

Where the rate is \$2.00 a month or less	\$5.00
Where the rate is more than \$2.00, but not exceeding \$4.00 a month,	10.00
Where the rate is more than \$4.00 a month,	15.00

"The moving charge to the subscriber will be the actual cost of labor and material necessary for making the change.

"In accordance with Bulletin No. 2, issued by me August 1, 1918, stating that 'until further notice the telegraph and telephone companies shall continue operation in the ordinary course of business through regular channels,' in all cases where rate adjustments are pending or immediately necessary, they should be taken up by the company involved through the usual channels and action obtained wherever possible. In all cases, however, where rates are changed, such changes should be submitted to me for approval before being placed in effect."

and which order was thereafter, to-wit: on September 14, 1918 by supplementary Bulletin No. 8 of the Postmaster General modified.

On August 12, 1915, the Railroad Commission made its order and Decision No. 2689 establishing eighteen rules to be followed by water, gas, electric and telephone utilities in the matter of service charges, service connections and extensions. The order provided that it should become effective on October 11, 1915.

Prior to October 11, 1915, a number of petitions for rehearing were filed, and thereafter an order (No. 2879) was made on petition for rehearing, which last order became effective on December 1, 1915.

In the proceedings last referred to, the Commission made a most comprehensive and thorough investigation and inquiry into the matter of service charges, service connections and extensions. Many public hearings had been had, exhibits

filed, and interested parties^{both} (the utilities and representatives of consumers and patrons) presented very fully their views. In addition thereto, the different departments of the Commission made separate investigations and reports pertaining to the inquiry.

Little or no complaint has been had from any source since the inauguration of the rules provided for by said decision, and it is the opinion of the Commission that practically all of the difficulties which said decision aimed to correct were corrected thereunder.

Were it not for what we are convinced should be recognized as the all-controlling reason for departure or modification thereof, we would be unwilling at this time to set aside or modify such rules or to approve any modification thereof. For reasons hereinafter stated, however, the Commission feels that the application should be granted.

On July 13, 1918, the Senate of the United States passed the following Resolution:

"RESOLVED, that the President, during the continuance of the present war, is authorized and empowered, whenever he shall deem it necessary for the national security or defense, to supervise or to take possession and assume control of any telegraph, telephone, marine cable, or radio system or systems, or any part thereof, and to operate the same in such manner as may be needful or desirable for the duration of the war, which supervision, possession, control, or operation shall not extend beyond the date of the proclamation by the President of the exchange of ratifications of the treaty of peace;

"PROVIDED, that just compensation shall be made for such supervision, possession, control, or operation to be determined by the President; and if the amount thereof, so determined by the President, is unsatisfactory to the person entitled to receive

the same, such person shall be paid seventy-five per cent of the amount so determined by the President and shall be entitled to sue the United States to recover such further sum as, added to said seventy-five per cent, will make up such amount as will be just compensation therefor, in the manner provided by Section 24, Paragraph 20, and Section 145 of the judicial code;

"PROVIDED, further that nothing in this act shall be construed to amend, repeal, impair, or affect existing laws or powers of the States in relation to taxes or the lawful police regulations of the several States except wherein such laws, powers, or regulations may affect the transmission of Government communications or the use of stocks and bonds by such system or systems."

Thereafter the President of the United States, in pursuance of the authority conferred upon him by such resolution, issued his proclamation as follows:

"WHEREAS, it is deemed necessary for the national security and defense to supervise and take possession and assume control of all telegraph and telephone systems and to operate the same in such manner as may be needful or desirable;

"NOW, THEREFORE, I, Woodrow Wilson, President of the United States, under and by virtue of the powers vested in me by the foregoing resolution and by virtue also of all the powers thereto me enabling, do hereby take possession and assume control and supervision of each and every telegraph and telephone system and every part thereof within the jurisdiction of the United States, including all equipment thereof and appurtenances thereto whatsoever and all material and supplies.

"It is hereby further directed that the supervision, possession, control and operation of such telegraph and telephone systems hereby by me undertaken shall be exercised by and through the Postmaster General Albert S. Burleson. Said Postmaster General may perform the duties hereby and hereunder imposed upon him so long and to such extent and in such manner as he shall determine through the owners, managers, Boards of Directors, receivers, officers and employees of said telegraph and telephone systems.

"Until and except so far as said Postmaster General shall from time to time by general or special

orders otherwise provided, the owners, managers, Boards of Directors, receivers, officers and employees of the various telegraph and telephone systems shall continue the operation thereof in the usual and ordinary course of the business of said system, in the names of their respective companies, associations, organizations, owners or managers as the case may be.

"Regular dividends hitherto declared and maturing interest upon bonds, debentures and other obligations may be paid in due course, and such regular dividends and interest may continue to be paid until and unless the said Postmaster General shall from time to time otherwise by general or special orders determine; and subject to the approval of said Postmaster General the various telegraph and telephone systems may determine upon and arrange for the renewal and extension of maturing obligations."

Thereafter Postmaster General Burleson issued a statement dealing generally with his purposes and policy in control of the telegraph and telephone service. The Postmaster General has adopted the method of announcing his policies and orders by means of bulletins issued from time to time.

The bulletins of the Postmaster General concerning telegraph and telephone service issued up to date, in so far as they relate to the matter under discussion, are Bulletin No. 5 (Order No. 1931), dated August 28, 1918, and Bulletin No. 8, dated September 14, 1918, which is an amplification and modification of Bulletin No. 5.

Bulletin No. 5 has hereinbefore been set forth.

Bulletin No. 8 reads as follows:

"ORDER NO. 1931, issued by me under date of August 28, provided certain charges for all installations of telephones on and after September 1, 1918, also a charge for the 'moving' of telephones. On account of the many inquiries regarding the order, the following instructions are issued:

"1. Installation charges made effective by Order No. 1931 shall be referred to by telephone companies and collected from subscribers as 'Service Connection Charges' and shall be based on the minimum net rate charged to the subscriber. The service connection charges shall be collected from all applicants for new or additional service at the time of application and before such new service or additional service is established.

"2. In cases of 'Change of Name', or where no lapse of service occurs, the minimum charge of \$5.00 shall apply in all cases.

"3. Service Connection Charges do not apply to extension bells, push buttons, buzzers, or miscellaneous equipment of like character, nor to directory listings.

"4. With the exceptions above noted, the service connection charge shall apply to each class of service and class of equipment furnished the applicant for which the company shall have a regular separate established rate, and the amount of the service connection charge shall be determined by the amount of the regular established rate, in accordance with the terms of Order No. 1931.

"5. All subscribers who pay the service connection charges established under Order No. 1931 shall be relieved of any other service connection charges, cancellation charges, charges made in liquidation of damages on account of short terms, and short term rates; and the use of one year or any other period in excess of one month as a minimum contract period for telephone service

"6. The 'Moving Charge' referred to in Order No. 1931 applies only to changes in the location of equipment on the premises. Such changes are generally known as 'inside moves'. For purposes of economy in administration and for the convenience of the public, the charge for moving a telephone set from one location to another on the same premises shall be \$3.00. The charge for moving all other equipment from one location to another on the same premises shall be based on the cost of labor and materials.

"7. Order No. 1931 abolishes the distinction heretofore made by some companies between a new installation or a new service connection and an 'outside move'; and all changes in the location of the subscriber which have heretofore been described as 'outside moves' will hereafter be treated as new 'service connections' and subject to the service connection charges of Order No. 1931 and of these instructions supplementary thereto.

"8. Service connection charges do not apply to the service known as 'service stations' or 'switching service'; and they do not supersede special installation or construction charges or mileage charges of any kind."

Even a casual reading of Bulletins 5 and 8 will show that the effect of these Bulletins upon C.R.C. Decision No. 2879 is so complete that it may be said that there is complete substitution of amount of service charges as well as very radical changes in matters of practice concerning installations, removals and in other similar respects.

Postmaster General's Bulletin No. 2 (Order No. 1783), among other things, declares, "Until further notice the telegraph and telephone companies shall continue operation in the ordinary course of business through regular channels"; and said Bulletin No. 5, among other things, provides:

"In accordance with Bulletin No. 2, issued by me August 1, 1918, stating that 'until further notice the telegraph and telephone companies shall continue operation in the ordinary course of business through regular channels', in all cases where rate adjustments are pending or immediately necessary, they should be taken up by the company involved through the usual channels and action obtained wherever possible."

Applicants construe such part of the Bulletin quoted as a direction of the Postmaster General to secure the approval of this Commission for the service charges and practices substituted by said Bulletins 5 and 8 for the service charges and practices heretofore provided by this Commission.

The control of the telephone and telegraph companies is obviously a war policy of the Federal Administration, and this Commission, consistent with its policy and duty in all similar situations, unhesitatingly co-operates with the Federal

Government in such matters.

There may well be, and undoubtedly are, considerations of the Federal Government during its control of this service other than what would be present under normal conditions in the mind of a regulatory body. It may well be and probably is the desire of the Federal Government to discourage rather than encourage extensions, installation of equipment and services other than what are responsive to war needs, and in pursuance of this policy charges higher and different in character might be imposed for the purpose of discouraging extensions and installations other than the absolutely essential.

In this view of the situation and for the reasons stated, this Commission will approve of the schedules filed pursuant to direction of the Postmaster General; but in making and giving such approval, the Commission wishes to again declare that such approval is not a finding of reasonableness of such charges or practices, but on the contrary reaffirms and finds that the rules heretofore adopted in said Decision No. 2879 are just and reasonable.

It is our opinion that the approval of the charges and practices directed by the Postmaster General should be but temporary and withdrawal of such approval should be made by the Commission at the termination of the war or at such other time as the Commission deems appropriate.

O R D E R .

Application having been filed by THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY, SACRAMENTO VALLEY TELEPHONE COMPANY, THE HOME TELEPHONE AND TELEGRAPH COMPANY OF PASADENA, ONTARIO AND UPLAND TELEPHONE COMPANY and SOUTHERN CALIFORNIA TELEPHONE COMPANY asking the Railroad Commission to make an ex parte order approving Bulletin No. 5 (Order No. 1931) and Bulletin No. 8 of the Postmaster General and authorizing the above named applicants respectively to file and place in effect rate sheets as in the several exhibits attached to the petition, the same to become effective as of September 1, 1918, in accordance with said orders of the Postmaster General;

And it appearing to the Railroad Commission that this application should be granted, and that this is not a matter requiring a public hearing,

IT IS HEREBY ORDERED that the application be and it is hereby granted; provided, that the approval herein given and made of said rate sheets shall not be deemed a finding of the reasonableness of the charges, rules and regulations therein provided; and provided further, that such approval shall be temporary in its character for the reasons and under the conditions stated in the opinion preceding this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted applicants to file and make effective rate sheets cancelling and superseding rate sheets heretofore on file with the Railroad Commission and in effect, is

limited, as to cancellation of rate sheets heretofore on file and in effect, to those charges which are directly in conflict with the charges which are provided for in the orders of the Postmaster General, hereinabove referred to,

AND IT IS HEREBY FURTHER ORDERED that the authority herein granted to make effective the charges for the installation and removal of telephones and telephone equipment which are provided for in the said orders of the Postmaster General, hereinabove referred to, is not retroactive as to any service order or orders placed with the applicants herein prior to September 1, 1918.

Dated at San Francisco, California, this 19th
day of November, 1918.

Elmer C. Edgerton
H. B. Loveland
Frank A. DeLoe

Commissioners.