

- a. San Mateo, Millbrae and South San Francisco.
 - b. Redwood City, San Carlos-Belmont, La Honda and Woodside.
 - c. Pacifica, Half Moon Bay, Moss Beach and Pescadero exchanges.
4. Concurrently with the issuance of the first editions of the three separate directories to place in effect rates for classified advertising and alphabetical bold type listings therein.

Public hearing on applicant's request was held before Examiner James F. Haley at San Mateo on August 22 and 23, 1961; evidence was adduced, and the matter was taken under submission.

Present Directory

The present single directory for San Mateo County contains a total of 1,160 pages, arranged in standard four-column telephone directory format. Eight of the pages are informational, 348 contain alphabetical listings of subscribers and the remaining 804 are devoted to classified business listings and advertising. As of May 31, 1961, applicant served a total of 173,841 telephones in the 11 San Mateo County exchanges covered by the directory. Of this total, 102,541 telephones were in the proposed San Mateo, Millbrae and South San Francisco exchange grouping; 60,893 telephones were in the proposed Redwood City, San Carlos-Belmont, La Honda and Woodside grouping; and 10,402 telephones were in the proposed Pacifica, Half Moon Bay, Moss Beach and Pescadero grouping.

It is Pacific's position that improved directory service can be provided by making the proposed separation. It represents that relatively few of the subscribers have occasion to refer to listings for all or even a majority of the exchanges included in the present directory. Pacific points out that the growth in business and residence development which has occurred in San Mateo County in recent years has been reflected in a year-by-year increase

in the size of its San Mateo County directory. The March 1940 edition contained a total of 146 pages and the September 1950 edition, 713 pages, in contrast to the 1,160 pages in the current April 1961 edition. Pacific estimates that on a single volume basis, future growth would require a total of 2,200 pages in the San Mateo County directory by 1970. Some 500 of these pages would be alphabetical listings and about 1,700 would consist of classified business listings and advertising. Pacific contends that this size of directory would be unwieldy and cumbersome to use.

Proposed Directories

Pacific represents that the geography and development of San Mateo County provide a logical basis for the three exchange groupings described above. It requests that the coastal communities be grouped into one of the three proposed directories on the basis that these communities are separated from the bay communities by the Coast Range. The remainder, or the bay side portion of the county covered by the present directory, Pacific proposes to divide into a northern and southern grouping separated by the boundary line between San Carlos-Belmont and San Mateo exchange.

Each of the three directories would have separate and distinct alphabetical and classified sections for the respective areas covered. Pacific states that it would stand ready to provide, free of charge, upon the request of any San Mateo County subscriber, the other two directories in addition to the one which would be normally issued.

Present and Proposed Advertising Rates

Rates for advertising in the current issue of the San Mateo County telephone directory correspond to those for Circulation Rate Group 11 (55,001 to 75,000 stations) of the schedule of advertising

rates in general effect throughout the portions of California served by Pacific. These rates are based on circulation in the largest included exchange; in this instance, San Mateo exchange. Under applicant's proposal, rates for advertising in each of the three separate directories would also correspond to the circulation in the largest included exchange, namely, San Mateo for the proposed northern grouping, Redwood City for the proposed southern grouping, and Pacifica for the proposed coastal grouping. On this basis, advertising rates for the northern directory would remain at the same level as at present. Advertising rates for the southern directory would be reduced from Circulation Rate Group 11 to Group 9 (30,001 to 40,000 stations). For the coastal directory the rates would be reduced from the present Group 11 to Group 4 (6,001 to 8,500 stations). The alphabetical bold type listing rates for the southern directory and the coastal directory would also be reduced to conform to their respective circulation groups.

The tabulation below shows a comparison of present and proposed monthly rates for classified directory advertising and alphabetical bold type listings:

<u>Classified Section</u>	Present Rates for Combined S.M. Co. <u>Directory</u>	<u>Proposed Rates</u>		
		<u>Northern Grouping</u>	<u>Southern Grouping</u>	<u>Coastal Grouping</u>
<u>Display Advertisements:</u>				
Two 1/2 Columns	\$33.00	\$33.00	\$28.00	\$14.00
One-half Column (or Two 1/4 Columns)	19.00	19.00	14.00	7.00
One-quarter Column	9.50	9.50	7.00	3.50
<u>Column Advertising:</u>				
<u>Each Informational Listing:</u>				
1-1/2 Columnar Inch	6.75	6.75	5.25	-
1 Columnar Inch	4.50	4.50	3.50	2.00
Trade-mark Heading	5.50	5.50	4.25	2.50
Trade-mark Cross Reference	1.75	1.75	1.50	1.25

<u>Classified Section</u>	Present Rates for Combined S.M. Co. Directory	Proposed Rates		
		<u>Northern Grouping</u>	<u>Southern Grouping</u>	<u>Coastal Grouping</u>
<u>Trade-mark Listing:</u>				
Bold Face Type Listing	\$ 1.50	\$ 1.50	\$ 1.25	\$ 1.00
Regular Type Listing	.50	.50	.50	.25
<u>Trade Name Listing:</u>				
Gothic Type Listing	1.75	1.75	1.50	1.25
Regular Type Listing	.50	.50	.50	.25
Trade Name Cross Reference	1.75	1.75	1.50	1.25
<u>Listing:</u>				
Bold Face Type Listing	1.50	1.50	1.25	1.00
Regular Type Listing	.50	.50	.50	.25
Additional Line of Information	.50	.50	.50	.25
<u>Alphabetical Section</u>				
Bold Face Type Listing	2.75	2.75	2.25	1.75
<u>Discussion</u>				

This application for authority to split the San Mateo County directory was the focus of a great deal of public attention throughout the county. The Commission received a considerable number of letters from telephone users, and there was vigorous public participation at the hearing, both in support of and in opposition to granting the application. Support for the proposal centered among businessmen of Pacifica, who desire to confine their directory advertising to the coastal area and who believe that the proposed Pacifica directory would help achieve community identity for that lately incorporated city. Opposition to the directory split was more widespread and not centered in any group or community. It appears, in fact, that even in Pacifica a greater number of telephone subscribers are against the split than in favor of it.

The record shows that the public of San Mateo County as a whole would suffer several serious disadvantages from a division of the directory. The most serious of these would be that the

directory service to the typical subscriber would be diminished. There is a substantial community of interest throughout San Mateo County. The boundary lines between the three proposed directory areas are largely arbitrary and lie athwart vectors of strong common interests. It is apparent from the evidence introduced by Pacific, that comparatively few subscribers would actually request the additional directories offered. Certainly, the three separate directories would be a poor substitute, at best, for the present single directory.

With three directories replacing the present one, substantial rate increases would accrue to the many directory advertisers who, the record indicates, would desire to retain their present advertising coverage. To retain such coverage, they would be forced to contract for advertising in all three directories. As can be seen from the preceding rate tabulation, maintaining present coverage after the proposed split would more than double telephone directory advertising costs.

Pacific contends that by 1970 the single San Mateo County directory will have become unwieldy and difficult to produce. The present directory, however, is of reasonable size and not at all unwieldy. Indeed, many telephone directories now current for other parts of California are much larger and bulkier than the San Mateo book.

Findings and Conclusions

Upon careful consideration of the complete record we find that it would be adverse to the public interest to authorize applicant at this time to separate the present San Mateo County telephone directory into three directories and that the application should be denied.

Nothing in this opinion and order is intended to prejudice applicant's right to make application in the future to separate the San Mateo County directory should that directory become so large as to be difficult to print or awkward to use.

O R D E R

Public hearing having been held, evidence having been received and the matter having been submitted for decision,

IT IS ORDERED that Application No. 43560 be and it hereby is denied.

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

Dated at San Francisco, California, this 3rd day of October, 1961.

E. Lynn Fox
George H. Grover
Fredrick B. Holshoff

Everett C. McKeage
Commissioner S. Peter E. Mitchell, being
necessarily absent, did not participate
in the disposition of this proceeding.