

Decision No. 38923

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application of
 MANTECA TELEPHONE COMPANY, a corpora-
 tion, for an order authorizing changes
 in directory advertising rates, and
 conditions appertaining thereto.

Application No. 27438

OPINION AND ORDER

Manteca Telephone 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 June 1, 1946. Appropriate notification was given the Office of Price Administration.

The present rates for directory advertising were established several years ago 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 revenue from directory advertising in recent issues has not been sufficient to cover the cost of issuing the directory. Accordingly, Applicant now proposes to make certain changes in the billing practice for directory advertising charges, to offer trade mark and trade name advertising, and to increase the charges for advertising.

It is proposed to bill the customers for advertising service on a monthly basis rather than on a per issue basis as at present. This change would place the directory on a billing period basis like other directories for comparable service. Under the requested rates and conditions, Applicant plans to eliminate all advertising from the cover and alphabetical section of its directory and confine advertising matter exclusively to a classified section. It is expected that these modifications will facilitate the use of the directory by telephone users.

Applicant, in Exhibits A and B, has shown present and requested 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. Attached to the application is a copy of a form of application for directory advertising similar to that filed by other telephone utilities.

1/ Present rates are as follows:

	<u>Rate Per Issue</u>
(1) Cover:	
First cover, 2" space, top or bottom	\$10.00
Second cover	24.00
Third cover	24.00
Fourth cover	30.00
(2) Inside Pages:	
Information page, 1 1/2" space, top or bottom	6.00
Any other pages available	24.00

Requested rates are as follows:

	<u>Charge Per Month</u>
(1) Display Advertisements:	
One-quarter column.....	\$ 1.75
Above rate includes an anchor listing, if desired, under the heading with which the display is associated.	
(2) Column Advertising:	
(a) Each Informational Listing.....	1.00
(b) Each Trade Mark Heading.....	1.50
Above rates contemplate one column inch of space. An informational listing is limited to this depth. Trade mark headings may exceed this depth to a maximum of three regular type listings, each such line or fraction thereof taking the rate for an additional line of information.	
(c) Each Trade Mark or Trade Name Cross Reference..	.50
(d) Each Trade Name Listing.....	.50
Above rate contemplates the name of a product or service in bold type as a caption, and the advertiser's name in all capitals, regular type.	
(e) Listings:	
Each Bold Type Listing.....	.35
Each Regular Type Listing.....	.25
Additional Lines 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 are included in operating expense. It is estimated that Applicant's gross revenue from telephone directory advertising service will be \$1,800 per year under the requested rates and the expense of issuing the directory will be about \$1,200 a year. Applicant alleges the present gross annual revenue from directory advertising service is approximately \$150, with expenses considerably in excess of that amount.

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

Dated at San Francisco California, this 7th day of May 1946.

Harold Rudman
Justin J. Cooney
Harold P. Hull
Harold P. Hull
Commissioners