

Decision 00-04-056 April 20, 2000

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Red & White Ferries, Inc. (VCC-81) to Temporarily Suspend Scheduled Vessel Common Carrier Service between the Aircraft Carrier Hornet on the One Hand and San Francisco on the Other Hand.

Application 99-12-034
(Filed December 22, 1999)

OPINION

Summary

This decision grants Red & White Ferries, Inc.'s (Red & White) request to suspend scheduled vessel common carrier service between the aircraft carrier USS Hornet docked in Alameda on the one hand and authorized points in San Francisco on the other.

Background and Discussion

Red & White is certificated as a vessel common carrier (VCC-81) to provide nonscheduled transportation of passengers and their baggage between navigable points on San Francisco Bay and vicinity, and scheduled service between Richmond and San Francisco. By Decision (D.) 98-09-003, the Commission authorized Red & White to operate scheduled passenger vessel service between the USS Hornet on the one hand and San Francisco Ferry Building Pier 1/2 and Fisherman's Wharf Ferry Terminal Pier 43 1/2 on the other (SF/Hornet ferry service). Red & White may also provide on-call service between USS Hornet and points in San Francisco under its nonscheduled vessel common carrier authority, but that nonscheduled service is not affected by this decision.

Aircraft Carrier Hornet Foundation (Hornet Foundation) is a nonprofit entity created to convert USS Hornet into an air, sea and space museum. In previously requesting Commission certification to provide SF/Hornet ferry service, Red & White relied on Hornet Foundation's estimates that the museum would draw approximately 450,000 visitors annually, and projected that about 150,000 of those would take Red & White's ferry service from San Francisco. To date, however, the actual number of visitors to USS Hornet has been well below Hornet Foundation's estimate. As a result, demand for Red & White's scheduled SF/Hornet ferry service has been less than anticipated. Hornet Foundation, which strongly supported Red & White's earlier request to serve, now supports Red & White's request to suspend service temporarily while it redoubles its efforts to increase visitor attendance. Red & White thus requests authority to suspend service for one year rather than cancel it permanently.

In authorizing SF/Hornet service, the Commission cited the environmental benefits ferries foster as an alternative to highway transportation, particularly for areas with limited land access such as Alameda. We recognize not every new transportation venture will succeed. In this case, low realized passenger volumes demonstrate that the public convenience and necessity will not be compromised by suspending the service until Hornet Foundation can increase visitor attendance.

Notice of the Application appeared on the Commission's Daily Calendar December 29, 1999. No protests were received and there is no known opposition. Hornet Foundation is the party most directly affected, so we give great weight to its explicit support of the Application. We will grant Red & White's request.

Procedural Considerations

By Resolution ALJ 176-3030, the Commission preliminarily determined this to be a ratesetting application not expected to go to hearing. There are no

material facts in dispute and there is no known opposition to granting the full relief requested. We conclude that it is not necessary to disturb our preliminary determinations.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Findings of Fact

1. Public demand for Red & White's scheduled SF/Hornet ferry service has been less than was anticipated when the Commission authorized it.
2. Hornet Foundation supports Red & White's request to suspend SF/Hornet ferry service temporarily.
3. There is no known opposition to granting the relief requested, and no need to hold a hearing.

Conclusions of Law

1. The public convenience and necessity will not be compromised by an up to one year suspension of SF/Hornet ferry service.
2. The Application should be granted.
3. The Commission having found that a hearing is not needed, the rules and procedures of Article 2.5 of the Commission's Rules of Practice and Procedure do not apply to this proceeding pursuant to Rule 6.6.
4. The order that follows should be made effective immediately so that Red & White may suspend service without delay.

O R D E R

IT IS ORDERED that:

1. Red & White Ferries, Inc. (Red & White) is authorized to suspend scheduled vessel common carrier service between the aircraft carrier USS Hornet

docked in Alameda on the one hand and authorized points in San Francisco on the other (SF/Hornet ferry service). To implement this authority, Red & White shall file with the Commission's Rail Safety & Carriers Division and make effective on not less than 5 days' notice the appropriate modification to its tariffs.

2. Red & White shall resume SF/Hornet ferry service not later than one year after the effective date of this decision unless sooner authorized to extend the suspension or to discontinue the service permanently. Red & White may resume service sooner than one year if in its judgment circumstances so warrant, provided that it shall first file and make effective on not less than 5 days' notice the appropriate modification to its tariffs.

3. This proceeding is closed.

This order is effective today.

Dated April 20, 2000, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
CARL W. WOOD
Commissioners