

Decision No. 39953

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application )  
of Fun Zone Boat Co., Inc. for )  
certificate of public convenience )  
and necessity to operate water )  
taxis for the transportation of )  
passengers for compensation between )  
points in the State of California. )

**ORIGINAL**

Application No. 27435

JOHN MOORE ROBINSON and CHARLES PECKHAM, for Applicant.

L. H. CONNOR and GIBSON, DUNN & CRUTCHER by WOODWARD M. TAYLOR, for Wilmington Transportation Company, Interested Party in part and Protestant in part.

CLYDE THOMAS, for Avalon Transportation Company, Protestant

O P I N I O N

In this application as amended, Fun Zone Boat Company, Inc. seeks a certificate of public convenience and necessity to conduct a water taxi operation between Newport Harbor and Avalon for the transportation of passengers and freight. (1)

A public hearing was conducted in this matter at Los Angeles, January 15 and 29, 1947, and it is now ready for decision.

O. V. Clawson, Director and President of the Fun Zone Boat Company, Inc., was the only witness connected with applicant company. The application and testimony shows that it is proposed to provide one round trip service daily throughout the year, with an additional round trip service on the weekend during the summer season. (2) The

(1) By the Commission's order in its Decision No. 38792, dated March 26, 1946, in Application No. 27236, Avalon Transportation Co. was granted a certificate of public convenience and necessity to conduct a common carrier boat operation for the transportation of passengers between Balboa and Avalon, Catalina Island.

(2) The daily service is scheduled to leave Balboa (Newport Harbor) at 9 a.m. and arrive at Avalon at 11 a.m. The return trip to leave Avalon at 4 p.m. and arrive at Balboa 6 p.m. The weekend service to leave Balboa 7 p.m. Saturday and arrive at Avalon 9 p.m. The return trip to leave Avalon 1:15 a.m. Sunday and arrive at Balboa 3:15 a.m.

proposed fare is \$2.75 plus tax one way and \$4.50 plus tax round trip; with a fifteen-day time limit on round-trip tickets. The rate applicable to the transportation of freight is \$1.50 per hundred. The service is to be provided through the operation of a 33-foot boat which will accommodate thirty passengers. Applicant has another boat under construction, with an over-all length of 48 feet. This boat is to be completed for the proposed service if this application is granted.

Exhibit No. 3 shows the estimated daily revenue from the proposed operation to be \$31.50 from passenger and \$12 from freight operation, or a total of \$43.50. The total operating expense is to be \$31.25. Applicant testified, however, that this estimate should be considered only as a general statement and does not purport to show the results of a detailed study of the operating results. In fact he admitted that there were a number of items omitted in the statement showing the estimated cost of providing the service, ... including no allowance for a deck hand, general supervision of the operation, office expense and supplies, income taxes, insurance and toll tax of 50 cents per passenger landing on the Avalon Pier. With respect to depreciation the record shows that applicant gave little consideration to this account. In the estimate it is combined with the item of upkeep of the boat.

Witness Clawson testified that it was his plan to manage this operation in connection with a charter boat business he is now conducting at Newport Harbor. In addition to managing the proposed operation, he plans to devote considerable time to taking care of the maintenance and repair of the boat. There is no allowance in the expense statement to cover the service that will be performed either by Mr. Clawson or his wife, who will take care of the records for the company. Applicant admitted that if all the expense

items were included in his estimate of expense of providing the service the total would exceed the estimated revenue. In fact, he anticipated that the proposed operation could not be conducted at a profit during the first year.

A witness for applicant testified that in his opinion the volume of business between Newport and Avalon would not support two operations. (3) With respect to the transportation of freight, applicant stated he was not familiar with that operation in so far as it required the necessity of making arrangements to receive and discharge freight on the Catalina end of the line. Applicant presented little support to justify his estimate as to the volume of passenger or freight traffic that might be offered for transportation if his proposed operation was established.

The only support in the record bearing on the matter of public convenience and necessity for the proposed service is to be found in a few statements by applicant and other witnesses that they had received inquiries from parties relative to public transportation between Balboa and Avalon.

The Avalon Transportation Co., conducting a public passenger operation between Newport Harbor and Catalina, protested the granting of this application on the ground that it is now providing the public all the service that can reasonably be justified at this time, and that, if it is forced to meet the proposed competition, the present operating losses will be materially increased. A

---

(3) Quotation from page 20 of transcript:

Question: "During the summer months when the Avalon Transportation Company is operating between Avalon and Newport, you take the position that does not now meet public convenience and necessity for transportation between Balboa and Avalon?"

Answer: "No, I would not take that position. I don't think it takes more than one company, that is my idea. That is correct".

witness for protestant testified that applicant's estimate covering operating expense was wholly inadequate to meet the cost of providing such a service, particularly with respect to labor, fuel, oil, depreciation and upkeep.

Upon stipulation that applicant does not seek authority to conduct a for-hire boat operation between Avalon and The Isthmus on Santa Catalina Island, Wilmington Transportation Company withdrew any protest to the granting of the application.

Upon this record we find that applicant has failed to sustain the burden of proof that public convenience and necessity justifies the granting of the certificate sought herein. It therefore must be denied.

O R D E R

Application having been made as above-entitled, a public hearing having been had, the matter having been duly submitted, and the Commission now being fully advised,

IT IS ORDERED that Application No. 27435 be and it hereby is denied.

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

Dated at San Francisco, California, this 11th day of February, 1947.

Harold Kule  
Justice J. Coleman  
Justice H. Powell  
R. F. Johnson  
Samuel P. Miller  
 COMMISSIONERS