

Decision No. 41119

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Harold S. Peterson, doing business under )  
 the name of Peterson Water Taxi, to )  
 transfer his certificate of public con- )  
 venience and necessity to operate vessels ) Application No. 28722  
 for the transportation of persons and )  
 property for compensation between points )  
 upon the inland waters of the State of )  
 California and also a vessel known as )  
 "Miss It" to Walter R. Blick and Mervyn )  
 F. Cole, copartners. )

Appearances

Douglas Brookman and Frank Loughran, for applicants.  
 Albert D. Elledge, for Harbor Tug and Barge Co.,  
 interested party.

O P I N I O N

Harold S. Peterson, an individual doing business as  
 Peterson Water Taxi, holds a certificate of public convenience and  
 necessity granted by Decision No. 31115 of July 19, 1938, in Ap-  
 plication No. 21046, authorizing the operation of a common carrier  
 vessel service on San Francisco Bay.<sup>1</sup> By this application, he seeks  
 authority to sell and Walter R. Blick and Mervyn F. Cole, copartners,  
 seek authority to purchase the operative right, the vessel used in  
 the service, and the rights and interest in the terminal piers  
 and buildings. The consideration involved, \$6,000, is to be paid  
 in cash.<sup>2</sup>

---

<sup>1</sup> The certificate authorizes Peterson to transport persons and  
 property between the foot of Buchanan Street, San Francisco, and  
 vessels in that portion of San Francisco Bay known as "Quarantine  
 Area." The area is located about a mile offshore opposite Peterson's  
 terminal.

<sup>2</sup> A copy of the contract of sale is attached to the application.  
 Under the agreement, \$5,000 is to be paid for the gas screw motor  
 boat of 9 tons net register known as "Miss It", \$500 for the oper-  
 ative right, and \$500 for the good will and other assets of the  
 business.

A public hearing was had at San Francisco on October 24, 1947, before Commissioner Potter and Examiner Jacopi.

The record shows that Peterson offers an "on call" common carrier vessel service between his terminal and vessels which are held in the quarantine area for Federal customs and quarantine inspection; that, upon release from such inspection, the vessels may be boarded by persons having business to transact before the vessels move to their docks; and that, prior to discontinuance of foreign vessel operations during the war, Peterson's service was used by bay and bar pilots, steamship officials, ship chandlers, photographers, and others.

Peterson testified that he desires to withdraw from the business because he is no longer physically able to withstand the work ordinarily involved. He said that, while there has been little foreign vessel service since the end of the war, he anticipates that it will increase substantially in the future. Based on past experience, he said that service to vessels in the quarantine area is generally requested on very short notice and at unusual times. He pointed out that under such conditions he must be available to operate his vessel at any time during the day or night.

A witness from the Commission's transportation department testified that his examination of Peterson's office records and annual reports on file with the Commission disclosed that no revenue was earned under the common carrier vessel operation involved herein for the year 1946 and for the period January 1 to September 1, 1947, inclusive.<sup>3</sup> He also testified that upon interviewing a number of Peterson's prewar patrons he was informed that they had not had occasion to use the service since the end of the war.

---

<sup>3</sup> The record shows that when war in the Pacific commenced the government relocated the quarantine area at a point off Treasure Island which Peterson was not authorized to serve. It was not re-established at the previous location opposite Peterson's terminal until January 30, 1946.

Peterson explained that the lack of patronage was principally due to slow reestablishment of foreign vessel service. Under such conditions, he said, there had been little business available. He insisted, however, that the service had been available at all times since the quarantine area was reestablished at its usual location and that no one had been refused service.

Walter R. Blick, one of the copartners who seeks authority to purchase Peterson's business, testified that he and his partner are able and willing to conduct the service. He said that they are licensed to operate vessels of the class here involved and that they have had considerable experience in the operation and maintenance of watercraft for other vessel operators on San Francisco Bay and its tributaries. Blick asserted that he and his partner intend to advance \$8,000 working capital to the business and that they are prepared to make further advances if necessary. He said that the service would be improved. No changes are proposed in tariff rates.

No one opposed the granting of the application. The president of Harbor Tug and Barge Co. participated in cross-examination of witnesses but did not offer any testimony.

It appears that Walter R. Blick and Mervyn F. Cole have the experience and are financially able to conduct the common carrier vessel operations in question, and that the public interest will be served by the granting of the application.

Walter R. Blick and Mervyn F. Cole are 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. 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.

O R D E R

A public hearing having been held in the above entitled proceeding and based upon the evidence received at the hearing and upon the conclusions set forth in the preceding opinion,

IT IS HEREBY ORDERED that Harold S. Peterson be and he is hereby authorized to sell and transfer, within ninety (90) days from the effective date hereof, to Walter R. Blick and Mervyn F. Cole the operative right, vessel and other property described in the application in accordance with the contract of sale attached thereto as Exhibit "A"; that, upon transfer of the operative right and other property involved, applicants shall, on not less than five (5) days' notice to the Commission and to the public, supplement or reissue tariffs on file with the Commission which name rates, rules and regulations governing the operations involved to show that Harold S. Peterson has withdrawn or cancelled said rates, rules and regulations and that Walter R. Blick and Mervyn F. Cole have adopted or established them as their own; and that tariff filings

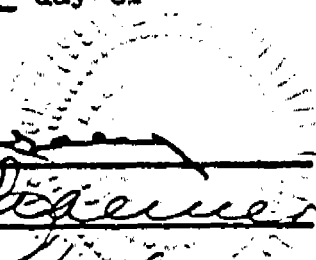
415

A-28722 -5- BP

made pursuant to this order shall in all other respects comply with the regulations of the Commission governing the construction and filing of vessel tariffs set forth in the Commission's Tariff Circular No. 2.

This order shall become effective twenty (20) days from the date hereof.

Dated at Los Angeles, California, this 13<sup>th</sup> day of January, 1948.

  
R. T. [Signature]  
Justus F. [Signature]  
[Signature]  
Harold P. [Signature]  
[Signature]  
Commissioners