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Decision No. 92336 OCT 22 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of  
 H. Tourist, Inc., doing business as  
 Catalina Island Cruises and doing  
 business as Long Beach-Catalina  
 Cruises, a corporation, for an order  
 under the Shortened Procedure Tariff  
 Docket, authorizing it to amend its  
 Local Passenger Tariff No. 1-A  
 Cal. P.U.C. No. 2, (1) to provide  
 that the fares named therein to  
 Avalon do not include cost of  
 landing fees assessed by the City of  
 Avalon and (2) increase fares for all  
 Santa Catalina Island points except  
 Avalon by 10 cents per one way fare.

ORIGINAL

Application No. 59876  
(Filed August 12, 1980)

O P I N I O N

By this application, H. Tourist, Inc., doing business as Catalina Island Cruises and doing business as Long Beach - Catalina Cruises (H. Tourist, VCC-46), seeks authority under the provisions of Rule 25, Rules of Practice and Procedure, to amend its tariff to (1) reduce its fares by an amount equal to the landing fees assessed by the City of Avalon, and provide a rule so stating, (2) increase fares by 10 cents per one way fare for all Santa Catalina Island points except Avalon, and (3) have its tariff amended to exclude landing fees imposed by Avalon.

The last general rate change authorized H. Tourist was by Decision 91830 of May 20, 1980 for Application 59394, filed January 23, 1980. On August 6, 1980 the City of Avalon increased its landing fee, which it requires H. Tourist to collect, from 40 cents to 50 cents per passenger. In order not to have to apply to have its tariff amended every time the City of Avalon changes its landing fee or, alternatively, to have to absorb the changes in its revenue, H. Tourist proposes to separate the fee from the fare listed in its tariff and to collect

it exclusively of its tariff listing. It asks that a tariff rule be authorized as follows:

"Fares published herein do not include landing fees assessed by the City of Avalon. Landing fees assessed on a per passenger basis by City of Avalon will be collected by carrier in addition to the published fares."

Table 1 shows the present and proposed fares and landing fees for service to or from Avalon.

TABLE 1

One-Way Fares, Fees and Revenue Between San Pedro or Long Beach and Avalon on Santa Catalina Island

|                          | <u>Prior</u>             | <u>Present</u> | <u>Proposed</u> |
|--------------------------|--------------------------|----------------|-----------------|
|                          | Before<br>August 6, 1980 |                |                 |
| <u>Adult</u>             |                          |                |                 |
| Tariff Fare              | \$7.50                   | \$7.50         | \$7.10          |
| Landing Fee              | 0.40                     | 0.50           | 0.50            |
| Collected From Passenger | 7.50                     | 7.50           | 7.60            |
| Revenue per Passenger    | 7.10                     | 7.00           | 7.10            |
| <u>Child (a)</u>         |                          |                |                 |
| Tariff Fare              | \$3.75                   | \$3.75         | \$3.35          |
| Landing Fee              | 0.40                     | 0.50           | 0.50            |
| Collected From Passenger | 3.75                     | 3.75           | 3.85            |
| Revenue per Passenger    | 3.35                     | 3.25           | 3.35            |
| <u>Baby (b)</u>          |                          |                |                 |
| Tariff Fare              | \$0.40                   | \$0.40         | -               |
| Landing Fee              | 0.40                     | 0.50           | 0.50            |
| Collected From Passenger | 0.40                     | 0.40           | 0.50            |
| Revenue per Passenger    | -                        | -0.10          | -               |

- (a) Child under twelve years of age.  
(b) Child under two years of age.

Table 1 shows that no additional revenue will be received by H. Tourist for service at Avalon if the proposed change is made.

In addition to a fee increase at Avalon, The Isthmus now levies a \$5,000 per year landing fee upon H. Tourist. To partially offset this landing fee, H. Tourist proposes to increase fares to points other than Avalon by 10 cents, as shown in Table 2.

TABLE 2

One-Way Fares Between San Pedro or Long Beach and Points Other Than Avalon on Santa Catalina Island

|       | <u>Present Fares</u> | <u>Proposed Fares</u> |
|-------|----------------------|-----------------------|
| Adult | \$7.50               | \$7.60                |
| Child | 3.75                 | 3.85                  |
| Baby  | 0.40                 | 0.50                  |

H. Tourist estimates a revenue increase generated at The Isthmus of \$3,177 as a result of the proposed change.

H. Tourist's proposal will equalize the amount collected from passengers transported between the mainland and any point on Santa Catalina Island, which can be seen by comparing the "Collected from Passenger" rows of Table 1 with "Proposed Fares" in Table 2 and noting that, under H. Tourist's proposal, they become identical.

The applicant states that the revenue increase provided by the proposed tariff changes will not amount to one percent of its gross revenue, which was \$5,641,516 in 1979, and asks for an order under the Shortened Procedure Tariff Docket described by Article 7 of the Rules of Practice and Procedure.

To avoid having to absorb the increased landing fees in its revenue "for an extended period of time," H. Tourist asks that the application be granted by Short Notice as noted in Section 491 of the Public Utilities Code.

H. Tourist has sent copies of its application to the county and city representatives in accordance with Rule 24 of the Rules of Practice and Procedure and no protests have been received by the Commission.

#### Findings of Fact

1. The proposed removal from H. Tourist's tariff of the landing fee collected by the City of Avalon will increase the flexibility of its fare schedule by allowing automatic fare changes to compensate for changes in landing fees.

2. Its proposed fare increase of ten cents for one-way fares at points other than Avalon together with the removal of landing fees from its tariff will not increase its intrastate gross revenue by as much as one percent.

3. As the increase in gross revenue is less than one percent, the Shortened Procedure Tariff Docket of Rule 25 of the Rules of Practice and Procedure applies.

5. In order for H. Tourist not to have to absorb increased landing fees by reduction in its revenue for a longer period of time than necessary, the effective date of this order should be the date hereof.

Conclusions of Law

1. The exclusion of landing fees from H. Tourist's tariff for Avalon is justified and its tariff should be revised accordingly.

2. The fare increases requested by H. Tourist at points other than Avalon should be granted.

O R D E R


IT IS ORDERED that:

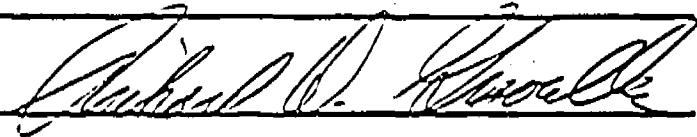
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1. H. Tourist, Inc. is authorized to establish the increased fares proposed in Application 59876.
  2. H. Tourist's tariff is <sup>authorized to exclude landing fees assessed by the City of Avalon from its tariff</sup> changed as proposed in Application 59876.
  3. Tariff publications authorized to be made as a result of this order shall be filed not earlier than the effective date of this order and 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.
  4. In addition to the required posting and filing of tariffs, H. Tourist shall give notice to the public by posting in its vessels and terminals a printed explanation of the new arrangement ~~of the new arrangement~~ of collecting fares and fees in its tariff. The notice shall be posted not later than five days before the effective date of the fare change and shall remain posted for at least thirty days thereafter.
- ✓  
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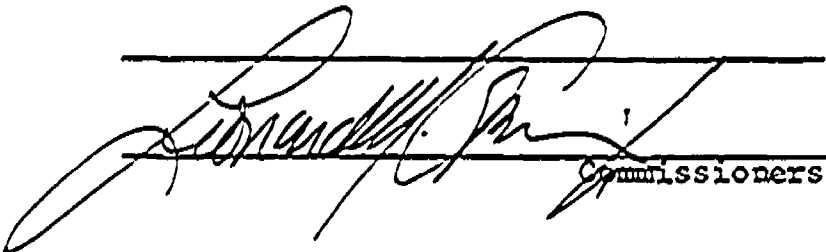
5. The authority shall expire unless exercised within ninety days after the effective date of this order.

The effective date of this order is the date hereof.

Dated OCT 22 1980, at San Francisco, California.

  
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President

  
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Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

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