

ORIGINAL

Decision No. 69421

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of AVALON NAVIGATION COMPANY, a corporation, and M.G.R.S., INC., a corporation, for authority to adjust rates and to file a joint tariff; and CATALINA MOTOR CRUISERS, INC. for authority to file a joint tariff. (AMENDED TITLE.)

Application No. 47574
(Filed May 11, 1965)
(Amended June 2, 1965)

- James H. Lyons, for Avalon Navigation Company, M.G.R.S., Inc., and Catalina Motor Cruisers, Inc., applicants.
- Calvin J. Conrad, for the City of Avalon, interested party.
- Harvey H. Cowell, for himself, interested party.
- W. B. von Kleinsmid, for Catalina Air Lines, Inc., interested party.
- Bill Krug, for himself, interested party.
- Richard Brozosky, for the Transportation Division of the Commission staff.

O P I N I O N

Applicants are common carriers by vessel engaged in the transportation of persons and baggage between the Los Angeles Harbor and the City of Avalon, Santa Catalina Island. By this application Avalon Navigation Company (Avalon) seeks authority to increase some of its fares. M.G.R.S., Inc., (MGRS) Catalina Motor Cruisers, Inc., (Cruisers) and Avalon seek authority to accept one another's tickets for transportation over their respective lines.

Public hearing on the application was held before Examiner Abernathy at Avalon on June 4, 1965.

The fare increases which Avalon seeks would apply in connection with its round trip, group and commutation fares. Its present and proposed fares in these respects are as follows:

	<u>Present Fare</u>	<u>Proposed Fare</u>
Adult, round trip	\$ 6.82	\$ 7.50
Child, round trip	3.41	3.75
Group:		
25 but not more than 49 persons, per person	5.45	6.00
50 persons or more, per person	5.00	5.50
Commutation, (10-ride book of tickets)	14.77	16.50

In seeking these fare increases Avalon's objective is to adjust its fares to conform to those of MGRS and Cruisers. Avalon's proposals correspond in purpose to adjustments which Avalon made in its one-way fares on January 20, 1965, when it reduced its adult fare from \$3.91 to \$3.75 per ride and its child's fare from \$1.96 to \$1.90 per ride.

As justification for the proposed fare increases, Avalon points out that under its present operative authority its services, for the most part, are coordinated with and made supplementary to the services which MGRS provides in the operation of the SS CATALINA between Los Angeles Harbor and the City of Avalon. Avalon's traffic is largely overflow traffic from the SS CATALINA. Avalon asserts that by the maintenance of an equality of fares with those for transportation on the SS CATALINA much confusion and delay to the public will be avoided.

On the basis of the volume of its passenger traffic during the 1964 summer season, Avalon developed that had the sought fares (and the reduced one-way fares which were established January 20, 1965) been in effect throughout the season, its revenues for the season would have been increased by about \$600.^{1/} Financial data which Avalon submitted with its application show an operating loss of almost \$16,000 for the year 1964.

The requests of Avalon, MGRS and Cruisers for authority to honor one another's tickets for transportation over their respective lines were also made on the basis that the interchange of tickets would avoid confusion and delay to the public. On this point applicants submitted evidence to the effect that their passengers often elect to return from Catalina Island to the mainland by a different carrier from that by which the outbound trip was made.^{2/} By permitting the interchange of tickets, applicants would relieve their passengers from the necessity of seeking refunds and buying new tickets when the return is by the different carrier.

In connection with amendment of their tariffs to provide for the interchange of tickets, applicants also propose to make

^{1/} On the basis of 1964 passenger traffic, the reduction in one-way fares resulted in a reduction in revenues of about \$450.

^{2/} The departures of Avalon's vessel, the MAGIC ISLE, from Los Angeles Harbor, are scheduled after the departure of the SS CATALINA. A number of Avalon's patrons are persons who have missed the sailing of the SS CATALINA and who, as a consequence, use the alternative service of the MAGIC ISLE. However, the return trips of such persons are frequently made on the SS CATALINA. On the other hand persons who hold tickets for return via the SS CATALINA are unable to do so at times because of space limitations. Said persons may return via the MAGIC ISLE.

changes in some of their tariff rules. The effect of the changes would be adjustment of the rules involved to a common basis. Said rules are those governing children's fares, baggage, excess baggage, the redemption of tickets and the time limit on the use of tickets.^{3/} Where such rules of Avalon and of Cruisers differ from those of MGRS, Avalon and Cruisers propose to adjust their rules to conform to those of MGRS. The adjustments would result in a liberalization of the rules of Avalon and of Cruisers.

The record is convincing that the interchange of tickets which applicants propose in this matter will provide greater flexibility in travel arrangements for applicants' patrons, and that the more flexible arrangements will provide convenience and economies for applicants and their patrons alike. The fare increases which Avalon Navigation Company seeks to make for these purposes and otherwise will increase Avalon's revenues by only a relatively small amount. It appears that the resultant earnings for Avalon will not exceed a reasonable level. We find that the fare increases and rule changes which applicants seek in this matter, as amended, have been shown to be justified. Said fare increases and rule changes will be authorized.^{4/}

3/

A proposal of applicants to establish common rules and fares for commutation service was withdrawn.

4/

In amendment of their tariffs in connection with the rule changes hereinafter authorized, applicants should take steps to bring about the establishment of an appropriate rule covering the redemption of unused or partly used round-trip tickets when presented for redemption by the original purchaser.

In order that applicants may establish the proposed fares and rules as soon as possible for the 1965 summer season, the order herein will be made effective ten days after the date hereof, and the revised fares and rules may be established on five days' notice to the Commission and to the public.

O R D E R

IT IS ORDERED that:

1. Avalon Navigation Company is authorized to amend its Local Passenger Tariff No. 6, Cal. P.U.C. No. 6, to increase its fares by establishing the fares identified as "Proposed Fares" in the preceding Opinion.

2. Avalon Navigation Company and Catalina Motor Cruisers, Inc., are authorized to amend their tariff rules governing children's fares, baggage, excess baggage, the redemption of tickets and the time limit on the use of tickets to the extent necessary to make said rules conform to corresponding rules of M.G.R.S., Inc., as set forth in Local Passenger Tariff No. 1, Cal. P.U.C. No. 1, of M.G.R.S., Inc.

3. Avalon Navigation Company, M.G.R.S., Inc., and Catalina Motor Cruisers, Inc., are authorized to amend their tariffs to provide for the honoring of each other's one-way and round-trip tickets (except commute or group) for the transportation of persons between Los Angeles Harbor (Wilmington and/or San Pedro) and the City of Avalon over their respective lines.

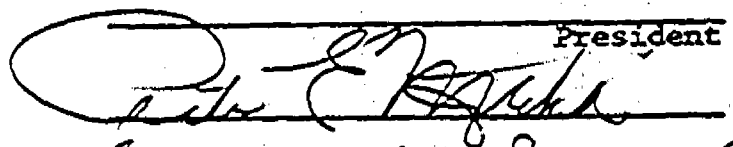

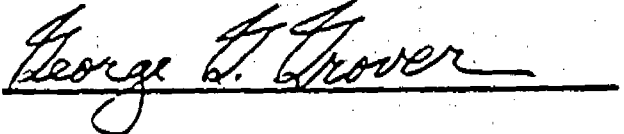
4. Tariff publications authorized to be made as a result of this order may be made effective not earlier than five days after the effective date hereof on not less than five days' notice to the Commission and to the public.

5. In addition to the required posting and filing of tariffs, Avalon Navigation Company shall give notice to the public by posting in its vessel and terminals an explanation of the increased fares herein authorized. Such notice shall be posted not less than five days before the effective date of the fare changes and shall remain posted for a period of not less than thirty days.

6. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

7. This order shall become effective ten days after the date hereof.

Dated at San Francisco, California, this 21st
day of JULY, 1965.

 President



Commissioners

Commissioner Frederick B. Holoboff, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner A. W. Gatov, being necessarily absent, did not participate in the disposition of this proceeding.