

T/vcp

Decision 93162 JUN 2 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of ISLAND BOAT SERVICE, a corporation, for authority to voluntarily revoke a portion of operating rights as a common carrier of passengers by vessel.

Application 59834
(Filed July 25, 1980)

In the Matter of the Application of H. TOURIST, INC., D/B/A CATALINA ISLAND CRUISES, and D/B/A LONG BEACH-CATALINA CRUISES, a corporation, for a Certificate of Public Convenience and Necessity Authorizing Scheduled and Nonscheduled Passenger Service by Vessel Between Points on Santa Catalina Island.

Application 59840
(Filed July 29, 1980)

O P I N I O N

By Application (A.) 59834, Island Boat Service, VCC-14, seeks authority to voluntarily revoke all of its common carrier by vessel operating rights except the authority to provide nonscheduled service at hourly rates between all points on the coast of Santa Catalina Island.

By A. 59840, H. Tourist, Inc., VCC-46, seeks to extend its certificate of public convenience and necessity to provide scheduled and nonscheduled passenger service by vessel between points on Santa Catalina Island.

Island Boat Service has a common control relationship with a number of entities which have business and real property interests on Santa Catalina Island under its parent corporation, Santa Catalina Island Company.

H. Tourist, Inc. is a wholly owned subsidiary of the Harbor Tug and Barge Company which is, in turn, a wholly owned subsidiary of Crowley Maritime Corporation.

Island Boat Service holds a certificate of public convenience and necessity which was last described in Decision (D.) 67166, dated April 28, 1964, in A.46250. It authorizes certain common carrier scheduled operations by vessel in the transportation of passengers and their baggage in intra-island service between various points on Santa Catalina Island.

By D.90388, dated June 5, 1979, and amended by D.90680, dated August 14, 1979, H. Tourist, Inc. was issued a certificate of public convenience and necessity to provide scheduled and non-scheduled common carrier of passengers service by vessel between Los Angeles (San Pedro) or Long Beach, on the one hand, and the following points in 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.

Pursuant to the operating authority above described, H. Tourist, Inc. operates five vessels between San Pedro or Long Beach and authorized points on Santa Catalina Island. The description of these vessels is set forth as Exhibit 2 of the application.

By A.59840, H. Tourist, Inc. proposes to provide both scheduled and nonscheduled passenger vessel services between Avalon and Two Harbors, and to serve certain intermediate points on Santa Catalina Island in connection with its presently scheduled operations between mainland points and Avalon. It also proposes nonscheduled vessel service at hourly rates between points on Santa Catalina Island. The extension of Two Harbors is proposed to operate on a scheduled basis during certain busier months of the year and on a nonscheduled basis during months when the demand for such service is sporadic. Exhibit 3, attached to the application, describes the proposed service, including the time periods within which the service will operate in connection with present operations.

A proposal for "flag stop" means that passengers desiring to embark or disembark at any of the points would notify H. Tourist, Inc. and a stop will be made. Otherwise, a stop will not be made. Exhibit 4 is a map showing H. Tourist, Inc.'s present cross-channel certificated operation along with the routes over which H. Tourist, Inc. proposes to operate. H. Tourist, Inc. alleges that it has the financial ability to render the proposed service. The financial statements, attached as Exhibit 5, to the application indicate that as of March 31, 1980, H. Tourist, Inc. had total assets of \$7,712,000, liabilities of \$6,599,000, and stockholders' equity of \$1,113,000.

With regard to fares, H. Tourist, Inc. proposes that the section of Santa Catalina Island between Avalon and Isthmus Cove be divided into two zones. Zone One would encompass Avalon, Gallagher's Beach, Toyon Bay, White's Landing and Camp Fox. Zone Two would include Two Harbors (Isthmus Cove). The proposed fares for service between points within a zone and between points in adjacent zones are set forth in Exhibit 6.

Service involving any point not included in Zones 1 or 2 would be provided at hourly rates and these proposed rates are set forth in Exhibit 6 under the heading "Nonscheduled Service at Hourly Rates". These proposed hourly rates are the same as currently authorized to H. Tourist, Inc. in connection with its charter service between the mainland and Santa Catalina Island.

H. Tourist, Inc.'s proposed fares are higher than the fares in the current tariff of Island Boat Service. Island Boat Service has not requested an adjustment in its fares since the current tariff was filed on July 20, 1973 under D.81446, dated May 30, 1973.

As justification for establishing the new proposed fares, H. Tourist, Inc. stated, in a letter dated March 17, 1981 that since 1974, crew wages have increased approximately 100%, fuel

cost has increased 230%, and shipyard labor cost increased 130%. During this same period (1974 to 1981) the fares from the mainland to Catalina have increased by 79%. The proposed fare from Avalon to Two Harbors at \$4.50 is an 80% increase over the current \$2.50 fare of Island Boat Service.

H. Tourist, Inc. alleges that public convenience and necessity require the proposed service since the only known certificated vessel operator authorized to provide the requested service, Island Boat Service, no longer desires to provide all of the passenger vessel services between points on Santa Catalina Island. In fact, in its letter of March 17, 1981, H. Tourist, Inc. pointed out that since 1974 it has been providing the intra-island passenger vessel service for Island Boat Service.

H. Tourist, Inc. further alleges that it is presently authorized to provide vessel service between either Long Beach or San Pedro, on the one hand, and, on the other, Two Harbors (Isthmus Cove) and other points; but it is not authorized to provide a local service between the island's principal community, Avalon, and other points. There is an expressed need for this local service, particularly during the summer months and during the weekends in certain other portions of the year, but the economics of providing the service dictate that it be provided as an auxiliary and supplemental service to presently scheduled service between the mainland and Avalon.

In addition to the proposed scheduled and nonscheduled service between Avalon, Two Harbors, and intermediate points, H. Tourist, Inc. also seeks authority to provide a nonscheduled service at hourly rates between other points on the coast of Santa Catalina Island. As H. Tourist, Inc. is not presently authorized to provide this service, it seeks a certificate to provide this service in order to supplement the service of the presently authorized carrier, Island Boat Service.

H. Tourist, Inc. states under Rule 17.1(a) 2 of the Commission's Rules of Practice and Procedure, that issuance of the requested certificate will not have any significant adverse effect on the environment.

H. Tourist, Inc. already operates a cross-channel service between authorized mainland points, on the one hand, and, on the other, Avalon and other Santa Catalina Island points authorized in its certificate. It is expected that the proposed service will be principally performed with vessels currently in use but these vessels will be more cost-efficient because of a higher use factor. Docking facilities which will be necessary to accommodate passengers for the Avalon-Two Harbors service are already in use, and other than some improvement of the dock at Toyon Bay, it appears no additional construction will be required.

The Transportation Division has reviewed the applications and recommends that in the absence of protests the applications be granted by ex parte order.

Notice of the filing of the applications appeared on the Commission's Daily Calendar. There are no protests and a public hearing is not necessary. Since H. Tourist, Inc. is already providing this service for Island Boat Service, the order should be effective the date of signature.

Findings of Fact

1. Island Boat Service is a common carrier of passengers by vessel certificated to provide service between points on Catalina Island.
2. Island Boat Service no longer wishes to provide scheduled passenger services by vessel.
3. H. Tourist, Inc. is a common carrier of passengers by vessel certificated to provide service between Los Angeles or San Pedro, on the one hand, and points on Santa Catalina Island, on the other hand.

4. H. Tourist, Inc. requests authority to provide scheduled and unscheduled passenger service between points on Santa Catalina Island.

5. H. Tourist, Inc. has been providing the intra-island vessel passenger service for Island Boat Service since 1974.

6. The fares for intra-island vessel service have not been adjusted since 1973.

7. Costs for providing intra-island vessel service have increased substantially.

8. The fares proposed by H. Tourist, Inc. are justified and should be authorized.

9. H. Tourist, Inc. has the ability, experience, and financial resources to perform the proposed intra-island service.

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

11. A public hearing is not necessary.

Conclusions of Law

1. Island Boat Service should be granted its request to revoke a portion of its certificate of public convenience and necessity as provided in the order which follows.

2. H. Tourist, Inc. should be granted a certificate of public convenience and necessity to operate as a common carrier of passengers by vessel between certain points on Catalina Island as provided in the order which follows.

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. The certificate of public convenience and necessity heretofore granted to Island Boat Service is revoked, and the tariffs and timetable of Island Boat Service are canceled.

2. A new certificate of public convenience and necessity is granted to Island Boat Service authorizing it to operate as a common carrier by vessel, as defined in PU Code Sections 211(b) and 238, between the points set forth in Appendix A, attached hereto and made a part hereof.

3. A certificate of public convenience and necessity is granted to H. Tourist, Inc. to operate as a common carrier by vessel, as defined in PU Code Sections 211(b) and 238, between points set forth in Appendix B, attached hereto and made a part hereof. Said certificate supersedes all common carrier by vessel operative authority heretofore granted to H. Tourist, Inc.

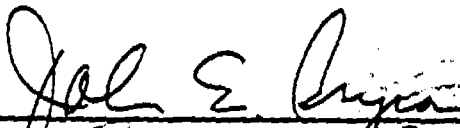
4. In providing service pursuant to the certificate granted, applicants shall comply with and observe the following service regulations. Failure to do so may result in a cancellation of the operating authority granted by this decision.


- (a) Within thirty days after the effective date of this order, applicants shall file written acceptance of the certificates granted. Applicants are placed on notice that if they accept the certificates of public convenience and necessity granted, they will be required, among other things, to comply with and observe the insurance requirements of the Commission's General Order Series 111. Compliance will be satisfied if each vessel operator engaged by applicants complies with and observes the insurance requirements of General Order Series 111, names applicants as an additional insured, furnishes applicants with a copy of such insurance, and files a certificate of insurance with the Commission.
- (b) Within 120 days after the effective date of this order, applicants shall establish the authorized service and file tariffs and timetables, in triplicate, with the Commission.


- (c) 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 establishment of the authorized service.
- (d) The tariff and timetable filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs and timetables set forth in the Commission's General Orders Series 87 to 117.
- (e) Applicants shall maintain their 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 their operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.


This order is effective today.

Dated JUN 2 1981, at San Francisco, California.



President






Commissioners

Commissioner Priscilla C. Grew, being necessarily absent, did not participate in the disposition of this proceeding.

T/vcp

Appendix A

ISLAND BOAT SERVICE
(a corporation)

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE AS
A COMMON CARRIER BY VESSEL
VCC-14

The certificate hereafter noted supersedes all common carrier by vessel operative authority heretofore granted to Island Boat Service.

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 93162 dated
JUN 2 1981 of the Public Utilities Commission of the
State of California in Application 59834.

Island Boat Service, a corporation, by this certificate of public convenience and necessity, is authorized to conduct a common carriage by vessels, as prescribed below, for the transportation of passengers and their baggage:

Nonscheduled Service

Between all points on the coast of Santa Catalina Island.

Restrictions, Limitations, and Specifications

1. Transportation of passengers and baggage shall be conducted as an on-call service. The term "on-call" as used herein refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetable shall show the conditions under which each authorized "on-call" service will be rendered.
2. Transportation shall be performed at hourly rates which includes services of vessel, pilot, and crew, regardless of the number of passengers transported. Transportation shall not be performed on an individual-fare basis.

Appendix B

H. TOURIST, INC.
(a corporation)

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
TO OPERATE AS
A COMMON CARRIER BY VESSEL
VCC-46

The certificate hereafter noted supersedes all common carrier by vessel operative authority heretofore granted to H. Tourist, Inc.

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 93162, dated
11/11 2 1962 of the Public Utilities Commission of the
State of California in Application 59840.

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

A. Between the 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:

Service between the Port of Long Beach and the points on Santa Catalina Island shall be conducted daily.

B. Between Avalon and Two Harbors (Isthmus Cove), serving the intermediate points of Gallagher's Beach, White's Landing, Toyon Bay and Camp Fox.

Restrictions, Limitations, and Specifications:

Service between Avalon and Two Harbors shall be conducted on a flag stop basis with advance notice to the carrier. Daily service shall be provided during the period June 1 to September 15 of each year. Friday and Sunday service shall be provided during the period September 16 to November 30 and March 1 to May 31 of each year. Schedules shall be correlated to carrier's published arrival and departure times for service between Long Beach or Los Angeles (San Pedro) and Avalon.

II. Nonscheduled Service

- A. 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.
- B. Between all points on the coast of Santa Catalina Island.

Restrictions, Limitations, and Specifications

1. Transportation of passengers and baggage shall be conducted as an on-call service. The term "on-call" as used herein refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetable shall show the conditions under which each authorized "on-call" service will be rendered.
2. Transportation shall be performed at hourly rates which includes services of vessel, pilot, and crew, regardless of the number of passengers transported. Transportation shall not be performed on an individual-fare basis.