

Decision No. 38572

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of)
PACIFIC WATER TAXI COMPANY, a limited)
partnership, for permission to trans-)
fer certificate of public convenience)
to CHARLES PIERSON SLOCOMBE.)

Application No. 27060

OPINION

The above entitled application seeks an order of the Commission authorizing Pacific Water Taxi Company to transfer to Charles Pierson Slocombe a vessel common carrier operative right between Long Beach and Avalon.

The operative right in question was granted originally to Mr. Slocombe by Decision No. 28802, in Application No. 20433, dated May 11, 1936. Transfer of such right to Pacific Water Taxi Company was subsequently authorized by Decision No. 31971, in Application No. 21798, dated May 2, 1939. Still later, Pacific Water Taxi Company was authorized by Decision No. 37845, in Application No. 26645, dated May 1, 1945, to suspend its vessel common carrier service for such period as the United States government continues its prohibition against vessel service, imposed because of war time conditions.

It appears from the record in this matter that Mr. Slocombe by reason of his prior connection with the service in question is familiar with the operative rights under consideration. He has had experience in the conduct of vessel common carrier service. Mr. Slocombe has arranged for the lease of ten twin-screw motor boats having ship to shore radio equipment. It is asserted that such vessels comply with all rules and regulations of the United States Coast Guard Steamboat Inspection Office and the California Industrial Accident Commission governing motor boats used in carrying

passengers for hire. It appears that Mr. Slocombe has the financial ability to conduct the service involved.

The Commission has prescribed a system of accounts for Carriers by Water. The record in this application shows that Charles Pierson Slocombe has agreed to pay Pacific Water Taxi Company \$5,000 for the operative right including goodwill, landing rights in Long Beach and Avalon including the right to use the ticket booth on the Municipal Pier in Avalon. He is not acquiring any physical equipment.

The Commission's records show the payment of filing fees in the amount of \$100 in connection with the said operative right. If Charles Pierson Slocombe acquires the same, he may charge \$100 of the purchase price to account 200 -- "Intangibles". The remainder of the purchase price should be charged to account 112 -- "Other Debit Accounts", and written off on or before December 31, 1950, by charges to account 380 -- "Miscellaneous Charges to Income".

Wilmington Transportation Company, the only other vessel common carrier authorized by the Commission to operate from Los Angeles Harbor to Avalon has advised that it is not opposed to the granting of the transfer requested by this application. After full consideration of the evidence of record the Commission is of the opinion and finds a public hearing is unnecessary and the proposed transfer should be authorized.

Charles Pierson Slocombe is hereby placed upon 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, they extend to the holder a full

or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the State, which is not in any respect limited to the number of rights which may be given.

ORDER

IT IS ORDERED:

(1) That Pacific Water Taxi Company is authorized to sell and transfer to Charles Pierson Slocombe the vessel common carrier operative right originally granted by Decision No. 20602, in Application No. 20433, and Charles Pierson Slocombe is authorized to purchase and acquire said right and operate pursuant thereto.

(2) That if Charles Pierson Slocombe acquires said operative right and other properties, he shall record the purchase price on his books in the manner indicated in the foregoing opinion:

(3) That Pacific Water Taxi Company and Charles Pierson Slocombe shall file in triplicate and concurrently make effective appropriate withdrawals and adoptions of tariffs and time tables within 60 days from the effective date hereof and on not less than 1 day's notice to the Commission and the public.

The effective date of this order shall be the date hereof:

Dated at San Francisco, California, February 13, 1946.

David Gudrun
Francisco Glan
Jack D. Smith
Harold Huls
COMMISSIONERS