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Decision No. 79780

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE)
AND TELEGRAPH COMPANY for authority)
to Split the Present Southern Alameda)
County Directory into two Separate)
Directories to be known as the Fremont-)
Hayward-Newark-Union City, Etc. Tele-)
phone Directory and the Livermore-)
Pleasanton, Etc. Telephone Directory.)

Application No. 53074
(Filed December 29, 1971;
Amended January 10, 1972
and March 2, 1972) ✓

OPINION AND ORDER

The Pacific Telephone and Telegraph Company, having filed an application on December 29, 1971, and amended applications on January 10 and March 2, 1972, has requested authority of this Commission, without hearing, to make its order pursuant to Sections 454 and 701 of the Public Utilities Code of the State of California, authorizing applicant to: (1) establish two new directories to be known as the Fremont-Hayward-Newark-Union City Telephone Directory and the Livermore-Pleasanton Telephone Directory; and (2) publish and distribute the two new directories in October, 1972, the normal publication date of the existing Southern Alameda County Telephone Directory.

Applicant presently publishes and distributes the Southern Alameda County Telephone Directory. The tariffs of the applicant on file with the Commission that govern the rates, publication and distribution of the said directory are Schedules Cal. P.U.C. Nos. 17-T, 36-T, 39-T and 106-T.

The existing Southern Alameda County Telephone Directory contains the communities of Ashland, Castro Valley, Fremont, Hayward, Livermore, Mt. Eden, Newark, Pleasanton, San Lorenzo, Sunol,

Union City and approximately 15% of San Leandro. In addition, the communities of Dublin and San Ramon, while primary to the Central Contra Costa directory, are also listed in the white and yellow pages of the Southern Alameda County directory at no additional charge. The white pages are separated into six sections with the communities shown at the top of each page.

Pacific has proposed to split the directory into two directories to be known as the Fremont-Hayward-Newark-Union City Telephone Directory and the Livermore-Pleasanton Telephone Directory. The proposed directories are separate and distinct marketing areas and would include the following communities:

<u>Fremont-Hayward Newark-Union City</u>		<u>Livermore-Pleasanton</u>
Ashland	Newark	Livermore
Castro Valley	San Lorenzo	Pleasanton
Fremont	Union City	Sunol
Hayward	Parts of San Leandro	
Mt. Eden		

The community of Sunol, while primary to the Livermore-Pleasanton Directory, will also be listed in the white pages of the Fremont-Hayward-Newark-Union City Directory at no additional charge. Listings for the communities of Dublin and San Ramon would be included in the white and yellow pages of the Livermore-Pleasanton Telephone Directory at no additional charge. The proposed configurations of the two directories are shown in Exhibit B and proposed alphabetical directory listings in Exhibit C of the application. The white pages in these directories would be consolidated, listing all subscribers from A to Z with a community designation at each listing, in one section instead of separate sections by community.

Applicant will provide upon request of the subscriber and without charge, that directory serving the portion of the county not included in their primary directory.

The Pacific Company has informed the City Councils of the incorporated areas, service organizations and business individuals in the total area, and the Chambers of Commerce, of the plan for the proposed directory split. All six of the incorporated cities - Fremont, Hayward, Livermore, Newark, Pleasanton and Union City have

submitted resolutions in support of the proposed directory split. The Chambers of Commerce of these cities, except Hayward, have written the Pacific Company indicating their support of the proposal. By letters of February 25 and 29, 1972, respectively, the Castro Valley Chamber of Commerce and the attorney representing Abbey Rents requested the Commission have a public hearing on the proposed directory split. The company has made contacts with various community representatives who indicate general support of the plan.

Applicant states that the area has experienced rapid growth in the last few years and continued growth is expected. The number of business and professional services has increased to the point where the proposed Livermore-Pleasanton Directory area is now self-sufficient. There is very little telephone calling and even less marketing relationship between the two proposed directory areas.

Applicant had a customer survey conducted by the marketing research firm of Bardsley and Haslacher, Inc. to determine directory usage of subscribers served by the existing directory and to what extent directory service would be affected by the directory split. The results of the survey regarding customer reference to yellow pages are shown below:

YELLOW PAGES USAGE FOR THE PAST 12 MONTHS

Location of Number Looked Up	Percent of References Made to Areas Served by Southern Alameda County Yellow Pages			
	<u>Fremont/Hayward Directory</u>		<u>Livermore Directory</u>	
	<u>Business</u>	<u>% Residence</u>	<u>Business</u>	<u>% Residence</u>
Fremont/Hayward Director	99+	99+	16	9
Livermore Directory	0+	0+	84	91

The estimated proportion of telephone calls made to areas covered by the present directory are shown below:

DIRECTORY AREA TELEPHONE CALLING USAGE

Directory Area Called	Percent of Calls Terminating in Areas Served by Southern Alameda Directory			
	<u>Fremont/Hayward Directory</u>		<u>Livermore Directory</u>	
	<u>Business</u>	<u>% Residence</u>	<u>Business</u>	<u>% Residence</u>
Fremont/Hayward	98	99	13	8
Livermore	2	1	87	92

Applicant represents that the customer survey demonstrates that the proposed directory split meets the requirements of public convenience and necessity, and that the new scope of the directories and the resulting advertising charges will meet with the approval of the many advertisers in both the proposed directory areas.

The effect of the proposed directory split on advertising rates would be to maintain the proposed Fremont-Hayward-Newark-Union City Directory in its present circulation Rate Group 17, but would reduce the chargeable circulation of the proposed Livermore-Pleasanton Directory to Rate Group 10. Exhibit F of the application includes the directory advertising rate schedules and circulations determining such rates for the yellow pages and the Alphabetical Bold Type listings of the white pages of the directories under consideration.

In Exhibit G of the application, applicant estimates that a straight repricing of the October, 1971 Directory Advertising on a split basis will reduce revenue by \$6,191 per month, or about \$74,300 per year. This reduction is due to the lower rates to be applicable in the proposed Livermore-Pleasanton Directory. On the other hand, applicant estimates an increase in annual revenue of about \$10,800 on the assumption that there will be a growth in advertising due to an increase in foreign advertising and due to increased advertising in the Livermore-Pleasanton Directory at the lower rates that would be applicable. Applicant estimates a savings of about 152,000,000 printed pages which will reduce printing costs by approximately \$30,000 per year.

In its Amendment filed March 2, 1972, applicant provided supplemental information in Sec. XIII relating to the requirements of Price Commission Regulation No. 300.16. Based on Sec. XIII and other information in this application, the Commission certifies to the Price Commission pursuant to Regulation 300.16 that the rates charged for directory advertising in the proposed

two directories are on a standard rate schedule based on circulation which was effective many months prior to the price freeze starting August 15, 1971; the advertising rates in the new Fremont-Hayward Directory will be unchanged from the present level, and the rates in the Livermore-Pleasanton Directory will be reduced; the estimated revenue increase, if any, will be negligible compared to the utility's total revenues and will have a negligible effect on the utility's rate of return; the utility has presented sufficient data and evidence to determine that the criteria set forth in Sec. 300.16, Paragraph (d)(1) through (4) are met by this change with the exception that any increase in revenue is not cost-based but adheres to a pre-existing standard circulation rate schedule; the directory change meets the criteria set forth in Sec. 300.16(e) because of its minor magnitude, and because it will reduce the waste of resources through a reduction in size of the directories, as well as providing a more useful directory service to the public.

The Commission finds that granting the application will result in improved service in the public interest; that a public hearing is not necessary; that such increases in rates and charges as will result are justified; and that, for the future, present rates, insofar as they differ from those herein prescribed, would be unjust and unreasonable; therefore,

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to split the Southern Alameda County Directory and to establish two new directories to be known as the Fremont-Hayward-Newark-Union City Telephone Directory and the Livermore-Pleasanton Telephone Directory.

2. Applicant is authorized to publish and distribute the two new directories in October, 1972, the normal publication date of the existing Southern Alameda County Telephone Directory.

3. Applicant is authorized to file, in conformity with General Order No. 96-A, rates for the said two directories, as set forth in Exhibit F, and after not less than five days' notice to the Commission and to the public, to make said rates effective coincident with the establishment of the said two directories.

The authorization granted herein shall expire unless exercised within 24 months of the effective date of this order.

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

Dated at San Francisco, California, this 7th day of MARCH, 1972.

[Signature]
Chairman
William J. Lyons
[Signature]
Thomas L. Sturgeon
[Signature]
Commissioners