

Decision No. 38837

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
INTERSTATE TELEGRAPH COMPANY, a corpo-
ration, for an Order Authorizing
Proposed Changes in Telephone Directory
Advertising Tariff, including Rates and
Conditions pertaining thereto.

Application No. 27374

ORIGINAL

OPINION AND ORDER

Interstate Telegraph Company, Applicant in this proceeding, requests authority to increase its telephone directory advertising rates and modify conditions effective with the next issue of the directory scheduled for July 1, 1946. Appropriate notification was given the Office of Price Administration.

Applicant issues a telephone directory every six months which includes line and display advertisements, in addition to the telephone numbers of its subscribers within Mono, Inyo, Kern, and San Bernardino Counties, California. The present rates for directory advertising were established in 1927, since which time the number of subscribers has grown substantially, resulting in an increase in circulation, and in the cost of compiling, publishing, and delivering the directory. Applicant alleges that the cost of issuing the telephone directory materially exceeds the revenue from directory advertising. Accordingly, Applicant proposes to make certain changes in the directory, to offer trade-mark and trade-name advertising, and to increase the charges for advertisements.

It is proposed to bill the customers for advertising services on a monthly basis rather than on a per issue basis. This change would place the directory on a billing period basis like other directories for comparable service. Applicant also proposes to transfer all directory advertising from the alphabetical section of its directory to a new classified section and to discontinue all advertising on the cover pages. It is expected that these modifications will facilitate the use of the directory by telephone subscribers.

Applicant, in Exhibits A and C, has shown present and proposed directory advertising rates. (1) The level of the rates proposed is comparable to that for similar directory service of other California telephone utilities furnished under similar conditions. Copies of the present and proposed form of application for directory advertising are contained in Exhibits D and E.

(1) Present rates are as follows:

	<u>Charges per Issue</u>
(1) All pages including cover pages, except outside front cover	
Full page, double column	\$10.00
Half page, double column	5.00
Two inch double column	3.00
One inch double column	2.50
(2) Bold face type	
Regular or additional listings	.50

Proposed rates are as follows:

	<u>Charges per Month</u>
(1) Display Advertisements:	
Two 1/2 columns	\$ 6.00
One-half column	3.50
One-quarter column	2.00
Above rates include an anchor listing, if desired, under the heading with which the display is associated.	
(2) Column Advertising:	
(a) Each informational inch	1.25
(b) Each trade mark heading	1.50
Above rates contemplate one column inch including 25 words or less and a trade mark emblem not to exceed 1 inch by 3/4 inch.	
(c) Each trade mark name cross reference	.75
(d) Each trade name listing	.50
Above rates contemplate the name of a product or service in bold face type as a caption, and the listing in Gothic type, all capitals.	
(e) Listings:	
Each bold type listing	.50
Each regular type listing	.25
Additional line of information not to exceed a total of three lines in addition to the listing or trade mark heading with which associated:	
Each line or fraction thereof	.25

Directory advertising rates of California telephone public utilities are under the regulation of the Commission. The revenue from directory advertising service, in accordance with the classification of accounts prescribed by the Commission, is included in operating revenues and the expenses incurred in preparing copy, printing, binding, and distributing directories and the cost of securing advertisements for directories ^{AGE} ~~are~~ included in operating expense. The increase in rates requested in the application are expected to provide additional directory revenues to offset directory costs. (1970)

Exhibit F is a balance sheet and income statement of Interstate Telegraph Company. For the year 1944 Applicant reported directory revenues of \$401.75 and directory expenses of \$1,715.78.

Interstate Telegraph Company having made application for authority to increase rates and modify conditions relating to its directory advertising service, the Railroad Commission having considered Applicant's request and being of the opinion that a public hearing is not required and that the application should be granted, and finding that the increases in directory advertising rates herein ordered are justified, therefore,

IT IS ORDERED as follows:

1. Interstate Telegraph Company may make effective, beginning with the July 1, 1946 issue of its telephone directory, the changes in practices discussed above and the rates and conditions as shown in Exhibit C attached to the application.
2. Necessary tariff filings, in accordance with General Order No. 96, shall be made not later than five days immediately preceding their effective date.
3. This Order shall become effective on the thirtieth day after the date hereof.

Dated at San Francisco California, this 19th day of April 1946.

H. Harold Anderson
Justus F. Craven
Ernest G. Gentry
Samuel H. Lamm
Harold P. Kula
Commissioners.