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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of General Telephone Company of California, a corporation, for authority to rearrange the present Oxnard-Thousand Oaks Classified Section into two separate Classified Sections to be known as Oxnard Classified Section and the Thousand Oaks Classified Section.

Application No. 52692 (Filed June 15, 1971)

A. M. Hart and Donald J. Duckett, Attorneys at Law, by <u>Donald J. Duckett</u>, for applicant.
<u>Leonard Alexander</u>, Attorney at Law, for the Conejo Valley Chamber of Commerce, <u>Lillian</u> <u>M. O'Grady and Donna Fargo</u>, for Venture Publications, Inc., protestants.
<u>Robert C. Brown</u>, <u>Mary M. Dempsey</u>, for Joseph <u>M. O'Grady, Vince Lougherty</u>, for Conejo Valley Board of Sealtors, and <u>Donald N.</u> <u>Pruner</u>, interested parties.
<u>Tibor I. Toczauer</u>, for the Commission's staff.

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General Telephone Company of California (applicant) requests authority pursuant to Chapters 3 and 4 of Part 1 of Division 1 of the Public Utilities Code to rearrange the yellow pages.(classified) section only of its existing Oxnard-Thousand Oaks telephone directory into two directories to be known respectively as the Oxnard Directory and the Thousand Oaks Directory. The yellow page section of the directories will include the following major communities:

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Oxnard Directory

Oxnard Camarillo Port Hueneme Somis Malibu (portion) Point Mugu Thousand Oaks Directory

Thousand Oaks Newberry Park Moorpark (portion) Westlake Village Lake Sherwood

A public hearing on the application was held in Camarillo before Examiner Rogers on September 28, 1971, and the matter was submitted.

The applicant presented evidence by various witnesses on the following matters.

A consolidated alphabetical section including all of the communities which presently appear in the existing Oxnard-Thousand Oaks telephone directory, will be included in each proposed directory.

Exhibit 2 herein, shows the geographical relationship to the communities to be included in each of the two yellow page sections and the concentrations of population.

Exhibit 5 herein, among other things, shows the present geographical boundary of the Oxnard-Thousand Oaks exchange area and the proposed geographical boundaries of the separate Oxnard and Thousand Oaks directories.

Applicant presented evidence to show that a majority of those business customers who purchase advertising in the classified section in the present directory favor applicant's proposal; the calling patterns in both the Oxnard exchange and the Thousand Oaks exchange indicate that only a very small percentage of the total calls are made between the two exchanges; and the proposed bifurcated classified sections will result in substantial savings to the advertisers.

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Applicant further stated that Oxnard and Thousand Oaks are two separate marketing areas; they are separated approximately 20 miles by mountainous terrain; the communities of the Thousand Oaks exchange, only a relatively few years ago, were predominantly dependent upon the marketing area of the Oxnard exchange; the number of businesses and professional services in the Thousand Oaks exchange, as measured by the applicant's business stations, has within the past ten years nearly quadrupled; the rapid growth within the Thousand Oaks exchange has caused the Thousand Oaks area to become self-reliant; little, if any reliance exists today on the Oxnard marketing area for business and professional services; and business customers (predominantly in Thousand Oaks) have within the past few years been requesting that the yellow pages be redesigned to represent more adequately their marketing area.

Applicant's witness stated that it has conducted a survey of business customers in the combined Oxnard-Thousand Oaks directory area; during April 1971, survey packets were mailed to all business customers in the Oxnard and Thousand Oaks exchanges; and this survey showed the following:

	Study Area	Number of Replics*	Service Preference		
Yellow Page Usage			Present Plan %	Proposed Plan %	No Preference
Advertising Purchasers	Oxnard T.Oaks Total	785 <u>376</u> 1,161	44 <u>38</u> 42	48 59 52	8 <u>3</u> 6
Non-Advertisers	Oxmard T.Oaks	319 131	35 <u>28</u>	32 43	33 29
All Respondents	Total Omard T.Oaks	450 1,124 <u>516</u>	33 41 <u>35</u>	35 43 55	32 16 10
	Total	1,640	<u></u> 39	47	24

* Number of replies shows number of answers to specific questions. Some questionnaires where service preference was shown did not include an answer to question on advertising.

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As an effect of the proposed separation of directories, advertisers in the two yellow page directories will receive rate reductions totaling approximately \$106,620 in 1972. After the split, the rates for the revised Oxnard classified will drop from rate group 22 to 21 and to rate group 16 for the Thousand Oaks directory. This reduction will result in a \$106,620 annual savings to the advertisers. Rates in rate group 16, 21 and 22 are tabulated in Exhibit 4.

A Commission staff engineer investigated the proposal and made a report filed herein as Exhibit 7. In said report the engineer states: "Based on the review of the application and on the field trip it is our conclusion that the separation of Thousand Oaks-Oxnard Classified Directory into two independent Classified Directories is in the best interest of the public." This witness also testified that approximately one-third of the yellow pages will be distributed to the Thousand Oaks area and two-thirds of the yellow page directory will be for the Oxmard directory. There will be a savings of approximately 27.7 tons of paper per year.

The engineer stated that "The Company should be directed however, to inform by bill insert all customers in the Oxnard, Thousand Oaks exchanges that should they require and so indicate both yellow page directories will be made available free of charge by General Telephone Company."

The president of the Conejo Valley Chamber of Commerce testified that there are over 400 businesses in the Chamber of Commerce; that it has a 25-man Board of Directors; and that this Board of Directors had voted to oppose the applicant's proposal.

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The vice-president of the Conejo Valley Board of Realtors testified that there are 33 broker members plus 230 associated members who are real estate salesmen and that this Board supported the split directory.

The owner of several businesses in the service area opposed the application. He testified that the splitting will cause him to lose the benefit of 30,000 plus residents of the Thousand Oaks area who are presently reached by his current yellow page advertisement.

The owner of Venture Publications, Inc., a business directory, opposed the split yellow pages. She stated that the individual split directory would cost less per month but that the use of two directories would ultimately increase the advertising costs to reach the entire area.

Findings

On the record herein the Commission finds that:

1. Applicant has one consolidated yellow page section in its Oxnard-Thousand Oaks telephone directory. It requests authority to split the yellow page section into a Thousand Oaks section and an Oxnard section. Approximately one-third of the yellow page listings are in the Thousand Oaks area and two-thirds in the Oxnard area.

2. Applicant proposes to include in the Thousand Oaks directory the cities or communities of Thousand Oaks, Newberry Park, Moorpark, Westlake Village and Lake Sherwood. It proposes to include in the Oxnard directory the cities or communities of Oxnard, Camarillo, Port Hueneme, Somis, Malibu and Point Mugu.

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3. There is very little community of interest between the towns and communities which are to be included in the Oxnard directory and the towns and communities which are to be included in the Thousand Oaks directory.

4. The majority of the advertisement purchasers in each of the areas favor the splitting of the yellow pages into the Thousand Oaks directory and the Oxnard directory. If the existing yellow page directory is split into two directories, the applicant will furnish free of charge to all parties desiring them copies of both yellow page directories.

5. The splitting of the yellow page directory will result in the reduction in advertising rates to the directory advertisers who continue to use the smaller directories but any advertiser desiring to advertise in both directories will be required to pay more for advertising.

6. The residents and parties affected by the advertising both prefer and oppose the split directory.

7. The proposed rearrangement of the Oxnard-Thousand Oaks yellow page directory into two separate directories is not adverse to the public interest and will result in savings to the applicant and to the majority of the public using the yellow pages. <u>Conclusions</u>

The Commission concludes that the application should be granted.

<u>ORDER</u>

IT IS ORDERED that:

1. General Telephone Company of California is authorized to rearrange the existing Oxnard-Thousand Oaks yellow page directory into two directories to be known as the Oxnard Telephone Directory and the Thousand Oaks Telephone Directory with each directory to include a consolidated white page section covering the area of the existing Oxnard-Thousand Oaks Telephone Directory; and to publish and distribute the two new directories in April 1972, the normal publication date for the Oxnard-Thousand Oaks Telephone Directory; provided, however, that applicant shall inform by bill insert all customers in the Oxnard-Thousand Oaks exchanges that should they require both yellow page sections, the applicant will furnish such without charge.

2. General Telephone Company of California is authorized to file, in accordance with the Commission's General Order No. 96-A, revised tariff schedules to identify the directory issued and assigned rate group to the new directories.

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

Dated at	San Francisco	, California, this 167
day of NOVEMBER	, 1971.	O Mar Asa - O
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