

SW

Decision No. 80081

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of
H-10 WATER TAXI COMPANY, LTD.,
a Corporation, for authority to
increase rates and revise
Rules and Regulations.

Application No. 52645

(Filed May 25, 1971)

Jeanne M. Seehorn, for H-10 Water
Taxi Company, Ltd., applicant.
R. W. Russell, by K. D. Walpert,
for Department of Public Utili-
ties and Transportation, City
of Los Angeles, interested
party.

Louis Possner, for the City of
Long Beach, interested party.

Donald E. Hiniker, for American
President-Pacific Far East
Lines, protestant.

Duane E. Walsworth, John P. Shea,
and Keith L. Curtis, Jr., for
General Steamship Corporation,
protestant.

Edward W. Burke, for himself,
interested party.

Elmer Sjostrom, Attorney at Law,
for the Commission's staff.

O P I N I O N

Applicant, H-10 Water Taxi Company, Ltd. (H-10), is engaged in the business of transporting passengers and freight as a public utility common carrier by vessel.

Within and about the Los Angeles and Long Beach Harbor areas.

Between said harbor areas and

Vessels arriving at or leaving
said harbors;

Vessels at offshore moorings
at El Segundo and Huntington
Beach;

Points and places on Santa
Catalina Island.

Applicant also provides a garbage disposal service for ships in the Los Angeles and Long Beach Harbors. All of its services are provided on an on-call basis.

By this application H-10 seeks authority to increase its rates and charges for its common carrier services, and to effect other changes in its tariff.

On July 13, 1971, the rate increase authority which applicant seeks was partially granted by Decision No. 78916. Said authority was granted ex parte on an interim basis upon applicant's representations that under the rates then in effect applicant was experiencing losses of such magnitude that it had to have immediate relief therefrom if its services were to be maintained. As support for these representations applicant reported a loss of \$13,026 (exclusive of interest expense of \$724) from its operations during 1970, and loss of \$19,166 (exclusive of interest expense of \$654) for the first three months of 1971. About half of the latter loss was experienced during one month alone -- during March, 1971. Applicant estimated that by the end of 1971 it would lose \$69,635 from its operations unless increases in rates were authorized. Applicant's net worth was listed as \$43,857 as of December 31, 1970, and as \$24,037 as of March 31, 1971.

In Appendix A hereof are set forth a summary of (a) applicant's principal rates and charges which were in effect at the time of filing of this application and (b) the corresponding rates and charges which applicant seeks to have authorized.^{1/}

With some exceptions, Decision No. 78916 authorized increases of 50 percent in applicant's rates and charges and in a surcharge for night service. The rates and charges so authorized are also shown in Appendix A. The increases which were authorized by said decision are subject to reductions, further increases or other change as found warranted upon further consideration of this matter.

Public hearing for the purposes of further consideration of the application was held before Examiner Abernathy at San Pedro on December 2, 1971. Evidence was presented by applicant's secretary-treasurer and by an engineer and by an accountant of the Commission's staff. Representatives of some of applicant's patrons participated in the proceeding as protestants.

^{1/} In addition to the increases in rates and charges shown in Appendix A applicant seeks to

Double a 10 percent surcharge for night service;

Make the same surcharge applicable to service performed on specified holidays;

Cancel present reduced rates for waiting or standby time and assess regular hourly rates for said time;

Impose more restrictive rules to changes or cancellations in orders for applicant's services.

The record shows that during the second half of 1971 the circumstances in which applicant conducted its operations changed radically from those which had prevailed during the earlier part of the year. This change was occasioned by the longshoremen's strike which commenced on or about July 1, 1971, and which continued into October, 1971. A consequence of the strike was that many ships were held within the Los Angeles and Long Beach harbors during the strike period. The needs of these ships for local transportation of supplies and personnel during that time resulted in a sharp increase in the utilization of applicant's services.

The increase in volume of applicant's traffic during the second half of 1971 plus the effect of the interim increases in rates and charges which became applicable on July 24, 1971, converted applicant's financial position from one of substantial losses to one of substantial profits. According to financial data which applicant's secretary-treasurer submitted at the hearing, the company's operating results for the ten months through October 31, 1971, were as follows:

Table No. 1
Financial Results of Operations
January through October, 1971

Revenues	\$289,903
Expenses	<u>205,006</u> ^(a)
Net Operating Revenues ^(b)	\$ 84,897
Operating Ratio ^(b)	70.7%

(a) Exclusive of \$1,332 interest expense.

(b) Before provision for income taxes.

The net worth of the company as of October 31, 1971, was reported as \$126,977.

The evidence of applicant's witness was limited, for the most part, to a detailing of circumstances which have resulted in increases in the company's operating costs. She did not submit evidence which would afford a gauge of the level of the company's earnings under the interim rates under more normal operating conditions. She argued that the interim rates should be continued nevertheless because of the increases in the company's operating costs and because of losses which the company has experienced in the past.

The presentation of the Commission engineer was directed mainly to a showing of applicant's operating results under other-than-strike conditions and of anticipated operating results for the coming year under the same conditions. Utilizing applicant's revenue and expense data for 1970 as a base, he developed estimates of the revenues and expenses which would apply to applicant's operations for 1972. In arriving at said estimates, he assumed, on the one hand, that the interim rates would be continued, and, on the other hand, that the full amount of sought rate increases would be authorized and would be applicable. Provision was included in his expense estimates for known cost increases. To relate his estimates to the services which are directly involved herein, he excluded from his figures those revenues and expenses applicable to the company's garbage disposal services, which services are not governed by the Commission. The engineer's estimates are summarized in the following table:

Table No. 2
Estimated Financial Operating Results
of Public Utility Services Under Interim and Proposed Rates
Year 1972

	<u>Under Interim Rates</u>	<u>Under Proposed Rates</u>
Revenues	\$216,000	\$240,000
Expenses	<u>202,259</u>	<u>212,253</u>
Net Operating Revenues	\$ 13,741	\$ 27,747
Operating Ratio	94%	88%

The engineer concluded from his studies that, subject to a change in the rate for standby service, the interim rates should be made permanent. He concluded that the rates for standby service should be modified to provide rates which are \$2.00 per hour less than the hourly rates which otherwise apply.

The Commission accountant submitted a statement of applicant's assets, liabilities and net worth as of September 30, 1971. He also submitted income and expense data comparing applicant's revenues and expenses for the third quarter of 1970 with those for the corresponding period in 1971. These data are summarized in the following table:

Table No. 3
Comparison of Revenues, Expenses and Net Operating Results
Applicant's Total Operations
Third Quarter, 1970, vs. Third Quarter, 1971

	<u>3d Quarter 1970</u>	<u>3d Quarter 1971</u>
Revenues	\$66,322	\$151,241
Expenses	<u>64,192</u>	<u>89,030</u>
Net Operating Revenues ^(a)	\$ 2,130	\$ 62,211
Operating Ratio ^(a)	96.8%	58.9%

(a) Before provision for income taxes.

Discussion

It is evident that since consideration of applicant's financial circumstances in connection with the interim rate increases authorized by Decision No. 78916, said circumstances have improved substantially. It is also evident that much of the improvement is attributable to effects of the longshoremen's strike during the latter part of 1971. Inasmuch as the strike conditions should be regarded as temporary, further consideration of applicant's financial needs for purposes of determining whether the interim rate increases should be continued, modified or otherwise changed should be on the basis of the level of applicant's operating results which may reasonably be expected to prevail during the coming year under more normal conditions.

The showing of applicant's witness must be deemed as providing little, if any, usable information for such purposes. The showing of the Commission engineer is more illuminating in this respect. However, various modifications of the engineer's data are necessary before said data may be adopted as a basis for further action on applicant's rates.

In general, it appears that the engineer's figures understate applicant's probable revenues during the coming year and overstate the applicable expenses.

The engineer's figures were developed on the level of applicant's operations during 1970 and assume that the same level will prevail in 1972. However, the engineer did not take into account an upturn in business which applicant experienced during the second quarter of 1971. This upturn becomes apparent from comparison of applicant's report of operating results for the first quarter of 1971 with figures for later periods which were submitted by the Commission accountant. The second quarter's

results as thus calculated are compared with those for the first quarter in the following table:

Table No. 4

Comparison of Revenues, Expenses and Net Operating Results
Applicant's Total Operations
Second Quarter, 1971, vs. First Quarter, 1971

	1st Quarter 1971	2d Quarter 1971
Revenues		
Public Utility	\$18,965	\$41,896
Disposal	9,688	7,959
Total	\$28,653	\$49,855
Expenses	47,819	43,343
Net Operating Revenues (a)	<u>(\$19,165)</u>	\$ 6,512
Operating Ratio (a)	166.9%	86.9%

 Loss

(a) Before provision for income taxes.

It may be developed from applicant's revenue and expense figures for 1970, as reported by the Commission engineer, that the average quarterly revenues for the year were \$43,260 and average quarterly expenses were \$46,518. Comparison of such revenue and expense data with the second quarter figures for 1971 which are set forth in Table 4 shows that during the second quarter of 1971 applicant was able to increase its revenues by \$6,595 over the quarterly average for 1970 while reducing its expenses by \$3,175.^{2/}

^{2/} Inasmuch as the interim rates which were authorized by Decision No. 78916 did not become effective until July 24, 1971, none of the increases in revenues during the second quarter in 1971 resulted from the interim rate increases.

Neither applicant's witness nor the Commission engineer undertook to explain the apparent change in direction of applicant's financial affairs which occurred during the second quarter of 1971. This change cannot be disregarded.

In taking this change into account, we believe that the results thereof can be conservatively estimated by assuming that at least 40 percent of the increase in revenues will be maintained in normal circumstances and that the base level of expenses will not exceed the 1970 average. Adjustment of the engineer's estimates under the interim and under the proposed rates (Table No. 2, above) to give effect to this increase in revenues would increase his estimates of revenues under interim rates by \$15,910 and under the proposed rates by \$17,688.

The engineer's overstatement of expenses is a consequence of his inclusion of expenses which must be regarded as speculative and expenses which are not proper charges against applicant's public utility operations.

The engineer's exhibit shows that approximately \$3,000 of his estimate of the wage expenses attributable to applicant's public utility operations is subject to wage control regulations. Whether the wage increases which are represented by said amount will be approved under the regulations and will actually be paid must be regarded at this time as speculative. We have heretofore stated on numerous occasions that speculative cost increases will not be accepted as basis for increases in rates. The amount of \$3,000 should be excluded from the estimated expenses.

The other modification to be made in the engineer's expense estimates deals with the amounts which he included for telephone and other utilities, advertising and client relations. These amounts are as follows:

Telephone and other utilities	\$4,700
Advertising and client relations	2,300

The evidence shows that much of the amount of \$4,700 for telephone and other utilities is for free telephone service which applicant provides to officers and members of the crews of the ships which it serves. Most of the amount of \$2,300 for advertising and client relations is for liquor and entertainment which applicant furnishes to said officers and crew members.

Expenditures of this type were considered in connection with a previous proceeding involving increases in applicant's fares. In dealing with said expenditures, the decision in that matter, Decision No. 75846, dated June 24, 1969, in Application No. 50811, states that "if such outlays are to be considered as reasonable charges to the public utility services, they should have some relationship to the furthering of said public utility services." The decision notes that although ships' agents, officers and crewmen are the principal beneficiaries of applicant's expenditures for entertainment, "it appears that applicant's real customers are various steamship companies throughout the world; that applicant's services in transporting ships' personnel, etc., to and from the ships, or in transporting supplies to ships, is performed on behalf of said steamship companies; that applicant is hired by ships' agents who are located in the Long Beach/Los Angeles harbor areas; that those who have been identified above as users of applicant's services do not, for the most part, enter into the decision process as to whether applicant should be hired, and that even the options of the ships' agents as to whether applicant's services shall be used are limited by the

fact that applicant is the sole carrier of its kind operating within the Long Beach/Los Angeles harbor areas."

"In these circumstances we conclude that much of applicant's activities which are identified as "Entertainment" are not so channeled as to enhance applicant's public utility operations."^{3/}

In this matter applicant's witness asserted in effect that the furnishing of liquor, entertainment and free telephone service to ships' personnel is expected as a matter of course. We are not persuaded, however, that the expenditures in question are reasonable charges to operating expense. Our conclusions in Decision No. 75846 regarding said class of expenditures appear equally applicable here. We will adopt an amount of \$3,000 as being the maximum total amount which is reasonably acceptable on this record as a charge to applicant's public utility services for telephone and other utilities and for advertising and client relations.

^{3/} Also compare Benjamin S. Goldberg, 54 Cal. P.U.C. 177 (1955).

"Reasonable amounts for solicitation expense are a proper charge to operations, but when claimed expenditures are unreasonably high, the carrier having a virtual monopoly in its field of operations, serving the same customers in a relatively small area over a period of many years, the Commission will take such circumstances into account in determining whether applicants for an increase in rates have sustained the burden of proving the reasonableness and propriety of their claimed charges."

Restatement of the data in Table No. 2 so as to show the effect thereon of the revenue and expense adjustments discussed above results in the following figures:

Table No. 5

Revised Estimate of Financial Operating Results of
Public Utility Services under Interim and Proposed Rates
Year 1972

	<u>Under Interim Rates</u>	<u>Under Proposed Rates</u>
Revenues	\$231,920	\$257,688
Expenses*	<u>205,578</u>	<u>218,966</u>
Net Operating Revenues	\$ 26,342	\$ 38,722
Operating Ratio	88.6%	85.0%

*Including provision for income taxes.

The net operating revenues which are represented by the foregoing estimates are greater than may be found reasonable on this record for applicant's operations in normal operating circumstances. Neither the proposed rates nor a continuation of the interim rates may be found justified.

For reasons which will subsequently appear, we are of the opinion that the rates which are set forth in Appendix B hereof are the rates which should be authorized in this matter. In general, said rates are about 5 to 10 percent less than the interim rates, and not only would produce total earnings which are more reasonable than those under the interim or under the proposed rates, but also would result in more reasonable charges for various of the individual services involved.

For a number of years applicant has assessed charges for night service (service between 6:00 p.m. and 6:00 a.m. of the following day) on the basis of its rates for daytime service plus a surcharge of 10 percent. Decision No. 78916 authorized an increase of the surcharge to 15 percent. Applicant's proposals include a request to increase the surcharge to 20 percent.

As originally established the surcharge was intended to cover additional costs -- principally those for labor -- of nighttime operations. According to applicant's witness the surcharge is no longer sufficient because present labor contracts require that employees be paid for a minimum of four hours per engagement. The sought increase in the surcharge to 20 percent is mainly for the purpose of compensating for this cost.

The evidence is clear that the present surcharge is no longer sufficient to cover increased costs applicable to night service of less than 4 hours' duration. It also appears, however, that the imposition of the sought increase in surcharge would unduly burden nighttime services of more than four hours, and that applicant's needs could be better met by appropriate minimum charges. Such minimum charges as may be found appropriate on this record are \$45 per trip in connection with nighttime service within the Los Angeles/Long Beach harbors and \$60 per trip in connection with like service to or from points outside of said harbors. It appears that in other respects the continuation of the interim surcharge of 15 percent is justified by applicable costs. Said surcharge, and the minimum charges also, have been incorporated in Appendix B.

Another respect in which the rates in Appendix B differ from the interim rates lies in the rates which applicant assesses for service to or from points outside of the Los Angeles/Long Beach harbors. Such points include ships moored offshore at El Segundo and Huntington Beach and points on Santa Catalina Island. Under the interim rates applicant is assessing a rate of \$41.25 to or from Santa Catalina Island and a rate of \$42.50 to El Segundo and Huntington Beach. There does not seem to be any material difference in the services performed which would justify the difference in rates. The rates in Appendix B would remove this difference.

Applicant has heretofore been assessing charges for standby or waiting time (the time between when a vessel is ordered to be ready to go on hire and when the vessel is on hire) which are less than the rates which otherwise apply. This differential is \$5.25 per hour under the interim rates. Applicant proposes that differential be eliminated because of difficulties of interpreting when the lower charges should be assessed. Assertedly, moreover, applicant's costs while a vessel is held in standby service are the same as while a vessel is under way.

The Commission engineer, on the other hand, recommended that the differential be continued because the costs of standby service are, in fact, less than those of regular service. According to an analysis which he had made, the cost differential is \$2.00 per hour. Under Appendix B reduced rates for standby service would be continued by a rule to the effect that rates for standby service will be \$2.00 per hour less than the rates for regular service.

In other respects applicant's proposals include a request for authority to assess increased rates for service on defined holidays, to charge rates which would be higher for service to or from ships entering or leaving the Los Angeles/Long Beach harbors than are the rates which would otherwise apply to points outside of said harbors, and to extend the scope of present rules governing cancellation or changes in orders for service.

It appears that the increased rates for holiday service are prompted by higher labor costs which apply to said service. It also appears that extension of the present 15 percent surcharge to said service plus the additional minimum charges for night service hereinbefore discussed would return the costs involved. Said rates should be authorized for the holidays involved.

The higher rates which applicant seeks for service to or from ships entering or leaving the Los Angeles/Long Beach harbors are proposed because said service assertedly is more hazardous than service to or from other points outside of the harbor areas. However, applicant did not submit any evidence which would show that the service to or from the ships is, in fact, more costly to perform than is other service to or from points outside of the harbor areas. The rate increases in question should not be authorized.

Neither did applicant submit evidence which would justify approval of the proposed rules regarding cancellation or changes in orders for service. Moreover, it appears that the manner in which the proposed rules would be applied should be clarified. The rules should be further supported and clarified before being adopted.

We have heretofore stated that the rates in Appendix B would produce earnings which are more reasonable for applicant's operations than are the earnings under the interim rates. The following table sets forth our estimate of applicant's financial operating results under said rates:

Table No. 6

Estimate of Financial Operating Results of
Public Utility Services under Rates in Appendix B,
Year 1972

Revenues	\$220,630
Expenses*	<u>199,713</u>
Net Operating Revenues	\$ 20,917
Operating Ratio	90.5%

*Including provision for income taxes.

The earnings which we estimate in Table No. 6 that applicant will realize under the rates in Appendix B are at a somewhat higher level than those which we have approved in various instances heretofore when we have had occasion to consider rates to be assessed by public utility carriers by vessel. Nevertheless, we believe that in this matter the level of the estimated earnings may properly be held to be within the zone of reasonableness.

Much of applicant's business is dependent upon shipping in foreign trade, and is thereby subject to changes in circumstances in distant locations anywhere in the world which affect the flow of goods through the Los Angeles/Long Beach harbors. It appears that as a consequence applicant experiences rather

wide variations in the usage of its services and revenues. For example, during the period July through September, 1970, applicant's monthly revenues from its public utility services ranged from a low of \$14,308 to a high of \$23,865. In March, 1971, they dropped to \$7,811. These variations in revenues impose risks upon applicant which are not shared by public utilities who enjoy a greater revenue stability. In view of the greater risks it is appropriate that applicant should be accorded a higher level of earnings than would be acceptable for public utilities operating under more stable conditions.

One further comment must be made concerning the level of the expected earnings. The estimates thereof have been developed largely on data that are quite remote in time. Although said data constitute the best evidence which were made available in this proceeding, it must be recognized that the data are a less reliable gauge of future operating results than would be the case were the bulk of the data more recent. Should it develop that we have substantially underestimated the level of earnings which applicant actually receives under the rates herein authorized, the Commission's staff should bring the matter to the Commission's attention in order that the earnings may be reviewed and whatever action is then appropriate may be taken.

Findings

1. Applicant is engaged in public utility operations as a common carrier by vessel (a) between points within the Los Angeles/Long Beach harbors and (b) between said points, on the one hand, and various points outside of said harbors, on the other hand. It is also engaged in certain other transportation operations involving the disposal of garbage.

2. Applicant's public utility common carrier operations during the year 1970 and the first quarter of 1971 resulted in operating losses of such magnitude as to justify immediate relief therefrom in the form of the interim rate increases that were authorized by Decision No. 78916, dated July 13, 1971.
3. Since the first three months of 1971, applicant's financial position improved, both as a result of an apparent upturn in business during the second quarter of 1971 and as a result of the increased rates authorized by Decision No. 78916 plus a substantial increase in business caused by a longshoremen's strike which occurred in the second half of 1971.
4. Under more normal operating circumstances since the termination of the longshoremen's strike in the latter part of 1971, a continuation of a higher level of rates over that which prevailed prior to the establishment of the interim rates authorized by Decision No. 78916 is necessary to the maintenance of applicant's public utility common carrier services.
5. The rates which are set forth in Appendix B hereto would produce estimated net operating revenues (after provision for income taxes) as represented by an operating ratio of 90.5 percent.
6. The estimated net operating revenues which applicant would realize under the rates in Appendix B are reasonable.
7. The establishment of the rates in Appendix B, to supersede the interim rates heretofore authorized by Decision No. 78916, has been shown to be justified.

8. The charging of higher rates than those set forth in Appendix B for services which applicant provides subsequent to the fifteenth day after the effective date of this order will be unreasonable.

Conclusions

1. The rates which are set forth in Appendix B should be established by applicant to supersede the interim rates which applicant has heretofore published in its tariff and made effective pursuant to authority granted by Decision No. 78916. Said rates in Appendix B should be published in applicant's tariff to become effective not later than the fifteenth day after the effective date of this order.
2. Subsequent to the fifteenth day after the effective date of this order it shall be unlawful for applicant to assess higher rates than those set forth in Appendix B unless authorized by further order of the Commission.

O R D E R

IT IS ORDERED that:

1. H-10 Water Taxi Company, Ltd., is authorized to establish and assess the rates and charges (including also the rules) which are set forth in Appendix B attached hereto and by this reference made a part hereof. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order, and shall be made effective not later than fifteen days after said effective date, on not less than five days' notice to the Commission and to the public.
2. The rates which are authorized by Paragraph 1, above, shall supersede the interim rates which applicant established and has been assessing pursuant to authority granted by Decision No. 78916. Subsequent to the fifteenth day after the effective

date of this order it shall be unreasonable and unlawful for applicant to assess and collect higher rates and charges than those which are set forth in, or would apply under, the provisions of the attached Appendix B.

3. In addition to the required posting and filing of tariffs, applicant shall give notice to the public by posting in its vessels and terminal an explanation of its rates and fares. Said notice shall be posted not less than five days before the effective date of the rate and fare changes and shall remain posted for a period of not less than thirty days.

Except as is otherwise provided herein applicant's requests in this proceeding for authority to increase its rates and fares and to make various changes in its tariff rules are denied.

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

Dated at San Francisco, California,
this 18th day of MAY, 1972.

William J. Vukasin, Jr. Chairman
[Signature]
Vernon L. Sturgeon
[Signature] Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

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APPENDIX A

Present** and Proposed Rates and Charges; also
Interim Rates and Charges Authorized by Decision No. 78916

(**Rates and Charges in Effect on May 25, 1971, the Filing Date of This Application)

	<u>Present</u>	<u>Proposed</u>	<u>Interim</u>
A. For service between points and places within Los Angeles/Long Beach Harbors			
Rate per hour	\$22.50	\$37.50	\$33.75
Minimum charge	22.50	37.50	33.75
Waiting or standby charge, per hour	19.00	37.50	28.50
B. For service between points and places within Los Angeles/Long Beach Harbors, on the one hand, and on the other hand:			
Vessels arriving at or departing from said harbors			
Rate per hour	\$27.50	\$50.00	\$41.25
Minimum charge	27.50	50.00	41.25
Waiting or standby charge, per hour	24.00	50.00	36.00
Points and places on Santa Catalina Island			
Rate per hour	\$27.50	\$42.50	\$41.25
Minimum charge	27.50	42.50	41.25
Waiting or standby charge, per hour	24.00	42.50	36.00
Ships at off-shore moorings at El Segundo or Huntington Beach			
Rate per hour	\$35.00	\$42.50	\$42.50
C. For service, at customers election, by vessels as follows:			
Freight-only vessel, with maximum load capacity of 25 tons			
Rate per hour	\$50.00	\$60.00	\$60.00
Passenger vessel, with maximum load capacity of 99 persons			
Rate per hour	\$75.00	(a)	(a)

(a) No change from present rate.

Unless otherwise stated, rates apply per vessel having maximum capacity of 49 passengers and/or 5 tons of freight.

(End)

APPENDIX B

Authorized Rates and Rules^(a)
 (Unless otherwise provided herein, present tariff rates and rules apply.)

<u>Rates</u>			
	<u>Day Operations</u>	<u>Night Operations</u>	<u>Holiday Operations</u>
A. For service between points and places within Los Angeles/Long Beach Harbors			
Rate per hour per vessel	\$32.00	\$36.80	\$36.80
Minimum charge	32.00	45.00	(36.80) ^(b) (45.00) ^(c)
B. For service between points and places within Los Angeles/Long Beach Harbors on the one hand and, on the other hand:			
Vessels arriving at or departing from said harbors			
Rate per hour per vessel	\$40.00	\$46.00	\$46.00
Minimum charge	40.00	60.00	(46.00) ^(b) (60.00) ^(c)
Points and places on Santa Catalina Island			
Rate per hour per vessel	\$40.00	\$46.00	\$46.00
Minimum charge	40.00	60.00	(46.00) ^(b) (60.00) ^(c)
Ships at offshore moorings at El Segundo or Huntington Beach			
Rate per hour per vessel	\$40.00	\$46.00	\$46.00
Minimum charge	40.00	60.00	(46.00) ^(b) (60.00) ^(c)
C. For service, at customers' election, by vessels as follows:			
Freight-only vessel, with maximum load capacity of 25 tons			
Rate per hour per vessel	\$60.00	\$69.00	\$69.00
Minimum charge	60.00	72.00	(69.00) ^(b) (72.00) ^(c)
Passenger vessel, with maximum load capacity of 99 persons			
Rate per hour per vessel	\$75.00	\$86.25	\$86.25
Minimum charge	75.00	90.00	(86.25) ^(b) (90.00) ^(c)

APPENDIX B (Continued)

- (a) Except as otherwise stated, the rates herein apply for vessels having a maximum capacity of 49 passengers and/or 5 tons of freight.
- (b) Minimum charge applicable to day operations on holidays as herein defined.
- (c) Minimum charge applicable to night operations on holidays as herein defined.

Rules

Holidays, definition of: January 1, February 11, February 22, Memorial Day, July 4, Labor Day, Veterans' Day, Thanksgiving Day, Christmas Day.

Standby or waiting time, charges for: Rates for standby or waiting time shall be \$2.00 per hour per vessel less than the rates per vessel herein shown.

(End)