

Decision No. 50338

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
H-10 WATER TAXI COMPANY, LTD., for )  
certificates of public convenience )  
and necessity to operate vessels for )  
the transportation of freight and )  
passengers for compensation between ) Application No. 35338  
points and to amend the provisions )  
of certificate of public convenience )  
and necessity Decision 41431 on )  
Application 29098 now held by the )  
applicant herein. )

Allan F. Bullard, for applicant.  
Patrick D. Watson and Robert C. Beecher, for  
DeLuxe Water Taxi Co., interested party.

O P I N I O N

Applicant is a certificated carrier of (1) passengers and packages by water transportation, "between such landing facilities within the Los Angeles Harbor area as the Los Angeles Harbor Department may assign to H-10 Water Taxi Company, Ltd., and all vessels lying at anchor in the Los Angeles-Long Beach Harbor", and also (2) operates a "sightseeing service by vessel for the transportation of passengers from San Pedro and from Long Beach and return to point of departure .... upon the inland waters of the State as encompassed by the Los Angeles and the Long Beach harbors."

By this application, as amended, authority is sought (1) to transport, "on-call", passengers and property between points and places in the Los Angeles-Long Beach Harbor and points and places along the California coastline and within the territorial waters of

the State of California between San Luis Obispo and the Mexican border, excepting only Avalon Harbor, and (2) to discontinue the present sightseeing service from Long Beach, California.

A public hearing was held before Examiner Mark V. Chiesa at San Pedro. Evidence having been adduced the matter was submitted for decision.

Thirteen public witnesses were called by applicant to testify in support of its application. Applicant's president and its manager of operations also testified. The testimony shows that harbor pilots require a regular service to points several miles beyond applicant's present service area, and that others have occasional need for transportation to channel points in the vicinity of the Los Angeles-Long Beach Harbor limits. Witnesses testified that in summer there is a need for the transportation of boys and girls and their baggage and equipment to and from summer camps located on Catalina Island. The testimony of applicant's president and its manager also indicated a need for the proposed service to Catalina Island points and places (except Avalon which is not a proposed point of service) and a further need to transport pilots, occasional passengers, ship personnel and technicians to and from ships leaving and entering the said Los Angeles-Long Beach Harbor.

Upon the evidence of record we are of the opinion and find that applicant has justified its proposed service to and from Catalina Island and to and from vessels departing from or arriving at the Los Angeles-Long Beach Harbor.

However, there is no substantial evidence of need for applicant's proposed service to or from other points and places within all the territorial waters of the State of California south of San Luis Obispo.

Applicant proposes to use its present equipment consisting of eight diesel-powered wooden vessels, each approximately fifty feet in length and of approximately 165 horsepower.

Financial statements filed with this application show that applicant is in sound financial condition (Exhibit "B"). Applicant has filed a proposed "general passenger and express tariff" which should be revised in accordance with the authority herein granted.

The application is not opposed.

The record also shows that applicant no longer has available the terminal facilities at Long Beach which heretofore enabled it to conduct its sightseeing operations from that point.

The Commission having fully considered the evidence of record finds that public convenience and necessity require that applicant be authorized to establish and operate a service for the transportation of persons or property by vessels as hereinafter set forth. Discontinuance of its sightseeing service from Long Beach will also be authorized.

H-10 Water Taxi Company, Ltd. 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.

O R D E R

A public hearing having been held, the Commission being fully advised in the premises and having found that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be and it hereby is granted to H-10 Water Taxi Company, Ltd., a corporation, authorizing the establishment and operation of a transportation service by vessel for the transportation of persons or property between applicant's Los Angeles-Long Beach Harbor terminal, on the one hand, and points and places on Catalina Island, excepting therefrom Avalon Bay, and all vessels departing from or arriving at the Los Angeles-Long Beach Harbor, on the other hand.

(2) That in providing service pursuant to the certificate herein granted, H-10 Water Taxi Company, Ltd. 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 from the effective date hereof and upon not less than one day's notice to the Commission and to 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.

(3) That applicant may discontinue that portion of its sightseeing service originating in Long Beach, as previously authorized by Decision No. 41431, on Application No. 29098.

(4) That except as hereinabove authorized the application of H-10 Water Taxi Company, Ltd. be and it hereby is denied.

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

Dated at San Francisco, California, this 11<sup>th</sup> day of August, 1954.

John E. Mitchell  
President

Justus J. Calleser

Kenneth Potter

Gene Higgins

Commissioners