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Decision 91-10-034 October 23, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CATALINA  
CHANNEL EXPRESS, INC.,  
a California corporation  
(VCC-52) for a Certificate  
of Public Convenience and  
Necessity authorizing the  
transportation of  
passengers and baggage  
by vessel between any  
points on and along the  
shoreline of Long Beach/  
Los Angeles Harbor.

ORIGINAL

Application 91-06-062  
(Filed June 28, 1991)

OPINION

Applicant Catalina Channel Express, Inc. (Catalina) seeks authority pursuant to § 1007 of the Public Utilities (PU) Code to establish common carrier service by vessel, transporting persons and their baggage between points along the shoreline of Long Beach/Los Angeles Harbor, on a scheduled basis. Catalina intends to initiate service under the requested authority by establishing scheduled service between the Shoreline Harbor Marina in Long Beach and the RMS Queen Mary in Long Beach. The application is uncontested. We herein grant Catalina the authority it requests to the extent of authorizing it to operate scheduled service between the specific points identified in its Application.<sup>1</sup>

Catalina is a California corporation with its principal place of business in San Pedro, California. It is a common carrier by vessel (VCC-52) and is authorized to transport passengers and

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<sup>1</sup> If Catalina wishes to serve additional points not specifically identified, it may apply to amend its certificate.

their baggage in scheduled service between Berth 95-96 in Los Angeles Harbor, San Pedro, and Redondo Beach, on the one hand, and certain points on Santa Catalina Island, on the other hand, and between Long Beach and Dana Point, on the one hand, and Avalon on Santa Catalina Island, on the other. Catalina is also authorized to transport passengers and their baggage in non-scheduled (charter) service between Los Angeles Harbor, San Pedro, and Long Beach, and Catalina Island. It initially received its certificate in 1981 pursuant to Decision 93921 (July 7, 1981).

Catalina seeks authority to operate scheduled service transporting persons and their baggage between Shoreline Harbor Marina in Long Beach and the RMS Queen Mary. The latter is a permanently moored ocean liner which contains hotel, restaurant, and retail facilities. The RMS Queen Mary is immediately proximate to another major tourist attraction, the "Spruce Goose" amphibious aircraft display. Both of these attractions are located across the Long Beach Inner Harbor from downtown Long Beach.

There is presently no direct vessel service between Shoreline Harbor Marina, the terminus of Catalina's proposed service, and the RMS Queen Mary. Catalina states that it has received "numerous requests" for such service, and its Application includes a supporting letter from the Long Beach Area Convention and Visitors Council (Exhibit H). Currently, the only way visitors can reach the two attractions across the harbor is by motor vehicle.

Catalina proposes to establish a so-called water taxi service between the Shoreline Harbor Marina and the RMS Queen Mary, and has already executed a written permit agreement for such

service with the City of Long Beach.<sup>2</sup> This service would enable pedestrians in the downtown Long Beach/Shoreline Harbor Marina area to visit the major Long Beach visitor attractions without the need for an automobile.<sup>3</sup> Likewise, this service would enable Queen Mary Hotel guests to visit downtown Long Beach and the Shoreline Harbor Marina as pedestrians. Catalina asserts that the proposed service would reduce automobile travel between the points to be served, and thereby reduce traffic congestion, air pollution, and the need for parking facilities. We have no reason to disbelieve these claims.

Catalina's permit agreement with the City of Long Beach provides for use of City-owned docking facilities at Shoreline Harbor Marina. Catalina also has a license agreement with WCO Port Properties, Ltd., operator of the RMS Queen Mary properties. Catalina currently operates a water taxi service between these points using a craft under the burden of five tons net register, which is not a "vessel" within the meaning of PU Code § 238(a). Catalina now requires the Commission's authority to operate a larger vessel which is soon to be (or already has been) delivered.

Although Catalina's pro forma statement of revenues and expenses for the first twelve months of operations projects a before-tax loss of \$10,783 on total anticipated water taxi and

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2 Paragraph 3 of that agreement defines "water taxi service" as, "waterborne, point to point, and excursion passenger surface transportation." Paragraph 4(a) specifically requires that the service be operated at regularly scheduled times on an hourly basis during specified hours of operation. Use of the term "water taxi" may be somewhat misleading, for an on-call service is not contemplated by this application.

3 Downtown Long Beach is the terminus of the recently-opened "Blue Line" light rail facility, which connects Long Beach with downtown Los Angeles, the hub of a growing regional light and rail and rapid rail network.

harbor tour revenues of \$132,125, its December 31, 1990 balance sheet demonstrates that it has sufficient current assets to absorb this first-year deficit. Thus, Catalina has the financial ability to provide the service.

There is a demonstrable public need for the proposed service, which can reasonably be expected to be environmentally beneficial. Accordingly, the Commission grants the requested authority in accordance with the terms and conditions of the Order. In view of the clear public benefit which the service will afford and the imminent delivery of Catalina's new vessel, the Order should be effective immediately.

#### Findings of Fact

1. Catalina is a common carrier by vessel with existing authority to carry passengers and their baggage between points other than those which are the subject of this application.

2. Catalina is experienced as a common carrier by vessel between points on and along the shoreline of Long Beach/Los Angeles Harbor.

3. Catalina presently has equipment and financial resources sufficient to operate the scheduled common carrier service by vessel which is the subject to this application.

4. Notice of Catalina's application herein was duly published in the Commission's Daily Calendar and the Daily Transportation Calendar. No protests have been filed.

5. Public convenience and necessity require the operation of vessels for compensation between points at or near the Shoreline Harbor Marina and the RMS Queen Mary as set forth in Catalina's Application.

#### Conclusions of Law

1. Catalina should be granted an amendment to its CPCN to authorize it to operate scheduled common carrier service by vessel, transporting persons and their baggage on a scheduled basis between

Shoreline Harbor Marina and the RMS Queen Mary on Long Beach Harbor pursuant to the terms and conditions of the Order herein.

2. The authority granted in the Order should be effective immediately because of the overriding public policy favoring Catalina's application, and the imminent delivery of its vessel.

ORDER

IT IS ORDERED that:

1. The certificate of public convenience and necessity granted to Catalina Channel Express, Inc., a corporation, authorizing it to operate as a common carrier by vessel, to transport passengers and baggage, as defined in PU Code §§ 211(b) and 238, between the points and over the routes set forth in Appendix A of Decision 93291, as amended, is further amended by adding Original Page 4 and replacing Fifth Revised Pages 1 and 2, and First Revised Page 3, with Sixth Revised Pages 1 and 2, and Second Revised Page 3.

2. Applicant shall:

- a. File with the Transportation Division written acceptance of this amendment within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this order is effective, if it has not already done so.
- c. State in its tariffs and timetables when service will start or has started.
- d. Comply with General Orders Series 87, 104, 111, and 117.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.
- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.

3. Applicant shall comply with all the rules, regulations, and requirements of the United States Coast Guard, including applicable Vessel Traffic System requirements, in the operation of the services authorized in paragraph 1.

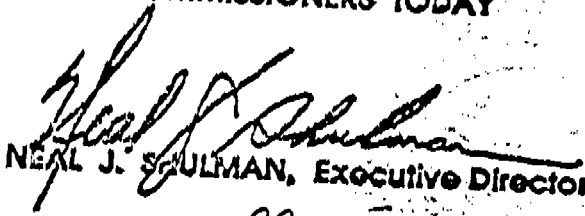
This order closes this proceeding.

This order is effective today.

Dated October 23, 1991, at San Francisco, California.

PATRICIA M. ECKERT  
President  
JOHN B. OHANIAN  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
NEAL J. SCHULMAN, Executive Director

PC

Appendix A  
(D.93291)

CATALINA CHANNEL  
EXPRESS, INC.  
(a California corporation)

Sixth Revised Page 1  
Cancels  
Fifth Revised Page 1

\*SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS, AND SPECIFICATIONS.

Catalina Channel Express, Inc., a California corporation, by this certificate of public convenience and necessity, is authorized to conduct common carriage by vessels, for the transportation of passengers and their baggage between the points as described in Sections II and III, and subject to the following provisions:

- a. No vessel shall be operated unless it has met all applicable safety requirements, including those of the United States Coast Guard.
- b. Nonscheduled service shall be operated on an "on-call" basis. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.

Issued by California Public Utilities Commission.

\*Revised by Decision 91-10-034, Application 91-03-053.

Appendix A  
(D.93291)

CATALINA CHANNEL  
EXPRESS, INC.  
(a California corporation)

Sixth Revised Page 2  
Cancels  
Fifth Revised Page 2

\*SECTION II. Scheduled Service

\*Long Beach/ Los Angeles Harbor

- A. Between any points on and along the shoreline of Long Beach/Los Angeles Harbor.

Los Angeles Harbor - Avalon, Santa Catalina Island

- B. Between Berth 95-96 in the Los Angeles Harbor, on the one hand, and Avalon, Santa Catalina Island, on the other hand, subject to the following conditions:

1. One schedule will be operated daily at 4:30 p.m. from Berth 95-96 in the Los Angeles Harbor to Avalon, Santa Catalina Island.
2. No schedule will be operated from Berth 95-96 in the Los Angeles Harbor to Avalon, Santa Catalina Island with a departure time within one-half hour before or after the scheduled departures of H. Tourist, Inc. on file with this Commission on June 18, 1981.

Los Angeles Harbor - Two Harbors, Santa Catalina Island

- C. Between Berth 95-96 in the Los Angeles Harbor, on the one hand, and Two Harbors, Santa Catalina Island, on the other hand, subject to the following conditions:

A minimum of one round-trip schedule per day for a minimum of five days per week will be operated throughout the year.

Issued by California Public Utilities Commission.

\*Revised by Decision 91-10-034, Application 91-03-053.



\*SECTION II. Scheduled Service (Continued)

Redondo Beach - Avalon, Santa Catalina Island

- D. Between Redondo Beach, on the one hand, and Avalon, Santa Catalina Island, on the other hand, subject to the following conditions:

A minimum of one round-trip schedule per day will be operated daily between June 15 and September 15. Schedules may be operated on other dates at the carrier's discretion as demand may indicate.

Redondo Beach - Two Harbors, Santa Catalina Island

- E. Between Redondo Beach, on the one hand, and Two Harbors, Santa Catalina Island, on the other hand, subject to the following conditions:

A minimum of two round-trip schedules per week will be operated between June 15 and September 15. Schedules may be operated on other dates at the carrier's discretion as demand may indicate.

Long Beach/Dana Point - Avalon, Santa Catalina Island

- F. Between the Queen Mary landing in Long Beach and Dana Point Harbor, on the one hand, and Avalon, Santa Catalina Island, on the other hand.

- a. A minimum of one round-trip per day shall be operated throughout the year between Long Beach and Avalon, and between Dana Point and Avalon.
- b. The authorized service shall be provided with vessels which cruise at a minimum speed of 30 knots.

Issued by California Public Utilities Commission.

\*Revised by Decision 91-10-034, Application 91-03-053.

T/MM

Appendix A  
(D.93291)

CATALINA CHANNEL  
EXPRESS, INC.  
(a California corporation)

Original Page 4

\*SECTION III. Nonscheduled Service

Between Berth 95-96 in the Los Angeles Harbor and the Queen Mary landing in Long Beach, on the one hand, and all points on Santa Catalina Island, on the other hand.

Issued by California Public Utilities Commission.

\*Revised by Decision 91-10-034, Application 91-03-053.