

ORIGINAL

Decision No. 91059 NOV 20 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC  
TELEPHONE AND TELEGRAPH COMPANY,  
a corporation, for tariff  
revisions and rate increases for  
classified directory advertising.

Application No. 57465  
(Filed July 20, 1977)

Investigation on the Commission's  
own motion into the telephone  
directory advertising rates,  
charges, contracts, rules,  
practices, and service of THE  
PACIFIC TELEPHONE AND TELEGRAPH  
COMPANY and of ALL TELEPHONE  
CORPORATIONS listed in Appendix A  
attached hereto.

OII No. 5  
(Filed November 22, 1977)

(See Decision No. 90842 for appearances.)

FINAL OPINION

On November 22, 1977 we instituted Order Instituting Investigation No. 5 (OII 5), which is an investigation into the telephone directory advertising rates, charges, contracts, rules, practices, and service of The Pacific Telephone and Telegraph Company (Pacific) and all telephone corporations. OII 5 was consolidated for hearing with Application No. 57465, an application by Pacific for tariff revisions and rate increases for directory advertising.

On April 25, 1978 a prehearing conference was held wherein it was determined that hearings in these consolidated matters should be conducted in two phases, Phase 1 for receipt of evidence concerning Pacific's proposed rate increase and its conservation practices and

Phase 2 for receipt of evidence on all issues included in OII 5 except conservation. Phase 1 was submitted on November 20, 1978. On September 25, 1979 we issued Decision No. 90842, which was an interim opinion disposing of the issues raised in Phase 1.

On September 10, 1979 the governor signed Senate Bill 301 (SB 301) which will become effective January 1, 1980. SB 301 adds Section 728.2 to the Public Utilities Code, which provides:

"The commission shall have no jurisdiction or control over classified telephone directories or commercial advertising included as part of the corporation's alphabetical telephone directories, including the charges for and the form and content of such advertising, except that the commission shall investigate and consider revenues and expenses with regard to the acceptance and publication of such advertising for purposes of establishing rates for other services offered by telephone corporations.

"This section shall remain in effect only until January 1, 1983, and on such date is repealed, unless a later enacted statute chaptered on or before January 1, 1983, deletes or extends that date."

#### Findings of Fact

1. SB 301 adds Section 728.2 to the Public Utilities Code effective January 1, 1980.

2. Section 728.2 of the Public Utilities Code provides:

"The commission shall have no jurisdiction or control over classified telephone directories or commercial advertising included as part of the corporation's alphabetical telephone directories, including the charges for and the form and content of such advertising, except that the commission shall investigate and consider revenues and expenses with regard to the acceptance and publication of such advertising for purposes of establishing rates for other services offered by telephone corporations.

"This section shall remain in effect only until January 1, 1983, and on such date is repealed, unless a later enacted statute chaptered on or before January 1, 1983, deletes or extends that date."

3. SB 301 also provides that:

"The commission shall study and report to the Legislature on or before January 1, 1982, on the impact of the provisions of Section 728.2 of the Public Utilities Code upon competition in the telephone directory advertising industry."

4. Decision No. 90842 dated September 25, 1979 in these consolidated proceedings is an interim opinion and interim order.

The Commission concludes that the following order should issue, and that it should be effective the date of signature to enable necessary tariff revisions to be made concurrently with Section 728.2 becoming effective on January 1, 1980.

FINAL ORDER

IT IS ORDERED that:

1. Order Instituting Investigation No. 5 is discontinued effective January 1, 1980.

2. On or before December 20, 1979 all telephone corporations shall file, to become effective January 1, 1980, tariff revisions deleting tariff provisions relating to classified telephone directories and commercial advertising included in their alphabetical telephone directories. Said tariff filings to include deletion of limitation of liability provisions applicable to classified directories and commercial advertising included in alphabetical directories.

3. Decision No. 90842 is made permanent.

4. All telephone corporations shall cooperate with the Commission staff in its forthcoming study of the impact of Section 728.2 of the Public Utilities Code upon competition in the telephone directory advertising industry.

The effective date of this order is the date hereof.

Dated NOV 20 1979, at San Francisco, California.

John E. Bayon  
President

James L. Johnston

Richard D. Howell

Clare J. Schick

Joseph W. Smith  
Commissioners