PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION

RESOLUTION GRANTING EXTENSION OF VOLUNTARY SUSPENSION OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED TO CATALINA CHANNEL EXPRESS, INC. (VCC 52).

Catalina Channel Express, Inc. was authorized by Decision 91-10-034, dated October 23, 1991 in Application 91-06-062, to operate as a vessel common carrier (VCC 52). It was further authorized by Decision 92-06-010; dated June 3, 1992 in Application 92-04-014; to transport passengers and their baggage in scheduled service between Redondo Beach and Avalon, between Redondo Beach and Two Harbors, and between the Queen Mary landing in Long Beach and Dana Point Harbor on the one hand and Avalon on the other hand.

By letter dated June 29, 1994, Floyd L. Ferano Esq., on behalf of the carrier, requested the extension of voluntary suspension on the operation between Redondo Beach on the one hand and Avalon and Two Harbors on the other hand that had been granted by Decision 92-08-045 in Application 92-04-014. Mr. Ferano cited poor patronage, high operating expenses, poor access to the freeway, and inadequate parking facilities at Redondo Beach Terminal as the reasons for the request. Catalina Channel Express, Inc. had provided the service for three years.

The extension was granted by Resolution TL-18653 dated March 16, 1995 for a period to end on July 1, 1996.

On May 18, 1996, Edward J. Hegarty, Esq., on behalf of the carrier, requested an extension of the suspension of service at Redondo Beach for an additional two years. He stated that the reasons for the suspension cited in the June 29, 1994 letter still existed. Because of Application 96-02-034, dismissed by Resolution TL-18814 Rail Safety and Carriers Division Page 2 of 3

Decision 97-01-034, regarding an approval of sale between Catalina Channel Express, Inc. and Catalina Cruises, Inc., the request for this extension was never acted upon.

On February 21, 1997, Mr. Hegarty repeated his previous request of May 18, 1996 to extend the suspension until June 1, 1998. He stated that the carrier intends to resume its operation on or before this date.

IT IS ORDERED that:

- The certificate of public convenience and necessity to operate as a vessel common carrier at Redondo Beach granted by Decision 92-06-010; dated June 3, 1992 in Application 92-04-014 is hereby suspended until June 1, 1998.
- 2. Prior to resumption of service, tariff supplements cancelling the suspension supplements shall be filed. The required filing shall be made on not less than five days notice to the public and to the Commission and in accordance with General Order 117-A.
- 3. The carrier shall comply with General Order 111-C by having on file evidence of insurance before resuming operations.
- 4. The authority to suspend operations granted herein shall expire on June 1, 1998 or upon earlier resumption of service, which may be accomplished through compliance with Ordering Paragraph 2 above.
- 5. The carrier shall file quarterly reports of gross operating revenue and pay the required fees during the suspension.
- 6. Catalina Channel Express, Inc. is placed on notice that commencement of operations under the certificate that is the subject of this resolution without complying with Ordering Paragraphs 2, 3, 4, and 5 may cause further suspension or revocation of its operating authority.

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The Executive Director shall mail a copy of this resolution to:

Catalina Channel Express, Inc. c/o Edward J. Hegarty, Attorney at Law Box 699 Orinda, California 94563-0805

This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on the twenty-fourth day of September 1997, the following Commissioners voting favorably thereon:

1, lealer,

Wesley M. Franklin Executive Director

JESSIE J. KNIGHT, Jr. HENRY M. DUQUE JOSIAH L. NEEPER RICHARD A. BILAS Commissioners

President P. Gregory Conlon, being necessarily absent, did not participate.