

ORIGINAL

Decision No. 88141 NOV 22 1977

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of MURPHY TUGBOAT COMPANY)
 and CALIFORNIA LAUNCH SERVICE CORP.)
 for Authority for the Former to Transfer)
 Its Water Vessel Common Carrier)
 Certificate and to Assign Its Vessel)
 Charter to the Latter, for Authority)
 for CALIFORNIA LAUNCH SERVICE CORP. to)
 issue 30,000 Shares of Its Common Stock,)
 and for Authority for WILLAMETTE-)
 WESTERN CORPORATION to Acquire Control)
 of CALIFORNIA LAUNCH SERVICE CORP.)

Application No. 57467
(Filed July 21, 1977)

O P I N I O N

By Decision No. 85191 in Application No. 55590, Murphy Tugboat Company (Murphy), a California Corporation, was issued a Certificate of Public Convenience and Necessity to operate as a common carrier by Vessel (VCC-41) as defined in Sections 211(b) and 238 of the Public Utilities Code, between San Francisco, Oakland, Alameda, Emeryville, Berkeley and Richmond, on the one hand, and vessels in the San Francisco Bay, on the other hand. Murphy operates its vessel common carrier business as the lessee of the vessel "MV Inland Pilot".

By a joint Application No. 57467, Murphy, California Launch Service Corp. (California) and Willamette Western Corporation (Willamette) request the following authority:

1. Murphy to sell and transfer its above-mentioned Certificate of Public Convenience and Necessity to California.
2. After approval of transfer, California to issue 30,000 shares of its common stock.
3. Willamette to acquire control of California.

California is a newly formed corporation incorporated under the laws of the State of California on March 16, 1977, having its principal place of business at Richmond, California. According to its Articles of Incorporation it may engage in any lawful act or activity under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code. This corporation is authorized to issue one hundred thousand (100,000) shares of capital stock.

Willamette is a corporation, incorporated under the laws of the State of Oregon, having its principal place of business in Portland, Oregon. Willamette is the proposed parent of California and will hold all of California's common stock. Willamette operates a common carrier by water business on the Columbia and Willamette Rivers in Oregon, pursuant to authority granted by the Interstate Commerce Commission. Willamette, also doing business as Western Tug and Barge Co., operates a tugboat business on San Francisco and San Pablo Bays. Willamette's annual report filed with the Interstate Commerce Commission shows for the year 1976 a net income after income taxes of \$1,908,327.

Murphy and California have entered into a written agreement on the terms and conditions for the transfer of the Certificate of Public Convenience and Necessity and Murphy's leasehold rights to use the vessel "MV Inland Pilot" under its lease agreement with the owners of the vessel, California Inland Pilots Association. The parties have agreed that the purchase price will be the sum of \$5,000, allocated \$1,000 to the purchase of the certificate and \$4,000 to the purchase of Murphy's leasehold rights in the "MV Inland Pilot".

California and Willamette have entered into a written agreement on the terms and conditions for the issuance of California's common stock. Willamette will provide California with working capital for its water vessel common carrier operations.

The application was listed on the Commission's Daily Calendar of July 22, 1977. The Commission's Transportation Division staff has reviewed the application and recommends that in the absence of protest or request for public hearing, it be granted by ex parte order. No protest or request for hearing has been received. A public hearing is not necessary.

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

The order that follows will provide for, in the event the transfer is completed, the revocation of the certificate presently held by Murphy Tugboat Company and the issuance of a certificate in appendix form to California Launch Service Corp.

Purchaser 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 January 1, 1978 Murphy Tugboat Company may sell and transfer the operative rights referred to in the application to California Launch Service Corp.
2. Within thirty days after the effective date of this order, the purchaser shall file with the Commission written acceptance of the certificate and a true copy of the bill of sale or other instrument of transfer.

3. Purchaser 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 it has adopted or established, as its own, the rates and rules. 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 transfer. The tariff and timetable filings made pursuant to this order shall comply in all respects 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. Failure to comply with the provisions of General Orders Nos. 87-Series and 117-Series 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 tariff filings required by Paragraph 3, a certificate of public convenience and necessity is granted to California Launch Service Corp. authorizing it to operate as 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 of this decision.

5. The Certificate of Public Convenience and Necessity granted by Decision No. 85191 is revoked effective concurrently with the effective date of the tariff filings required by Paragraph 3.

6. Purchaser shall comply with the insurance requirements of the Commission's General Order No. 111-Series.

7. Within ninety days after the effective date of this order, for the purposes specified in this proceeding, transferee may issue not exceeding 30,000 shares of its common stock having a par value of \$1.00 per share. Concurrent with the issuance of the common stock, Willamette, the parent company of California, is authorized to acquire

control of California by holding all of California's common stock.

8. Purchaser 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 shall be twenty days after the date hereof.

Dated at San Francisco, California, this 22nd
day of NOVEMBER, 1977.

Robert Bateman
President
William Lyons J.
Leon L. Sturgeon
Clifford D. Howell
Clair T. Davis
Commissioners

VVB

Appendix A

CALIFORNIA LAUNCH SERVICE CORP.
(A California corporation)

Original Page 1

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
VCC 41

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

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 No. 88141, dated NOV 22 1977, 1977,
of the Public Utilities Commission of the State of California,
in Application No. 57467.

SECTION 1. GENERAL AUTHORIZATIONS, RESTRICTIONS, LIMITATIONS
AND SPECIFICATIONS.

California Launch Service Corp., by the Certificate of Public Convenience and Necessity granted by the decision noted in the margin, is authorized as a vessel common carrier to transport passengers, baggage and express between vessels in, and points along, San Francisco Bay, as described in Section 2, subject to the following conditions:

- (1) Service shall be operated with vessels of less than five tons net register only.
- (2) No vessel shall be operated unless it has met all applicable safety requirements, including those of the United States Coast Guard.

Issued by California Public Utilities Commission.

Decision No. SS141, Application No. 57467.

SECTION 2. AUTHORIZED OPERATIONS.

(1) San Francisco Bay - Between Vessels and Shore

Between San Francisco, Oakland, Alameda, Emeryville, Berkeley and Richmond, on the one hand, and vessels in San Francisco Bay, as described below, on the other hand.

San Francisco Bay Description

All those waters generally known as San Francisco Bay, limited on the north by the Richmond-San Rafael Bridge and on the west by the Golden Gate sea-line.

Issued by California Public Utilities Commission.

Decision No. 88141, Application No. 57467.