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Decision No. 77403

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application to Transfer Certificate)
of Public Convenience and Necessity)
From MATSON NAVIGATION COMPANY to }
THE OCEANIC STEAMSHIP COMPANY. }

Application No. 51962
(Filed June 12, 1970)

O P I N I O N

Matson Navigation Company requests authority to transfer to The Oceanic Steamship Company, a wholly-owned subsidiary, certificates of public convenience and necessity authorizing the transportation of passengers, passengers' baggage and passengers' automobiles by water between San Francisco, Los Angeles and San Diego.

The certificates were granted by Decision No. 68622, dated February 16, 1965, in Application No. 47218 and Decision No. 76080 dated August 26, 1969, in Application No. 51132.

At the present time Matson Navigation Company provides service between San Francisco, Los Angeles and San Diego with the SS Lurline only in connection with voyages in interstate or foreign commerce. It is designed to sell space, which would otherwise be empty on voyages between San Francisco, Los Angeles, and San Diego, to persons desiring to take an overnight pleasure cruise.

It is alleged that Matson Navigation Company plans to sell the SS Lurline in the near future and that The Oceanic Steamship Company, which operates the SS Mariposa and SS Monterey under the trade name "Matson Line," desires to continue the service heretofore performed by the SS Lurline.

There is no property nor consideration involved in the transfer.

After consideration the Commission finds that the proposed transfer would not be adverse to the public interest. A public hearing is not necessary. The order which follows will provide for, in the event the transfer is consummated, the revocation of the certificates presently held by Matson Navigation Company and the issuance of a certificate in appendix form to The Oceanic Steamship Company.

The Oceanic Steamship Company 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

IT IS ORDERED that:

1. On or before December 1, 1970, Matson Navigation Company may sell and transfer, and The Oceanic Steamship Company may purchase and acquire, the operative rights referred to in the application.
2. Within thirty days after the consummation of the transfer herein authorized, transferee shall notify the Commission, in

writing, of that fact and within said period shall file with the Commission a true copy of any bill of sale or other instrument of transfer which may be executed to effect said transfer.

3. Transferee shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations herein to show that it has adopted or established, as its own, said rates and rules. The tariff and timetable filings shall be made effective not earlier than two days after the effective date of this order on not less than two days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the consummation of the transfer herein authorized. The tariff and timetable filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 87 and 117. Failure to comply with and observe the provisions of General Orders Nos. 87 and 117 may result in a cancellation of the operating authority granted by this decision.

4. On or before the end of the third month after the consummation of the transfer as herein authorized, transferee shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the transferor for the period commencing with the first day of the current year to and including the effective date of the transfer.

5. In the event the transfer authorized in paragraph 1 hereof is consummated, a certificate of public convenience and necessity is granted to The Oceanic Steamship Company, a corporation, authorizing it to operate as a common carrier by vessel, as defined in Sections 211(b) and 238 of the Public Utilities Code, between the points and over the routes particularly set forth in Appendix A attached hereto and made a part hereof.

6. The certificate of public convenience and necessity granted in paragraph 5 of this order shall supersede the certificates of public convenience and necessity granted by Decisions Nos. 68522, and 76080, which certificates are revoked effective concurrently with the effective date of the tariff filings required by paragraph 3 hereof.

7. Within thirty days after the transfer herein authorized is consummated, transferee shall file a written acceptance of the certificate herein granted. Transferee is placed on notice that, if it accepts the certificate of public convenience and necessity herein granted, it will be required, among other things, to comply with and observe the insurance requirements of the Commission's General Order No. 111-B.

8. Transferee shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or

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before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

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

Dated at Los Angeles, California, this 23rd day of JUNE, 1970.

William Lyons, Jr.
President

Augustine

J. P. Skeris

[Signature]

Vernon L. Stinson
Commissioners

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Appendix A

THE OCEANIC STEAMSHIP COMPANY
(a corporation)

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The Oceanic Steamship Company, a corporation, by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to transport passengers, passengers' baggage and passengers' automobiles when accompanying passengers as checked baggage between San Francisco, California, Los Angeles, California, and San Diego, California, as a common carrier by vessel.

Issued by California Public Utilities Commission.

Decision No. 77403, Application No. 51962.