

Decision No. 13298

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ERNEST SUNDBERG for certificate of public convenience and necessity for the transportation of freight and mail as a common carrier for compensation between the City of Sacramento, State of California, and the City of Lakeport, State of California, and between various intermediate points between said cities.

ORIGINAL

Application No. 23240

- W. A. LAHANIER, for Applicant.
- W. G. STONE, for Sacramento Chamber of Commerce, Intervenor on behalf of applicant.
- H. C. LUCAS, H. D. RICHARDS and T. J. MAATTA, for Pacific Greyhound Lines, Protestant.
- A. J. GAUDIO, for Southern Pacific Company, Northwestern Pacific Railroad Company, Pacific Motor Trucking Company, C. F. Frederickson and A. M. Akin Protestants.
- EDWARD STERN, for Railway Express Agency, Inc., Protestant.
- W. L. WARNER, for Sacramento Auto Truck Line, Interested Party.
- A. H. WESTON, for Woodland-Rumsey Auto Stage Line, Interested Party.

CRAEMER, Commissioner:

O P I N I O N

By this application, as amended, Ernest Sundberg seeks authority to operate as a highway common carrier for the transportation of property between Sacramento, on the one hand, and points in Lake County in the vicinity of Clear Lake, on the other hand.

Public hearings were had at various points in Lake County and at Sacramento. The hearings were concluded and oral argument was had at San Francisco, the matter was submitted, and it is now ready for decision.⁽¹⁾

The Sacramento Chamber of Commerce intervened on behalf of the applicant and offered testimony in support of the application. Protestants, Pacific Greyhound Lines, Southern Pacific Company, Northwestern Pacific Railroad, Pacific Motor Trucking Company, C. F. Frederickson, A. M. Akin, and Railway Express Agency, Inc. were represented by counsel and submitted evidence and testimony of public witnesses in opposition to granting the application. The Sacramento Auto Truck Line and the Woodland-Rumsey Auto Stage Line appeared by their representatives as interested parties but took no active part in the proceedings.

Applicant proposes to operate a 1½-ton heavy duty Chevrolet truck, leaving Sacramento daily (except Sundays and holidays) at 10:00 A.M. and arriving at Clear Lake Highlands about 1:00 P.M. via Woodland and Rumsey. Following a counter-clockwise route around Clear Lake, applicant would then serve Sulphur Bank Mine, Clear Lake Park, Clear Lake Oaks, Lucerne, Nice, Upper Lake, Lakeport, Finley, Kelseyville, and Lower Lake, returning to Clear Lake Highlands about 4:45 P.M. Upon completing its work there, applicant's truck would return to Sacramento, arriving at that

(1) The hearings at Sacramento and Lake County points were had before Examiner Broz; the hearings at San Francisco were had before Commissioner Craemer.

(2)
 point about 8:50 P.M.

The proposed route would operate,

<u>From</u>	<u>To</u>	<u>Via Highway</u>
Sacramento	Woodland	Calif. No. 16-24 (the River Road)
Woodland	Sacramento "Y"	Calif. No. 16 (via Rumsey)
Sacramento "Y"	Clear Lake Highlands	Calif. No. 20-53
Clear Lake Highlands	Upper Lake	Calif. No. 20-53
Upper Lake	Clear Lake Highlands	Calif. No. 29-53 and county road,

and returning to Sacramento via the same route as the outbound route. The round-trip distance from Sacramento to Lake County points and return to Sacramento is 250 miles via this route. Applicant also seeks an alternate route between Sacramento and Lake County via U. S. Highway No. 40 to Davis, thence via U. S. Highway No. 99-W to Williams, thence via California Highway No. 20 to Sacramento "Y," thence via the above-described route around Clear Lake and returning to Sacramento via Williams and U. S. Highway No. 99-W to Davis, thence via U. S. Highway No. 40 to Sacramento. This alternate route (which is somewhat longer than the proposed regular route) would be used for emergencies such as flood conditions or when there are shipments to be handled from

(2) Store-door pickup and delivery service is offered and applicant would serve all intermediate points around the lake. No local service is proposed, however, between Sacramento and the junction of California Highways Nos. 16-20. However, it is proposed to provide an "on-call" service for the Spreckels Sugar Company at Woodland for shipments to Lake County points. Also, on the return trip applicant proposes to render service from Lake County points to Williams for the transshipment of property by railroad at that point. Applicant does not propose to transport uncrated household goods or furniture, livestock, cut flowers, or commodities shipped in bulk. Shipments weighing less than 100 pounds would be handled at the minimum charges established by the Commission by Decision No. 31606, as amended, in Case No. 4246.

Lake County points to Williams for transshipment by railroad at that point.

It is proposed to apply the minimum rates prescribed by the Commission in Decision No. 31606, as amended, in Case No. 4246 on all traffic subject to the rates established in that proceeding. Reasonable commodity rates would be maintained on commodities exempted from the Commission's minimum rate orders.

The main office and terminal of the proposed operation would be located at Sacramento under the personal management and supervision of applicant Sundberg. ⁽³⁾ He would employ two drivers to operate his truck. One man would drive the truck from Sacramento to Clear Lake Highlands, and go off duty at that point between 1:00 P.M. and 4:45 P.M. During this intervening period of 3 hours and 45 minutes, a second man would drive the truck around the lake, serving the points heretofore named, and return to Clear Lake Highlands, where the first operator would drive it back to Sacramento. Pickup and delivery service in Sacramento is proposed to be rendered by a local trucking company for the applicant under contract and applicant's Sacramento terminal ⁽⁴⁾ would be located on the premises of said trucking company.

(3) Applicant Sundberg has engaged in the transportation business in California since 1918. From 1918 to 1924 he was a mover of household goods. From 1924 to 1931 he was in the transfer (city carrier) business in San Francisco. In 1931 and for several years thereafter, he operated a truck transportation service between San Francisco and Los Angeles, as a common carrier under the firm name of California Motor Transport Company.

(4) This company is the Oregon-Nevada-California Freight Lines with a terminal located at 6th and M Street, Sacramento. Pickup and delivery service would be rendered for applicant at a cost of 10 cents per hundredweight.

A summary of the estimated operating costs and gross and net revenues submitted in evidence by the applicant and revised to meet the criticisms of protestants, shows a total daily operating cost of \$41.05 including overhead, taxes and return on investment; gross revenue is estimated at \$46.16 per day, leaving a net profit of \$5.11 per day. ⁽⁵⁾ The maximum pay-load capacity of the truck, according to the witness, would be 7 tons. When handling 4 tons per day as an average load, the load factor would be about 57 per cent. If additional motor vehicle equipment is required, applicant proposes to buy or lease such equipment.

The financial ability of applicant to establish and maintain the proposed service was supported by testimony showing that he personally owns unencumbered real property in Lakeport valued at \$18,000; has \$1,500 in cash in the bank; and has a written offer from the Bank of Upper Lake to advance him a sufficient amount of money for the purchase of five trucks at this time or later. In addition, one Richard J. Grundy of San Francisco made a written offer to accept a personal note from applicant for a cash loan of \$3,500 at 6 per cent interest, for use in the contemplated trucking service, if necessary. ⁽⁶⁾

(5) Estimated gross revenue of \$44 is based on handling 4 tons of traffic per day at an average rate of 55 cents per 100 pounds. The average rate of 55 cents is calculated upon the existing 3rd Class "Any Quantity" rates from Sacramento to Lake County points established by Decision No. 31606, as amended, in Case No. 4246. In addition to the estimated revenue of \$44 per day from merchandise traffic, applicant contemplates that he would receive about \$648 per annum, or \$2.16 per day, as back-haul revenue on cream and butterfat from Lake County points to Sacramento.

(6) Exhibits Nos. 9 and 10.

A total of 58 public witnesses appeared and testified on behalf of the applicant. Nineteen of the witnesses were Sacramento shippers; sixteen were shippers or receivers of freight at Lakeport. The following communities were also represented by shipper witnesses for the applicant: Sulphur Bank Mine, Clear Lake Highlands, Abbott Mine, Lucerne, Nice, Upper Lake, Lower Lake, and Clear Lake Oaks.

No useful purpose would be served by relating in detail the specific testimony adduced by each witness. Much of the testimony with respect to service, was substantially similar and cumulative in character. The testimony of these witnesses may be summed up as follows: (1) the existing service of the Southern Pacific Company and connecting truck lines, including the Pacific Motor Trucking Company, is too slow, inadequate, and unsatisfactory on shipments from Sacramento to Lake County points; (2) the lack of adequate transportation service from Sacramento compels Lake County shippers to do business in San Francisco or Oakland, thus cutting off Sacramento as a potential jobbing point; (3) Lake County shippers doing business in Sacramento operate proprietary trucks or use contract truck lines to haul their shipments; (4) the multiple handling of shipments via the Southern Pacific, Northwestern Pacific and Pacific Motor Trucking Company via Ukiah, results in greater loss and damage to shipments than direct handling by one carrier; and (5) Sacramento jobbers assert they are unable to secure any appreciable amount of business in Lake County at the present time due to a lack of adequate transportation service. Substantially all of applicant's witnesses urged that Lake County be granted a direct service from and to Sacramento via a certificated highway common carrier, and asserted, almost unanimously, that they would patronize such a service.

Among the inbound commodities described by the applicant's witnesses are groceries, fresh and canned fruits and vegetables, meats, plumbing, hardware and electrical supplies, building material, including cement and roofing supplies, ice cream, drugs and medicines, clothing, automobile accessories, iron and steel articles, machinery, tools, and sporting goods. Included among the outbound products would be dairy products, butterfat, quicksilver, canned tamales, and fresh fruit.

From estimates submitted by twenty-seven of the witnesses, it appears that their average daily tonnage, including both inbound and outbound traffic, would amount to about 5 tons, and, in addition, three large shippers, two of whom represent the quicksilver mining interests in Lake County, estimated that they now ship and receive about 40 tons a day (inbound shipments of machinery and supplies and outbound shipments of quicksilver in flasks) and that they would offer a portion of this traffic to the applicant's truck line, if established. The remaining shipper witnesses were unable to estimate the volume of their traffic, but stated that they would utilize the applicant's service on shipments from and to Sacramento.

Applicant's principal witness, the manager of the transportation and industrial department of the Sacramento Chamber of Commerce, stated that he was authorized by that body to appear and testify in this proceeding relative to the need of Sacramento shippers for adequate trucking service to Lake County. From a personal survey which he made, he testified that despite the fact that Sacramento is closer to Lake County points than San Francisco

(7)
and Oakland, jobbers in the Bay Area have long enjoyed more expedited transportation service to Lake County than Sacramento jobbers; that because of this lack of adequate service, Sacramento business houses have gradually withdrawn their salesmen from the Lake County district. Lake County, he said, is the only area within a radius of 125 miles from Sacramento which has no direct rail or truck service, and he urged that the application be granted in order that Sacramento might secure a transportation service comparable to that now enjoyed by San Francisco and Oakland.

At this point, it is perhaps appropriate to summarize the testimony relative to the character of the transportation service now being rendered by various transportation agencies from Sacramento and San Francisco to Lake County points, as developed by witnesses for the protestants. The Southern Pacific Company, in connection with the C. F. Frederickson and A. M. Akin truck lines, operates a joint rail-truck service from Sacramento to points in the vicinity of Lower Lake, serving Clear Lake Highlands, Clear Lake Park, and Clear Lake Oaks. Merchandise traffic is handled by the Southern Pacific rail lines from Sacramento to Calistoga, thence via the Frederickson and Akin truck lines to Lower Lake and nearby points, giving overnight service with delivery at Lower Lake at 12:30 P.M., Clear Lake Highlands at 2:30 P.M., Clear Lake Park at 3:30 P.M., and Clear Lake Oaks at 5:00 P.M.

(7) The average constructive highway mileage from Sacramento to seven major points in Lake County, here involved, is 118 miles; the average constructive highway mileage from San Francisco-Oakland to the same points is 154 miles.

From Sacramento to Upper Lake and points on the western side of Clear Lake, the Southern Pacific Company hauls Sacramento merchandise shipments by rail to San Francisco; thence via Northwestern Pacific rail service to Ukiah; thence via Pacific Motor Trucking Company to Upper Lake, giving second morning delivery as follows: Upper Lake, 7:00 A.M., Lakeport, 7:40 A.M., Nice, 10:20 A.M., Finley, 10:20 A.M., Lucerne, 10:40 A.M., and Kelseyville, 11:00 A.M.

Shipments from San Francisco and Oakland to Upper Lake, Lakeport, Nice, Finley, Lucerne, and Kelseyville are handled via Northwestern Pacific Railroad and Pacific Motor Trucking Company truck service through Ukiah, giving overnight service to those points. This service is 24 hours faster than the present second morning service from Sacramento to the same points. Shipments from San Francisco to Lower Lake and points in that vicinity are handled via rail to Calistoga, thence via the Frederickson and Akin truck lines and receive the same overnight service as shipments from Sacramento.

Protestant Railway Express Agency, Inc. operates only between Sacramento and Lakeport, does not serve the other points in Lake County here involved, and maintains a tariff of transportation charges relatively higher than those proposed by applicant.

Protestant Pacific Greyhound Lines operates a seasonal passenger stage service from Sacramento to all points around the lake between May and September, serving the points here involved. In addition, Greyhound renders a year-around service from Sacramento to Lakeport and from Ukiah to Upper Lake. Its operations are limited to the handling of packages weighing not more than 100 pounds and Greyhound's rates on such package shipments are uniformly higher than the minimum charges proposed to be charged by

applicant on shipments weighing less than 100 pounds.

Twenty-seven shipper witnesses testified or had their testimony stipulated into the record on behalf of the protestants. All of these witnesses are engaged in business in Lake County and testified substantially (1) that they are satisfied with the present service of the Southern Pacific Company, Northwestern Pacific and Pacific Motor Trucking Company; (2) that they buy most of their merchandise in San Francisco or Oakland; (3) that they have no occasion to do business with Sacramento jobbers or wholesalers, and that if they should do so in the future they would use applicant's service only in an emergency. (8)

Certain operating and traffic officers of protestant carriers testified relative to the present operating practices, current traffic movement and revenues earned from operations in the affected area. The district manager of the Pacific Motor Trucking Company challenged the applicant's proposed plan of operation, and pointed out matters which, in his judgment, vitally and adversely affected the possibility of accomplishing the proposed service. His views, based upon actual operating experience of his company in Lake County and elsewhere, he said, led him to believe, (1) that applicant could not physically operate the proposed round-trip schedule of 250 miles per day from Sacramento to Lake County, serve the points around the Lake, and return to Sacramento by 8:50 P.M.; (2) that applicant could not obtain 12 miles per gallon of gas from his truck operation and

(8) Witnesses located at Upper Lake, Clear Lake Highlands, Lakeport, Kelseyville, Finley, and Clear Lake Park, testified on behalf of protestant carriers. No Sacramento shippers testified for the protestants.

that actual performance for a 1½-ton Chevrolet truck would be nearer 6 miles per gallon; (3) that traffic to and from Lake County fluctuates greatly due to seasonal resort operations and that when the resort season is at its peak, the applicant might be called upon to handle as much as 10 tons of traffic per day with a truck capable of carrying only 7 tons as maximum; (4) that Sacramento merchants sell only one-tenth as much merchandise to Lake County stores as San Francisco merchants, and that to his knowledge, traffic from Sacramento to the Lower Lake district has not increased to any appreciable extent during the past seven years; (5) that applicant cannot purchase a 1½-ton Chevrolet heavy-duty truck such as described for use in connection with his proposed service, for the sum of \$1500.

In rebuttal of the first of these assertions, the applicant offered in evidence, as Exhibit No. 26, a time schedule of an actual trip conducted by himself in a passenger automobile over the proposed route from Sacramento to Lake County, via Woodland and Rumsey, thence around Clear Lake and returning to Sacramento, showing an elapsed driving time of 6 hours and 52 minutes from 10:00 A.M. to 4:52 P.M. Since his proposed time schedule, he said, is predicated upon leaving Sacramento at 10:00 A.M. and returning at 8:50 P.M., with an elapsed time of 10 hours and 50 minutes, the difference between the actual running time and the proposed time schedule is four hours, which would be ample, in applicant's opinion, for stopping to make pickups and deliveries of shipments at points around the Lake.

Applicant replied to the second criticism as to gasoline consumption, pointing out that he had actually obtained 12 miles per gallon of gas while driving his own passenger car over the proposed route at a rate never exceeding 45 miles per hour, and

that he could obtain the same gasoline efficiency from a new 1½-ton Chevrolet truck. But, he said, conceding for the sake of argument that he would get only 6 miles per gallon of gas and that his daily fuel cost would thus be doubled, his original estimate of fuel cost would be increased \$3.33 per day, and assuming that protestants' criticism is sound, applicant would still earn a profit of \$5.11 per day, instead of \$8.44, the latter profit being predicated upon the lesser fuel cost.

The third point relative to traffic fluctuation and "peak" tonnage was rebutted by applicant with a proposal offering to rent or lease additional trucking equipment, if necessary, to handle overflow tonnage and truckload traffic.

The fourth criticism as to the low traffic density from Sacramento to Lake County points, applicant alleged, is directly attributable to the existing poor service from Sacramento and there is no doubt, he said, that with adequate and expedited service such as he proposes, new traffic would be developed and moved from Sacramento.

In reply to the final assertion that a truck such as that described for use in the proposed operation cannot be purchased for \$1500, applicant presented an itemized statement of a price quotation made to him by a Chevrolet dealer, for the truck and its accessories as follows:

One heavy-duty (cab over engine) Chevrolet truck chassis.	\$1,035.75
Extra tires and rims	163.40
Two-speed axle	106.60
Fish plates	10.20
Overload spring.	10.20
Power brakes.	25.40
Body (Masonite \$160)(Duralumin \$200).	200.00
Side door.	15.00
	<u>\$1,566.55</u>

The duralumin body and side door were said to be optional features. If no side door is installed and if a Masonite body is used, the estimated cost of the truck would be \$1511.55. The size of the truck body was given as 15 feet by 6½ feet by 6 feet.

At the oral argument which preceded the submission of this proceeding, counsel for applicant and for protestants reviewed the more important evidence developed by their respective witnesses. Counsel for applicant argued that the record contains a showing of public convenience and necessity sufficient to support a finding by the Commission that a highway common carrier certificate should be issued to the applicant. He pointed out (1) that there is a genuine public demand for the proposed service; (2) that the new service would be more expeditious than the existing services; (3) that applicant would charge the lowest lawful minimum rates established by Decision No. 31606, in Case No. 4246, thereby giving Sacramento shippers lower rates than San Francisco shippers because of the shorter constructive mileage from Sacramento to Lake County points; (4) that the services of existing carriers are inadequate and unsatisfactory, and (5) that applicant would not unduly divert traffic from existing carriers.

Counsel for protestant Pacific Greyhound Lines argued that any diversion of package shipments under 100 pounds to applicant's service would jeopardize the operation of passenger stage service between Sacramento and Lake County points and urged that the application be denied with respect to the handling of package shipments.

Counsel for the Southern Pacific Company, Pacific Motor Trucking Company, Northwestern Pacific Railroad, and the Frederickson and Akin truck lines contended (1) that the territory is now

adequately served and needs no new service; (2) that the economic and geographical characteristics of Lake County do not warrant the establishment of an additional service; (3) that no substantial improvement in service over that now being rendered by existing carriers is proposed by the applicant; and (4) that the establishment of the proposed service would be competitive with and prejudicial to the interests of protestants and might result in an application by Frederickson and Akin truck lines seeking an abandonment of their truck operations from Calistoga to Lake County.

In rebuttal argument, applicant's counsel contended that package rates, lower than those now charged by Pacific Greyhound Lines, would be established and maintained by the applicant; that Pacific Greyhound Lines maintains only a seasonal service from Sacramento to all points around Clear Lake and that these points are entitled to year-around service to accommodate the local residents of those communities; that Sacramento shippers into Lake County cannot compete with San Francisco shippers because of the disparity in transportation service; that in the event this application is granted and C. F. Frederickson and A. M. Akin seek to abandon their truck operation from Calistoga to Lower Lake and adjacent points, the applicant would file an application to acquire and operate their lines, subject, of course, to the approval of the Commission; that although the Southern Pacific Company and its connections recently improved their service from San Francisco to Lakeport since the instant application was filed, no similar improvement was made in the Southern Pacific service from Sacramento; that the dairy industry of Lake County needs a direct outlet to Sacramento for its churning cream (butterfat) for which applicant would provide ample refrigerator

storage space at his Sacramento terminal for overnight cold storage; and finally, that the only traffic now moving into and out of Lake County which might be diverted to the applicant in the event this application is granted, would be traffic now moving in proprietary trucks and possibly a portion of the traffic now being handled by highway contract carriers.

In view of the somewhat detailed recital of the evidence and argument in the foregoing portion of this opinion, it would serve no useful purpose to discuss the purport and effect of the ultimate facts developed on the record. Certain uncontroverted facts stand out in bold relief. Other facts, subordinate in nature, and standing alone, would not be fully persuasive or controlling in the disposition of this matter. Taken together, however, the testimony and evidence presented by the applicant appear to indicate that he has made a preponderant showing in support of his application for the authority here sought. Despite the efforts of protestants to justify the adequacy of the existing service from Sacramento to Lake County, the present second morning service from Sacramento to such points as Upper Lake, Lakeport and Kelseyville, leaves much to be desired.

The conclusion is fairly obvious that San Francisco and Oakland, although located at a greater distance from Lake County than Sacramento, enjoy a measurably superior transportation service. Moreover, there is no direct highway common carrier service between Sacramento and Lake County at the present time. Lake County is one of three counties in the state that is not presently served by a railroad. It must necessarily depend upon truck

(9) These counties are Lake, Alpine and Del Norte.

transportation for the handling of its inbound and outbound traffic.

Under the proposed operation, traffic picked up by applicant or presented by a shipper at applicant's terminal in Sacramento before 10:00 A.M. would be delivered to all the enumerated points around Clear Lake before 5:00 P.M. the same day. It would be possible for a Lake County merchant to telephone his order to Sacramento one day and have it delivered the next day. If he phones before 9:00 A.M. he may even have his shipment delivered the same day. By comparison with the overnight and second morning service of the existing carriers, we must necessarily find that applicant offers an improved and more expeditious service. From the well-supported testimony of numerous public witnesses, we must conversely find that the existing service of the protestant carriers from Sacramento to Lake County points is inadequate and unsatisfactory. It is unnecessary to emphasize further the facts which support these findings.

The financial ability of the applicant appears to be sufficient to underwrite the inauguration of the proposed service and guarantee its sustained operation during the early stages of development. The operating experience gained by the applicant during his twenty years of trucking activity appears ample to qualify him to manage the proposed service. While there may be some question as to whether or not this proposed operation would prove to be profitable, it does appear from this record that applicant has at least a reasonable chance

to enjoy a remunerative operation after the service has been established.

Upon consideration of the testimony and evidence adduced at the hearings herein, and giving recognition to the points raised upon oral argument, I am of the opinion and find that public convenience and necessity justify and require the granting of the authority here sought, subject to the conditions and exceptions which appear in the order attached hereto.

Applicant, Ernest Sundberg, is hereby placed upon notice that "operative rights" do not constitute a class of property which should be capitalized or used as an element of value in determining reasonable rates. Aside from their purely permissive aspect, they extend to the holder a full or partial monopoly of a class of business over a particular route. This monopoly feature may be changed or destroyed at any time by the state which is not in any respect limited to the number of rights which may be given.

I recommend the following form of order:

O R D E R

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity justify and require that a certificate of public convenience and necessity be issued to Ernest Sundberg, granting the authority sought by the applicant herein, subject to the conditions and exceptions hereinafter set forth.

I

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Ernest Sundberg authorizing him to operate as a highway common carrier, as that term is defined in section 2-3/4 of the Public Utilities Act of California, for the transportation of property (1) between Sacramento, on the one hand, and points in Lake County, viz: Lower Lake, Sulphur Bank Mine, Clear Lake Highlands, Abbott Mine, Clear Lake Park, Clear Lake Oaks, Lucerne, Nice, Upper Lake, Lakeport, Finley, and Kelseyville, and other points in Lake County intermediate thereto, via the routes hereinafter designated, on the other hand; (2) between Sacramento, on the one hand, and points west of Williams on California Highway No. 20, intermediate to the junction of California Highway No. 16 and No. 20, on the other hand (3) "on-call" service only, between Spreckels Sugar Company plant at Woodland and points in Lake County named above; and (4) between said points in Lake County, on the one hand, and Williams and points intermediate thereto on the other hand; with the right to render pickup and delivery service within the city limits of all incorporated cities which applicant is authorized to serve and within one (1) mile of the center of unincorporated points authorized to be served by the applicant.

II

IT IS HEREBY FURTHER ORDERED that in the operation of

said highway common carrier service pursuant to the foregoing certificate, Ernest Sundberg shall comply with and observe the following conditions, exceptions and service regulations:

1. Subject to the authority of this Commission to change or modify said routes at any time by further order, Ernest Sundberg shall conduct said highway common carrier operation over and along the following described routes:

NORTHBOUND ROUTE

<u>From</u>	<u>To</u>	<u>Highway</u>
Sacramento	Woodland	Calif. Nos. 16-24
Woodland	Sacramento "Y"	Calif. Nos. 16-20
Sacramento "Y"	Clear Lake Highlands	Calif. No. 53
Clear Lake Highlands	Sacramento "Y"	Calif. No. 53
Sacramento "Y"	Upper Lake	Calif. No. 20
Upper Lake	Lower Lake	Calif. No. 29 and county road
Lower Lake	Clear Lake Highlands	Calif. No. 53

SOUTHBOUND ROUTE

<u>From</u>	<u>To</u>	<u>Highway</u>
Clear Lake Highlands	Sacramento "Y"	Calif. No. 53
Sacramento "Y"	Woodland	Calif. Nos. 20-16
Woodland	Sacramento	Calif. Nos. 16-24

ALTERNATE NORTHBOUND ROUTE

<u>From</u>	<u>To</u>	<u>Highway</u>
Sacramento	Davis	U. S. No. 40
Davis	Williams	U. S. No. 99-W
Williams	Sacramento "Y"	Calif. No. 20
Sacramento "Y"	Clear Lake Highlands	Calif. No. 53

thence via the same route around Clear Lake as described in "NORTHBOUND ROUTE" shown above.

ALTERNATE SOUTHBOUND ROUTE

<u>From</u>	<u>To</u>	<u>Highway</u>
Clear Lake Highlands	Sacramento "Y"	Calif. No. 53
Sacramento "Y"	Williams	Calif. No. 20
Williams	Davis	U. S. No. 99-W
Davis	Sacramento	U. S. No. 40

2. Under the certificate herein granted, Ernest Sundberg shall not render any highway common carrier service, locally, for the transportation of property:
 - a. Between Sacramento, on the one hand, and points intermediate to the junction of California Highways Nos. 16-20 via Woodland and Rumsey, on the other hand, nor
 - b. Between Sacramento, on the one hand, and Williams and points intermediate thereto via U. S. Highways Nos. 40 and 99-W, on the other hand.
3. Applicant may not transport the following described property: household goods or furniture, uncrated; commodities when shipped in bulk; livestock, or cut flowers.
4. Written acceptance of the certificate herein granted shall be filed by applicant within a period of not to exceed twenty (20) days from the date hereof.
5. Applicant shall commence the authorized service within a period of not to exceed thirty (30) days from the effective date hereof.
6. Applicant shall file, in triplicate, and make effective within a period of not to exceed thirty (30) days from the effective date hereof, on not less than fifteen (15) days' notice to the Railroad Commission and the public, a tariff and a time schedule covering the service herein authorized in a form satisfactory to the Railroad Commission; said tariff to contain rates, charges, rules, and regulations no lower or different in effect from the minimum rates, charges, rules, and regulations established by this Commission by Decision No. 31606, as amended, in Case No. 4246.

The effective date of this order shall be twenty (20) days from the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad

Commission of the State of California.

Dated at San Francisco, California, this 11th day
of March, 1941.

[Signature]

Ray L. Ricey
Justin J. Querner
Francis D. Havenor
COMMISSIONERS