

Decision No. 23368.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of the SIERRA MADRE TELEPHONE AND TELEGRAPH COMPANY, a corporation, for permission to publish, file and place in effect revised rates for directory advertising service in the Sierra Madre Exchange, Los Angeles County, California, telephone directory; also for approval of a longer period of time in which present vacation rate may apply, and for approval of a rate for extra listings in directory where reference is made to service of another subscriber.

ORIGINAL

Application No. 16960.

Frank V. Rhodes, for Sierra Madre Telephone and Telegraph Company, Applicant.

Ernest Drwin, for California Independent Telephone Association, Interested Party.

BY THE COMMISSION:

OPINION

This is an application of Sierra Madre Telephone and Telegraph Company, hereinafter referred to as the Company, for authority to revise its rates for telephone directory advertising service, to file a rate for reference listings in its directory and to modify its vacation rate schedule. A public hearing was held before Examiner Satterwhite at Sierra Madre on November 26, 1930, when the matter was submitted for decision.

In connection with the operation of a telephone system in Sierra Madre and vicinity, the Company publishes a directory which contains paid advertisements, as well as alphabetical listings of telephone subscribers and their telephone numbers.

The record shows that upon the assumption of jurisdiction by the Railroad Commission over the rates for such advertising, the Company filed with the Commission the rates then in effect. The directory preceding the present issue was produced by a printer who solicited the advertisements and printed the books. The Company performed all of the work in connection with the current directory, but the rates charged were not strictly in accordance with the rates on file with the Commission. This irregular procedure has occurred since the management of the Company has been in the hands of Western Utilities Company and while the local company was paying large management charges.

The argument is advanced that the service, if it may be so called, of printing advertisements is not continuous as is the supplying of telephone service but that, on the contrary, each issue of the telephone directory may be considered as a complete advertising service for the active life of that directory. Under this theory rates would be filed for each issue of the directory and would automatically terminate with the active life of that issue. There appears to be much merit in this claim that each telephone directory issue is a separate service in itself.

The specific changes in advertising rates now proposed are not important as affecting the total revenue or rate of return earned by the Company and as the resulting rates for advertising service will be uniform, non-discriminatory and representative of the best judgment of the management of the Company as to proper charges in comparison with other adver-

tising media, it appears that they should be approved. The Order accompanying this Opinion will therefore authorize the filing of the proposed rates as set forth in Exhibit "A" of the Company's application for the life of the ensuing directory only. For each subsequent directory the Company should submit rates for filing with this Commission.

The Company asks for authorization of a rate of seventy-five (75) cents per month for each reference listing in its telephone directory when such listing refers to the telephone number of a different subscriber. Similar rates have been filed with this Commission for similar service elsewhere and such a rate appears to be appropriate in this instance.

Applicant desires permission to modify its vacation rate schedule so that a subscriber to residence service may be granted a vacation rate for a maximum period of nine months instead of four months of any period of twelve consecutive months. There appears to be no objection to this change in the vacation rate schedule.

O R D E R

Sierra Madre Telephone and Telegraph Company having made application to the Railroad Commission for authority to file, publish and make effective revised rates for telephone directory advertising service, to modify its vacation rate schedule and to file a certain rate for reference listings, a public

hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY ORDERED that Sierra Madre Telephone and Telegraph Company shall:

- (1) Charge and collect for advertising service in its next telephone directory issue the rates and charges set forth in Exhibit "A" attached hereto and made a part hereof.
- (2) Modify its vacation rate service schedule to permit the vacation rate to remain in effect for maximum periods of nine (9) months in any period of twelve (12) consecutive months, effective April 1, 1931.
- (3) Charge and collect seventy-five (75) cents per month for each "other subscriber" reference listing in its telephone directory on and after April 1, 1931.
- (4) Submit for filing with the Railroad Commission, on or before March 1, 1931, the rates and charges set forth in Exhibit "A" attached hereto, a modified vacation rate schedule as referred to in (2) above and the reference listing rate set forth in (3) above.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 9th day of February, 1931.

C. S. Seaman
Leon Whiteley
M. A. Linn
W. B. Hayes
Fred G. Stewart
 Commissioners.

EXHIBIT "A"

ADVERTISING RATES

DIRECTORY ADVERTISING SERVICE - SCHEDULE D-1

ADVERTISING SERVICE:

Applicable to telephone directory advertising service in the Sierra Madre directory.

RATE:

Rate per Month for
Active Life of
Directory

(1) Covers:

Inside front cover - full page,	\$3.50
" " " - 1/2 "	2.00
" " " - 1/3 "	1.50
" " " - 1/4 "	1.25
Inside back cover - full page,	3.00
" " " - 1/2 "	1.50
" " " - 1/3 "	1.25
" " " - 1/4 "	1.00
Outside back cover - full page	4.00
" " " - 1/2 "	2.00
" " " - 1/3 "	1.50
" " " - 1/4 "	1.25

(2) Inside Pages:

First page - full page,	3.00
" " - 1/2 "	2.00
" " - 1/3 "	1.50
" " - 1/4 "	1.25
All other pages - full page,	2.50
" " " - 1/2 "	1.50
" " " - 1/3 "	1.25
" " " - 1/4 "	1.00

(3) Margins:

All inside pages - each inch across top and bottom,	.75
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(4) Professional Listings:

3/4 inch space across page, containing listing of "Professional" persons only - each listing,	.50
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(5) Loose Inserts:

Full page - light-weight cardboard:	
Each side of insert,	3.00
One side of insert,	1.50

(6) Tags:

Size - 2 inches by 4 1/2 inches:	
Both sides of tag,	4.00
One side of tag,	2.50

RATE: (Cont'd)

Rate per Month for
Active Life of
Directory

(7) Ribbon Insert:

Ribbon - distinctive color paper not over
3 inches wide extending 3/8 inch beyond
outside edge of directory and bound in
the directory:

Both sides of ribbon,	\$4.00
One side of ribbon,	2.50

(8) Classified Column Advertisements:

Each column inch,	.50
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(9) Classified Listing, each,	.25
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CONDITIONS:

The above rates apply to available space in the Sierra Madre Telephone Directory under the following conditions:

1. The size, style and arrangement of the type to be used in all listings and advertising matter will be determined by the Company.
2. Charges for advertising will be covered by a contract which will specify the space in which the advertising is to appear.
3. An application or a contract for a portion of a cover, insert or other designated spaces may be cancelled by the Company if the remaining portion of that space is unsold or cancelled.
4. The Company will enter under headings which it may select, such matter as, in its judgment, is eligible for inclusion.
5. In case of error in an advertisement, the extent of the Company's liability shall be a pro rata abatement of the charge in such a degree as the error shall affect the entire advertisement. In no event shall the liability for error exceed the amount charged for the advertisement during the period of the active life of the directory issue.
6. If in the sale of cover or insert advertisements more than one application is received for the same space, the space will be assigned in the order in which the applications are received except, however, that existing advertisers will have priority of renewal of space occupied in the preceding issue.

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CONDITIONS (CONT'D)

7. The Company will not enter into nor continue any contract involving the resale of space.
8. Reasonable care will be exercised to prevent the publication of advertisements or listings which may be misleading and the Company assumes no responsibility with respect to the authenticity of advertising copy furnished by any advertiser.
9. All advertisements and advertising matter will be printed in one color except as otherwise specified.