

ORIGINAL

Decision No. 62336

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ISLAND BOAT SERVICE, a corporation,)
(formerly called Catalina All Year)
Boat Company), for authority to)
operate scheduled services.)

Application No. 41596

In the Matter of the Application of)
CATALINA ISLAND SIGHTSEEING LINES,)
a corporation, to execute charter)
party agreements on certain motor)
cruisers.)

Application No. 41310

Gibson, Dunn & Crutcher, by Max Eddy Utt, for
applicants.

Frank C. Seehorn, for H-10 Water Taxi Company,
Ltd., and Robert F. Eaton, for H-10 Water
Taxi Company, Ltd., protestants.

Roy E. Taylor, for the City of Avalon, interested
party.

W. F. Hibbard, for the Commission staff.

O P I N I O N

The above-numbered applications were heard before Examiner Grant E. Syphers at Avalon, California, on April 19 and May 11, 1961. On the last-named date the matter was submitted and it now is ready for decision. Copies of the applications and notices of the hearings were served in accordance with the Commission's Rules of Procedure.

The applicant in Application No. 41310, the Catalina Island Sightseeing Lines, is a wholly owned subsidiary of the Santa Catalina Island Company and has for many years last past operated

as a carrier of passengers and freight by vessel between Wilmington, California, and Avalon, California. In recent years its principal vessel was the S.S. Catalina. By Decision No. 59710, dated February 23, 1960, on Applications Nos. 41589 and 41613, this applicant was authorized to lease this steamer to M.G.R.S., Inc., which latter company now operates the steamer during the summer months in passenger service. The freight service is now principally handled by barges which transport truck-trailer loads of freight from the mainland to the island and which barges are operated by Catalina Island Sightseeing Lines. This applicant is also the owner of certain small vessels, including the Cabrillo, Jericho, Torqua, Sportsman, and Streamline. The Commission is requested herein to authorize Catalina Island Sightseeing Lines to charter these vessels to the Island Boat Service.

The Island Boat Service, the applicant in Application No. 41596, is a corporation engaged in the operation of small boats between the mainland and Catalina Island. It also is a wholly owned subsidiary of the Santa Catalina Island Company. In 1956 the Island Boat Service purchased the motor cruiser Descanso, on an open account, from the Catalina Island Sightseeing Lines. However, nothing has been paid thereon, and it is now proposed to transfer the ownership of this boat back to Catalina Island Sightseeing Lines. At the present time the Island Boat Service is conducting operations on an on-call basis as a result of Decision No. 54926, dated April 30, 1957, on Application No. 38622. It proposes herein to establish a scheduled service.

At the hearing on May 11, 1961, it was moved by applicant to dismiss Application No. 41596. This motion was opposed by the staff representative on the basis that there is a need for a scheduled service to be operated all year round inasmuch as the steamer is being operated only in the summer months. The position of the applicant in this respect is that it always has operated, and now intends to operate, on an all-year basis but that it needs some managerial discretion. It contends that many times, particularly during the summer months, there is no need to operate any of the small boats since the steamer can carry all passengers who apply.

Exhibit 1 presented in evidence by the applicant is a copy of the agreement whereby it is proposed to transfer the use of the vessels to the Island Boat Service. Exhibit 2 is a copy of the tariff of Island Boat Service, which contains the following provision:

"SECTION 21 SERVICES TO WHICH TARIFF APPLICABLE

"This Tariff is applicable to on-call service throughout the year, subject to the sale of a minimum of ten one-way adult fares, between Wilmington, California, and Avalon, Santa Catalina Island, California; and to on-call service throughout the year, subject to the sale of a minimum of ten one-way adult fares, between Long Beach, California, and Avalon, Santa Catalina Island, California."

Additional testimony presented by the applicant pointed out the desirability of permitting all of the vessels to be under the ownership of the Catalina Island Sightseeing Lines and having them operated by the Island Boat Service. The former company would maintain the vessels and pay the taxes thereon, while the latter would conduct the operations under authority of its present certificate.

There was no opposition to any of the proposals made herein, with the exception of the proposed dismissal of Application No. 41596.

Upon consideration of the evidence, the Commission finds and concludes that it is not adverse to the public interest:

1. To permit the Island Boat Service to transfer the motor cruiser Descanso to Catalina Island Sightseeing Lines.

2. To permit the Catalina Island Sightseeing Lines to enter into an agreement as set out in Exhibit A, attached to the application, together with an amendment thereto as set out in Exhibit A-1 attached to the amendment to the second amended Application No. 41310, under the terms of which the motor cruisers Cabrillo, Jericho, Torqua, Sportsman, Streamline, and Descanso will be leased to the Island Boat Service.

The Commission further finds and concludes, however, that it would be adverse to the public interest to dismiss Application No. 41596 as it appears that scheduled rather than on-call service is needed year-round to satisfy public convenience and necessity. The motion of applicant to dismiss such application will be denied.

O R D E R

A public hearing having been held and based upon the evidence therein adduced,

IT IS ORDERED that:

1. The Island Boat Service be and it hereby is authorized to transfer the motor cruiser Descanso to the Catalina Island Sightseeing Lines.

2. The Catalina Island Sightseeing Lines be and it hereby is authorized to enter into an agreement for the charter of the motor cruisers Cabrillo, Jericho, Torqua, Sportsman, Streamline,

and Descanso, as set out in Exhibit A attached to the application as amended by Exhibit A-1 attached to the amendment to the second amended application in Application No. 41310.

3. The motion to dismiss Application No. 41596 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 25th day of July, 1961.

[Signature] President
[Signature]
George F. Grover
Fredrick B. Holcomb
Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.