

Decision No. 62415**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of INTER-ISLAND NAVI-
GATION, INC., a California Corpor-
ation, for certificate of public con-
venience and necessity to operate pas-
senger service between Santa Monica Bay
and Catalina Island.

Application No. 43477
(As Amended)

Leonard M. Colene for applicant.

William Hibbard for the Commission staff.

O P I N I O N

This application filed June 2, 1961, was heard before Examiner Rowe at Los Angeles on June 21, 1961, on which date it was submitted with the right on the part of applicant to furnish additional evidence which has now been received. Copies of the application and notice of the hearing were served in accordance with the Commission's procedural rules. No one appeared in protest.

Applicant is a newly formed corporation, with an authorized capitalization of \$200,000. However, it proposes to issue only \$5,000 par value of stock as that is its estimate of the amount required for capital investment. The officers and directors of the corporation are Elmer G. Pipenburg, President, presently a fire captain of the City of Beverly Hills, his wife and William Clark, Assistant Corporate Director, Contract Pricing, North American Aviation, Inc.

The Company president testified that he had had 17 years experience as Captain of fishing vessels at Santa Monica. A lease agreement was received as a late filed exhibit which, subject to Commission approval purports to make available the Catalina Island Lady, a vessel presently in service by the owner of Island Transportation Company in its certificated operations between Newport Beach and

Avalon. The annual rental is 35% of gross revenues, but in no event less than \$10,000. Applicant is to bear all expense of operation, insurance and advertising. In his estimate of revenues the witness had assumed that his company would obtain a profit of \$1.00 from the tariff charge of \$6.82 for each round trip passenger. This estimate was, however, based upon the unfulfilled hope that this lease would provide that the lessor would assume the obligation for advertising, about \$400 per month, insurance about \$300 and pay the crew, possibly \$1350.

There is testimony of record that several other vessels are available for lease. These vessels are less appropriate because smaller and slower. The evidence as to public demand for this service consists entirely of opinions that people in the western and northern portions of Los Angeles County will prefer service from Santa Monica rather than from coastal points further south such as Wilmington or Newport Beach. The prime reason advanced for this preference is stated to be the desire to obviate an additional hour of driving through heavy traffic.

From the evidence the Commission finds that public convenience and necessity for this service has not been established. There is no evidence to justify the Commission determining that the only appropriate vessel available should be released from its present public service. Also, the Commission feels that it cannot properly find that applicant has proposed a sufficient capital investment in this venture to assure its success.

O R D E R

Public hearing having been held and based upon the evidence therein and thereafter adduced by applicant,

IT IS ORDERED that Application No. 43477 is denied.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 15th day of AUGUST, 1961.

Robert D. Ray
President

W. J. ...

E. J. ...

George J. ...

Fredrick B. Holoboff
Commissioners