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Decision No. 91301 JAN 29 1980

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of SKIPPER'S)
 22ND STREET LANDING, INC.,)
 a California corporation,)
 for authorization to in-)
 crease rates.)

Application No. 59340
 (Filed December 17, 1979)

O P I N I O N

Skipper's 22nd Street Landing, Inc. (Skipper's), a California corporation, is engaged as a common carrier by vessel in the transportation of passengers and their baggage for compensation between San Pedro (Los Angeles Harbor) and five of the islands off the coast of southern California, as part of fishing or diving excursions.

Skipper's does not own or operate the vessels which provide this transportation service. Through written agreements with eleven independent owner-operators, it arranges on-call fishing and diving charters. On its part, it provides docking facilities, advertises the service, publishes rates, collects fares, and establishes and supervises safety standards. In payment for its services, Skipper's retains fifteen percent of all gross receipts, a portion of which is remitted to Los Angeles Harbor.

By this application, Skipper's seeks authority to increase its passenger fares. The present and proposed fares are as follows:

VESSELS UNDER 65 FEET	<u>Present Rate</u>	<u>Proposed Rate</u>
Operating Time*	\$55.00 per hour	\$ 77.00 per hour
Standby Time	20.00 per hour	25.00 per hour
Anchor Time**	50.00 per hour	60.00 per hour
 VESSELS FROM 65 FEET TO 75 FEET		
Operating Time*	\$75.00 per hour	\$105.00 per hour
Standby Time	30.00 per hour	37.50 per hour
Anchor Time**	60.00 per hour	75.00 per hour

VESSELS FROM 75 FEET TO 90 FEET

	<u>Present Rate</u>	<u>Proposed Rate</u>
Operating Time*	(No rate established)	\$130.00 per hour
Standby Time	(No rate established)	45.00 per hour
Anchor Time**	(No rate established)	85.00 per hour

Definitions of Operations

* "Operating Time"--When boat engines are in operation. Minimum of three (3) hours inside harbor and four (4) hours outside of harbor.

"Standby Time"--When boat engines are not in operation and when passengers are aboard vessel.

** "Anchor Time"--When passengers are not aboard vessel. Usually overnight and based on a 12-hour period or any part thereof.

The present rates and Certificate of Public Convenience and Necessity were authorized by the Commission's Decision No. 84748 dated August 5, 1975. The proposed rates for vessels under 75 feet constitute increases ranging from 20 to 40 percent. Applicant's current Certificate of Public Convenience and Necessity requires that it conduct its vessel common carriers activities in vessels under 75 feet.

Applicant lists a number of facts and circumstances necessitating a rate increase. Between April of 1974, when its original application for a certificate as a vessel common carrier was filed, and December 4, 1979, the date of the present application, diesel fuel costs rose approximately 147 percent. A sampling of boat owners under contract indicate that their insurance rates have risen about 100 percent. The salaries of licensed boat operators have risen about 30 to 35 percent, while the wages of deck hands have increased more than 35 percent. Annual dry dock costs have risen about 115 percent.

Applicant has not been authorized to raise vessel common carrier fares since it received a certificate of public convenience and necessity in August 1975. During that period, it has raised

fares on unregulated day fishing excursions between 55 and 65 percent. Independent vessel operators under contract to Skipper's since 1975 have raised their unregulated fishing charter rates an average of about 48 percent. As a result, applicant states, it has found independent vessel operators reluctant to take on trips under Skipper's vessel common carrier certificate.

For the fiscal year ended May 31, 1979, gross revenues from Skipper's vessel common carrier operations amounted to \$7,735, of which Skipper's retained 15 percent, or \$1,160.25. The latter figure represents about 0.88 percent of Skipper's total gross revenues of \$129,805.78. If the requested rate increase had been in effect, Skipper's would have obtained gross revenues of \$10,644 and would have retained \$1,596.61 after passing on the remainder to the independent vessel operators. If the requested rates had been in effect, Skipper's gross vessel common carrier revenues would have increased by \$2,909, of which Skipper's would have retained \$436.36.

Applicant desires immediate rate relief since an archery hunting season on Catalina Island will commence in February. Transportation of archers to Catalina at a time of year when service by other carriers is at a minimum provides Skipper's with a large part of its annual revenue as a vessel common carrier.

Notice of Skipper's intent to seek rate relief was mailed to interested parties and was published in the Commission's Daily Calendar on December 19, 1979. No protests have been received.

F I N D I N G S

1. Applicant's rates as a vessel common carrier have not been increased since they were set by the order granting Applicant a vessel common carrier certificate in August 1975.

2. Since Applicant's rates were set, the independent vessel operators under contract have experienced significant increases in operating expenses, especially for fuel, labor, insurance, and repairs.

3. Applicant seeks rate increases for vessels under 75 feet ranging from 20 to 40 percent. Since 1975, Applicant has made

rate increases ranging from 48 to 65 percent on its operations that are not subject to Commission regulation.

4. Applicant's current Certificate of Public Convenience and Necessity requires that it conduct its activities as a vessel common carrier in vessels under 75 feet.

5. Applicant needs immediate rate relief in order to take advantage of the business generated by an archery hunting season on Catalina Island in February.

The Commission concludes that the rate increases for vessels under 75 feet requested in Application No. 59340 are justified and should be granted. Since Applicant has no authority to conduct vessel common carrier operations in vessels over 75 feet, the rates requested for vessels of 75 feet and over should be denied.

O R D E R

IT IS ORDERED that:

1. Skipper's 22nd Street Landing, Inc. is authorized to establish the increased rates for vessels under 75 feet proposed in Application No. 59340. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and to the public.

2. The authority shall expire unless exercised within ninety days after the effective date of this order.

3. Skipper's 22nd Street Landing, Inc. is not authorized to set rates for vessels of 75 feet and over.

The effective date of this order is the date hereof.

Dated JAN 22 1900, at San Francisco, California.

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

John E. Ryan

President
Richard T. Howell

James W. [unclear]

Commissioners