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Decision No. 90388 JUN 5 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Harbor Carriers,)
 Inc., a corporation, for (1))
 authorization to transfer to H.)
 Tourist, Inc., dba Catalina)
 Island Cruises, a corporation,)
 Certificate of Public Convenience)
 and Necessity, authorizing operation)
 as a common carrier of passengers)
 by vessel between Long Beach, on)
 the one hand, and, on the other,)
 named points on Santa Catalina)
 Island and (2) amendment of)
 Certificates of Public Convenience)
 and Necessity issued in Decision)
 No. 86184 in Application 56577.)

Application No. 58641
 (Filed January 25, 1979)

O P I N I O N

Harbor Carriers, Inc. (VCC-13), (Harbor Carriers), a California corporation and H. Tourist, Inc. (VCC-46), (H. Tourist), a California corporation are common carriers by vessel in the transportation of passengers across the San Pedro Channel to the Santa Catalina Island. In addition, Harbor Carriers is engaged in passenger transportation on San Francisco Bay.

Both carriers are wholly owned subsidiaries of Harbor Tug and Barge Company which is in turn a wholly owned subsidiary of Crowley Maritime Corporation. Harbor Carriers was granted a Certificate of Public Convenience and Necessity to provide scheduled passenger service between Long Beach and the City of Avalon by Decision 76496 dated December 2, 1969 (Application 50170).

By Decisions 81850, 82560 and 83013, Harbor Carriers' operating authority was expanded to provide service between Long Beach and other points on Santa Catalina Island in addition to the City of Avalon.

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By Decisions 85938 and 85972, dated June 8, 1976 and June 15, 1976, respectively, Harbor Carriers was granted authority to provide passenger service between San Pedro and Santa Catalina Island. This authority was transferred to H. Tourist, an affiliated company, by Decision 86184 dated August 21, 1976.

The Certificate of Public Convenience and Necessity issued by Decision 85938 contained the following provisions:

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 Harbor Carriers 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.

When the operating authority was transferred to H. Tourist, these restrictions were included in the Certificate issued to that carrier.

By the instant application, applicants request authority to transfer the Southern California portion of Harbor Carriers' operating authority to H. Tourist, and to have the above restrictions removed.

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At the present, the carriers operate from separate locations on the mainland and operate separate vessels. However, the two operations share the same management and some personnel and facilities. The transfer of the certificate from Harbor Carriers to H. Tourist will put all of the Southern California passenger operations under one company and should simplify accounting.

The restrictions that H. Tourist requests to have removed from the Certificate were included for the protection of protestants in Application 55715 (Finding 25 in Decision 85938). The protestants no longer exist as operators in the service between San Pedro (Port of Los Angeles) and Santa Catalina Island and, therefore, these restrictions no longer serve any purpose.

The application was listed on the Commission's Daily Calendar of January 25, 1979. 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 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 new 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 October 1, 1979, 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 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 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 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.

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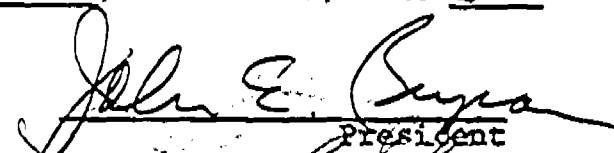
5. In the event the transfer authorized in Paragraph 1 is completed, effective concurrently with the effective date of the tariff filings required by Paragraph 3, a Certificate of Public Convenience and Necessity granted to Harbor Carriers, Inc., to operate as a common carrier by vessel, as defined in 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 cancelled.

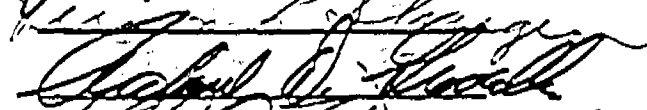
6. Transferee shall comply with the safety requirements of the United States Coast Guard and insurance requirements of the Commission's General Order 111-B.

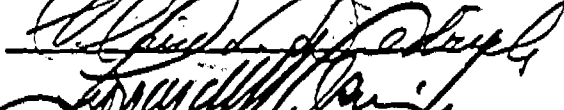
7. Transferee shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

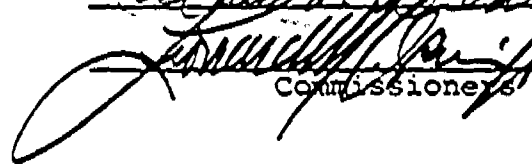
The effective date of this order shall be thirty days after the date hereof.

Dated at San Francisco, California, this 5th
day of JUNE, 1979.



President






Commissioners

CERTIFICATE OF
OF
PUBLIC CONVENIENCE AND NECESSITY
VCC-47

TO OPERATE AS
COMMON CARRIER OF PASSENGERS
BY VESSEL

The certificate hereafter noted supersedes all operative authority heretofore granted to H. Tourist, Inc., or its predecessors concerning San Pedro Channel Operations.

Showing common carrier by vessel 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. 50388 dated
JUN. 5 1979, 1979 of the Public Utilities Commission of the
State of California on Application No. 58641.

H. Tourist, Inc., a corporation, 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 (San Pedro) or the Port Long Beach, on the one hand, and the following points on Santa Catalina Island, on the other hand:

1. Avalon, 2. Gallagher's Beach, 3. Toyon Bay,
4. White's Landing, 5. Camp Fox, 6. The Isthmus,
7. Howland Landing.

II. Nonscheduled Service

Between Port of Los Angeles (San Pedro) or the Port of Long Beach, on the one hand, and the following points on Santa Catalina Island, on the other hand:

1. Avalon, 2. Gallagher's Beach, 3. Toyon Bay,
4. White's Landing, 5. Camp Fox, 6. The Isthmus,
7. Howland Landing.

Restrictions, Limitations, and Specifications:

Transportation of passengers and baggage shall not be conducted under this service unless prior arrangement based on hourly rates has been made with the carrier.

(END OF APPENDIX A)

Issued by California Public Utilities Commission.

Decision No. 90388, Application No. 58641.