

Decision 97-06-043 June 11, 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Pacific Adventure Cruises, Inc., a California Corporation, for a Certificate of Public Convenience and Necessity as a vessel common carrier transporting persons and baggage between Marina del Rey and points and places on Santa Catalina Island, California.

ORIGINAL

Application 97-02-046
(Filed February 24, 1997)

O P I N I O N

Pacific Adventure Cruises (Pacific or applicant) seeks authority pursuant to Public Utilities Code Section 1007 to operate as a vessel common carrier for the transportation of passengers and their baggage (1) between Marina del Rey, California, on the one hand, and all accessible ports on Santa Catalina Island on the other hand, including Avalon and Two Harbors; and (2) between all accessible ports on Santa Catalina Island. Applicant seeks to provide all service on an on-call basis. No protests to the application have been filed with the Commission.

Pacific currently operates round-trip sightseeing excursions from Marina del Rey to points on Santa Catalina Island, as well as whale watching excursions and similar charter vessel service. Applicant has been conducting these operations, which are exempt from regulation by this Commission, for more than four years. Pacific proposes to operate on-call (i.e., non-scheduled) service, subject to the availability of the vessel, with a four-hour minimum commitment for use of the vessel. The basic charge for this service would be \$160 per hour. Applicant states that there is currently no common carrier vessel service available between Marina del Rey and Santa Catalina Island.

In charter service, Pacific's vessel stays with the group on an exclusive use basis, even when it is not needed during extended visits or excursions by the chartering group. Pacific states that this practice is inefficient, costly to the chartering group, and limiting to Pacific's service capability. Pacific states that "numerous groups" have requested point-to-point service whereby they could use the vessel to travel to and from

the island, but not be committed to pay for standby time while they are ashore. Pacific seeks authority to drop off and pick up different groups, thereby "nesting" multiple round trips and enhancing the productivity of its vessel. Pacific estimates that if we approve its request, its operating revenues will increase by 12% due to increased efficiency without increasing fixed operating overhead expense or requiring additional capital commitment.

Pacific proposes to provide the service with the "Miss Christi", a 45-foot aluminum-hulled vessel powered to reach a speed of 25 knots. This vessel has been certified by the U.S. Coast Guard for twenty miles coastwise, which includes Santa Catalina Island and anywhere within five miles of the shore of the island. The "Miss Christi" accommodates up to 56 passengers.

Pacific's application includes its most recent annual income statement, which demonstrates that it is modestly profitable under its current operation. Its largest expense is for leasing the vessel from its owner, Miss Christi, Inc., a corporation affiliated with the applicant through common shareholders, officers and directors, so the true nature of its financial fitness is understated. Applicant is fit to provide the service for which it seeks the Commission's authority.

We find that public convenience and necessity support the applicant's request. Granting the application will enable the applicant to operate more efficiently and provide better service to the public. We will approve the application.

Findings of Fact

1. Applicant seeks to operate as a vessel common carrier for the transportation of passengers and their baggage on an on-call basis between Marina del Rey, California, on the one hand, and all accessible ports on Santa Catalina Island, on the other hand; and between all accessible ports on Santa Catalina Island.
2. There is currently no common carrier vessel service operating between the harbor at Marina del Rey and Santa Catalina Island.
3. There is a public need for the service proposed by the applicant.

4. Granting the application would enhance the efficiency of the applicant's current unregulated operation and provide better service to the public.

5. Applicant is financially and operationally fit to provide the service.

Conclusion of Law

The application should be approved in accordance with the terms and conditions set forth in Appendix VCC-78 to the Order.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pacific Adventure Cruises, Inc., a corporation, authorizing it to operate as a common carrier by vessel, as defined in Public Utilities (PU) Code §§ 211(b) and 238, between the points and over the routes set forth in Appendix VCC-78, to transport persons and their baggage and/or property.

2. Applicant shall:

- a. File with the Rail Safety/Carrier Division written acceptance of this certificate within 30 days after this order is effective.
- b. Establish the authorized service and file tariffs within 120 days after this order is effective.
- c. State in its tariffs when service will start; allow at least 10 days' notice to the Commission' and make tariffs effective 10 or more days after this order is effective.
- d. Comply with General Orders Series 87, 104, 111, and 117.
- e. Maintain accounting records in conformity with the Uniform System of Accounts.

- f. Remit to the Commission the Transportation Reimbursement Fee required by PU Code § 403 when notified by mail to do so.
3. The application is granted as set forth above.
4. Application 97-02-046 is closed.

This order is effective immediately.

Dated June 11, 1997, at San Francisco, California.

P. GREGORY CONLON
President
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
Commissioners

T/MM

Appendix VCC-78

Pacific Adventure
Cruises, Inc.
(a corporation)

Original Title Page

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A VESSEL COMMON CARRIER
VCC-78

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

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 97-06-043, dated
June 11, 1997, of the Public Utilities Commission of
the State of California in Application 97-02-046.

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

Pacific Adventure Cruises, Inc., a corporation, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to conduct common carriage by vessels, for the transportation of passengers and their baggage, between the points described in Section II, subject to the following provisions:

- a. No vessel shall be operated unless it has met all applicable safety requirements, including those of the United States Coast Guard.
- b. Nonscheduled service shall be operated on an "on-call" basis. The term "on-call", as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs and timetables shall show the conditions under which each authorized on-call service will be rendered.
- c. "On-call" service shall be performed at hourly or per diem rates which include the services of vessel and crew, regardless of the number of passengers transported. Transportation shall not be performed on an individual fares basis.

Issued by California Public Utilities Commission.

Decision 97-06-043, Application 97-02-046.

SECTION II. SERVICE POINTS.

Nonscheduled Service

Marina del Rey - Santa Catalina Island
Between Marina del Rey, on the one hand, and Avalon, Two Harbors, and all accessible ports on Santa Catalina Island, on the other hand.

Santa Catalina Island
Between all accessible ports on Santa Catalina Island.

Issued by California Public Utilities Commission.

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