

ORIGINAL

Decision No. 87493 June 21, 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of:)
(a) INTERAMERICAN STAR TRUCK AND)
WAREHOUSE CORPORATION, a California)
corporation, for authority to)
transfer its certificated rights)
to operate as a public ware-)
houseman to INTERAMERICAN PUBLIC)
DISTRIBUTION CORPORATION, a)
California corporation;)
))
))
(b) PUBLIC DISTRIBUTION CORPORA-)
TION, a California corporation,)
for authority to transfer its)
prescriptive rights to operate)
as a public warehouseman to)
INTERAMERICAN PUBLIC DISTRI-)
BUTION CORPORATION, a California)
corporation.)

Application No. 57078
(Filed February 14, 1977)

OPINION AND ORDER

Interamerican Star Truck and Warehouse Corporation, a California corporation, possesses a certificate of public convenience and necessity as a public utility warehouseman for the operation of storage or warehouse floor space at City of Commerce and Los Angeles. By this application, it seeks authority to sell and transfer, and Interamerican Public Distribution Corporation, a California corporation, to acquire the aforementioned right.

Public Distribution Corporation, a California corporation, possesses a prescriptive operative right as a public utility warehouseman for the operation of storage or warehouse floor space at Vernon. By this application, it seeks authority to sell and Interamerican Public Distribution Corporation, to acquire the aforementioned right.

Interamerican Public Distribution Corporation, was organized for the purpose of providing warehouse services on goods-in-transit between the Los Angeles and Long Beach Harbors, on the one

hand, and the various consignor's or consignees' places of business, on the other hand. Ancillary to these warehouse services are transportation services in the movement of goods between its warehouse facilities, the port of entry or exit and the customers' locations.

According to the application, applicant purchaser has the financial resources, experience and personnel to conduct the warehouse service involved. The cash consideration is \$434,000.00 for the purchase of the operative right and certain assets used in the operation of the facility of Interamerican Star Truck and Warehouse Corporation. The cash consideration is \$4,290.12 per month for a five-year period for the rental of the equipment and other property involved in the transfer of the operative right and certain assets of Public Distribution Corporation.

Copy of the application was mailed to Los Angeles Warehousemen's Conference of California Trucking Association on or about May 20, 1977. The application was listed on the Commission's Daily Calendar of February 16, 1977. No objection to the granting of the application has been received.

In the circumstances, the Commission finds that the proposed transfers would not be adverse to the public interest. The Commission concludes that the application should be granted. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is completed, revocation of the certificate held by Interamerican Star Truck and Warehouse Corporation and the prescriptive operative right held by Public Distribution Corporation and the issuance of a certificate in appendix form to Interamerican Public Distribution Corporation.

The authorization granted shall not be construed as a finding of the value of the rights and properties authorized to be transferred.

Interamerican Public Distribution Corporation 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 cancelled 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 December 1, 1977, Interamerican Star Truck and Warehouse Corporation and Public Distribution Corporation may transfer the operative rights and properties referred to in the application to Interamerican Public Distribution Corporation.
2. Within thirty days after the transfer, 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. Purchaser shall amend or reissue the tariffs on file with the Commission, naming rates and rules governing the warehouse operations transferred to show that it has adopted or established, as its own, such 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 Order 61-Series. Failure to comply with the provisions of General Order 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 sellers 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 Interamerican Public Distribution 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.

6. The certificate of public convenience and necessity granted by Decision 81152 and the prescriptive operative right restated in Decision 79824 are revoked 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 Executive Director is directed to cause service of certified copies of the order to be made upon Interamerican Star Truck and Warehouse Corporation, Public Distribution Corporation and Interamerican Public Distribution Corporation or to mail certified copies thereof to them at their last known addresses as shown in the Commission's records and to mail a copy of this order to Western Motor Tariff Bureau, Inc., Agent.

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

Dated at San Francisco, California, this 21st day of JUNE, 1977.

President

William Agnew Jr

Raymond L. Sturgeon

Richard D. Howell

Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.

Appendix A INTERAMERICAN PUBLIC DISTRIBUTION Original Page 1
 CORPORATION
 (a corporation)

Interamerican Public Distribution 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> |
|------------------|---|
| City of Commerce | 250,000 |
| Los Angeles | 165,459 |
| Vernon | 180,000 |

(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. 87493, Application No. 57078.