

ORIGINAL

Decision No. 83259

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PRUDENTIAL-GRACE LINES, )  
INC. for a Certificate of Public  
Convenience and Necessity to Carry  
Passengers, Passengers' Luggage, and  
Passengers' Automobiles by Water  
Between San Francisco and Los Angeles.

Application No. 54922  
(Filed May 31, 1974)

O P I N I O N

Applicant Prudential-Grace Lines, Inc., a corporation licensed to do business in this State, requests a certificate to operate as a common carrier by water in oceangoing service between San Francisco and Long Beach in the transportation of passengers, passengers' luggage, and passengers' automobiles when accompanying passengers as checked baggage. The application was noticed in the Commission's Daily Calendar of June 3, 1974. No protests to the application have been received.

The application shows that applicant proposes to transport local traffic on a space available basis between San Francisco and Long Beach in connection with the voyages of four of its vessels which operate between Long Beach and San Francisco, on the one hand, and, on the other hand, ports in Washington, Canada, Mexico, the Caribbean, and South America. The four vessels - SS Santa Mariana, SS Santa Maria, SS Santa Mercedes, and SS Santa Magdalena - all of them Class 'M' type vessels, are scheduled to conduct 15 such long-range voyages during the year 1974. Steaming time between San Francisco and Long Beach is approximately 20 hours. Each of the vessels is a luxury passenger-cargo vessel with first-class accommodations for 130 persons and the proposed service is designed for persons desiring to take an overnight pleasure cruise. Applicant states that its proposed fares are \$100 per person for standard cabins and standard

singles, and \$125 per person for deluxe cabins; because of these high fares its service will not be competitive with the passenger service of land or air carriers. Applicant states that it knows of no other common carriers by water operating between the involved points except Pacific Far East Lines which does not offer local service and that applicant's proposed operations will have no adverse effects on any passenger carrier. Applicant states that it had a gross income from operations for the year 1973 in excess of \$71 million. Applicant presently transports local traffic between San Francisco and Long Beach on a gratuitous or guest basis and finds the passengers enthusiastic about the trip and believes the traveling public will patronize the proposed service if it is made available to it.

After consideration the Commission finds and concludes that public convenience and necessity require the issuance of a certificate to applicant as set out in the ensuing order. The Commission further finds with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment. A public hearing is not necessary.

Applicant 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Prudential-Grace Lines, 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, between the points and over the routes set forth in Appendix A, attached hereto and made a part hereof.

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 ten days after the effective date of this order on not less than ten 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.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 6<sup>th</sup> day of AUGUST, 1974.

Thomas L. Sturgeon  
President  
William Symons Jr.  
William L. ...  
Alvin ...  
Commissioners

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

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Appendix A

PRUDENTIAL - GRACE LINES, INC.  
(a Corporation)

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CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY

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Showing common carrier by vessel operative rights, restrictions, limitations, exceptions and privileges applicable thereto.

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All changes and amendments as authorized by the Public Utilities Commission of the State of California will be made as revised pages or added original pages.

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Issued under authority of Decision No. 83259  
dated AUG 6 1974 of the Public Utilities Commission  
of the State of California, on Application No. 54922.

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Appendix A

PRUDENTIAL - GRACE LINES, INC.  
(a Corporation)

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Prudential - Grace Lines, Inc., by the certificate of public convenience and necessity granted by the decision noted in the margin, is authorized to transport passengers, passengers' luggage, and passengers' automobiles when accompanying passenger as checked baggage, by vessel common carrier between the Port of San Francisco, California, on the one hand, and the Port of Long Beach, California, on the other hand.

The transportation of local traffic will be conducted on a space available basis between San Francisco and Long Beach in connection with the voyages of four of its vessels which operate between Long Beach and San Francisco, on the one hand, and ports in Washington, Canada, Mexico, the Caribbean, and South America, on the other hand.

Issued by California Public Utilities Commission.

Decision No. 83259, Application No. 54922.