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Decision No. _____86184_____

In the Matter of the Application of)
HARBOR CARRIERS, INC., a corporation)   ORIGINAL
for authorization to transfer and of)
H. TOURIST, INC., a corporation, for)   Application No. 56577
authorization to acquire a Certificate)   (Filed June 23, 1976)
of Public Convenience and Necessity,)
authorizing operation as a common)
carrier of passengers by vessel)
between San Pedro, on the one hand,)
and, on the other, named points on)
Santa Catalina Island)

O P I N I O N

By Decisions 85938 and 85972 in Application 55715, Harbor
Carriers, Inc., was authorized to extend its Certificate of Public
Convenience and Necessity as a vessel common carrier to transport
passengers and their baggage on a scheduled and non-scheduled
service between the Port of Los Angeles (San Pedro) and certain
points on Santa Catalina Island.

In this application Harbor Carriers, Inc., hereinafter
referred to as transferor, requests authority to transfer the
operations between Port of Los Angeles and Santa Catalina Island,
as set forth in Appendix B of Decision 82560 as amended by
Decision 85938, to H. Tourist, Inc., hereinafter referred to
as transferee.

Transferor presently provides transportation service
by vessel common carrier between the Port of Long Beach and
certain points on Santa Catalina Island, in addition to San
Francisco Bay operations.

Transferee proposes to use several vessels, one of which
is the LONG BEACH PRINCE. Transferee, as a wholly-owned subsidiary
of The Harbor Tug and Barge Company, has access to the same
facilities, financial assistance and experienced personnel as its
transferor, Harbor Carriers, Inc.

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The consideration for the proposed transfer is to be the payment by transferee to transferor of the sum of one dollar ($1.00) upon the consummation of the transfer.

The Commission has received a letter of protest dated June 24, 1976 from Counsel for Catalina Motor Cruisers, Inc. and M.G.R.S., Inc. which alleges that the transferee has not filed Articles of Incorporation with this Commission or a financial statement and a projected profit and loss statement. Counsel also pointed out that his clients filed a Petition for Rehearing in Application 55715 on June 16, 1976 specifying certain errors in Decision 85938.

The transferor and transferee are both subsidiaries of The Harbor Tug and Barge Company. The President of the transferor will also be the President of the transferee. The transferor and transferee verify that H. Tourist, Inc., will have the same access to facilities, financial assistance and experienced personnel as Harbor Carriers, Inc. In this instance, transferee's financial condition, and the projected profit and loss statement for the subject operation would be similar to that of the transferor. The Commission will require the transferee to file its Articles of Incorporation with the Commission.

The other issues raised in the protest are also included in the Petition for Rehearing filed regarding Decision 85938 and were   considered in the Commission's review of that Petition. *

The application was listed on the Commission's Daily Calendar of June 24, 1976. The Commission's Transportation Division staff has reviewed the application and recommends that it be granted by ex parte order. A public hearing at this time is not necessary.

After consideration, the Commission finds that the proposed transfer would not be adverse to the public interest and concludes that it should be authorized.

*The Petition for Rehearing was denied by Decision 86182 dated July 27, 1976.

The order which follows will provide for, in the event the transfer is completed, the partial revocation of the certificate presently held by Harbor Carriers, Inc., and the issuance of a certificate in appendix form to H. Tourist, Inc.

H. Tourist, 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.

O R D E R

IT IS ORDERED that:

1. On or before September 1, 1976, Harbor Carriers, Inc. may sell and transfer the operative rights referred to in the application to the transferee, H. Tourist, Inc.

2. Within thirty days after the transfer, the transferee shall file with the Commission written acceptance of the certificate and a true copy of the Articles of Incorporation and bill of sale or other instrument of transfer.

3. Transferee and transferor shall amend or reissue the tariffs and timetables on file with the Commission, naming rates and rules governing the common carrier operations transferred to show that they have adopted or established, as their own, the rates and rules. The tariff and timetable filings shall be made effective not earlier than one day after the effective date of this order on not less than one day's notice to the Commission and the public, and the effective date of the tariff and timetable filings shall be concurrent with the transfer. The tariff and timetable filings made pursuant to this order shall comply in all

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respects with the regulations governing the construction and filing
of tariffs and timetables set forth in the Commission's General
Orders 87 and 117. Failure to comply with the provisions of General
Orders 87 and 117 may result in a cancellation of the operating
authority granted by this decision.

4. In the event the transfer authorized in Paragraph 1 is
completed, effective concurrently with the effective date of the
tariff filings required by Paragraph 3, a Certificate of Public
Convenience and Necessity is granted to H. Tourist, Inc.,
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 set forth in Appendix A, attached hereto and made a
part hereof.

5. The Certificate of Public Convenience and Necessity granted
to Harbor Carriers, Inc., to operate as a common carrier by vessel,
as defined in Sections 211(b) and 238 of the Public Utilities Code,
between the points set forth in Appendix B of Decision 82560 as
amended by Decision 85938 is further amended by incorporating First
Revised Page 3 in revision of Original Page 3.

6. Transferee shall comply with the safety requirements of
the United States Coast Guard and insurance requirements of the
Commission's General Order 111-B.

7. 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
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.

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

       Dated at _____ San Francisco _____, California, this _____ 3rd _____ day of _____ AUGUST _____, 1976.

_____
President

_____
William Symons Jr.

_____
Vernon L. Sturgeon

_____
Leonard Ross

_____
Commissioners

Commissioner Robert Batinovich, being
necessarily absent, did not participate
in the disposition of this proceeding.

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Appendix A

H. Tourist, Inc.
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Port of Los Angeles (San Pedro) Operations

H. Tourist, Inc., doing business as Catalina Island Cruises, 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**
Between the Port of Los Angeles, on the one hand, and the following points in Santa Catalina Island, on the other hand:
   1. Avalon, 2. Gallager's Beach, 3. Toyon Bay,
   4. White's Landing, 5. Camp Fox, 6. The Isthmus,
   7. Howland Landing.

Restrictions, Limitations, and Specifications:

   (a) All vessels departing San Pedro for Avalon
        in scheduled service shall make a stop at one
        or more of the other points listed above on
        either the outbound or return trip.

   (b) Whenever the steamship Catalina is operated in
        scheduled service between June 1 and September 30
        of each year, no vessel operated by H. Tourist, Inc.
        shall be scheduled to depart from San Pedro directly
        for Avalon, or depart from Avalon directly for
        San Pedro, less than one hour before, or less than
        one-half hour after the steamship Catalina is scheduled
        to depart from the same port.

II. **Nonscheduled Service**
Between Port of Los Angeles, on the one hand, and the following points in Santa Catalina Island, on the other hand:
   1. Avalon, 2. Gallager's Beach, 3. Toyon Bay,
   4. White's Landing, 5. Camp Fox, 6. The Isthmus,
   7. Howland Landing.

Issued by California Public Utilities Commission.

Decision No. _____ 86184 _____, Application No. 56577.

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Appendix B
(D. 82560)

HARBOR CARRIERS, INC.

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