

Decision No. 35582

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

In the Matter of the Application of  
THE PACIFIC TELEPHONE AND TELEGRAPH  
COMPANY, a corporation, for an order  
to discontinue the Exposition Zone  
of the San Francisco-East Bay  
Exchange and to include Treasure  
Island within the suburban area of  
the San Francisco Zone.

Application No. 25050

James G. Marshall, for Applicant.

Commander F. E. Vensel, Lt. Commander Sidney J. Fass  
and Captain Thornton Wilson, for United States Navy.

BAKER, COMMISSIONER:

O P I N I O N

In this proceeding The Pacific Telephone and Telegraph Company requests authority to increase certain rates and decrease other rates for telephone service to Treasure Island subscribers and to increase certain rates and to decrease other rates for telephone messages to Treasure Island subscribers coincident with rearrangements of service operations.

City Attorneys of the communities whose citizens would experience a change in telephone charges due to the granting of this application were notified, a hearing was held in San Francisco on June 22, 1942, and the matter was submitted for decision.

In order to understand the service and rate changes contemplated in this application, it is necessary to review the history and environs of Treasure Island. The Golden Gate International Exposition, held in 1939 and 1940, was located on Treasure Island in San Francisco Bay. This island is adjacent to Yerba Buena Island, which is occupied by the United States Navy, and to which it is connected by a causeway. In order to serve the various activities in connection with the Exposition, the Pacific Company established a third base rate

area in the San Francisco-East Bay exchange to include substantially all of the island. The base rate and suburban areas of the Treasure Island territory were then considered as the Exposition zone of the San Francisco-East Bay exchange, the other zones being the San Francisco zone and the East-Bay zone. The Exposition zone base rate for individual line business message rate desk set service is \$5.25 per month with an allowance of eighty-five zone and interzone messages, and a five-cent charge for additional messages. The base rates for commercial message rate private branch exchange trunk lines are: \$5.00 per month for the first two trunk lines, and \$2.00 per month for each additional trunk line. These rates are somewhat higher than those applicable for similar service in the San Francisco and East Bay base rate areas. The Exposition zone message rate and the interzone message rate, effective for service between Treasure Island and San Francisco and the East Bay, are five cents.

Mr. A. H. Cassady, acting General Commercial Engineer for the Northern California and Nevada area of the Pacific Company presented evidence relating to the changes in rates and service conditions for which authority is herein sought. It is proposed that the term "Exposition zone" be removed from the rate schedules, and that the area be considered as a part of the San Francisco zone for most rate purposes. Certain mileage charges would be applied in addition to the San Francisco zone base rates. The message rate charge for Treasure Island calls would be three and one-half cents for each untimed message from a private branch exchange and for each additional message from an individual line business service when such messages would be terminated in the San Francisco zone. Thus the charges for message usage under the proposal would be substantially reduced and the fixed charges, wherein mileage charges would be added, would be materially increased as the average mileage distance is eight quarter miles. The mileage rate for an individual line or private branch exchange trunk line is fifty cents per quarter mile or fraction. The charge for messages, except from hotels and coin-box telephones, between Treasure Island and the East Bay zone would be a minimum of seven cents for a five minute message, and three and one-half cents for each three minutes or fraction of the overtime period.

At the present time, the Treasure Island lines are served on a manual basis from the Graystone central office in San Francisco. It is proposed to furnish this service on a dial basis from Main office which includes the Douglas, Exbrook, Garfield, Sutter, and Yukon units in which there are ample unused equipment facilities. Apparently this change in operation is definitely programmed, as it was testified that a request had been sent to the War Production Board for the necessary permission for the conversion to dial.

Applicant contemplates offering toll terminal service on Treasure Island at the same level now effective elsewhere for such service under comparable conditions. As this is a new service, no formal application or action is required in order to authorize the appropriate filing.

A change would be made in the rate filings for private line service furnished Treasure Island subscribers. Such changes appear to be necessary with the precise service arrangements proposed.

In the application, statements were made concerning the proportions of eastward and westward traffic from Treasure Island based upon a study of the telephone traffic in December, 1941. It was stated that for the test period 63 per cent of all messages originated on Treasure Island terminated in the San Francisco zone, and 27 per cent terminated in the East Bay zone. It was also said that approximately twice as many calls to Treasure Island were originated in San Francisco as were originated in the East Bay. A later study was made using the services as of June 12, 1942 and the message usage for the month of May. Based upon this study, it is estimated that the net revenue effect of the introduction of the proposed plan and rates is an annual reduction of \$1,700. This study shows that the traffic has increased and that 71.1 per cent of the messages originated on Treasure Island terminate in the San Francisco zone and 22.6 per cent terminate in the East Bay zone. Of the incoming messages to Treasure Island, 73.3 per cent were originated by San Francisco subscribers and 24.7 per cent by East Bay subscribers.

In summarizing the evidence, the conclusion is reached that the change from manual to dial operation of Treasure Island service is justified. In its

proposal to effect this change, applicant has chosen a precise rate modification plan. There is no evidence that any other method was considered or that any change in the plan would be acceptable. The record is not convincing that some other rate plan of a type now in effect elsewhere in California would not have been more satisfactory under the circumstances.

There appears in the record, as Exhibit No. 1 filed at the hearing, photostatic copies of letters signed by thirteen of the fourteen Treasure Island subscribers accepting the plan of applicant. It was stated that one subscriber objects to the changes proposed.

The record in this proceeding shows that the telephone service of the United States Navy is paramount on Treasure Island. The Navy has urged that a change in the service be effected without delay and that time is the essence of its interest in this plan.

The fact is appreciated that military necessities are predominant in this period and that an order in this application should be forthcoming at the earliest reasonable date. I therefore recommend the following type of order and further recommend that the service arrangements and the rates and charges for Treasure Island telephone services be investigated and studied when the time element is not so controlling.

#### O R D E R

The Pacific Telephone and Telegraph Company having made application for authority to modify certain rates and charges for telephone service on Treasure Island coincident with certain service changes, a hearing having been held, and the matter being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that, in view of the evidence in this proceeding and the statements contained in the Opinion preceding, the service and rate arrangements proposed are justified at this time, therefore,

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company be and it hereby is authorized to discontinue its Exposition zone of its San Francisco-East Bay exchange, withdraw and cancel all rates and maps now on file

with the Railroad Commission for its Exposition zone, revise its filed map of its San Francisco zone to indicate Treasure Island as included in the suburban area thereof, modify its private line service schedules as shown in Exhibit "C" attached to the application, discontinue its Treasure Island toll rate point, and cancel all interexchange message rates for service to and from such toll rate point, provided the effective date thereof is within sixty (60) days from and after the date of this Order.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company shall file with the Railroad Commission the necessary tariff sheets and maps to accomplish the results enumerated above not later than fifteen (15) days immediately preceding their effective date.

For all other purposes the effective date of this Order shall be twenty (20) days from and after 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 14<sup>th</sup> day of July, 1942.

Justin J. Coe  
Mark K. Rice  
W. D. M. M.  
Francis S. Fawcett  
Richard Mackay  
(Commissioners)