

Decision 98-05-007 May 7, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CATALINA CHANNEL EXPRESS, INC., a California corporation, for such additional authority as may be necessary to affirm its scheduled service certificate of public convenience and necessity to operate as a common carrier by vessel between Dana Point and Avalon/Two Harbors and for authority to file a tariff and timetable to commence such service.

ORIGINAL

Application 97-09-040
(Filed September 19, 1997)

O P I N I O N

Summary

This decision grants the application of Catalina Channel Express, Inc. (Applicant or Express) for authority to institute service between Dana Point, on the one hand, and Avalon/Two Harbors (Santa Catalina Island), on the other hand. Our decision clarifies the status of Applicant's authority to serve this route, and carries out directives and expectations we expressed with regard to startup of this service in Decision (D.) 97-06-052 and D. 97-11-027. The decision closes this proceeding.

Discussion

Express is a common carrier by vessel which is currently providing service between Los Angeles Harbor points and Santa Catalina Island. Express' current Certificate of Public Convenience and Necessity (CPCN) authorizes it to transport passengers and their baggage in scheduled service between the Los Angeles Harbor (San Pedro) and Redondo Beach, on one hand, and various points on Santa Catalina Island, on the other hand. It also possesses authority to

provide unscheduled service between mainland points and Santa Catalina Island points, and locally between points on the Island.

Express also states that its CPCN authorizes it to provide scheduled service between Long Beach and Dana Point, on the one hand, and Avalon and Two Harbors on Santa Catalina Island, on the other hand. Its authority to provide scheduled service on the Dana Point route is the subject of controversy. Our decision on this application will remove any cloud that may exist concerning this authority, and carry out our previously stated expectation that Express will be one of the two vessel carriers which will institute service on the Dana Point route in the near term. (See D. 97-11-027.)

Express currently uses seven vessels in providing Santa Catalina Island service. These are relatively high-speed vessels having cruising speeds of up to 34 knots, and capacities of up to 360 passengers. Most are 149-passenger boats capable of making the cross-Channel run from San Pedro or Long Beach in 60 minutes.

Express is an established operator with more than 25 years of experience running cross-Channel service. It has a qualified management, and half of its crew members have more than five years of experience operating its vessels. Its financial statements reflect that it is a going concern with nearly three million dollars in current assets and annual gross revenues exceeding \$12 million.

We recently discussed the current public need for scheduled service on the route between Dana Point and Santa Catalina Island points in D.97-11-027, and we adopt our finding in that decision that such service is needed. Express' current application amounts to a formality required by D.97-06-052 to further the Commission's vision of open competition on this route, with at least two carriers providing service in the short run.

We find that Express is financially and operationally fit to furnish scheduled vessel service between Dana Point, and Avalon/Two Harbors, and that there is a public need for such service. We will grant the application.

Findings of Fact

1. This is a protested application, but no issue has been raised in the protests which would require the presentation of evidence at an evidentiary hearing.

2. Applicant is operationally fit to furnish the service which is the subject of this application.

3. Applicant is financially fit to operate the service which is the subject of this application.

4. There is a public need for the service which is the subject of this application.

Conclusion of Law

The application should be granted.

O R D E R

IT IS ORDERED that:

1. The certificate of public convenience and necessity granted to Catalina Channel Express, Inc. (applicant), a corporation, authorizing it to operate as a vessel common carrier, as defined in Public Utilities (PU) Code Sections 211(b) and 238, to transport persons and their baggage between the points and over the routes set forth in Appendix A of Decision 93291, as amended, is further amended by replacing Second Revised Pages 3 and 4 with Third Revised Pages 3 and 4.

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 its 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 Section 403 when notified by mail to do so.
3. The application is granted as set forth above.
 4. Application 97-09-040 is closed.

This order is effective today.

Dated May 7, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

Commissioner Jessie J. Knight, Jr.,
being necessarily absent, did not
participate.

T/MM

Appendix A
(D.93291)

CATALINA CHANNEL
EXPRESS, INC.
(a California corporation)

Third Revised Page 3
Cancels
Second Revised Page 3

SECTION II. Scheduled Service (Continued)

D. Redondo Beach - Avalon, Santa Catalina Island

Between Redondo Beach, on the one hand, and Avalon, Santa Catalina Island, on the other hand.

This service is suspended until June 1, 1998.

E. Redondo Beach - Two Harbors, Santa Catalina Island

Between Redondo Beach, on the one hand, and Two Harbors, Santa Catalina Island, on the other hand.

This service is suspended until June 1, 1998.

F. *Dana Point - Avalon, Santa Catalina Island

Between Dana Point Harbor, on the one hand, and Avalon, Santa Catalina Island, on the other hand.

Issued by California Public Utilities Commission.

*Revised by Decision 98-05-007, Application 97-09-040.

SECTION II. Scheduled Service (Continued)

- G. Avalon - Two Harbors, Santa Catalina Island
Between Avalon and Two Harbors, both points on Santa Catalina Island.

- H. *Dana Point - Two Harbors, Santa Catalina Island
Between Dana Point Harbor, on the one hand, and Two Harbors, Santa Catalina, Island, on the other hand.

- I. Los Angeles or Long Beach Harbors - Santa Catalina Island
Between the Los Angeles or Long Beach Harbors and all points on Santa Catalina Island.

Issued by California Public Utilities Commission.

*Revised by Decision 98-05-007, Application 97-09-040.