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Decision 98-04-052 April 23, 1998

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Harbor Bay Maritime, Inc., a California Corporation, for a Certificate of Public Convenience and Necessity to Operate as a Vessel Common Carrier of Passengers on San Francisco Bay Between Alameda and San Francisco.

Application 91-03-058
(Filed March 27, 1991)

In the Matter of the Application of Harbor Bay Maritime, Inc., a California Corporation, for Authorization to Increase Fares for Passengers on Vessel Common Carrier Service on San Francisco Bay between Alameda and San Francisco.

Application 97-10-075
(Filed October 31, 1997)

O P I N I O N

Summary

This decision grants two requests by Harbor Bay Maritime, Inc. (Harbor Bay) with respect to its vessel common carrier service between Alameda's Bay Farm Island and San Francisco. We grant authority for Harbor Bay to extend its service from the San Francisco Ferry Building to Pier 39 at Fisherman's Wharf, and to increase fares by \$0.50 per trip on transbay runs. This decision closes both proceedings.

Discussion

Harbor Bay has provided ferry service between Bay Farm Island and the Ferry Building since April 1992, under authority granted in Decision (D.) 92-03-040 and D.92-06-058. Harbor Bay recently negotiated an agreement with Blue & Gold Fleet, L.P. (Blue & Gold) providing docking rights at Piers 39

and 41 at Fisherman's Wharf. Blue & Gold has docking facilities at Piers 39 and 41 under lease agreements with the Port of San Francisco, and has agreed to share docking rights at Fisherman's Wharf with Harbor Bay as one of the conditions of Blue & Gold's acquisition of assets from Red & White Fleet. See D.97-06-066 (*mimeo.*, June 12, 1997). Harbor Bay and Blue & Gold have entered into a comprehensive written Landing Rights Agreement, which entitles Harbor Bay to land its vessels at Blue & Gold's Pier 39 docking facilities. Harbor Bay now seeks to amend the description of its authorized service routes on its Certificate of Public Convenience and Necessity (CPCN) to permit extension of its common carrier vessel service to Pier 39. No protest has been filed in response to its request.

Harbor Bay would charge no additional fare beyond the Ferry Building to or from Pier 39, which is a greater distance from Bay Farm Island around San Francisco's waterfront, if a passenger travels across the San Francisco Bay. Harbor Bay proposes to charge a fare of \$1.00 locally between the two San Francisco terminals. The proposal would therefore afford transbay passengers a choice of San Francisco origin and destination points at no additional cost, and new options for local San Francisco passengers at a fare equivalent to that of the Municipal Railway of San Francisco.

By separate and unrelated application, Harbor Bay has also requested authority to increase its current transbay vessel fare between Bay Farm Island and San Francisco. This increase would establish a basic one-way fare between Bay Farm Island and San Francisco points (including the new Pier 39 terminal) of \$4.50, an increase of \$0.50 above the current fare, with corresponding increases in fares for seniors, military personnel, handicapped persons, and weekly and monthly commuters. The one-way fare for children over five and under 12 years of age would increase by \$0.25; younger children would continue to ride free of

charge. The application further requests authority to delete existing discounted fare for tour groups, and to issue a \$99.00 monthly pass. No protest has been filed in response to this application. The two proceedings have been consolidated because they involve common and interrelated issues of fact.

According to Harbor Bay, the existence of need for the proposed new service to Pier 39 is confirmed by a marketing study, inquiries by current passengers, and the encouragement of officials of the City of Alameda, the Community of Harbor Bay Isle Homeowners Association, the Harbor Bay Business Park Association, and employers at the Harbor Bay Business Park. The Pier 39 area has a variety of restaurants, shops, and other attractions, and is not presently served directly by ferry from Bay Farm Island.

Harbor Bay asserts that it needs to increase its transbay fares to compensate for reduced subsidies it is receiving from public agency sources to make up its fare box loss. The City of Alameda, which is now the responsible funding agency, has proposed that Harbor Bay apply to this Commission for a 15 percent fare increase as a condition of approval of the current subsidy arrangement. The new fares (excluding the local San Francisco fare) are expected to produce increased revenues of about \$58,000 per year to make up the operating deficit.

We find that extension of Harbor Bay's existing service to the Pier 39/Fisherman's Wharf area is in the public interest, and we will grant Harbor Bay's petition to modify its CPCN accordingly. We also find that Harbor Bay's requested fare increase, fare deletion, and monthly pass proposal are reasonable, and we will approve its application.

Findings of Fact

1. Harbor Bay is financially and operationally fit to provide the additional service it proposes in its First Amended Petition for Modification of Decisions 92-03-040 and 92-06-058.
2. There is a public need for the service proposed by Harbor Bay.
3. The fare increases proposed by Harbor Bay are reasonable.

Conclusions of Law

1. Harbor Bay's Petition for Modification of Decisions 92-03-040 and 92-06-058 should be granted.
2. Harbor Bay's Application for Authorization to Increase Fares should be granted.
3. Harbor Bay should be authorized to make the proposed fare adjustments on short notice pursuant to Section 491 of the Public Utilities Code.

O R D E R

IT IS ORDERED that:

1. The certificate of public convenience and necessity granted to Harbor Bay Maritime, Inc. (applicant), a corporation, authorizing it to operate as a vessel common carrier as defined in Public Utilities Code (PU) §§ 211(b) and 238, to transport persons and their baggage, between the points and over the routes set forth in Appendix VCC-69 of Decision 92-03-040, is amended by replacing Original Pages 2 and 3, with First Revised Pages 2 and 3.
2. Applicant shall:
 - a. File a written acceptance of this certificate within 30 days after this order is effective.
 - b. Establish the authorized service and file tariffs and timetables within 180 days after this order is effective.

- c. State in the tariffs and timetables when service will start; give at least five days' notice to the Commission and the public; and make timetables and tariffs effective at least five days after this order is effective.
 - d. Comply with General Orders Series 87, 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. Applicant is authorized to adjust its fares as set forth in Application (A.) 97-10-075, and shall file tariffs and provide notice in accordance with paragraph 2, above.
4. Notice to the public, as provided herein, shall be given by posting in applicant's operating vessels a printed explanation of the fares. Such notice shall remain posted for a period of not less than 30 days.
5. A.91-03-058 and A.97-10-075 are closed.

This order is effective today.

Dated April 23, 1998, at Sacramento, California.

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

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

Harbor Bay Maritime, Inc., a corporation, by the certificate of public convenience and necessity granted by the *revised decision noted in the foot of the margin, is authorized to transport passengers and their baggage, on a scheduled or nonscheduled basis, between the Harbor Bay Terminal in Alameda and certain points in San Francisco, as specifically described along the routes in Section 2, subject, however, to the authority of this Commission to change or modify the route at any time and 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. When route descriptions are given in one direction, it apply to operations in either direction unless otherwise indicated.
- c. The tariffs shall show the conditions under which each authorized nonscheduled service shall be provided.

Issued by California Public Utilities Commission.

*Revised by Decision 98-04-052, Application 91-03-058.

SECTION 2. ROUTE DESCRIPTIONS.

Route 1 Alameda - San Francisco/Ferry Building

Commence from the Harbor Bay Terminal in the City of Alameda (Harbor Bay), then over the San Francisco Bay waters (Bay waters) to the vicinity of the San Francisco Ferry Building (Ferry building).

*Route 1a Alameda - San Francisco/Ferry Building/Fishermans' Wharf
Between the Harbor Bay, then over the Bay waters to the Ferry building and to Piers 39 or 41 at Fisherman's Wharf, San Francisco (Fisherman's Wharf).

- a. This route authorizes the transportation of passengers and their baggage between the Ferry Building and Fisherman's Wharf.

Issued by California Public Utilities Commission.

*Revised by Decision 98-04-052, Application 91-03-058.