

Decision No. 14331

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation
on the Commission's own motion of
the request of Postal Telegraph-
Cable Company for permission to
establish a telegraph office in
the City of Chico, California.

ORIGINAL

Case No. 2068

A. B. Richards and C. E. Shaw, for
Postal Telegraph-Cable Company;

A. E. May, for The Western Union
Telegraph Company;

H. D. Pillsbury, for The Pacific Tele-
phone and Telegraph Company.

SEAVEY, Commissioner.

O P I N I O N

On October 25, 1924, Postal Telegraph-Cable Company informally requested this Commission to grant it authority to open a telegraph office at the City of Chico. On October 31, 1924, The Western Union Telegraph Company informally protested this request, stating that Chico was being adequately served by The Western Union Telegraph Company, and further, that there was not sufficient business to warrant the maintenance of two telegraph offices.

In the past, authority to open telegraph offices has been granted both Postal Telegraph-Cable Company and The Western Union Telegraph Company, as well as other utilities, merely upon

their request to this Commission. In practically every instance, however, where the Postal Company has asked to open an office, The Western Union Telegraph Company has informally protested such authority being granted. In order that this Commission might be officially advised as to the extent to which both Postal Telegraph-Cable Company and The Western Union Telegraph Company have rendered telegraph service in California, and to what extent they hold themselves out to furnish telegraph service throughout California, the Commission instituted, upon its own motion, an investigation in the matter of the proposed establishment of a telegraph office in the City of Chico.

The hearing in this matter was held in San Francisco on November 28, 1924.

The evidence in this proceeding shows that both Postal Telegraph-Cable Company and The Western Union Telegraph Company have been operating and carrying on a general telegraph business in California for many years, and do now hold themselves out to extend and furnish service to any place in California where there is a reasonable demand for telegraph service. At the present time, the Postal Company operates telegraph offices in some thirty-nine (39) cities, and the Western Union Company has offices in approximately six hundred and fifty (650) cities in California. The rates charged by the Postal Company in California are from fifteen per cent (15%) to twenty per cent (20%) lower than the corresponding rates charged by the Western Union Company.

The Western Union Telegraph Company objects to Postal Telegraph-Cable Company opening an office in Chico for the reason that it believes that there is not sufficient business to warrant both companies maintaining separate offices. It further claims that the service which it has been furnishing and is now furnishing, in the City of Chico, is satisfactory and adequate. It further believes

whatever business the Postal Company may receive, if it establishes an office at Chico, will be that which it takes away from the Western Union Company.

Granting the statements made by the Western Union Company, relative to its service in Chico, it is to be borne in mind that both companies claim to have been, for many years, operating generally throughout this state, and to be serving the same territory in competition. This contention by Postal Company was not disputed nor questioned by the Western Union Company, and in view of its failure to do so, the objections raised by it do not appear to be sufficient now to warrant our refusing Postal Company authority to establish this office. Although duplication of facilities and service may result, the only remedy that appears at the present time for this condition is for Postal Telegraph-Cable Company and The Western Union Telegraph Company to appear jointly before this Commission requesting an allotment or division of territory within which each shall render telegraph service without competition.

O R D E R

The Commission having instituted, upon its own motion, an investigation into the matter of the proposed establishment of a telegraph office in the City of Chico by Postal Telegraph-Cable Company, and there appearing no good reason why Postal Telegraph-Cable Company should not be granted authority for the establishment of such a telegraph office in the City of Chico; a public hearing having been held, and the matter submitted,

IT IS HEREBY ORDERED that Postal Telegraph-Cable Company be, and it is hereby, granted authority to establish a telegraph office, for the transaction of general telegraph business, in the City of Chico, providing, said office is established on or before December 31, 1924; and further providing that notice that said office has been established is given to this Commission within a period of five (5) days after the establishment of said office.

Dated at San Francisco, California, this 4th day of December, 1924.

O. Searcy

H. B. Brundage

I. W. Martin

Garlon Shore

J. T. Whittlesy
Commissioners.