

ORIGINAL

Decision No. 83013

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
HARBOR CARRIERS, INC., a corporation,
for a certificate of Public Con-
venience and Necessity, authorizing
an extension of its operating author-
ity so as to authorize it to operate
vessels as a common carrier of
passengers between Long Beach, on
the one hand, and, on the other,
Camp Fox, Gallagher's Beach, Howland
Landing, The Isthmus, Toyon Bay and
White's Landing, on Santa Catalina
Island.

Application No. 54862
(Filed May 9, 1974;
amended May 17 and
May 21, 1974)

INTERIM OPINION AND ORDER

Harbor Carriers, Inc. provides common carrier service by vessel between Long Beach and Avalon, Camp Fox, and the Isthmus on Santa Catalina Island, Los Angeles County, California.^{1/} By this application it seeks authority to extend existing scheduled service to include the island points of Gallagers Beach, Toyon Bay, and Whites Landing, and to extend nonscheduled service to include these points and Howlands Landing. Applicant also proposes to change certain tariff rules governing some rates which will result in technical increases and reductions. Applicant

^{1/} Applicant was authorized to provide scheduled service between Long Beach and Avalon by Decision No. 76496 (1969), and between Long Beach, Camp Fox, and the Isthmus by Decision No. 81850 (1973). Applicant was authorized to provide non-scheduled service between Long Beach, Avalon, Camp Fox, and the Isthmus by Decision No. 82560 (1974).

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asserts that the rule changes will have no measurable effect on its revenues.

Attached to the application are the proposed tariff and timetable. Only the 11:00 A.M. departure from Avalon and the early afternoon departure from Long Beach are to be affected by the proposed scheduled service. Applicant states that based on experience last summer it estimates that no noteworthy dilution of the direct scheduled service between Long Beach and Avalon will result from the proposed operations. It states that during the period from June 1, 1973, through September 30, 1973, two or three vessels were operated on the 9:00 A.M. schedule from Long Beach to Avalon on 52 different days. Under the proposal whenever more than one vessel is operated on that schedule, at least one vessel will operate directly from Avalon to Long Beach. Applicant states that the volume of traffic is usually light on the schedules to be affected, and by operating the proposed scheduled service it will be able to give the maximum possible level of service to points on Santa Catalina Island with the minimum use of fuel oil. Applicant asserts that the sought authority will have no adverse effect upon the environment.

Applicant states that it has received numerous requests for the proposed service. Attached to the application are letters from seven organizations stating that they have need for the proposed service from and to the island points involved.

Applicant has the following equipment available at Long Beach:

<u>Vessel</u>	<u>Passengers</u>	<u>Size (feet)</u>
Long Beach King	700	132 x 35
Long Beach Prince	500	132 x 34
Eagle	149	103 x 24
Cabrillo	110	65 x 18

Applicant states that use of its vessels in the additional scheduled and nonscheduled service will improve the financial results of its operations. It asserts that only direct additional operating expenses will be incurred in the proposed operations, and that fixed expenses for vessels and landing facilities will be spread over a greater volume of operations.

The application states that Earbor Carriers has many years of experience as a common carrier of passengers, and is financially able to perform the proposed additional service. The balance sheet as of December 31, 1973, and profit and loss statement for the year 1973 are attached to the application.

No common carrier is authorized to perform the proposed scheduled service. Common carriers by vessel authorized to operate in nonscheduled service in the area involved are Catalina Motor Cruisers, Inc. and E-10 Water Taxi Company, Ltd. A copy of this application has been served upon these carriers, the cities of Long Beach and Avalon, and the Board of Supervisors of Los Angeles County. The application and amendments were listed on the Commission's daily calendar. Protests have been received from Catalina Motor Cruisers, Inc. and M.G.R.S., Inc. which hold operating authority between San Pedro and various points on Santa Catalina Island, and request that a hearing be held to enable them to present evidence.

By Decisions Nos. 80478 and 81850 applicant was denied authority to serve points on Santa Catalina Island, other than Avalon, Camp Fox, and the Isthmus, because sufficient evidence was not presented (Finding 14 of Decision No. 81850). In this matter applicant has presented additional facts to show that service to certain additional points on the island may be needed. The summer vacation season has already commenced with greatly increased volume of passenger traffic to Santa Catalina Island for the next three months. After consideration the Commission finds and concludes that public convenience and necessity require the granting of the application on an interim basis pending final determination after a public hearing.

We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

Harbor Carriers, Inc. is 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. 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.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Harbor Carriers, Inc., 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, to transport passengers between the points and over the routes particularly set forth in paragraphs I B. and II, First Revised Page 2 to Appendix B of Decision No. 82560 in Application No. 54499, which page is attached hereto and made a part hereof, on an interim basis pending final determination after public hearing.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in a cancellation of the authority.

- a. Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the insurance requirements of the Commission's General Order No. 111-Series.

- b. Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and file tariffs and timetables, in triplicate, in the Commission's office.
- c. The tariff and timetable filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the establishment of the authorized service.
- d. The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Nos. 87-Series and 117-Series.
- e. Applicant 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 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.

3. Applicant is authorized to establish the provisions of paragraph 1, Item 118, page 6 of Exhibit B of the application, resulting in fare increases.

4. A public hearing shall be held in this matter for final determination at a date to be set in the near future.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 18th day of JUNE, 1974.

Vernon L. Stearns
President

William J. Quors Jr.

[Signature]

[Signature]
Commissioners

I abstain

[Signature], Commissioner

Appendix B
(Dec. 82560)

HARBOR CARRIERS, INC.
(a corporation)

First Revised Page 2
Cancels
Original Page 2

San Pedro Channel Operations

Harbor Carriers, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to conduct common carrier services by vessel, as described below, for the transportation of passengers and their baggage:

I. Scheduled Service

A. Between Port of Long Beach and Avalon.

Daily, throughout the year.

B. Between Port of Long Beach, on the one hand, and the following points in Santa Catalina Island, on the other hand:

1. Gallagers Beach, 2. Toyon Bay, 3. Whites Landing,
4. Camp Fox, and 5. The Isthmus, either directly or via Avalon.

Restrictions, Limitation, and Specifications:

Service is authorized on vessels operating on scheduled runs between the Port of Long Beach and Avalon. Between September 16 and June 14 of each year service is subject to a minimum of 100 round trip fares, on a space-available basis, upon seven days' prior notice to Harbor Carriers, Inc.

II. Nonscheduled Service

Between Port of Long Beach on the one hand, and the following points in Santa Catalina Island, on the other hand:

1. Avalon, 2. Gallagers Beach, 3. Toyon Bay, 4. Whites Landing, 5. Camp Fox, 6. Isthmus, 7. Howlands Landing.

Restrictions, Limitations, and Specifications:

Transportation of passengers and baggage shall not be conducted under this service unless prior arrangement based on hourly rates, with a four-hour minimum, has been made with the carrier.

Issued by California Public Utilities Commission.

Decision No. 83013, Application No. 54862.