

ORIGINAL

Decision No. 85040

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, Gallager'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)

Vaughan, Paul, & Lyons, by John G. Lyons,  
Attorney at Law, and Albert D. Elledge,  
for Harbor Carriers, Inc., applicant.  
James H. Lyons, Attorney at Law, for  
M.G.R.S., Inc., and Catalina Motor  
Cruisers, Inc., protestants.  
John deBrauwere, for the Commission staff.

O P I N I O N

By Decision No. 83013 dated June 18, 1974, Harbor Carriers, Inc., was granted interim authority to provide the additional vessel passenger service sought in Application No. 54862, as amended, between Long Beach and certain points on Santa Catalina Island,

pending final determination after public hearing.<sup>1/</sup> Public hearing was held before Examiner Norman Haley at Los Angeles on September 30 and October 1 and 2, 1974. The matter was submitted January 10, 1975, with receipt of concurrent briefs.

Applicant's Presentation

Attached to the application is the balance sheet as of December 31, 1973, and the profit and loss statement for the year 1973. The revised tariff and timetable have been filed with the Commission. Evidence was presented by applicant through its president, through the general manager of its Long Beach Division<sup>2/</sup> (operating witnesses), and through 12 representatives of groups and organizations (public witnesses).

The Long Beach terminal facilities of applicant consist of a 460-space parking lot, waiting room, ticket-selling facilities, and facilities capable of docking all four of the vessels identified in footnote 6, below. During the summer of 1974, applicant had approximately 20 employees at the Long Beach facilities and five on the island.

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1/ Applicant heretofore has been granted certain permanent authority to transport passengers between Long Beach and Avalon, Camp Fox, and the Isthmus on scheduled and nonscheduled bases by Decisions Nos. 76496 (1969), 81850 (1973), and 82560 (1974). Decision No. 82560 restated applicant's certificate as of March 12, 1974. By Decision No. 83013 applicant was authorized on an interim basis to provide certain additional scheduled service to Camp Fox and the Isthmus; to extend scheduled service to include Gallagher's Beach, Toyon Bay, and White's Landing; and to extend nonscheduled service to include those points and the additional point of Howland Landing located northwesterly of the Isthmus.

2/ Applicant also conducts vessel operations in the San Francisco Bay area.

Exhibit 1 is a profit and loss statement for applicant's total Long Beach operations for the first eight months of 1974, and for August separately. It was explained by applicant's president and by the general manager. For the first eight months revenues were \$821,358, with a net loss of \$32,211.<sup>3/</sup> During this period 234,823 one-way passengers were transported. For the month of August, revenues were \$247,915, with a profit of \$65,257. During August 68,542 one-way passengers were transported.<sup>4/</sup> Assertedly, August is the month each year that applicant shows the greatest revenue.

Exhibit 4, and the testimony of the general manager, disclose that 10,067 cross-channel passengers were transported between July 1 and September 15, 1974, other than passengers between Long Beach and Avalon, and other than groups to and from Camp Fox and Camp Cherry Valley. Groups moving from and to Camp Cherry Valley utilize landing facilities at the Isthmus. These exclusions represent transportation authorized prior to Decision No. 83013. Exhibit 3 shows that the 10,067 additional passengers in Exhibit 4 transported pursuant to Decision No. 83013 (excluding subhaul passengers) generated \$33,140 revenue. In addition, applicant earned \$13,658 subhaul revenue. Additional operating expenses for the four vessels (from Exhibit 2) were \$28,848. This left \$17,950 net additional revenue before taxes which assertedly would not have been realized during the period had applicant not been authorized to perform the service pursuant to Decision No. 83013.

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3/ On cross-examination applicant's president confirmed that the operation has lost money for the last four years.

4/ According to the general manager, the revenue figures for both periods include subhaul revenue from Island Boat Service for transportation performed by applicant for that carrier between points along the coast of Santa Catalina. The passenger figures, however, do not include the numbers of passengers subhailed.

The 12 public witnesses<sup>5/</sup> testified concerning the additional scheduled and nonscheduled service of applicant,<sup>6/</sup> and each supported the application. Some of the organizations the witnesses represented have numerous groups, and some of the groups come from places throughout the United States. A number of the organizations require service throughout the year.

5/ The public witnesses called by applicant represented the following organizations:

<u>Name of Organization</u>	<u>Island Location</u>
Tocaloma Club (Catalina Island Girls Camp, and Catalina Island Boys Camp)	Empire Landing (near the Isthmus) and Howland Landing
University of Southern California, Marine Science Facility	Big Fisherman Cove (near the Isthmus)
Glendale Y.M.C.A.	Camp Fox
Los Angeles County Parks and Recreation Department	Isthmus and other points (41,000 acre recreation easement)
Angelus Girl Scout Council	White's Landing
San Gabriel Council, Boy Scouts of America	Cherry Cove (near the Isthmus)
Campus By The Sea	Gallager's Beach
Catalina Island School	Toyon Bay
Avalon Chamber of Commerce	Avalon
Fourth of July Yacht Club	Fourth of July Cove (near the Isthmus)
Isthmus Yacht Club	Isthmus
Catalina Cove & Camp Agency (represents Santa Catalina Island Company)	Isthmus

6/ During the summer of 1974 applicant provided scheduled and nonscheduled services to island points variously with the 110 passenger Cabrillo, the 149 passenger Eagle, the 500 passenger Long Beach Prince, and the 700 passenger Long Beach King. Prior to 1974 the Cabrillo was operated by Catalina Motor Cruisers, Inc. However, in June, 1974 the owner, Island Boat Service, leased it to Harbor Carriers, Inc.

Of the 12 public witnesses, nine represented organizations that used the additional service of applicant in 1974.<sup>7/</sup> They stated that applicant's additional services had been satisfactory and should be continued. There were nine witnesses who stated that the additional services of applicant in 1974 (principally scheduled service) either previously had not been available by other vessel carriers, or were an improvement over transportation available in 1973. In 1973 transportation was obtained by the organizations variously from Catalina Motor Cruisers, Inc.; from combination service via steamer from and to Avalon, and public or private shore boats beyond;<sup>8/</sup> by private power boats and sailboats directly from and to the mainland; and from amphibian aircraft. The record also shows that H-10 Water Taxi Co., Ltd., was utilized for some nonscheduled service to Howland Landing.

One public witness said that the services of Catalina Motor Cruisers, Inc., were basically satisfactory in 1973. There were four witnesses who stated that the services of Catalina Motor Cruisers, Inc., in 1973 were not satisfactory for their purposes. Vessels assertedly did not always leave or arrive on time due to mechanical problems or for other reasons. There were some delays of several

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<sup>7/</sup> The representative of the organization at Gallagher's Beach disclosed that passengers travelling to and from Gallagher's Beach by applicant's vessels in the summer of 1974 landed and departed from Toyon Bay, a short distance away. Assertedly the landing dock at Gallagher's Beach is too short for large vessels. However, it can handle the Cabrillo which is now operated by applicant.

<sup>8/</sup> There was testimony that the steamer (operated by MGRS) and the Blanche (operated by Island Boat Service) did not always connect at Avalon, causing delays at that point.

hours. One organization had trouble getting service arranged with that carrier in 1973. There were five witnesses who said that the services they needed either could not be arranged or would not be available from Catalina Motor Cruisers, Inc., in 1974. Ten witnesses stated that their organizations planned to use the services of applicant in 1975.

Catalina Motor Cruisers, Inc., provided nonscheduled service to White's Landing during the summer of 1974. The representative of the organization at that location recited various difficulties she had experienced with that carrier during that time. Off-season groups traveling from and to White's Landing were transported in chartered sailboats. Applicant's services were utilized very little to White's Landing in 1974; however, the representative testified that she planned to use applicant's services in 1975.

The representative of the Los Angeles County Parks and Recreation Department testified that his agency began to use the new services of applicant in 1974 and would continue to use them in the future. Increased recreational use plans of that department include nature study and environmental interpretation, and camping and hiking, including hiking to backpack camps throughout the island. That department has a 41,000-acre recreation easement on the island (80 percent of the land area), and present plans and programs contemplate continuation of low-cost scheduled service, especially to the Isthmus.

The operator of the Catalina Cove and Camp Agency at the Isthmus explained that his agency represents the Santa Catalina Island Company with respect to all cove leases, boat moorings, hunting operations, camping programs, and the landing card program. He said that all of the camps use a great deal of cross-channel transportation. He stated that in addition to large groups of people moving in

or out of a location on camp change day, transportation of small numbers of individuals in scheduled service during the summer months also is important for the various camps and yacht clubs. This includes individual workers who may want to leave the camps and coves on their day off, and need transportation. He confirmed that persons using boat moorings, of which there are over 800 located at points other than Avalon, also need transportation. He stated that the high cost of fuel for private boats emphasized the need for more transportation. He explained that formerly during the summer some private boats commuted every weekend, and that some of them consume up to 100 gallons of fuel to come to the island. In 1974 a number of persons were able to leave their boats at the island moorings and commute back and forth on applicant's boats. The witness stated that increased use of the various Catalina Island facilities will benefit the business of the agency. He asserted that 1973 was a particularly difficult year because there were many cancellations from camp groups because they could not get to the island due to shortage of vessel transportation, particularly in the early part of the year. He said that applicant's services were an important aid to activities on the island in 1974.

#### Protestants' Presentation

Protestants' attorney cross-examined applicant's witnesses. However, protestants presented no evidence of their ability to perform operations under their authority.

Through cross-examination and argument on brief protestants attempted to demonstrate that applicant's operating practices and rate-making procedures have resulted in rates which are unreasonably low for applicant and too low for protestants to meet, resulting in destructive competition. It is the position of protestants that

since applicant commenced operations in 1969 it has added more and larger vessels to its Long Beach operations until there is a surplus of transportation to Santa Catalina Island.<sup>9/</sup>

Protestants calculate from data in the record that the average fare collected for the additional service involved was \$1.78, one way, including revenue from subhauling and nonscheduled service at hourly rates. Protestants contend that this is below applicant's out of pocket costs.<sup>10/</sup> They point out that applicant's Long Beach division general manager utilized a system-wide average fare of \$3.50 or \$3.60 in his calculations in Exhibit 3.

Protestants assert that the additional service authorized by Decision No. 83013 sustained a net loss in the summer of 1974, instead of producing \$17,950 additional revenue as shown in Exhibit 3.

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<sup>9/</sup> Protestants referred to evidence presented by Harbor Carriers, Inc., in another proceeding which showed that for the period June 15 through July 15, 1974, it had 31,335 empty seats to the island and 32,756 from the island, etc. (Decision No. 84748 (1975), pages 11 and 12).

<sup>10/</sup> Out of pocket costs (variable costs) are those which vary with the volume of traffic handled (costs which would not exist without the movement being considered). They are frequently used by carriers as the basis for determining the amount above which a transportation service should be performed. Any rate which would not return out of pocket costs for a particular movement would be below a minimum reasonable level. Rates which return a carrier's out of pocket costs for a particular movement, plus net contributions above those costs, have been held to be reasonable rates because they help the carrier's overhead and do not burden other traffic. (SBD Transportation Co., et al v Pacific Southcoast Freight Bureau, et al, Decision No. 82645 (1974) and cases cited therein.) However, in the aggregate, a carrier's rate structure must also return all of the overhead and administrative costs (fixed costs), or the operation will lose money. This means that if some rates reflect little more than out of pocket costs, other rates must contribute more than full costs to make up the difference. Historically, railroads and other carriers have constructed rates in this manner. (ATSF Ry (1940) 43 CRC 25, pages 39 and 40.)



They contend that the subhaul revenue of \$13,658 should not have been included. They allege that under Decision No. 81850 applicant only needed to add the additional mileage from Avalon to Camp Fox once a week on one schedule, and to the Isthmus on two schedules once a week, whereas under the proposed operation applicant has obligated itself to run by way of the Isthmus on two schedules every day.

Protestants allege that applicant's Long Beach division consistently loses considerable sums. They state: (1) that applicant started its Long Beach operations in 1969 with approximately \$200,000 equity capital (citing Decision Nos. 76496 and 78291); (2) that in connection with Application No. 52863 (Decision Nos. 80478 and 81850) applicant showed a loss of \$253,403 in 1972 attributable to the Long Beach operations, and an equity capital of minus \$284,414; (3) that at Page 2 of Exhibit E of the current application (balance sheet for period ended December 31, 1973) there is shown an equity capital of minus \$1,003,738; (4) that the latter figure compared to the original capital of approximately \$200,000 represents a loss of approximately \$1,200,000 for the first four years of operation; (5) that in Exhibit 1 applicant should have used 100 percent of the administrative costs shown on Page 4, instead of 90 percent, resulting in a loss of \$61,066 instead of a net income of \$32,211; and (6) that based on Exhibit 1 it can be projected that applicant will have incurred another loss of \$100,000 by the end of 1974.

Protestants assert that there is insufficient basis in the record to grant the sought additional extension of scheduled and nonscheduled service, particularly with respect to Gallagher's Beach, Toyon Bay, and White's Landing. They also assert that certain flag stops made by applicant in connection with its interim scheduled service actually constituted nonscheduled service which protestants are authorized to perform. Protestants contend that tariff publication of certain fares for groups of 50, off season, is not in conformity with applicant's certificate.

Protestants allege that the four-trip group fare of \$4.00 that applicant published to and from Camp Fox, Gallagher's Beach, Toyon Bay, and White's Landing is unreasonable and discriminatory in violation of Sections 451 and 453 of the Public Utilities Code, and is in violation of the long-and short-haul prohibition of Section 460. They point out that the \$4.00 group fare is less than the group fares to Avalon of \$7.65 and \$6.50.

Discussion

Applicant's certificate requires it to provide passenger service between the Port of Long Beach and Avalon, daily, throughout the year. On the triangle run, which also includes Gallagher's Beach, Toyon Bay, White's Landing, Camp Fox, and the Isthmus, service is performed either directly or via Avalon on vessels operating on scheduled runs between Long Beach and Avalon. Every scheduled run therefore makes a stop at Avalon.

Applicant and the two protestants are the only vessel carriers that provide scheduled passenger service between mainland ports in Los Angeles County and Avalon. Only applicant provides scheduled service to island points, other than Avalon. These three carriers also provide nonscheduled service to points on Santa Catalina Island. The record shows that early in 1973 there was a shortage of vessels to serve island points, other than Avalon. The record also shows that in 1974 in some instances the nonscheduled services of Catalina Motor Cruisers, Inc., were either inadequate or unsatisfactory. Following Decisions Nos. 81850 and 83013, applicant was in a position to provide scheduled and nonscheduled service to the additional points involved.

This record does not disclose that the number of vessel runs or the vessel times utilized to develop costs in Exhibit 3 for applicants additional services are understated. It is applicant's obligation to operate the number of vessels or runs necessary to provide adequate daily service to Avalon, and to determine how many of those runs should be extended to include service to the other points on the triangle route.

We conclude that the subhaul revenue of \$13,658 was properly included in Exhibit 3. The island shoreline leg of applicant's triangle operations parallels the route of Island Boat Service between Avalon and the Isthmus. The subhaul revenue was transportation revenue applicant could not have earned if it had not been authorized to provide transportation from and to points along the island shoreline in accordance with its cross-channel certificate. In any event, Exhibit 3 shows that without the subhaul revenue, the four categories of rates published for the additional cross-channel services performed pursuant to Decision No. 83013 produced in the aggregate \$4,292 net additional revenue for the period July 1, 1974, through September 15, 1974. However, Exhibit 3 does not show whether each one of the four categories of rates produced revenue above out of pocket costs during the three summer months involved. Neither does the exhibit show whether the additional services authorized on an interim basis by Decision No. 83013 produce revenue above out-of-pocket costs to the extent they are performed on a year-round basis.

The issues raised by protestants with respect to overall losses sustained by applicant from its Long Beach division relate to Exhibit 1 and the oral testimony pertaining to it. The exhibit shows a net overall loss of \$32,211 for the first eight months of 1974.<sup>11/</sup> This included what were purported to be the three highest revenue producing months of the year, as well as revenue from the interim service authorized by Decision No. 83013. We must agree with protestants that this is a highly undesirable situation. It is detrimental to applicant, and if the loss is caused by some or all of applicant's rates being too low, it is detrimental to the competing protestants as well.

Item 110 of applicant's Local Passenger Tariff No. 13 shows that adult fares, adult group fares (subject to Item 115) and children's fares for the interim service are the same from Long Beach to all island points, including Avalon. Item 110 also shows that 4-trip adult group fares (subject to Item 118) are the same (\$4) from Long Beach to Callager's Beach, Toyon Bay, White's Landing, and Camp Fox. The comparable group fare to the Isthmus is \$4.25. Item 119 of the tariff provides hourly rates for nonscheduled service which are the same, regardless of the island points served. The loss shown in Exhibit 1 relates to the entire Long Beach operation, and the source or sources of the loss cannot be ascertained from this record. However, applicant should be directed to take steps to determine whether there are any operating changes which can be made or other efficiencies which can be realized to overcome the losses, or whether authority should be sought to increase some or all of its rates.

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11/ Exhibit 1 reflects a net overall loss utilizing either 90 or 100 percent of the administrative costs shown on Page 4 of Exhibit 1. Although the record is not entirely clear on the point, we will accept the 90 percent figure in the exhibit as representing those administrative costs applicable to public utility operations.

We do not agree with protestants that the record shows that some of applicant's rates are unjust, unreasonable, or discriminatory, in violation of Sections 451 and 453 of the Public Utilities Code. To be unlawfully discriminatory the preference must be unjust and undue. (Scott Lbr. Co. v ATSF Ry. Co. (1947) 47 CPUC 593; Reduced Rates on Cement (1951) 50 CPUC 622; Reduced Rates on Cement (1939) 42 CRC 92.) Protestants have not demonstrated that any of applicant's rates are unlawfully discriminatory to any person or corporation, or that any unreasonable difference in rates or charges exists either as between localities or between classes of service, within the meaning of Section 453.

We agree with protestants that certain group fares maintained by applicant for off-season service are not in conformity with the requirement in its certificate for a minimum of 100 round trip fares. Applicant will be directed to amend its tariff or, in the alternate, to seek authority to amend its certificate.

Sections 460 and 461.5<sup>12/</sup> of the Public Utilities Code provide, among other things, that it shall be unlawful for a transportation company to charge or receive any greater compensation in the aggregate for the transportation of passengers for a shorter than for a longer distance over the same line on route in the same direction, the shorter being included within the longer distance. Those sections also provide that upon application to the Commission such company may, in special cases, after investigation, be authorized to charge less for longer than for shorter distances, etc. The \$4

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<sup>12/</sup> Section 461.5 was added to the Public Utilities Code in 1974 upon repeal of Article XII, Section 21 of the California Constitution, referred to by protestants.

group rate from Long Beach to Camp Fox, <sup>13/</sup> Gallagher's Beach, Toyon Bay, and White's Landing is less than the group rate of \$7.65 and \$6.50 which apply to all points (including Avalon), and is less than the group rate of \$4.25 to the Isthmus. Currently, the group rates of \$7.65 and \$6.50 are subject to different conditions than the group rates of \$4 and \$4.25. However, passengers can pay a higher rate to Avalon than to the other points under the same or similar conditions.

Avalon and the Isthmus are located near opposite ends of the island, and the points where the lesser group rate applies are located in between. This means that there are long-and short-haul rate situations, regardless of the direction of the route of movement. Applicant has existing long- and short-haul relief to Camp Fox and the Isthmus, via Avalon.<sup>14/</sup> Applicant has not sought additional relief. Based on this record we are not satisfied that relief to the additional points involved, via the Isthmus, is a desirable way to dispose of the problem. We see no reasonable basis for continuing the group rate to points between Avalon and the Isthmus at a level 25 cents less than the group rate to the Isthmus. In view of applicant's overall losses we do not feel that the group rate to the Isthmus should be lowered. Accordingly, we will authorize applicant to increase the \$4.00 group rate to all points to which it applies to \$4.25, and extend the long- and short-haul relief in Decision No. 81850, via Avalon, to include Gallagher's Beach, Toyon Bay, and White's Landing. By this action it is not to be construed that we find on this record that the \$4.25 group rate is reasonably compensatory, nor that the differences between the group rates to Avalon and the other points are reasonable differences.

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<sup>13/</sup> Initially applicant filed a group rate of \$4.25 to Camp Fox for service authorized by Decision No. 81850. The rate subsequently was reduced to \$4 and extended to the other three points for service authorized by Decision No. 83013.

<sup>14/</sup> Third ordering paragraph of Decision No. 81850.

The record shows that during the summer of 1974 applicant, at times, made stops at some of the points on its triangle route only when it had been informed in advance that there was one or more passengers to pick up (flag stops). We reject protestants' argument that this was not part of scheduled service. Clearly, any stop made by applicant at an authorized point on a regularly scheduled run to or from Avalon was part of scheduled service. It would be uneconomic to require a vessel carrier providing scheduled service to make a stop at every point along a route on every run unless there was some assurance that there would be passengers to serve.

With respect to Gallagher's Beach the record shows that applicant transported passengers scheduled to and from that point. For operating reasons it handled the passengers over the dock at Toyon Bay. The record shows that the Cabrillo has brought passengers to Gallagher's Beach in the past. There is nothing in the record to show that it could not do so in the future. Applicant also transported passengers from and to Toyon Bay relative to the school facility at that location. There is no justification on this record for removing Gallagher's Beach or Toyon Bay as points to be served by applicant.

Applicant performed some (very little) transportation to White's Landing in 1974. The record shows, however, that the representative of the organization at that point plans to use applicant's services in 1975, and that those services are needed.

The record shows that applicant provided service (either scheduled or nonscheduled) to each of the points for which additional interim authority was granted by Decision No. 83013. The services applicant performed were needed and were satisfactory. Applicant has demonstrated its ability to perform the additional services, and has shown that those services will be needed in the future.

Findings

1. By Decision No. 83013 applicant was granted interim authority to provide the additional scheduled and nonscheduled services sought in Application No. 54862, as amended, between Long Beach and points on Santa Catalina Island, subject to final determination after public hearing.
2. Applicant has published fares for scheduled and nonscheduled services in its Local Passenger Tariff No. 13, Cal. PUC No. 1, which apply to the transportation identified in Finding 1.
3. Applicant is the only vessel common carrier that provides scheduled service between Long Beach or San Pedro and points on Santa Catalina Island, other than Avalon.
4. Scheduled services applicant provided in the summer of 1974 pursuant to Decision No. 83013 were generally more satisfactory and less expensive to patrons than transportation services available prior to 1974.
5. The record shows that applicant has the ability to perform the additional services identified in Finding 1, and that those services will be needed in the future.
6. The record shows that Catalina Motor Cruisers, Inc., provided nonscheduled service to White's Landing in the summer of 1974. Otherwise, the record shows that services of protestants to and from points on Santa Catalina Island, other than Avalon, during the first eight months of 1974, were generally unavailable.
7. There is no evidence in this record to find that applicant's proposed service would impair an existing service of a protestant.



8. The record shows that public convenience and necessity require that the interim authority granted by Decision No. 83013 be made permanent.

9. Rates published and assessed by applicant for the additional services identified in Finding 1 produced in the aggregate, net contributions above the variable or out-of-pocket costs of performing those services for the period July 1 through September 15, 1974.

10. Exhibit 1 shows that the operations of applicant's Long Beach division, including the additional operations conducted under Decision No. 83013, were conducted at an overall net loss for the first eight months of 1974.

11. Applicant should be directed to file with this Commission a financial report similar to Exhibit 1 in this proceeding, showing the overall results of operations of its Long Beach division for the first eight months of 1975. In the event said report shows a net overall loss, applicant should be directed to furnish a written report setting forth plans necessary to substantially improve the financial operating results of its Long Beach division in the future.

12. Applicant should be directed to increase the four-trip adult group fare in Item 110 of its Local Passenger Tariff No. 13 between Long Beach and Camp Fox, Gallagher's Beach, Toyon Bay, and White's Landing, from \$4.00 to \$4.25 for the purpose of eliminating the long- and short-haul situation that exists in connection with the \$4.25 fare between Long Beach and the Isthmus.

13. Applicant should be directed to bring Items 110 and 115 of its Local Passenger Tariff 13, Cal PUC No. 1 into conformity with provisions of its certificate which require that for service between Long Beach and points other than 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., or in the alternative, to seek authority to amend its certificate.

It is concluded that public convenience and necessity require that the interim authority granted by Decision No. 83013 be made permanent, subject to the conditions specified in the order which follows.

O R D E R

IT IS ORDERED that:

1. The operating authority granted Harbor Carriers, Inc., on an interim basis by Decision No. 83013 shall be made permanent within three months after the effective date of this order, subject to the following conditions:

- (a) Applicant is ordered to file with this Commission the report or reports concerning the overall results of operations of its Long Beach division as specified in Finding 11.
- (b) Applicant is authorized and directed to increase the four-trip adult group fare in Item 110 of its Local Passenger Tariff No. 13 between Long Beach and Camp Fox, Gallagher's Beach, Toyon Bay, and White's Landing from \$4.00 to \$4.25.
- (c) Applicant is ordered to bring its tariff and certificate into conformity as specified in Finding 13.


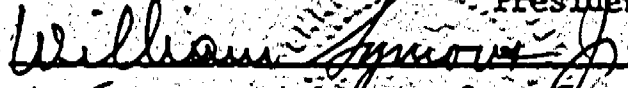
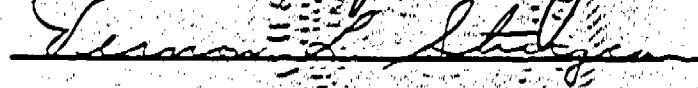

2. Applicant is authorized to depart from the long- and short haul provisions of Sections 460 and 461.5 of the Public Utilities Code with respect to the four-trip adult group fares between Long Beach and Gallagher's Beach, Toyon Bay, White's Landing, and Camp Fox, via Avalon.

3. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than ten days after the effective date hereof, on not less than ten days' notice to the Commission and to the public.

4. To the extent not granted herein Application No. 54862, as amended, is denied.

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

Dated at San Francisco, California, this 21st  
day of OCTOBER, 1975.

  
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President  
  
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Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.