

ORIGINAL

Decision No. 63572

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of JOSEPH A. SMILEY (Central Exchange Telephone Answering System) to operate a Radiotelephone Common Carrier Service at Mountain View, California; and to establish rates.

Application No. 43893
(Amended)

Joseph A. Smiley, for applicant.
Paul Popenoe, Jr., for the Commission staff.

O P I N I O N

Applicant's Request

Joseph A. Smiley, doing business as Central Exchange Telephone Answering System, by the above-entitled application filed November 1, 1961, requests that the Commission issue to him a certificate of public convenience and necessity to construct and operate a new two-way radiotelephone dispatching station at Mountain View. Public hearing was held before Examiner Leonard S. Patterson at Mountain View on February 14, 1962.

Amendment to Application

By amendment to application, filed February 9, 1962, applicant requests that his trade name be changed from Central Exchange Telephone Answering System to Central Exchange Mobile Radio, and that his proposal of equipment and rates be modified so that equipment for a mobile radio station may be provided by the subscriber or by the applicant at the option of the subscriber.

Applicant's Proposed Operations

Applicant presently operates a central exchange telephone answering system in Mountain View serving approximately 450 clients. He proposes to install a base station in Mountain View and offer both dispatch and general communication service to any person who wishes to be a subscriber and has a vehicle or vehicles equipped for this service and operating within the range of the applicant's base station. Applicant alleges that by adding the proposed radiotelephone communication system to his telephone answering service he will be able to provide the public with a full range of secretarial message relay and two-way communications service.

Although the 37 dbu contour line on Exhibit B to the application indicates a service grade signal will be provided as far as Belmont on the north, San Jose on the south, and Mission San Jose on the east, applicant testified that the five cities within which most of his subscribers will be located will be Mountain View, Sunnyvale, Los Altos, Palo Alto and Menlo Park.

Applicant's base station will have a rated power output of 250 watts using a vertically polarized antenna with a gain of 5.0 decibels referenced to a half wave-dipole with omnidirectional radiation pattern. The antenna will be erected on top of a 56-foot tower in Mountain View at the same location as applicant's present telephone answering service switchboard. Operation will be in the 454 megacycle UHF band.

Competitive Operations

The only existing carrier providing radiotelephone communication in Mountain View is The Pacific Telephone and Telegraph Company which operates on the VHF band. A Commission staff

engineer testified that in nearby areas existing radiotelephone non-land line carriers operate in San Jose, San Francisco and San Mateo on the 152 megacycle VHF band with good two-way service coverage. He testified that while these non-land line carriers might overlap the Mountain View area, they do not provide satisfactory service in all area segments due to existing environmental conditions. No interference problems with the adjacent carriers should arise as they operate on the lower frequency band. Applicant stated that UHF equipment is considerably more expensive than VHF. The staff witness testified that the rates proposed by applicant are somewhat higher than the rates of other radiotelephone utilities. Under these conditions it would appear that applicant's operations would compete only marginally with the other nearby radiotelephone utilities. There were no protests entered to the granting of applicant's request.

Public Requirements

To demonstrate the public requirements for mobile radiotelephone service in the area under consideration, the applicant introduced Exhibit 1 consisting of 34 letters from individuals or organizations stating their interest in subscribing to the service applicant is proposing. These letters were received in response to a form letter applicant sent to all subscribers of his telephone answering service.

Cost of Operations

Applicant proposes to lease, with option to purchase, all base transmitting equipment from Motorola Communications and Electronics, Inc., for a term of sixty months. The total rental

for the term of the lease is \$4,338.60, with monthly payments of \$72.31. Additional wages, necessitated by the proposed operations, when added to the base station rental, result in a total estimated annual cost of \$4,227.72. Applicant proposes to meet these costs through profits from existing operations of his telephone answering service and his existing cash resources. Applicant testified that he should be able to cover the incremental cost of the proposed operation with about 15 subscribers, and he estimated that he would have 15 subscribers within a month after starting operations.

Exhibit F, attached to the amended application, sets forth applicant's proposed rates. Applicant proposes a basic service charge of \$18 per month for the first 75 air calls and 10 cents for each additional call. Mobile stations will be furnished at a basic rate of \$18 per month plus \$5.50 per month for maintenance and \$27.50 installation charge.

Permits

Applicant has filed with the Federal Communications Commission an application for a construction permit to erect the proposed station, and alleges that he has been informed by said Commission that final action on said application cannot be taken until the instant application is acted upon by the Public Utilities Commission. Applicant testified that the use permit application to the Planning Commission of the City of Mountain View, attached as Exhibit D to the application, has been granted.

Findings and Conclusions

After considering the evidence the Commission finds and concludes that: (1) Applicant may change his trade name from Central Exchange Telephone Answering System to Central Exchange Mobile Radio; (2) Public convenience and necessity require the construction and operation by the applicant of a two-way radio-

telephone dispatching station at Mountain View; and (3) Applicant may establish rates as prescribed in the order following.

The certificate hereinafter granted shall be subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity, or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the issuance of such franchise, certificate of public convenience and necessity or right.

O R D E R

The above-entitled application having been considered, public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS ORDERED that:

1. Applicant is authorized to change his trade name from Central Exchange Telephone Answering System to Central Exchange Mobile Radio.
2. A certificate of public convenience and necessity is granted to Joseph A. Smiley to construct and operate a two-way radio-telephone dispatching station at Mountain View.
3. Applicant is authorized to file in quadruplicate with this Commission, after the effective date of this order, a complete set of tariff schedules including a service area map substantially in the form of Exhibit B to the application, and rates as set forth in Exhibit F to the amendment to the application and to make such rates effective upon not less than five days' notice to the Commission

and to the public. Such filing shall be made in accordance with the provisions of General Order No. 96-A and in a form acceptable to the Commission.

4. The authorization herein granted shall expire if not exercised within two years from the effective date hereof.

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

Dated at San Francisco, this 17th day of APRIL, 1962.

[Signature] President
[Signature]
[Signature]
[Signature] Commissioners

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