

T/ctb

Decision 83 07 033 JUL 20 1983

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of )  
 AMERICAN HAWAII CRUISES, a joint ven- )  
 ture owned by American Hawaii Cruises, )  
 Inc. and American Global Line, Inc., )  
 for the issuance, pursuant to Section )  
 1007 of the Public Utilities Code, of )  
 a temporary and permanent certificate )  
 of Public Convenience and Necessity )  
 to operate a vessel for the trans- )  
 portation of passengers from )  
 Los Angeles to San Francisco, and )  
 to establish rates for said service. )

Application 82-05-68  
 (Filed May 28, 1982;  
 amended April 22, 1983)

O P I N I O N

Applicant American Hawaii Cruises (AHC) is a joint venture owned by American Hawaii Cruises, Inc. and American Global Line, Inc.. Under Public Utilities Code Section 1007, AHC seeks a certificate of public convenience and necessity as a vessel common carrier to transport passengers and their baggage between the Port of Los Angeles/Long Beach and the Port of San Francisco. By Commission Decision 82-08-046, applicant was granted a temporary certificate to conduct one such voyage on a trial basis in 1982.

AHC's proposed service would be part of a cruise from Honolulu to the West Coast of the United States and back to Honolulu. A trial voyage in 1982 proved successful, and as a result applicant intends to make at least two such voyages each year, and to sell separate tickets for each leg of the voyage. The segment between Los Angeles/Long Beach and San Francisco will take about 21 hours. Tickets for the overnight trip between the two ports will cost \$99, regardless of the type of accommodation, and will be sold on a space available basis.

Applicant points out that its service between Los Angeles and San Francisco is not so much a passenger transport service as a luxury cruise service. The object is less to transport passengers from one city to the other and more to give them a brief experience on a luxury cruise liner. AHC thus does not expect to draw passengers away from more rapid, more frequent, and less expensive plane, train, and bus service between San Francisco and Los Angeles. AHC may, however, compete to some extent with a service operated by Delta Steamship Lines, Inc. (Delta), which operates cargo ships from the United States to South America. These vessels are equipped to carry up to 100 passengers, and they carry passengers between Los Angeles and San Francisco on a space available basis. Neither Delta nor any other party has protested AHC's application for a permanent certificate. Notice of the amended application appeared in the Commission's Transportation Calendar dated April 27, 1983.

AHC proposes to provide the service with two vessels, the 750-passenger "Independence" and the 800-passenger "Constitution". It will offer a minimum of two voyages per year, with the first of these planned for August 1983. It will increase the number of annual voyages if the demand justifies it. AHC has the requisite Federal Maritime Commission authorization to operate these vessels on the proposed voyages.

#### Findings of Fact

1. AHC seeks permanent authority under Public Utilities Code Section 1007 to conduct vessel common carrier operations for the transportation of passengers and their baggage from the Port of Los Angeles/Long Beach to the Port of San Francisco in connection with its cruises between Hawaii and the mainland United States.

2. AHC plans a minimum of two voyages per year, after finding that a single voyage made in 1982 on a temporary certificate was successful.

3. AHC plans to sell tickets for the voyage between Los Angeles and San Francisco for \$99 on a space available basis.

4. Applicant has the ability, equipment, and financial resources to provide such service.

5. No protests against AHC's application for permanent authority have been received.

6. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

#### Conclusions of Law

1. Public convenience and necessity have been demonstrated and the application for permanent authority should be granted.

2. A public hearing is not necessary.

3. Since there is an immediate public need for the service, the order should be effective today.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

#### O R D E R

IT IS ORDERED that:

1. A permanent certificate of public convenience and necessity is granted to American Hawaii Cruises, a joint venture owned by American Hawaii Cruises, Inc. and American Global Line, Inc., authorizing it to operate as a common carrier by vessel, as defined in Public Utilities Code Sections 211(b) and 238, between the points and over the routes set forth in Appendix A, to transport persons and baggage.

2. Applicant shall:

- a. File with the Transportation Division written acceptance of this certificate within 30 days after this order is effective.
- b. State in its tariffs and timetables when service will start; allow at least 5 days' notice to the Commission; and make timetables and tariffs effective 5 or more days after this order is effective.
- c. Comply with General Orders Series 87, 104, 111, and 117.

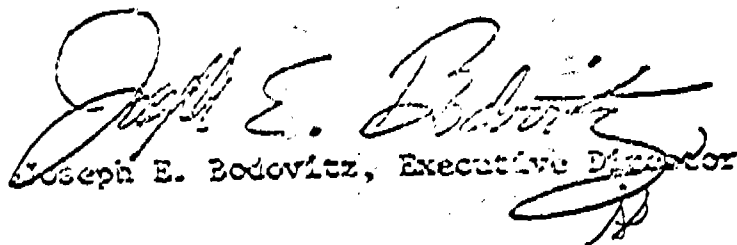
This order is effective today.

Dated JUL 20 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. CREW  
DONALD VIAL  
WILLIAM T. BAGLEY  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director

T/ctb

Appendix A  
(D.82-08-046)

AMERICAN HAWAII CRUISES  
(A Joint Venture)

First Revised Title Page  
Replaces  
Original Title Page

CERTIFICATE  
OF  
PUBLIC CONVENIENCE AND NECESSITY  
AS A VESSEL COMMON CARRIER  
VCC-54

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

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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.

Issued under authority of Decision JUL 20 1983, dated  
83 07 033, of the Public Utilities Commission of the  
State of California, in Application 82-05-68.

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Appendix A  
(D.82-08-046)

AMERICAN HAWAII CRUISES  
(A Joint Venture)  
VCC-54

First Revised Page 1  
Replaces  
Original Page 1

American Hawaii Cruises, a joint venture owned by American Hawaii Cruises, Inc. and American Global Line, Inc. is authorized by this certificate of public convenience and necessity to transport passengers and their baggage by vessel common carrier between the Port of Los Angeles/Long Beach and the Port of San Francisco.

The transportation of local traffic will be conducted on space available basis in connection with trans-Pacific cruises.

Issued by California Public Utilities Commission.

Decision 83 67 333, Application 82-05-68.