

Decision No. 50199**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 UNITED WATER TAXI CO. for a Common)
 Carrier Certificate for the Operation) Application No. 35268
 of a Water Taxi Service in San Diego)
 Harbor.)

John C. McHose and John Gerald Driscoll, Jr.,
 for applicant.
Robert T. Sjogren, Deputy City Attorney, for
 the Harbor Commission of the City of
 San Diego, interested party.
Clinton S. Abernathy, Senior Transportation
 Rate Expert, for the Commission's staff.

O P I N I O N

United Water Taxi Co. is a California corporation. By the application herein it seeks a certificate of public convenience and necessity permitting it to operate a service as carrier by vessel of passengers and property between points of anchorage in San Diego Bay and Coronado Roads and docks in San Diego Bay.

A public hearing was held in San Diego on April 28, 1954, before Examiner Rogers, evidence was presented and the matter was submitted subject to the filing of an amendment to the application. The amendment has been filed and the matter is ready for decision.

The applicant presented evidence as follows:

Applicant has been performing operations since 1926 as hereinafter set forth, principally serving Navy personnel but not

restricted to Navy personnel, and will continue to operate in the same manner if certificated. All service is on call. There are no competing carriers. It has no boats of its own. Eighteen water taxis, varying from 38 feet to 44 feet in length, are owned by 11 different parties and render the service involved. Star and Crescent Boat Company owns six of the boats, W. A. Hoss owns three, and nine individuals own one each. Substantially the same owners have furnished the boats used since the corporation was formed in 1926. Applicant uses at present facilities at three docks in San Diego: ⁽¹⁾ the Broadway Landing and the Fifth Avenue Landing leased from the San Diego Harbor Department, and the Fleet Landing leased from the United States Government. At each landing applicant has pursers whose function is to make change and collect charges all of which are collected at the various landings prior to embarking or after disembarking. From each landing service is regularly rendered to and from ships at anchor at designated points or anchorages in and about the harbor. All monies collected are placed in an account from which all expenses of the applicant are paid. Such expenses include payments for the use of the docks and the salaries of pursers, but not the costs of operating the boats. After the applicant's costs are deducted from the money collected the entire balance of the cash on hand is distributed monthly to the boat owners pro-rata according to the number of hours the boat or boats of each owner operated. Service is performed 24 hours per day, seven days per week. Each owner

(1) It can use three additional docks if required.

pays the expenses of operating his boat and receives compensation based on the number of hours his boats are used, not the number of passengers carried.

Applicant's present and proposed rates are as follows:

SCHEDULED SERVICE

Passenger service:

Between points on San Diego Bay	-	25 cents per passenger per one-way ride.
Between points on San Diego Bay on the one hand and ships at anchor in the Coronado Roads on the other hand (IF EQUIPMENT IS AVAILABLE)	-	50 cents per passenger per one-way ride. (Subject to a minimum charge of 25 paid fares).

Children under 12 years of age will be carried free when not occupying a seat to the exclusion of other passengers.

Baggage service:

Hand baggage of passengers will be carried free.

Laundry:

A charge of 15 cents per bag for laundry carried by laundrymen will be assessed.

Ice Cream:

A charge of 15 cents per carton of ice cream transported for ice cream vendors.

<u>On Call Service in San Diego Bay:</u>	-	\$10.00 per hour for 25 passengers or less plus 25 cents per hour for each passenger in excess of 25 with a minimum charge of \$5.00.
Per vessel.		

The Navy port control officer for San Diego testified that the applicant's service is convenient and useful for the Navy personnel. He said that when there is a concentration of ships above normal in the harbor the Navy does not have enough boats to carry the liberty parties between the ships and the shore and applicant provides such service. In addition, he said, the applicant provides excellent service at nights when the ship's boats do not run. The service augments the Navy's services, and it desires that the service be continued.

The Commission has reviewed the record herein and is of the opinion and finds that public convenience and necessity require the operation by applicant of a service for the transportation of persons and property by vessel as set forth in the order herein.

Because of the fact that applicant neither owns nor leases the boats and equipment which will be used in the performance of the service herein certificated, we hereby find that public convenience and necessity require that, as a condition of the grant of the authority herein, applicant shall assume all obligations of a public utility which may arise as a result of or may be incurred in the operation of such boats and equipment. Applicant's obligations shall be the same as though it owned these boats and equipment.

United Water Taxi Co., a corporation, 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. 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

Application as above entitled having been filed, a public hearing having been held, the matter having been submitted and the Commission being fully advised in the premises,

IT IS HEREBY ORDERED:

(1) That a certificate of public convenience and necessity, as provided in Section 1007 of the Public Utilities Code, be, and it hereby is, granted to United Water Taxi Co., a corporation, authorizing the establishment and operation of a service as a common carrier for the transportation of persons and property by vessel between docks in the City of San Diego, on the one hand, and, on the other hand, ships at anchor in San Diego Bay, including the Coronado Roads, and also landings on North Island and at Coronado, subject to the provision that United Water Taxi Co. shall assume all obligations of a public utility which may arise as a result of or may be incurred in the operation of said service, in like manner and to the same extent as though it owned the boats and equipment used in providing said service.

(2) That in providing service pursuant to the certificate herein granted, applicant shall comply with and observe the following service regulations:

- (a) Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted.

(b) Within sixty days after the effective date hereof, and upon not less than five days' notice to the Commission and the public, applicant shall establish the service herein authorized and file in triplicate and concurrently make effective tariffs and time schedules satisfactory to the Commission.

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

Dated at San Francisco, California, this 29 day of June, 1954.

Charles E. Mitchell
President

Justin F. Calmes
Werner Peggins

Commissioners

Kenneth Potter
Commissioner....., being necessarily absent, did not participate in the disposition of this proceeding.