

Decision No. 20752**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 GEORGE MALAKIAN for certificate of
 public convenience and necessity
 to operate passenger, express, and
 baggage service between Merced, California,
 and Merced Falls, California.)
) Application
) No. 15301

C.E. Mc Cray, for Applicant,
 H. K. Landram, for Yosemite Valley Railroad
 Company, Protestant.
 Robert S. Elliott, for American Railway
 Express Company, Protestant.

BY THE COMMISSION -

O P I N I O N

George Malakian has petitioned the Railroad Commission for an order declaring that public convenience and necessity require the operation by him of an automobile stage line as a common carrier, for compensation, of passengers, baggage and express between Merced and Merced Falls and intermediate points.

A public hearing on this application was conducted by Examiner Handford at Merced, the matter was duly submitted and is now ready for decision.

Applicant proposes to charge rates in accordance with amended "Exhibit A" as filed with the Commission; to operate on a schedule of one round trip daily between Merced and Merced Falls, serving the intermediate communities at Edendale, Hopeton and Snelling; and using as equipment one 12 passenger Studebaker stage of 1928 model.

George Malakian, applicant herein, testified that he was an experienced stage operator now employed as a driver for the California Transit Co. between Los Banos and Merced; that his Merced terminal would be located at the California Transit Co.'s depot; that he now owned the equipment proposed to be

used and would put additional schedules in operation if the traffic justified such action. Witness proposes to give the operation his personal attention and anticipates a profitable business if the saw mill at Merced Falls is reopened by the present owners.

Henry Bonds, a resident of Snelling, testified that no public transportation now existed between Snelling and Merced by which residents of Snelling could go to Merced and transact business and return on the same day; that he now uses the railroad service for the shipment of automobile parts and is never sure when same may be expected; that he would use the proposed service for his trips to Merced and also for the transportation of express packages to his garage at Snelling; and that the establishment of the proposed service would be a convenience and benefit to himself and other residents of his community.

Robert Williams, residing at Merced Falls, testified that from 400 to 500 persons were employed at the mill and box factory at Merced Falls, when same was operating, and approximately 400 additional in lumbering operations adjacent to such community; and that the establishment of the proposed service would be of benefit to the community and employees of the lumber company. Similar testimony was given by four other witnesses in behalf of applicant.

Petitions signed by 100 residents of Snelling and Merced Falls, and by 71 merchants and business men of Merced endorsing the application were filed herein.

The granting of the application is protested by American Railway Express Company and Yosemite Valley Railroad Company.

W. L. White, general manager of protestant Yosemite Valley Railroad Company, presented exhibits showing schedules, rates and financial condition of his company and testified that the service and rates were adequate to meet the limited traffic originating at Merced Falls and intermediate points for Merced. Witness has interviewed residents of the communities proposed to be served and from such investigation is of the opinion that no necessity exists for the service herein proposed.

Geo. R. Syges, chief operating officer of Minarets and Western Railway and Sugar Pine Lumber Company's Railway, testified that it was not the intention of his company, which has recently acquired the property of the Yosemite Lumber Company, to operate the mill at Merced Falls during the present season, although logging crews will be worked in the woods and the logs transported to a mill at Pinedale for milling. Witness was not advised regarding the prospects for operation of the Merced Falls mill in future years nor as to the operations of the box factory at such point.

W. J. Ferrel, a resident of Snelling, engaged in farming and as receiver for a large agricultural property there, testified that he knew of no complaint regarding the passenger or express service as now available for his community, nor of any need or demand for the inauguration of the proposed stage service.

Robert S. Elliott, employed as route agent by protestant American Railway Express Company, testified that the service available by his company was ample for the needs of the community and that a material decrease in the volume of business handled had followed the closing of the Yosemite Lumber Company's mill at Merced Falls, as reflected by the following statement of business transacted at the Merced Falls agency:

<u>Year</u>	<u>Shipments Handled</u>	<u>Revenue</u>
1926	5138	\$ 6105.81
1927	4582	4592.74
1928	1704	1781.51

A comparison of the present service available by the railroad with that proposed by the applicant is as follows:

	<u>NORTHEBOUND</u>		(Leaving Merced)
	<u>Y.V.R.R.Co.</u>		<u>Applicant</u>
Lv. Merced	6:00 A.M.	6:00 P.M.	4:30 P.M.
Lv. Edendale	6:18 A.M.	6:20 P.M.	5:00 P.M.
Lv. Hopeton	6:27 A.M.	6:30 P.M.	5:15 P.M.
Lv. Snelling	6:33 A.M.	6:40 P.M.	5:30 P.M.
Ar. Merced Falls	6:50 A.M.	7:00 P.M.	5:45 P.M.

	<u>SOUTHBOUND</u>		(Leaving Merced Falls)
	<u>Y.V.R.R.Co.</u>		<u>Applicant</u>
Lv. Merced Falls	4:28 P.M.	8:30 P.M.	8:30 A.M.
Lv. Snelling	4:40 P.M.	8:50 P.M.	8:45 A.M.
Lv. Hopeton	4:45 P.M.	9:00 P.M.	9:00 A.M.
Lv. Edendale	4:53 P.M.	9:10 P.M.	9:15 A.M.
Ar. Merced	5:15 P.M.	9:30 P.M.	9:45 A.M.

*

Note: (*) From June 1st to September 1st this train leaves Merced Falls 11:38 A.M., arriving Merced 12:20 P.M.

The one-way rates now existing on the line of the Yosemite Valley Railroad Company are approximately the same as are proposed by applicant, as is shown by the following comparison:

	<u>Y.V.R.R.Co.</u>	10 ride	<u>Applicant</u>
	<u>One Way</u>	<u>commutation</u>	<u>One Way</u>
Between Merced and Edendale	70¢	\$ 6.05	85¢
Hopeton	1.00	8.25	1.00
Snelling	1.15	9.90	1.25
Merced Falls	1.55	13.20	1.50

The traffic handled by protestant Yosemite Valley Railroad Company to the principal points in the territory herein considered is reflected by the following tabulations:

	<u>YEARS</u>			
	<u>1927</u>	<u>Revenue</u>	<u>1928</u>	<u>Revenue</u>
	<u>Passengers</u>		<u>Passengers</u>	
	<u>carried</u>		<u>carried</u>	
From Merced to Merced Falls	63	\$102.35	42	\$ 65.10
From Merced Falls to Merced	236	383.35	118	186.00
From Merced to Snelling	10	11.50	5	5.75
From Snelling to Merced	54	65.70	49	56.35

A resolution signed by five residents of Merced, members of the Merced County Chamber of Commerce, endorsing the adequacy of the service of Yosemite Valley Railroad Company and urging the denial of the requested certificate was filed as an exhibit herein.

From the record in this matter it appears that the community of Merced Falls is largely dependent on the operations of the Yosemite Lumber Company, such community being the headquarters for its logging operations and the site of its saw mill and box factory. The saw mill has been closed during the 1928 season and apparently is not to be operated during the 1929 season. Due to the suspension of this activity it does not appear that the volume of passenger and express traffic offering between Merced and Merced Falls and intermediate points is sufficient to justify the establishment of the proposed stage line, even though some convenience would be afforded the limited number of people who have testified that they would use the service, if authorized.

The record shows a stage line was formerly operated over this route by Christ Stavros and Nick Stavros, operating under the fictitious name of Merced Falls Stage Line, and authorized by this Commission's Decisions Nos. 5417 and 6124 on Application No. 3683, as decided May 24, 1918, and February 13, 1919. This stage line

discontinued service by reason of the lessening of activities of Yosemite Lumber Company at Merced Falls resulting in the inability of the operators to continue the service and upon request of Stavros Brothers the Commission by its Decision No.19558, dated April 2, 1928, canceled and revoked the operative right. No evidence has been presented herein which would justify the conclusion that conditions have changed or that the operation could be renewed by the present applicant and be continued for any appreciable time, due to the very limited traffic available.

The application will be denied.

O R D E R

A public hearing having been held on the above entitled application, the matter having been duly submitted and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby declares that public convenience and necessity do not require the operation by George Malakian of an automobile stage line as a common carrier of passengers and express parcels between Merced and Merced Falls and intermediate points, and

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

Dated at San Francisco, California, this 7th day of February, 1929.

Thos D. Lovitt
C. Seaver
George W. Smith
Leon Whitely
M. P. Quinn
COMMISSIONERS.