

Applicant proposes to charge rates in accordance with amended Exhibit "B", and to operate under a time schedule in accordance with amended Exhibit "C", and to use the equipment described in Exhibit "D", all exhibits being attached to said application.

Southern Pacific Company, The Atchison, Topeka and Santa Fe Railway Company, Yosemite Valley Railroad Company, California Transit Company, and Merced Falls Auto Stage Line protested the granting of said application.

Applicant testified in his own behalf and called several witnesses in support of his proposed service. Applicant testified to the effect that he has hauled passengers for many years, both as a driver for various stage lines and in conducting a rent car service. He proposes to operate three trips weekly through to Merced Falls from Stockton and to charge a one-way fare of \$4.40 and a round-trip rate of \$8.80. His equipment will consist of two 7-passenger automobiles, and he estimates that he will carry about six passengers on each trip and expects to develop a larger business if the service is authorized. His passengers will consist almost wholly of laborers hired at Stockton to work in the lumber mills at Merced Falls.

The evidence shows that the Yosemite Lumber Company owns and operates a lumber mill at Merced Falls and in connection therewith maintains a logging camp in the mountains sixty-five miles distant at Incline, on the rail line of the Yosemite Valley Railroad. About a thousand men are employed for ten months of the year and about five hundred for two months in the operation of both the mill and the logging camp. These men, consisting of mill workers and loggers, are secured mainly from Stockton. The record shows without dispute that the proposed

service of applicant is based primarily and almost solely upon the desire of the Yosemite Lumber Company to have these mill laborers, lumberjacks and loggers transported from a certain well known employment agency at Stockton.

For three or four years last past applicant, under private contract, has been hauling a large portion of these laborers for the Yosemite Lumber Company and delivering them at the lumber mill in Merced Falls.

The testimony of H. R. Lowell, General Manager of the Yosemite Lumber Company, shows that the proposed through service of applicant from Stockton to Merced Falls is based almost wholly upon the labor demands of this lumber company. This witness testified to the effect that the turn-over of mill laborers is continuous and daily and larger in the spring and summer periods than in the winter months. It has been, and will continue to be, the practice of the Yosemite Lumber Company to order from day to day the necessary number of men required from the employment agency at Stockton, and in response to these orders the labor agency will secure the men and place them in the stage of said applicant, who will transport and deliver them direct to the labor department of the Lumber Company in Merced Falls, where they are fed and housed, and the next morning assigned to work either at the mill or the logging camp at Incline, to which they are transported over the Yosemite Valley Railroad.

It appears that the stage office of the applicant in Stockton will be adjacent to or in close proximity to this particular employment agency and that these employed men will constitute, as a rule, the entire load of applicant. There is little or no evidence in the record to show that any unemployed laborer or the public at large at Stockton has any interest in

or need for the proposed through service of applicant.

The evidence shows that the Yosemite Lumber Company favors the proposed service of applicant, not by reason of any particular inadequacy of existing transportation facilities of the protesting rail and stage lines, but by reason of the fact that it is more or less of a common practice among mill laborers and lumberjacks, after they have been employed at Stockton or elsewhere and started on the rail or stage line to Merced Falls, to stop off or discontinue their trip at various intermediate points en route. There is nothing in the record to indicate that the applicant would ever use any force or coercion to compel these employed laborers to remain on his stage to its destination at Merced Falls, but it is the contention of both applicant and the Yosemite Lumber Company that on account of the proposed through and direct stage service the laborers thus hired would have no temptation to change their minds en route or abandon the employment already accepted.

Although it appears that applicant will transport from Stockton whatever number of men may be ordered by the Yosemite Lumber Company from the employment agency, the record shows that the back haul will be much smaller, for the reason that a large number of these men, after leaving their jobs, will not use applicant's stage but will take the train at Incline or at Merced Falls and go direct to Merced on their way to Stockton or other points of employment in the San Joaquin Valley.

Applicant admitted that his proposed intermediate service will be very small, almost negligible, as compared with his through business and would serve only a sparsely populated farming district between Oakdale and Merced Falls, serving the small rail points of Hickman and Montpelier and Waterford, on the line of the Southern Pacific Company. Montpelier has one store

and a blacksmith shop, Hickman about six stores, and Waterman has about ten or twelve business houses and is a buying point for the surrounding dairying section. Most of these farmers have their own automobiles and make only infrequent trips to Stockton or Merced Falls or between the intermediate points sought to be served.

The protesting stage and rail carriers offered considerable oral and documentary evidence in opposition to the granting of applicant's proposed service. The record shows that there is now available to the general public, either by rail or stage, daily transportation facilities between Stockton and Merced Falls, via Merced, involving a transfer at Merced but with direct, or at least close, connections on both northbound and southbound trips.

California Transit Company, with its unified and consolidated service to numerous points and communities throughout the San Joaquin Valley, operates several daily schedules between Stockton and Merced, making a direct connection with the Merced Falls Stage Line at Merced, as shown by the following time schedules set out in Exhibit 2 and Exhibit 6 of the Merced Falls Stage Line:

EXHIBIT 2

MERCED FALLS AUTO STAGE LINE

<u>Northbound</u>		
Leave Merced	8:30 A.M.	4:15 P.M.
Arrive Snelling	9:30 A.M.	5:15 P.M.
Arrive Merced Falls	10:00 A.M.	5:45 P.M.
<u>Southbound</u>		
Leave Merced Falls	10:40 A.M.	6:30 P.M.
Arrive Snelling	11:10 A.M.	7:00 P.M.
Arrive Merced	12:10 P.M.	7:50 P.M.

EXHIBIT 6

MERCED FALLS AUTO STAGE LINE

Proposed Combined Schedules of Merced Falls Stage Line with California Transit Co., effective April 1, 1926.

A.M.			
10:50	L.	Sacramento	A. 5:40
12:40	A.	Stockton	L. 3:50
1:05	L.	Stockton	A. 3:40
4:10	A.	Merced	L. 12:40
4:15	L.	Merced	A. 12:10
5:45	A.	Merced Falls	L. 10:40
P.M.			A.M.

The above daily schedules indicate that a passenger may leave Stockton at 1:05 P.M. and arrive in Merced Falls at 5:45 P.M., and may leave Merced Falls at 10:40 A.M. and arrive at Stockton at 3:40 P.M.

Southern Pacific Company operates several train schedules daily between Stockton and Merced, via Lathrop, and Yosemite Valley Railroad Company also operates several train schedules between Merced and Merced Falls. A study of the joint Exhibit No. 1 of these rail protestants indicates that a passenger may leave Stockton at 11:03 A.M. and arrive at Merced Falls at 2:37 P.M., and in the opposite direction may leave Merced Falls at 11:15 A.M., reaching Stockton in the late afternoon. The record further shows that not only do the protesting rail and stage carriers offer a daily service as against the thrice weekly service of applicant, but the present service is furnished at a substantially lower fare, both on one-way and round-trips, with a privilege of buying one through ticket. The evidence moreover shows that these rail and stage lines, as a matter of fact, transport adequately large numbers of laborers from Stockton and other points to the farming district surrounding Snelling, Hope-ton and adjacent territory to the entire satisfaction of farmers and ranchers operating in that district.

A. R. Limm, General Manager of the Merced Chamber of Commerce, appeared at the hearing for his organization and entered a protest against the proposed service of applicant. His testimony shows that the Merced Chamber of Commerce represents ten other communities in Merced County; that the Yosemite Valley Railroad Company is and has been rendering adequate and satisfactory service in connection with the other protesting carriers; that it maintains close connections at Merced with the Southern Pacific Company and The Atchison, Topeka and Santa Fe Railway Company; that it has spent large sums of money in the operation of its service between El Portal and Merced; that it has been operating at a loss for a long period of time and that the establishment of the additional stage service of applicant will bring about new and direct competition and thereby seriously reduce its revenues.

We have carefully considered all the evidence in this proceeding and conclude therefrom:

First, that the proposed stage service of applicant as disclosed in the record falls clearly within the doctrine laid down by this Commission in its Decision No. 15014, in Application No. 10599, as decided June 6, 1925, wherein the Commission say in part:

"If need has been shown, it has been a private need on the part of the employment agency or the employer, and not a public necessity on the part of the passenger. The situation presented in the record herein appears to be analogous to the one presented in Application No. 8671, Houck and Smith, determined by Decision No. 13265, dated March 14, 1924, in which decision the Commission disposes of this feature of the application in the following language:

"Moreover, the evidence shows that this proposed service is based wholly upon the plan and desire of applicants to secure and load in their stages at the employment offices in Sacramento and Marysville, these mill laborers and lumberjacks, and transport them to Westwood or Susanville in a sort of quasi-custody, in order to insure their arrival there to the private advantage or benefit primarily of said applicants and the two or three lumber companies operating at these towns.

"This Commission does not consider public necessity and convenience to be based upon any such scheme or purpose as herein indicated by applicants.

"The Commission has, in its previous decisions, clearly established the doctrine that certificates to operate auto stage service shall be granted or withheld upon the basis that the rights, welfare and interest of the general public will be advanced by the authorization and prosecution of the enterprise, but not upon the private benefit or advantage that may accrue to any carrier, shipper or consignee."

Second, that the existing rail and stage transportation facilities between Stockton and Merced Falls are adequate and satisfactory and there is no public necessity for the additional stage service as proposed by applicant.

We are therefore of the opinion that the proposed service of applicant should be denied.

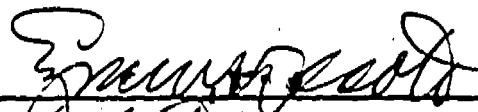
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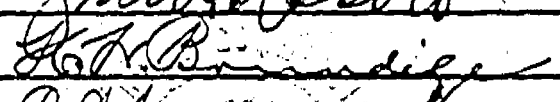
A public hearing having been held in the above entitled application, the matter having been duly submitted and being now ready for decision,

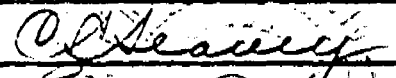
THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity do not require the operation by F. W. Riecks, doing business under the name of Inter-Mountain Stage Lines, of an automobile stage line as a common carrier of passengers and their baggage between Stockton and Merced Falls and certain intermediate points, and

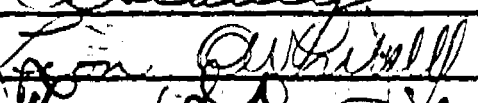
IT IS HEREBY ORDERED that said application be and the same is hereby denied.


Dated at San Francisco, California, this 16th day of April, 1927.











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