

Decision No. 67781

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Byron W. Beckman, dba  
Beckman Appliance Service,

Complainant,

vs.

Pacific Telephone Company,

Defendant.

Case No. 7868  
Filed March 27, 1964

Byron W. Beckman, in propria persona.  
Arthur T. George and Richard W. Odgers, by  
Richard W. Odgers, for defendant.  
Robert W. Russell, by K. D. Walpert, for  
Department of Public Utilities & Transportation,  
City of Los Angeles, interested party.  
Robert O. Lamson, for the Commission staff.

O P I N I O N

This matter was heard and submitted before Examiner Patterson in Los Angeles on June 3, 1964.

Complainant is engaged in the business of repairing electrical appliances. He has a business address of 19025 Parthenia, Northridge, a community in defendant's Reseda exchange in the western portion of the San Fernando Valley. He subscribes to two types of telephone service, local Reseda business extended exchange service and Van Nuys foreign exchange service. He advertises in defendant's yellow pages with a 1/4- and 1/8-page advertisement, both under the caption Washing Machines, Dryers & Ironers- Repairing & Parts.

Complainant alleges in substance that defendant changed his foreign exchange telephone number and consequently his advertising in the yellow pages without his authorization or knowledge

and in such a manner that it has affected his operations to the extent that he will have to go out of business. He contends that the changing of the telephone number without advance notice has made his new checks, calendars, work orders, business cards, stickers, truck signs, and 6 years of advertising obsolete. He requests that an order be issued requiring defendant to (1) advertise immediately so as to inform the public that the 987 prefix is a local San Fernando Valley number, (2) reimburse him for the moneys lost during the time the new directory was published until such time as the public becomes aware that the 987 prefix is a local number and (3) adjust the cost of yellow page advertising for the period in question.

The record shows that by advertising order placed July 29, 1963, complainant ordered display advertising in the yellow pages to continue essentially as in the prior directory. Shortly thereafter he was furnished with proofs of his advertisements as they would appear in the new directory (Exhibits Nos. 3 and 4). These proofs listed the same telephone numbers as appeared in the prior directory, 349-4363 for the local Reseda exchange and 780-4034 for the Van Nuys foreign exchange.

Subsequently, during the period from approximately October 9, 1963 to February 11, 1964, complainant ordered and had delivered business forms and advertising material consisting of calendar greeting cards, work order forms, and printed checks, all of which material included his then existing telephone numbers.

Complainant contends that he had no notice of the change in his foreign exchange telephone number until he received a letter

from defendant on or about March 5, 1964, stating that the records for his new 987 telephone service had been transferred to the Reseda office (Exhibit C). Shortly, thereafter, he received his copy of the new directory in which the telephone number in his display advertising had been changed from 780-4034 to 987-2188. Complainant testified that as soon as the change had been made his foreign exchange line went completely dead and no calls were received. Moreover, he ascertained that parties who called his former foreign exchange telephone number were simply advised by the intercept operator of the change in number but were not informed that it was still a local number. The record shows that subsequently in early June, the referral service was improved to the extent that the operator now voluntarily informs all parties calling the old number that the 987 prefix is a local number. Complainant maintains, however, that to the date of the hearing very few calls were being received on the foreign exchange line. He stated that if he had been notified of the change which was to be made, he would have included the new number in his advertising material and would have altered the yellow page advertising by reversing the order of the two numbers or perhaps would have cancelled one of the display advertisements. He contends that the public is still unaware that the 987 prefix is a local number, and he believes that defendant should take action to inform the public by paid advertisements in the local newspapers.

In his testimony complainant pointed out that most of his business is derived from customers who are directed to the service he

provides through his display advertising in the yellow pages for which he pays approximately \$80 per month.

Two Reseda businessmen, one a realtor and the other an appliance repairman, testified to the effect that the public is not aware that the 987 prefix is a local number.

It is defendant's position that its filed tariffs expressly reserve to defendant the right to change the telephone numbers of subscribers where required by the needs of the service.<sup>1/</sup>

Defendant presented evidence showing that on March 8, 1964, the telephone numbers of some 1,200 Reseda exchange subscribers subscribing to Van Nuys foreign exchange service, including complainant, were changed from a "78" series prefix to the "987" prefix. The evidence shows that this change was necessitated as a result of the installation of new and improved switching equipment in the Reseda central office and that such installation was, in part, required in order to relieve equipment congestion in the Van Nuys central office.

Defendant contends that all of these Van Nuys foreign exchange subscribers were clearly and fully informed of the change which would be made in the number prefix. According to the evidence defendant endeavored to notify the 1,200 subscribers of the impending change, first by letters sent on or about August 23, 1963 (Exhibit No. 14), then by reminder letters sent on or about January 3, 1964 (Exhibit No. 15), and finally by letters sent on or about March 6, 1964 (Exhibit C).

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<sup>1/</sup> Rule 17. (D) provides:

"The assignment of a number to a subscriber's telephone service will be made at the discretion of the Company. The subscriber has no proprietary right in the number, and the Company may make such reasonable changes in telephone number or central office designation as the requirements of the service may demand."

Defendant presented a copy of a business office record (Exhibit No. 16), bearing notations that the notification letters in August 1963 and January 1964 were both sent to the complainant, and presented testimony that the procedures used in mailing these letters were the same as used in mailing the third letter which the complainant admitted receiving in early March 1964. According to the evidence, all of these letters were sent by first-class mail and in envelopes bearing the printed notation on the face of the envelope "IMPORTANT TELEPHONE INFORMATION" (Exhibit No. 18).

The evidence shows that coincident with the number change defendant initiated referral service whereby parties calling complainant's old telephone number were informed by the operator of the change to the new telephone number. In connection with this referral service the operators were first instructed to explain to the customer, if he asked, that a 937 prefix was Van Nuys service and, as previously explained, the referral service was improved early in June so that now, without inquiry, the 987 prefix is identified as a Van Nuys number.

Defendant presented evidence showing the extent to which the public has been informed of the change in the telephone number prefixes of Van Nuys foreign exchange service in Reseda. These efforts consisted initially of a newspaper article in the Reseda Herald Tribune on March 18, 1964 (Exhibit D), paid advertisements in the Tarzana Daily Tribune on March 18, 1964 (Exhibit E), and in the Van Nuys News on March 19, 1964 (Exhibit F). More recently four additional newspaper articles have appeared in the local newspapers, all as shown in Exhibit No. 19.

Defendant pointed out further that the 1964 Los Angeles Northwestern telephone directory contains in the "Information Pages" at the beginning of the directory, information which enables a user to ascertain that the 987 prefix is assigned to Reseda subscribers who have subscribed to Van Nuys foreign exchange service.

Although the record indicates that complainant did not receive or at least was not familiar with the contents of the first two letters of notification of the number change sent in August 1963 and January 1964, respectively, and thus the contents of such letters could not have had any bearing upon complainant's failure to take appropriate action to ease any inconvenience caused by the number change, we are of the opinion that the contents of those letters would not necessarily have aided complainant. Those letters were palliative in tone and tended to lull the subscriber into accepting the change without giving due consideration to the effects it might have on his operations. Defendant's witness testified that the initial letter (Exhibit No. 14) indicated that a complete number change including a change in prefix would be forthcoming. We cannot agree with the witness's characterization of that letter which stated in the essential part "We feel you would appreciate knowing well in advance of a change in your Van Nuys (78) telephone number in March of 1964." All that statement does is inform the subscriber that there will be a change in his Van Nuys (78) number. Such change could very well have been in the last 5 digits leaving the first 2 digits or prefix unchanged or the change could have been to another prefix identified with the Van Nuys exchange, and in either of these cases the effect on a subscriber would be limited essentially to the necessity of changing any advertising material

or business forms to reflect the new number, and there would have been no reason for him to consider the necessity of altering the form or arrangement of his yellow page advertising.

In Decision No. 65120 in the complaint of C. O. Reynolds, et al. vs. Pacific Telephone Co. (60 Cal. P.U.C. 692) we stated in the opinion "We will expect that in any future changes similar to this, where telephone numbers are being completely changed, defendant will exercise extreme care to ensure that the subscribers affected are clearly and precisely informed." We find that the procedures used by defendant in the case now before us did not clearly and precisely inform subscribers as to the change. The record shows that defendant knew in September 1962 of the change which would have to be made. We recognize that it might have been impractical to have informed subscribers in August 1963 of the precise telephone numbers which would be assigned to them but it is clear that they could have been informed that the prefix would be changed to 987.

An additional step which defendant could have taken and which would have aided subscribers in comprehending the change would have been to have coordinated the yellow pages sales efforts with the number change. It seems clear to us that if the advertising proofs (Exhibits Nos. 3 and 4), submitted to complainant probably in August 1963, had contained the new 987 prefix, complainant would have been fully advised and he could have taken appropriate steps to change, alter, or modify his yellow page advertising so that it would have remained fully effective.

While the effect of the change to a 987 prefix might be minimal upon many subscribers' operations, it is clear from the record that the effect on the complainant herein has been substantial.

because of his heavy reliance upon the telephone and upon the foreign exchange line and number for his service calls. We find that complainant's yellow page advertising and his foreign exchange service have both been impaired by failure of defendant to take reasonable measures to inform complainant of the telephone number change so that he could take appropriate steps to ease the effects of the number change.

Complainant pays approximately \$80 per month for his yellow page advertising. In addition he pays \$31.50 per month for the foreign exchange service and number 987-2188.

We find that the foreign exchange service and the number assigned thereto have been of substantially no benefit to complainant for the initial months following the number change but that as the year progresses and the public gradually becomes aware that 987 is a local prefix the full benefits contemplated will be approximately restored. We find that the foreign exchange service and the advertising in connection therewith will be only 50 percent effective during the life of the 1964 directory.

We note that complainant's local Reseda number which also appears in complainant's display advertising in the yellow pages has remained unchanged and unaffected by the change in the other number. We are of the opinion that upon an annual overall basis complainant's yellow page advertising will be 75 percent effective and that his foreign exchange service will be 50 percent effective. We conclude therefore that it would be fair and equitable to require defendant to reduce charges for complainant's yellow page display advertising for the 1964 directory on an annual



basis by 25 percent and to reduce the charges for his foreign exchange service for an annual period commencing March 8, 1964 by 50 percent. The net effect of these two adjustments should be a reduction in complainant's charges of approximately \$429.

With respect to the public's lack of awareness that "987" is a Van Nuys prefix, we are of the opinion that the acceptance of that prefix and familiarity with it will come only with the passage of time. Advertising and news stories all help but we do not believe that further advertising in newspapers would produce significant results. ✓

In any future changes similar to this, where telephone numbers, and particularly the prefixes, are being completely changed, we will expect defendant to exercise extreme care in coordinating all phases of its activities so that the subscribers affected will be timely informed in a clear and precise manner. To inform the public in such instances, we suggest that defendant give consideration to the use of bill inserts directed to subscribers in the local calling area.

Based upon the record we find that:

1. The change which was made in complainant's foreign exchange telephone number was necessitated by the reasonable requirements of the service.
2. Defendant did not take reasonable steps to ensure that complainant would be clearly, precisely and timely informed as to the telephone number change. ✓
3. Complainant's yellow page advertising and foreign exchange service were both impaired because of defendant's failure to take

reasonable steps to inform him of the impending telephone number change.

4. Defendant should compensate complainant for the impairment in service by reducing charges for complainant's yellow page display advertising for the 1964 directory on the basis of 25 percent of the annual charge and by reducing the charges for his Van Nuys foreign exchange service for an annual period commencing March 8, 1964 by 50 percent.

5. Defendant should not be required at this time to place any further advertisements concerning the 987 prefix.

6. Defendant's motions to dismiss the complaint and to strike the portion of the complaint requesting award of damages for moneys lost because of the number change should be denied.

O R D E R

IT IS ORDERED that:

1. Defendant's motions to dismiss the complaint and to strike the portion of the complaint requesting award of damages for moneys lost, because of the number change, are denied.

2. Defendant shall reduce charges for complainant's yellow page display advertising in the 1964 Los Angeles Northwestern directory on the basis of 25 percent of the annual charge.

3. Defendant shall reduce charges for complainant's Van Nuys foreign exchange service for an annual period commencing March 8, 1964 by 50 percent.

4. In all other respects the relief sought by complainant is denied. ✓

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

Dated at San Francisco, California, this 25th day of AUGUST, 1964.

Frederick B. Holliday  
President

Edward J. [Signature]  
George H. Grover

Commissioners

I dissent  
Robert E. Mitchell Commissioner