

ORIGINALDecision No. 53228

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CLIPPER TRANSPORTATION CO., INC.,)	
for authority to sell a vessel, and)	Application No. 38112
to temporarily suspend service.)	

O P I N I O N

By Decision No. 50474 in Application No. 35550, dated August 24, 1954, the Clipper Transportation Co., Inc., was granted authority to transport persons and their hand baggage between Magnolia Pier in Long Beach and Avalon on Catalina Island. This service has been operated since the summer of 1954, but at the present time the applicant is in financial distress and is unable to pay for the necessary repairs to its vessel, the Catalina Clipper, and also is unable to pay other obligations of the corporation.

A balance sheet of this company as of January 1, 1956, is attached to the application and shows the net worth to be a red figure of \$13,717.23. Likewise a profit and loss statement for the year 1955 shows an operating loss of \$9,347.25.

At the present time the applicant has made a tentative arrangement with the Catalina Island Steamship Line to sell its vessel, the Catalina Clipper, for \$15,000.00 cash, the agreement being subject to the approval of this Commission. The vessel is a 94-passenger steel hull motor vessel. At the present time it is in dry dock and applicant is not operating. It is to be sold without motor. It is proposed to use the money received from the

sale of this vessel to satisfy its present debts. Subsequently it is planned to arrange for new capital and operating equipment. In order to effectuate these arrangements, the applicant asks for authority to sell the vessel and for a temporary suspension of its certificate for a period of ninety days.

An analysis of the application filed discloses that applicant is in financial distress and is not now capable of conducting operations under its present status. We further find that applicant will not be able to conduct operations in the future unless some satisfactory financial arrangements are made. Therefore, the ensuing order will authorize the sale of the boat for \$15,000.00 cash, which price appears to be reasonable, and which is probably higher than would be realized at any forced sale. Likewise the applicant will be authorized to suspend operations for a period of ninety days. A public hearing is not necessary.

O R D E R

Application as above entitled having been filed, the Commission being fully advised in the premises, and hereby finding it to be in the public interest, and good cause appearing,

IT IS ORDERED:

(1) That the Clipper Transportation Co., Inc., is authorized to sell to the Catalina Island Steamship Line for the sum of \$15,000.00 its vessel known as the Catalina Clipper.

(2) That the certificate of public convenience and necessity granted by Decision No. 50474 in Application No. 35550, dated August 24, 1954, is hereby suspended for a period of ninety days

from the effective date of this order, unless otherwise ordered by this Commission, subject to the following terms and conditions:

(a) The Clipper Transportation Co., Inc., shall not resume operations until it has filed with this Commission evidence that it has satisfied its existing creditors and has established itself on a sound financial position such as will justify operations as a common carrier by vessel.

(3) Applicant shall amend its tariffs, on not less than five days' notice to the Commission and public, to show that service has been suspended pursuant to this order and shall post appropriate notices of this suspension in its terminals.

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

Dated at San Francisco, California, this 12th day of June, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners