corporation, for authoriza-)
 tion to merge.)

Application No. 55499
 (Filed February 19, 1975)

O P I N I O N

By their joint application, Central Warehouse & Drayage Co., Inc. and Gibraltar Warehouses, both California corporations, propose to merge, with Gibraltar Warehouses being the surviving corporation.

Central conducts a public utility warehouseman operation of 105,000 square feet of floor space in the City and County of San Francisco under a prescriptive operative right which was acquired pursuant to Decision No. 69662, dated September 14, 1965, in Application No. 47825. It also operates as a highway common carrier in the transportation of general commodities between San Francisco and certain East-Bay points pursuant to Decision No. 78373, dated March 2, 1971, in Application No. 52365.

Gibraltar also operates both as a highway common carrier, pursuant to authority granted by Decision No. 83798, dated December 10, 1974, in Application No. 55023, and as a public utility warehouseman of 150,000 square feet of floor space in Union City as authorized by Decision No. 82172, dated November 27, 1973, in Application No. 54379. Gibraltar's highway common carrier certificate authorizes the transportation of general commodities between San Francisco and Union City on the one hand and various East-Bay and Peninsula points on the other hand.

Both Gibraltar and Central are wholly-owned by Unisource Corporation, which is a wholly-owned subsidiary of Alco Standard.

It is proposed to cancel all of the outstanding shares of stock of Central without issuing any shares of Gibraltar.

The highway common carrier rights of Central are largely duplicated by those of Gibraltar and applicants request that such duplicated authority be revoked.

Applicants allege that the merger of the two corporations will significantly increase the operating efficiency of the applicants and facilitate accounting and bookkeeping practices. A copy of this application was mailed to the California Trucking Association in Burlingame, and to the California Warehousemen's Association in San Francisco and notice of its filing appeared in the Commission's Daily Calendar of February 20, 1975. No protests have been filed.

Gibraltar proposes to adopt the presently effective rates, rules and regulations of Central for all operations proposed to be transferred.

After consideration the Commission finds that the proposed merger and the transfer of operating authorities would not be adverse to the public interest and concludes that the application should be granted as set forth in the ensuing order. A public hearing is not necessary.

The order which follows will provide for the revocation of the highway common carrier and warehouseman authority presently held by the applicants and their reissuance, with duplications eliminated, in appendix form to Gibraltar Warehouses. Such re-statement will not broaden the authorities.

Gibraltar Warehouses 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 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 September 30, 1975, Central Warehouse & Drayage Co., Inc., and Gibraltar Warehouses may transfer the operating authorities and merge the corporations on terms substantially in conformance with the Agreement of Merger attached to the application. For accounting purposes, such transaction may be effective on or after April 30, 1975.
2. Within thirty days of completion of the transaction Gibraltar Warehouses shall file written acceptance of the certificates granted by this order and true copies of the documents used to effect the merger.
3. Gibraltar Warehouses shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the highway common carrier and warehouse operations transferred to show that it has adopted or established, as its own, the rates and rules. The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five 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 Orders Nos. 80-Series and 61-Series, respectively. Failure to comply with the provisions of General Orders Nos. 80-Series and 61-Series may result in a cancellation of the operating authority granted by this decision.

4. In the event the transaction authorized in paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by paragraph 3, certificates of public convenience and necessity are granted to Gibraltar Warehouses, a California corporation, authorizing it to operate as (1) a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points set forth in Appendix A of this decision; and (2) 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 B of this decision.

5. The certificates of public convenience and necessity granted by Decisions Nos. 78373, 83798, 79959, 82172 and 69662 are revoked effective concurrently with the effective date of the tariff filings required by paragraph 3.

6. Gibraltar Warehouses shall comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.

7. Gibraltar Warehouses shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

8. Gibraltar Warehouses shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

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The effective date of this order is the date hereof.

Dated at Los Angeles, California, this 6th day of

May, 1975.

Vernon L. Stinson
President

William Symons, Jr.

Edward F. [illegible]

Robert Bateman
Commissioners

Gibraltar Warehouses, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities between:

- I. A. San Francisco, on the one hand, and Oakland, Emeryville, Berkeley, Alameda, San Leandro, Richmond, Albany, Union City, El Cerrito, Milpitas, San Pablo, Piedmont, San Lorenzo, Hayward and Fremont, on the other hand.
- B. San Francisco, on the one hand, and points on State Highway 82 between Daly City and San Jose, and points on Bayshore Boulevard and U. S. Highway 101 between Daly City and San Jose, on the other hand.

Restrictions:

Such authority does not include the right to render service to, from or between intermediate points.

Carrier shall not establish through routes and joint rates, charges and classifications as to the separate authorities hereinabove set forth in subparagraphs A and B.

- II. Between the following points, in intrastate and interstate and foreign commerce:
 - A. Union City, on the one hand, and San Francisco, Oakland, Emeryville, Berkeley, Alameda, San Leandro, Richmond, Albany, El Cerrito, Milpitas, Fremont, and Los Gatos, on the other hand.

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- B. Union City, on the one hand, and points on State Highway 82 between Daly City and San Jose, and points on Bayshore Boulevard and U.S. Highway 101 between Daly City and San Jose, on the other hand.
- C. In performing the service herein authorized, carrier may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

Restriction:

Transportation performed in interstate or foreign commerce shall be restricted to movements beginning at or ending at the carrier's warehouses in Union City.

Except that pursuant to the authority herein granted carrier shall not transport any shipments of:

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute, cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton, burlap, gunny, fibreboard, or straw matting).
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.

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3. Livestock, viz.: barrows, boars, bulls, butcher hogs, calves, cattle, cows, dairy cattle, ewes, feeder pigs, gilts, goats, heifers, hogs, kids, lambs, oxen, pigs, rams (bucks), sheep, sheep camp outfits, sows, steers, stags, swine or wethers.
4. 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.
5. Commodities when transported in bulk in dump-type trucks or trailers or in hopper-type trucks or trailers.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
8. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.

(END OF APPENDIX A)

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Gibraltar Warehouses, 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>
San Francisco	105,000
Union City	150,000

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

(END OF APPENDIX B)

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