

ORIGINAL

Decision No. 50259

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

United Telephone Exchanges, Inc.,
a nonprofit trade association,)

Complainant,)

vs.)

Case No. 5400

The Pacific Telephone and Telegraph
Company, a corporation,)

Defendant.)

Telephone Answering Services of
California, Inc., a nonprofit
trade association,)

Complainant,)

vs.)

Case No. 5417

The Pacific Telephone and Telegraph
Company, a corporation,)

Defendant.)

A list of appearances and witnesses is appended
hereto as Appendix C.

FIRST SUPPLEMENTAL OPINION AND ORDER

This supplemental opinion and order is concerned primarily with two issues. The first is an accusation of discrimination by the Telephone Answering Service of California, hereinafter called complainant; and the second is that of mileage rates for off-premises line service furnished by The Pacific Telephone and Telegraph Company, hereinafter called defendant.

These matters were brought before us as a result of a previous decision ⁽¹⁾ of this Commission concerning rates for certain switchboards, circuits and related equipment used by telephone

(1) Decision No. 48515, Cases Nos. 5400 and 5417, dated April 21, 1953.

answering bureaus. The method of measuring mileage and establishing rates for extension lines serving patrons of answering bureaus and other subscribers was not decided but was left for determination under defendant's general rate proceeding, Application No. 33935. By order dated April 23, 1953 the Commission consolidated Cases Nos. 5400 and 5417 with Application No. 33935 for hearing and decision.

On July 6, 1953 the complainant filed a petition to reopen Case No. 5417, charging that defendant is now differentiating in the service made available to patrons receiving answering service and those receiving secretarial service. Following receipt of an answer from the defendant, the Commission, on August 18, 1953, reopened the hearing for the limited purpose of considering this so-called discrimination issue.

Public Hearing

Public hearings were held before Commissioner Peter E. Mitchell and Examiner M. W. Edwards on October 28 and 29, 1953, in Los Angeles, and November 18, 19 and 20, 1953, in San Francisco.

In order that the examiner might obtain a better understanding of the many complicated and technical matters involved in the rendering of secretarial and answering service, a stipulation was obtained from all parties permitting inspection of answering bureaus, telephone equipment and working papers. During the first and second week in December 1953, certain answering bureaus located in Los Angeles, Oakland, Sacramento, San Rafael and San Francisco were inspected. In addition, certain telephone central offices in Los Angeles, Richmond, Oakland and San Francisco were inspected.

Inspection by the examiner revealed that those answering bureaus serving members of the medical profession desire to give more

individual service than the answering bureau serving primarily commercial patrons. This is particularly so with regard to the matter of bridging emergency calls between patients and doctors. When the doctor is out of his office, the patient's call is intercepted by the answering bureau. It is alleged that much time and hysteria are saved by being able to hold the patient on the line and to cross-connect patient to the doctor when located, rather than requiring the patient to hang up and wait for the doctor to call back. While this practice is not recognized in the defendant's published tariffs⁽²⁾ it was found to be fairly common on boards serving doctors and emergency services. It appears that the insertion of equipment to prevent outgoing calls on secretarial lines, as proposed by the offer of satisfaction discussed later herein, would not physically stop the practice of bridging between secretarial lines and answering bureaus' trunk lines.

The answering boards are not provided with supervisory equipment to indicate when the doctor and the patient are through talking. The only way the answering bureau can determine when such a call is completed is for the bureau's operator to continually monitor the line. If this connection is not broken shortly after the patient and doctor hang up the receiver, the doctor's line will show a busy signal for any now incoming calls; and if left for some

(2) Schedule Cal. P.U.C. No. 100-T, Original Sheet 8, Condition 3.a., Trunk Line Service, reads as follows: "Trunk lines are provided solely for inward and outward central office calls in connection with the affairs of the subscriber, except as the service may be extended to 'joint users.' Such lines may be switched to telephone answering equipment stations located on a premises of the subscriber." Interconnection of secretarial lines with the bureau's trunk lines is deemed undesirable since the telephone equipment is not designed to assure satisfactory transmission over such connections.

time may show up on the board at the central office as trouble on
(3)
the line.

During the inspection trip the applicant advised the examiner of a new equipment arrangement known as a concentrator-identifier system. It is represented that this equipment will soon be available and that when installed will materially reduce the number of circuits required to afford answering bureau service and may offer reasonable mileage charges to remotely located patrons.

Discrimination Matter

The first issue to be resolved is the question of differentiation between the service allowed patrons of answering bureaus on secretarial lines and answering lines. An answering line is different from a secretarial line in that the answering line is the patron's primary service, yet both terminate on a jack on the answering bureau's switchboard. Currently, the tariff rules do not permit outgoing calls on either secretarial or answering lines. The complainant's claim of discrimination is based on the assertion that the defendant is permitting outgoing calls on secretarial lines but not on answering lines.

Answering line service is now charged for at the rate equivalent to that applicable to business individual line service in the various exchanges throughout the applicant's service area. It involves a line from a central office terminating on telephone answering equipment. This service offering was designed primarily to meet requirements of subscribers for an arrangement providing directory identification with another party available to answer

(3) Due to the fundamental design of the central office equipment there is no way within reasonable economic reach of the bureaus or the company by which supervisory equipment could be provided which would indicate at the answering bureau when the doctor and the patient are through talking.

calls to the published telephone number. Outgoing service is not provided over answering lines; therefore, such lines are always available for incoming calls.

Where patrons of answering bureaus desire to make such answering bureaus their headquarters and thereby save the expense of maintaining separate offices, the defendant will install on the premises of the answering bureaus primary service listed in the names of such patrons with secretarial lines from such primary services to the answering bureau switchboards. For a stated fee, the answering bureau receives the patron's mail, answers the telephone in the patron's name, keeps a record of the patron's calls and provides desk space where the patron can make outgoing calls from his primary service.

In the event a bureau's patron does not desire primary service on the answering bureau's premises but does wish directory representation with the answering bureau to take his calls and a telephone to use for outgoing calls when in the bureau's place of business, the defendant offers joint user service. Under this arrangement the patron of the bureau can make use of an administrative station connected to the secretarial bureau switchboard for his outgoing calls.

Offer of Satisfaction on Discrimination Matter

The defendant was of the opinion that the discrimination issue could be resolved by an examination and interpretation of the tariff provisions which have reference to answering line service and secretarial line service. It proposed to the complainant that any question of discrimination could be removed by equipping certain secretarial lines with equipment which would prevent the use of those lines for outgoing calls from answering bureau switchboards. The complainant agreed to this proposal and accepted an "offer of

satisfaction" that provided for installation of equipment to prevent outgoing calls on secretarial and answering lines and that would require any person furnishing answering service to ten or more telephone subscribers to subscribe to key or cord operated equipment.

The offer of satisfaction is set forth in Appendix B and reads in part: "(a) Any person furnishing answering service in one or more adjoining rooms or to ten or more other telephone subscribers is engaged in the telephone answering service;". For evident reasons we are of the opinion that the word "subscribers" should be deleted and that as a substitution therefor the word "lines" inserted. The offer also provides: "(c) Any off-premises extension or PBX station line from a different subscriber terminating in key equipment with a capacity for terminating ten or more lines will be equipped to prevent outgoing calls." Inclusion of PBX station lines in this restriction could interfere with their legitimate use. Therefore, the words, "or PBX" should be deleted.

Conclusions on Discrimination Matter

Defendant's offer of satisfaction and its acceptance by the complainant in effect satisfies the discrimination charge made by the complainant. However, we have already found need for certain corrections to the offer of satisfaction and additional conclusions appear to be necessary.

The problem of proper charges for answering line service compared to primary station rates, where the answering line terminates on a jack on a switchboard and instrument investment is not required, has been considered. It is our view that the defendant's several service arrangements, namely, answering line service, a primary service with a secretarial extension station line, and joint user service in connection with an answering bureau's service, give to patrons of a bureau a choice of arrangements to meet their

(4) The abbreviation PBX when used in this opinion and order means Private Branch Exchange.

telephone service needs and a selection as to rate level. Any one of these arrangements enables the bureau to answer a patron's calls, and at this time we see no reason for changing the relationship of these rate levels. With the exception of answering line service a station instrument is or can be made available for the use of a patron who makes a bureau his headquarters and desires to use the instrument for both incoming and outgoing calls.

With respect to calls placed by a bureau through its own facilities on behalf of a patron in the course of providing its service to the patron, it appears that charges for such calls are properly the obligation of the bureau and should be recognized as one of the bureau's expenses in providing its services to its patrons.

The issue of the so-called requirement for outgoing as well as incoming calls on an answering central office line for a patron stems not from the fact that the present service offerings do not meet all of the service requirements but from the desire of certain bureaus for arrangements by which the telephone company would bill patrons and collect from them charges incurred by the bureau while acting as patrons' agent. The provision of such service would be inconsistent and conflict with the applicant's tariff. (5)

(5) Schedule Cal. P.U.C. No. 36-T, Original Sheet 64, reads in part as follows: "Telephone service, other than 'public' and 'semi-public' service, is furnished for the use of the subscriber, his family and persons residing in his home, or his employees..., except as service may be extended to 'joint users.'

"If it is found that the subscriber is sharing the use of business service with an individual, other than an employee, member or officer of the subscriber's concern, or another concern not of record as a joint user, the company will thereafter require the subscriber to take 'joint user' service except where the subscriber permits no further joint use of the service after the matter has been called to his attention or where the joint user vacates the subscriber's premises or becomes a subscriber to business service in the same exchange."

Regarding the practice of bridging of calls on medical answering switchboards or for emergency purposes on commercial answering boards, it is the conclusion of the Commission that under certain conditions satisfactory service is obtained, but where the patient and the doctor are far separated, unsatisfactory transmission of messages often occurs. It is not economic for the defendant to design its plant for such practice as it would throw a rate burden on all other subscribers. Supervisory lights for such calls also are beyond reasonable economic reach. We find no justification for recommending a change in defendant's present practice and rules regarding bridging on answering boards. Also, we find no need for the defendant's offering both incoming and outgoing service on secretarial or answering lines for emergency purposes. Such "two-way" service can be provided by using the bureau's trunk lines. However, this type of service requires that the bureau have adequate trunking facilities.

Our final conclusion with regard to this issue is that the defendant should be ordered to make appropriate tariff filing to place into effect the offer of satisfaction with amendments as discussed above.

Mileage Charge for Off-Premises Extension Lines

The second issue to be resolved is that of a fair and reasonable rate treatment for mileage charge for off-premises extension lines. Within the state the defendant furnishes some 101,000 extension lines off premises, of which some 14,500 are classed as secretarial lines. Secretarial lines are extension lines between a patron's primary service location and an answering bureau. Such an arrangement enables the bureau to answer a patron's calls. If the patron's primary service is located on a different premises than the answering bureau, the secretarial line would be classed as

an off-premises extension but if the patron desires to have his primary service located on the same premises as the answering bureau, the line would be classed as an on-premises secretarial line.

In view of the fact that both secretarial lines and the other types of off-premises lines presently have the same rate treatment, the Commission in its earlier decision did not desire to pass on the subject of secretarial line rates because it did not have before it data showing the effect on all off-premises lines of any change in the method of mileage measurement. Consequently, in Decision No. 48515 the Commission required the defendant to prepare a study of the revenue effects and the effects on customers of a revision of the mileage rates for off-premises lines in accordance with Plans I and II set forth in Exhibit A of that decision. Also, defendant was permitted to include in its study such other schedules of mileage rates as, in its opinion, were appropriate. Under this authorization the defendant included a Plan III in its study. Such study was introduced as Exhibit No. 51 in Application No. 33935. Subsequent to the issuance of Decision No. 48515 the two answering bureau associations represented in Cases Nos. 5400 and 5417 formed a coalition for the purpose of presenting additional evidence on the extension line mileage rates. The suggestion of this coalition was received into evidence and identified as Exhibit No. 60, in Application No. 33935, and for purposes of this decision will be referred to as Plan II-A.

Briefly, Plan I would base the mileage measurement on the shorter of two air-line distances: (1) between the serving central office and the terminal of the off-premises line or (2) between the primary service location and the terminal of the off-premises line.

Plan II would base the mileage measurement on the air-line distance between the serving central office and the terminal of the off-premises line.

Plan II-A is essentially the same as Plan II except that it provides for a permanent deviation which would allow all existing answering bureaus to be considered as being located within one-half mile of the serving central office. Under this suggestion no existing answering bureau would have to move into close proximity of the central office to enable its patrons to obtain minimum mileage charges. However, new bureaus would have to locate near the central office to meet competition with any existing bureaus. In essence, this plan is a flat rate plan for existing bureaus and a mileage rate plan for new bureaus.

Plan III is essentially a flat rate plan where the primary service location and the off-premises location are in the same exchange area, zone or district. Where the off-premises location is in a different district area of the same exchange or zone, an air-line mileage basis would be used.

Plan IV, outlined in Exhibit No. 60, Application No. 33935, is the present basis of mileage using the air-line distance between the location of the primary service and the off-premises location to which the line is extended.

The record reveals that extension lines fall into two general categories: (a) those employed for answering bureau purposes and (b) those employed for other purposes. The defendant provides for both types a total of 101,053 lines. Of this number 14,449 are used for answering services and the remainder, 86,604, are used for other purposes.

In addition to this segregation the record further reveals that certain extension lines originate from a primary

station and others originate from a PEX switchboard. In general, the line from the PEX switchboard requires a circuit from the switchboard to the defendant's central office and then a line from the central office to the off-premises location, whereas those originating from a primary station require only bridging at the central office and a line from the central office to the off-premises location.

Three per cent of the secretarial lines terminated on answering bureau equipment are extensions from PEX systems whereas 75 per cent of off-premises lines used for other purposes are extensions from PEX systems. Based on this brief analysis it appears that on the average a secretarial line will require something on the order of two-thirds of the amount of circuit mileage that an average other purpose off-premises extension will require.

Conclusions on Mileage Charges

The record in this proceeding reveals that there are both advantages and disadvantages to the adoption of any of the mileage rate plans discussed above. Plan II, which bases the mileage measurement on the distance from the central office to the answering bureau, according to the testimony, would tend to concentrate the answering bureaus around the central offices but would cause hardship on answering bureaus now located some distance from the central office. Plan II-A, suggested by the answering bureaus, would not force existing bureaus to move into close proximity to the central office in order to maintain competitive positions but would discriminate against new bureaus. The defendant's proposed Plan III would provide the same rate for secretarial lines terminated at existing as well as new answering bureaus located anywhere within the base rate area of the same exchange, district area or zone, but could require a larger investment in cable facilities

than certain of the other plans, if the bureaus under Plan III locate some distance from the central office. All plans involve mileage measurement to a lesser or greater extent. Administration of Plan I would involve more measurements because it requires the selection of the shorter of two distances, while in Plan III measurement of mileages is practically eliminated, except for extensions between districts and exchanges. When any relocation or change of central office serving the answering bureaus or the secretarial line subscribers' primary service is made, due to the requirements of the services, the mileage measurement and hence the charge under Plans I, II, and II-A would be subject to change. Such change in rate resulting from rearrangement of serving facilities would not result under Plans III and IV. With respect to the present Plan IV, the record reveals that the mileage rates are rather high for certain secretarial lines where the primary service is located a considerable distance from the answering bureau.

The answering bureaus have suggested in Plan II-A in effect that the same rate be applied to secretarial lines terminated at existing answering bureaus located within the same exchange area. However, the answering bureaus have also suggested in Plan II-A a different rate treatment applicable to new bureaus. The defendant in Plan III suggested that the same rate be applied to existing as well as new bureaus. No reasonable justification appears for affording existing bureaus an advantage in telephone rate treatment over new bureaus in this highly competitive enterprise.

The present telephone rate philosophy of the Commission with respect to primary service is to apply an average rate treatment within populous areas delimited to certain base rate areas within exchanges, districts or zones and to provide for additional charges (mileage or toll) outside of the base rate area. The

average secretarial line involves serving arrangements comparable to that involved with primary service (central office to termination point) and logically it follows that equivalent rate treatment should be considered.

It is our conclusion that for secretarial lines a modified flat and mileage rate plan as outlined below should be authorized. The regular extension or PBX station rate would apply where the secretarial line primary service and the answering equipment are located within the same building. A flat rate would apply for secretarial extension station lines where the telephone answering equipment and the subscribers' primary services are located in different buildings and within the base rate area of the same exchange area, district area, or zone. In recognition of the additional facilities involved in furnishing secretarial PBX station lines compared with other secretarial lines, a higher rate would apply to such secretarial PBX station lines. Where the secretarial line is terminated on answering equipment located in the suburban area, a suburban mileage charge would be added. Also, under this arrangement, mileage charges, based on the measurement between the rate centers of the district areas or exchanges involved, would apply in those cases where the telephone answering equipment and the subscribers' primary services are located in different district areas or exchanges.

In view of the difference between secretarial lines and "other purpose" or "nonanswering bureau" off-premises lines, it appears reasonable to change the method of mileage measurement for secretarial lines but not for "other purpose" lines. The present method of measurement for "other purpose" lines by air-line distance between primary location and off-premises location will be continued.

By our concurrent decision under Application No. 33935 the defendant will be required to file revised rates for secretarial lines in accordance with the policy set forth above.

O R D E R

Complaints as above entitled having been further considered with respect to mileage rates and discrimination, additional public hearings having been held, the matters having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges and the changes in rules and special conditions authorized herein are justified and that present rates, charges, rules and special conditions, in so far as they differ from those herein prescribed for the future, are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED that defendant is authorized and directed to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, revised tariff filings to place into effect the offer of satisfaction with amendments as hereinabove outlined and as set forth in Appendix A hereto, and, after not less than five days' notice to the Commission and the public, to make said filing effective for service rendered on and after August 1, 1954.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 6th day of July, 1954.

John L. Mitchell
President
Justice F. Calver
Bennett Potter
Deane Higgins

Commissioners

APPENDIX A
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RATES

The presently effective rates, charges and conditions are changed as set forth in this appendix.

Schedule No. 32-T
Supplemental Equipment

Cancel Sheets 14, 15 and 16 relating to Equipment to Prevent Outgoing Calls.

Schedule No. 34-T
Foreign Exchange Service - Northern California

Revise Condition 16.d. on Sheet 22 to read as follows:

Each extension station and PBX station will be provided only for the use of the subscriber, except as business service may be extended to "joint users", and will be located as provided in a., b. and c. above, except that extension stations in connection with business and residence individual line primary stations served from a dial central office of The Pacific Telephone and Telegraph Company will be installed on a premises of a different subscriber for answering purposes only and will be equipped to prevent outgoing calls.

Revise Condition 8.a. on Sheet 30, Condition 8.a. on Sheet 33, and Condition 8.a. on Sheet 36 to read as follows:

Each extension station or PBX station will be provided for the use of the subscriber only and will be located on a premises of the subscriber, except that extension stations in connection with business individual line primary stations served from a dial central office will be installed on a premises of a different subscriber for answering purposes only and will be equipped to prevent outgoing calls.

Revise Condition 3. on Sheet 57 to read as follows:

Extension stations under this schedule are normally furnished without a dial. When a dial is furnished in connection with equipment on which the extension station line terminates, the line will be equipped to prevent outgoing calls.

Schedule No. 35-T
Foreign Exchange Service - Southern California

Revise Condition 8.d. on Sheet 10 and Condition 8.d. on Sheet 23 to read as follows:

Each extension station and PBX station will be provided only for the use of the subscriber, except as business service may be extended to "joint users", and will be located as provided in a., b. and c. above, except that extension stations in connection with business and residence individual line primary stations served from a dial central office will be installed on a premises of a different subscriber for answering purposes only and will be equipped to prevent outgoing calls.

Revise Condition 8.g. (1) on Sheet 25 to read as follows:

Off-premises extension stations will be provided in a contiguous exchange, where facilities and operating conditions permit, for answering purposes only and will be equipped to prevent outgoing calls.

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Schedule No. 35-T Contd.
Foreign Exchange Service - Southern California

Revise Condition 7.b. (1) on Sheet 31 and Condition 8. on Sheet 72 to read as follows:

Each extension station and PBX station will be provided only for the use of the subscriber and will be located on a premises of the subscriber, except that extension stations in connection with individual line primary stations served from a dial central office will be installed on a premises of a different subscriber for answering purposes only and will be equipped to prevent outgoing calls.

Revise Condition 12.d. on Sheet 57 to read as follows:

Each extension station and PBX station will be provided only for the use of the subscriber, except as business service may be extended to "joint users", and will be located as provided in a., b. and c. above, except that extension stations in connection with business and residence individual line primary stations served from a dial central office of the company will be installed on a premises of a different subscriber for answering purposes only and will be equipped to prevent outgoing calls.

Revise Condition 8.a. on Sheet 64 to read as follows:

Each extension station and PBX station will be provided only for the use of the subscriber and will be located on a premises of the subscriber, except that extension stations in connection with business individual line primary stations served from a dial central office will be installed on a premises of a different subscriber for answering purposes only and will be equipped to prevent outgoing calls.

Revise Condition 3. on Sheet 75 to read as follows:

Extension stations under this schedule are normally furnished without a dial. When a dial is furnished in connection with equipment on which the extension station line terminates, the line will be equipped to prevent outgoing calls.

Schedule No. 36-T
Rules and Regulations

Revise items 2.(D) 2. and 2.(D) 3. on Sheet 24 to read as follows:

2.(D) 2. Different Subscribers:

An off-premises extension or PBX station service, including secretarial line service, will be installed on a premises of a party other than the subscriber to the off-premises station service only when the occupant of the premises on which the station is to be installed is a subscriber to individual line, party line, PBX or telephone answering service, provided, however, that a residence extension of PBX station service will not be installed on a business premises except under the conditions shown in 3. below.

Schedule No. 36-T Contd.
Rules and Regulations

Business secretarial extension or PBX station line services of different subscribers terminating on telephone answering equipment, and business extension station line services of different subscribers terminating on equipment (other than telephone answering equipment) having a capacity for 10 or more lines, are furnished for answering purposes only and will be equipped to prevent outgoing calls.

2.(D) 3.

Extension station service, including secretarial extension station line service, in connection with residence individual line primary stations served from a dial central office will be installed on a business premises for answering purposes only and will be equipped to prevent outgoing calls.

Revise items 2.(D) 4. and 2.(D) 7, on Sheet 25 to read as follows:

2.(D) 4.

The provisions of (A) 2. and (A) 3. of this Rule and Regulation that (a) extended service and local service from the same exchange and (b) business flat rate service and business message rate service from the same exchange will not be furnished concurrently on the same premises do not apply in connection with extension stations furnished for answering purposes only, from individual line primary stations served from a dial central office. Such extension stations will be equipped to prevent outgoing calls.

2.(D) 7.

Extension stations or PBX stations, including secretarial lines, will be installed off the premises on which the primary station or PBX switchboard is located and outside the exchange area in accordance with the conditions governing foreign exchange service.

Add the following:

2.(K) Telephone Answering Service.

Telephone answering service consists of telephone answering facilities and services furnished to subscribers engaged in the telephone answering service business and to other subscribers to telephone service who desire service arrangements whereby their incoming calls may be answered by a subscriber engaged in the telephone answering service business.

Where 10 or more off-premises extension station line services of one or more different subscribers are terminated in one or more adjoining rooms on a premises of a person other than the subscribers to the extension station services, the occupant of the premises will be considered to be engaged in the telephone answering service business and will be required to subscribe to telephone answering service and equipment as specified in Schedule Cal. P.U.C. No. 100-T, and all such different subscriber lines will be terminated on such equipment.

Extension and PBX station line services terminating on telephone answering equipment are classified as secretarial line services.

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Schedule No. 100-T
Telephone Answering Service

On Sheet 3 insert under "(1) Telephone Answering Equipment" the following:

"(a) Cord-operated Equipment" and change (a) to 1.

On Sheet 4 insert under "(1) Telephone Answering Equipment" the following:

"(a) Cord-operated Equipment". Change (b) to 2., change (c) to 3., cancel rate (1)(d) and add the following:

4. Stations:
Each station

Rate per Month	
Flat Rate	Message Rate
\$1.50	\$1.00

\$1.50 \$1.00

Installation Charge	Rate per Month
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(b) Key Equipment:

Each position, including attendant's telephone, having a capacity for 10 or more secretarial lines, answering lines and business individual lines:

1. Multiple line key cabinet positions comprising combinations of 3- and/or 6-line cabinets with a capacity for 10 or more lines per position
2. Special assembly key cabinets adapted for the termination of 10 or more lines per position

Charges and rates shown in Schedule Cal.P.U.C. No. 22-T, Multiple Line Key Cabinet Service

Charges and rates shown in Schedule Cal.P.U.C. No. 83-T, Special Assemblies of Equipment

On Sheet 5 delete rate (2)(b) and change rate (2)(a) as follows:

Flat or message rate trunk line service in connection with cord-operated telephone answering equipment will be provided in accordance with the rates listed for commercial PBX trunk lines or business PBX trunk lines in the following schedules, which also include the rates for messages:

<u>Title of Schedule</u>	<u>Schedule Cal. P.U.C. No.</u>
Private Branch Exchange Trunk Line Service - Northern California	13-T
Private Branch Exchange Trunk Line Service - Southern California	14-T
Foreign Exchange Service - Northern California	34-T
Foreign Exchange Service - Southern California	35-T

Add rate (2)(b) as follows on new Sheet 5-A:

(2) Lines Terminated on Telephone Answering Equipment--continued.

(b) Business Individual Line Service - Same Subscriber:
Flat or message rate business individual line service

APPENDIX A
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Telephone Answering Service

in connection with telephone answering key equipment will be provided in accordance with the rates listed for business individual line service in the following schedules, which also include the rates for messages:

<u>Title of Schedule</u>	<u>Schedule Cal. P.U.C. No.</u>
Individual and Party Line Service - Northern California	4-T
Individual and Party Line Service - Southern California	5-T
Foreign Exchange Service - Northern California	34-T
Foreign Exchange Service - Southern California	35-T

Substitute the following for Sheet 6:

(2) Lines Terminated on Telephone Answering Equipment—continued:

	<u>Rate per Month</u>
(c) Answering Line Service - Different Subscribers: Each answering line	Rate applicable to Business Individual Line Service
(d) Secretarial Line Service Each secretarial extension station line, extension of a trunk line, or PBX station line from a subscriber's primary service:	
1. Within same building	Rate applicable to extension or PBX station
2. Different buildings	Rate applicable to secretarial line mileage rates (and flat rates in lieu of mileage rates) shown in Schedule Cal. P.U.C. No. 26-T
See Condition 4.c. covering the conditions under which different subscriber secretarial lines will be furnished and the conditions under which certain same subscriber secretarial lines may also be furnished.	

On Sheet 6-A cancel rate (3) and revise as follows:

	<u>Rate per Month</u>
(e) Tie Line Service - Same and Different Subscribers: Each tie line between cord-operated telephone answering equipment systems or between cord-operated telephone answering equipment system and PBX system on same or different premises.	Rate applicable to tie line service between PBX systems shown in Schedule Cal. F.U.C.No.12-T

Schedule No. 100-T Contd.
Telephone Answering Service

On Sheet 7 revise Conditions 1. as follows:

Telephone answering service consists of telephone answering facilities and services furnished in accordance with the provisions of this schedule to subscribers engaged in the telephone answering service business and to other subscribers to telephone service who desire service arrangements whereby their incoming calls may be answered by a subscriber engaged in the telephone answering service business.

A person will be considered to be engaged in the telephone answering service business where 10 or more off-premises extension station line services of one or more different subscribers are terminated in one or more adjoining rooms on a premises of said person, and will be required to subscribe to telephone answering service and equipment under this schedule, and all such different subscriber lines will be terminated on such equipment.

Extension and PBX station line services terminating on telephone answering equipment are classified as secretarial line services.

On Sheet 7 revise Paragraph 1 of Condition 2. as follows:

Each cord-operated telephone answering equipment position will be furnished by the company upon execution by the subscriber and company of an agreement requiring that if at any time during the five-year period following the installation of a cord-operated telephone answering equipment position on the premises of the subscriber described in said agreement such position is permanently disconnected as a result of request of the subscriber or disconnection of subscriber's telephone service in accordance with company's applicable tariffs, the subscriber shall pay to the company, upon demand, a basic termination charge comprising the total cost of the cord-operated telephone answering equipment position and its installation less the value of the recoverable equipment and the amount paid as installation charges plus the estimated cost of removal less a credit of 1/60 of said basic termination charge for each month between the date on which said position was installed and date on which it was so disconnected.

Revise Sheet 8 as follows:

3. Stations

Stations under Rates (1)(a)4. are installed on the premises on which the cord-operated telephone answering equipment is located. The above rates and mileage rates are applicable to off-premises stations as set forth in Schedule Cal.P.U.C. No. 26-T.

4. Lines Terminated on Telephone Answering Equipment

- a. Trunk Line and Business Individual Line Service. Trunk lines and business individual lines are provided solely for inward and outward central office calls in connection with the affairs of the subscriber, except as the service may be extended to "joint users".

Trunk lines may be switched to stations of cord-operated answering equipment located on a premises of the subscriber to the answering equipment.

Schedule No. 100-T Contd.
Telephone Answering Service

b. Answering Line Service

Answering line service is furnished only to a party other than the subscriber to the telephone answering equipment.

Answering line service is a service employing a central office line terminating on telephone answering equipment and is designed to enable the subscriber to the telephone answering equipment to answer incoming calls of the subscriber to the answering line service. Such lines are equipped to prevent outgoing calls.

Answering lines terminated on cord-operated answering equipment may be switched to telephone answering equipment stations located on a premises of the subscriber to the answering equipment.

Revise Sheet 9 as follows:

4. Lines Terminated on Telephone Answering Equipment--continued.

c. Secretarial Line Service

(1) Different Subscribers

Secretarial line service is a service employing an extension station line, extension of a trunk line, or PBX station line from a primary service terminating on telephone answering equipment and is furnished for the sole purpose of enabling the subscriber to the telephone answering equipment to answer incoming calls of the subscriber to the secretarial line. Such lines are equipped to prevent outgoing calls.

Secretarial line service is not offered for

- (a) Outgoing exchange or toll calls,
- (b) Intercommunication between the secretarial line subscriber and the telephone answering equipment subscriber over the secretarial line, or
- (c) Connections between the secretarial line and a central office line or other secretarial line through the telephone answering equipment.

Secretarial lines terminated on cord-operated answering equipment may be switched to telephone answering equipment stations located on a premises of the subscriber to the answering equipment.

(2) Same Subscriber

Secretarial extension station line service only will be furnished to the subscriber to the telephone answering equipment at the rates and under conditions applicable to different subscribers' secretarial extension station line services, provided that:

- (a) Different subscriber secretarial line or answering line services are also terminated on the telephone answering equipment, and
- (b) No joint user service is furnished in connection with the same subscriber's primary service from which the secretarial line is extended.

Schedule No. 100-T Contd.
Telephone Answering Service

On Sheet 10 cancel Condition 3.c., 3.d. and 4. and add the following:

4. Lines Terminated on Telephone Answering Equipment—continued

d. Tie Line Service

Tie line service in connection with telephone answering service comprises a circuit between two cord-operated telephone answering equipment systems or between a cord-operated telephone answering equipment and a PBX system located in the same exchange area or zone, and is furnished for two-point connections between any two stations connected to and on the same premises as the cord-operated telephone answering equipment or PBX systems in which the tie line terminates.

APPENDIX B

OFFER OF SATISFACTION
(Transcript Pages 1882-1883)

The Pacific Telephone and Telegraph Company will undertake the following course of procedure in settlement of the matter before the Public Utilities Commission of the State of California, set forth in the order reopening proceeding for limited hearing in Case No. 5417.

One. The company will immediately undertake to amend its tariffs to provide that (A) any person furnishing answering service in one or more adjoining rooms or to 10 or more other telephone subscribers is engaged in telephone answering service; (B) any person engaged in telephone answering service is required to subscribe for the necessary key or cord operated equipment; (C) any off premises extension or PBX station line from a different subscriber terminating in key equipment with a capacity for terminating 10 or more lines will be equipped to prevent outgoing calls;

Two. Equipment arrangements will be made in connection with all secretarial lines to prevent outgoing calls from such line.

Three. The Pacific Telephone and Telegraph Company will undertake to complete the equipment arrangement specified in two above within a period not to exceed one year.

In accomplishing this work the company will to the best of its ability complete the work on secretarial lines terminated on all known secretarial bureaus in a given central office district within the shortest possible period of time after work is commenced. The same program will be followed for all bureaus within a given district area where exchanges are divided into district areas and also in individual exchanges which are not divided into district areas.

APPENDIX C

LIST OF APPEARANCES

For Complainant: Case 5400, Jack W. Hardy; Case 5417, Gordon Knapp and Gill, by Hugh Gordon and Wyman C. Knapp and C. T. Mess.

For Defendant: Arthur T. George, Pillsbury, Madison & Sutro, by Noel Dyer, Francis N. Marshall and E. S. Bowers.

Interested Parties: Both cases, City of Los Angeles, by H. M. Kauffman and T. M. Chubb; City of San Francisco, by Paul L. Beck and Dion R. Holm; Case 5400, Gordon, Knapp and Gill, by Hugh Gordon, Wyman C. Knapp and C. T. Mess; Case 5417, Jack W. Hardy.

Other Appearances: Boris H. Lakusta and Charles W. Mora, for the Commission staff.

LIST OF WITNESSES

Evidence was presented on behalf of complainants in Case 5400, by Charles J. Rook, Louis B. Minter, Annette J. Moore, Charles Bickford, Mrs. Ione Krell, Stanley Krell, and Charles K. Murray; Case 5417, by Lew Lauria, B. M. McCormick, Glenn D. Page, Walter Corbin, Bert Levy, A. N. Simon, Clarence J. Blasiar, Marguerite A. Masterson, Mrs. Samuel E. Bergman, Margie Liszt and Howard A. Burroughs.

Evidence was presented on behalf of defendant, by Carl F. Joos and Hubert L. Kertz.

Evidence was presented on behalf of the Commission staff, by J. B. Balcomb.