

ORIGINAL

62693

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHLAND HARBOR CRUISES, INC.,
a corporation, for authority to
adjust and extend sightseeing
service.

Application No. 43538

(Filed June 23, 1961;
amended August 16 and
September 5, 1961.)

James H. Lyons, for applicant.
Henry Jordan, for the Bureau of Franchises and
Public Utilities, City of Long Beach, inter-
ested party.
Jack O. Sanders, for H. Zinder & Associates, Inc.,
interested party.
William H. Hibbard, for the Commission's staff.

O P I N I O N

This application was heard before Examiner C. S. Abernathy at Los Angeles on August 4, 1961, and was submitted on that date subject to the filing of an amendment which was subsequently received on September 5, 1961. Copies of the application and of the notice of hearing were served in accordance with the Commission's procedural rules. There were no protests.

Applicant is a common carrier of persons by vessel within and between the Long Beach and Los Angeles harbor areas. Its services are primarily sightseeing in nature. Two types of service are performed: (a) a scheduled service and (b) an on-call service. Applicant operates two different cruises in its scheduled service. Each cruise is about two hours' duration. Charges for this service are assessed on a per-passenger basis. The on-call service is provided on an hourly basis according to the vessel used. The length

of a cruise thereunder depends on the period for which the vessel is engaged.

At the present time applicant is authorized to operate cruises from four points in Long Beach and two points in San Pedro. These points are as follows:

Navy Landing	}	Long Beach
Pacific Landing		
Pierpoint Landing		
Belmont Pier		
Ferry Terminal Public Landing**	}	San Pedro
Norm's Landing		

**Stops for the pickup and discharge of passengers made only in response to special requests of civic authorities.

By its application in this matter applicant seeks authority to operate sightseeing cruises from two additional points -- a restaurant known as The Reef, located on Pier "A" in Long Beach Harbor, and a restaurant known as Ports o' Call, located in San Pedro at Berth 76 on the main channel to and from the Los Angeles inner harbor area.

According to testimony which was submitted by applicant's president, and by the manager of the restaurants named, requests are made by patrons of said restaurants for a sightseeing cruise which could be made a part of an evening's entertainment. In response to such requests applicant proposes to operate cruises from each restaurant on alternate evenings (except Monday evenings) during the months of May through September. Two cruises an evening would be operated in scheduled service, one commencing at 7:00 P.M. and the other commencing at 9:00 P.M. Supplementary cruises would be provided upon request, subject to a minimum of 20 adult fares per

cruise. Each cruise would be of an hour's duration. The routes of the proposed cruises are shown in the margin below.¹ The vessel to be used is the MV "PRINCESS", a side paddle-wheel vessel of about 225-passenger carrying capacity, which has recently been refurbished. The fares which would be assessed are as follows:

Fares per Cruise

Adult	\$1.14
Child, 12 years or older.	1.14
Child, 5 years or older but less than 12 years60
Child, less than 5 years old.	No charge

In connection with its request for authority to establish the above-described cruises from The Reef and Ports o' Call, applicant asks that it be authorized to serve these restaurants on an "on-call" basis also. The MV "PRINCESS" would be used in the on-call service as well as in the scheduled service. In the event that the on-call service would require the operation of the "PRINCESS" during hours that scheduled cruises ordinarily would be operated, applicant

¹ Cruise from The Reef

Beginning at The Reef, northerly and westerly along Pier "A", easterly along the shoreline to a point approximately opposite Belmont Pier, westerly to point of beginning.

Cruise from Ports o' Call

Beginning at Ports o' Call, northerly to and into the turning basin in the Los Angeles inner harbor area, southerly to and around Reservation Point and return to the main channel, northerly to point of beginning.

These cruises would be operated in either direction as weather and harbor conditions require.

proposes to forego the operation of the scheduled cruises. However, in order to avoid disappointment of prospective patrons of the scheduled services in such instances, applicant proposes to advertise that the availability of the scheduled services is subject to advance reservations. Thus the prospective patrons would be forewarned that the cruises would not necessarily be operated at the scheduled times if advance reservations are not made. However, when such reservations are made, the operation of the scheduled cruises would be given precedence over the operation of cruises in the on-call service.

The rates which would apply to the proposed on-call services would be the same as those which applicant charges for its other on-call services.

Applicant anticipates that the establishment of the proposed services would result both in an immediate increase in its earnings and ultimately in a substantial increase in the volume of its traffic as a whole. Applicant's president testified to the effect that the services would more than return the direct or out-of-pocket costs that would apply thereto. Thus they would provide applicant with additional funds to meet the indirect or overhead expenses of the present operations of the "PRINCESS." Revenue and expense figures which applicant's president submitted to support his testimony in this respect are as follows:

Estimated revenue per night:	\$102.60
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Estimated out-of-pocket expenses per night:	
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Crew wages	\$31.25	
Payroll taxes	2.06	
Fuel	17.10	
Maintenance	<u>25.88</u>	<u>76.29</u>

Net revenue per night (before allowance for overhead expense and taxes):	\$ 26.31
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Net revenue for season -- 6 nights per week for 22 weeks (before allowance for overhead expense and taxes):	\$3,472.92
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Insofar as the development of additional traffic for the future is concerned, applicant anticipates that the establishment of the proposed services will be particularly beneficial to its operations. Applicant's president stated that The Reef and Ports o' Call are both popular, high-quality restaurants. By providing sightseeing services to clientele of these restaurants, applicant expects to realize substantial advertising value for its sightseeing operations as a whole, and thereby to attract additional patrons to its other cruises as well as to those directly involved herein.

The proposed services should be authorized. The establishment of such services, it appears, is part of a program in which applicant is engaged toward the development of an attractive and well-rounded public sightseeing service throughout the Los Angeles and Long Beach harbor areas. It appears that there is a public need for extension of applicant's services to include The Reef and Ports o' Call; that in serving these points applicant will, at the outset, be able to realize at least the direct costs involved, and that over the longer term the services may be developed to the point where they will provide substantial benefits, both directly and indirectly, to applicant's sightseeing operations as a whole. We find and conclude that the services which Southland Harbor Cruises, Inc., seeks to establish by the above-numbered application, as amended, are required by public convenience and necessity. Authority for the establishment of such services subject to the fares, rates and schedules as proposed will be granted.

Southland Harbor Cruises, Inc., is hereby placed on 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, such rights extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

An application having been filed, a public hearing having been held, and based on the evidence therein adduced,

IT IS ORDERED:

1. That a certificate of public convenience and necessity be, and it hereby is, granted to Southland Harbor Cruises, Inc., a corporation, authorizing it to serve The Reef, 880 Harbor Scenic Drive, Pier A, Long Beach, and Ports o' Call, Berth 76, San Pedro, in addition to the other points that Southland Harbor Cruises, Inc., has been heretofore authorized to serve in connection with its operations as a common carrier of persons by vessel, as defined in Sections 211 (b) and 238 of the Public Utilities Code.

2. That the services which Southland Harbor Cruises, Inc., may provide to and from The Reef and Ports o' Call under the certificate herein granted, be, and they hereby are, those as described on Original Page 4 attached hereto as part of Appendix "A", which appendix is made a part hereof by this reference.

3. That Appendix "A" of Decision No. 61836, dated April 12, 1961, be, and it hereby is, amended by incorporating therein

First Revised Page 1
to cancel Original Page 1
First Revised Page 3
to cancel Original Page 3
Original Page 4,

which pages are attached hereto as part of Appendix "A" to this decision.

4. As conditions for providing service pursuant to the certificate herein granted, Southland Harbor Cruises, Inc., shall comply with the following service regulations:

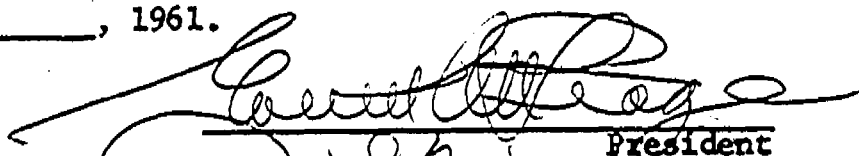
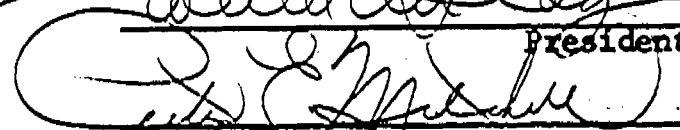
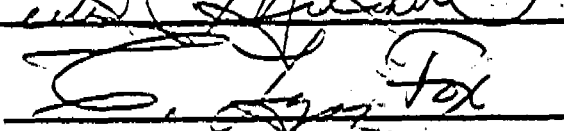
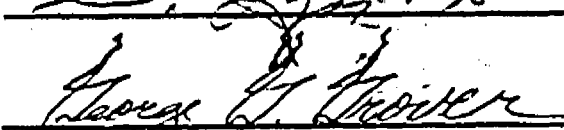
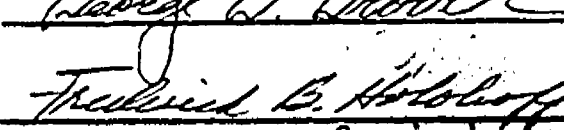
- a. Within thirty days after the effective date hereof, applicant shall file a written acceptance of the certificate herein granted. By accepting the certificate of public convenience and necessity herein granted, applicant is placed on notice that it will be required, among other things, to file annual reports of its operations and to comply with and observe the insurance requirements of the Commission's General Order No. 111. Failure to file such reports, in such form and at such time as the Commission may direct, or to comply with and observe the provisions of General Order No. 111, may result in a cancellation of the operating authority granted by this decision.
- b. Within one hundred twenty days after the effective date hereof and on not less than five days' notice to the Commission and to the public, it shall establish the service herein authorized, and shall file in triplicate, and concurrently make effective, tariffs and timetables satisfactory to the Commission.

5. In providing service pursuant to the certificate herein granted, Southland Harbor Cruises, Inc., shall not charge or assess rates and fares greater than those set forth in Appendix "B" attached hereto, and by this reference made a part hereof, unless otherwise so authorized by subsequent order of the Commission.

6. The time schedules which Southland Harbor Cruises, Inc., shall observe in the establishment of the services herein authorized shall conform to those as proposed in the application in this matter, as amended.

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

Dated at San Francisco, California, this 17th day of OCTOBER, 1961.


President




Commissioners

APPENDIX "A" TO DECISION NO. 62693

List of Revised Pages

First Revised Page 1 cancels Original Page 1

First Revised Page 3 cancels Original Page 3

Original Page 4

End of Appendix "A" List

Appendix A SOUTHLAND HARBOR CRUISES, INC. First Revised Page 1
(a corporation) Cancels
Original Page 1

I. Southland Harbor Cruises, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport persons by vessel via the following routes:

A. Long Beach-Los Angeles Harbor Cruise

From the Navy Landing, thence to Pacific Landing; thence around Pier A to Pierpoint Landing (all in the City of Long Beach); thence via Long Beach Channel, Cerritos Channel, East Basin, and Los Angeles Harbor Main Channel to the Ferry Terminal Public Landing, San Pedro; thence to Norm's Landing, San Pedro; thence around Reservation Point to Fish Harbor; thence through the Los Angeles Outer Harbor and the Long Beach Outer Harbor to Navy Landing, to Pacific Landing, and to Pierpoint Landing, Long Beach.

B. Alamitos Bay Cruise

From Pierpoint Landing, around Pier A to Pacific Landing, thence to Navy Landing (all in the City of Long Beach); thence to Belmont Pier; thence into and around Alamitos Bay (Long Beach Marina); thence around Oil Island; thence through the Long Beach Outer Harbor to Pierpoint Landing, to Pacific Landing and to and terminating at Navy Landing, Long Beach; except when persons have been picked up at Belmont Pier; in which event cruise shall continue to and terminate at Belmont Pier.

Authorized Points for the Embarkation and Discharge of Passengers

Navy Landing	}	Long Beach
Pacific Landing		
Pierpoint Landing		
Belmont Pier		
The Reef, 880 Harbor Scenic Drive, Pier "A" (a)		
Ferry Terminal Public Landing (b)	}	San Pedro
Norm's Landing		
Ports o' Call, Berth 76 (a)		

- (a) Authorized service point, on-call service.
- (b) Stops at Ferry Terminal Public Landing, San Pedro, for the pickup and discharge of passengers to be made only in response to special requests of civic authorities.

Cruises may be operated in either direction over authorized routes, and may be started and ended at any one of the authorized points of embarkation and discharge of passengers as weather and harbor conditions require.

Issued by the California Public Utilities Commission.

Decision No. 62693, Application No. 43538.

III. Southland Harbor Cruises, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport persons by vessel between Pierpoint Landing, Long Beach, California, and Norm's Landing, San Pedro, California, via the following route:

From Long Beach, California, through the outer harbor around Reservation Point into the main ships' channel of Los Angeles Harbor to Norm's Landing, San Pedro, Los Angeles, California.

The return trip shall be the reverse of the above route.

Issued by the California Public Utilities Commission.

Decision No. 62693, Application No. 43538.

IV. Southland Harbor Cruises, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin below is authorized to transport persons by vessel from the restaurants

"The Reef" and
880 Harbor Scenic Drive
Pier "A"
Long Beach

"Ports o' Call"
Berth 76
San Pedro

and return thereto,

A. In scheduled service (inclusive of additional, non-scheduled service which is supplementary to the scheduled service), during the months of May through September of each year, via the following routes:

1. Authorized route from "The Reef" and return thereto:

Beginning at "The Reef", northerly and westerly along Pier "A", easterly within the breakwater to a point approximately opposite Belmont Pier, Long Beach, westerly to point of beginning;

2. Authorized route from "Ports o' Call" and return thereto:

Beginning at "Ports o' Call", northerly into the turning basin in the Los Angeles inner harbor area, southerly to and around Reservation Point and return to the main channel to the Los Angeles inner harbor, northerly to point of beginning;

B. In on-call service via the routes (or segments thereof) described in paragraph IV-A above, or via the routes (or segments, combinations, combinations of segments thereof) described in paragraph I of this appendix.

Cruises may be operated in either direction over the routes authorized, as weather and harbor conditions require.

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End of Appendix "A"

Issued by California Public Utilities Commission.

Decision No. 62693, Application No. 43538.

APPENDIX "B" TO DECISION NO. 62693Authorized Fares and RatesI. Scheduled Service (See Note)

Individual fares, per person, per trip, from The Reef, or from Ports o' Call, and return thereto.

Adult. \$1.14

Child, 12 years or older 1.14

Child, 5 years or older,
but less than 12 years60

Child, less than 5 years No charge

Note: Scheduled service fares, subject to a minimum of 20 adult fares per trip, shall apply to transportation that is performed in non-scheduled service to supplement the scheduled service.

II. On-Call Service

On-call service from The Reef and from Ports o' Call shall be subject to the same rates per hour, for the vessel used, as apply for other on-call services which Southland Harbor Cruises, Inc., is authorized to perform.

End of Appendix "B"