

Decision 84 02 002 FEB 1 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Comven, Inc. for a certificate of
public convenience and necessity
under Section 1001 of the Public
Utilities Code to construct a new
radio paging system in
San Bernardino, California.

Application 83-06-39
(Filed July 21, 1983;
amended September 30, 1983)

O P I N I O N

Applicant Comven, Inc., a corporation authorized to do business in California, requests a certificate of public convenience and necessity to construct and operate a public utility radiotelephone system for the purpose of providing one-way paging service in the San Bernardino area comprising portions of San Bernardino and Riverside Counties. The original application was protested by Intrastate Radio Telephone of San Bernardino and General Telephone Company of California (General). Both protests were withdrawn upon amendment of the application. Applicant possesses the requisite Federal Communications Commission (FCC) construction permit.

The application shows that applicant proposes to provide selective signaling, tone-only, tone plus digital display, tone plus alpha display, and tone plus voice paging service, using radio frequency 43.30 MHz transmitted from a base station facility located on an existing tower on Happs Peak, San Bernardino, San Bernardino County, California. Operation of applicant's proposed transmitter will be controlled through leased wireline connection with a paging terminal. The paging terminal will dispatch messages to a tone only, tone plus voice, tone plus numeric display, or tone plus alpha numeric display subscriber without the assistance of operators. The

paging terminal will dispatch messages to a tone plus alpha numeric display subscriber automatically if the caller transmits the message via his own computer terminal, and will require an operator to convert a voice message to computer format if the caller does not have access to a computer terminal. The computer equipment to be utilized is capable of transmitting and will be used to transmit alpha messages via a dispatch operator.

A subscriber will carry a small radio receiver tuned to the transmitter frequency. The receiver will react when a caller wanting to page a subscriber calls a local or toll-free telephone number to access the terminal and be prompted to enter a digitized numeric code, unique to the subscriber's receiver. When the code number is entered in the terminal the encoded data is sent to the transmitter. A tone-only receiver will then react by emitting a beep tone or vibration which alerts the user to take some predetermined course of action, such as to call his office or answering service. The tone plus numeric digital display receiver reacts by emitting a tone which alerts the subscriber that a message consisting of up to 24 digits has been transmitted to and is stored in memory in his receiver. On command, these digits appear on a liquid crystal display incorporated into the receiver. The tone plus alpha numeric display operates in the same manner with the exception that a message consisting of up to 80 characters can be accommodated in the memory. The message, which the caller conveys by use of a computer terminal or by voice to an operator, also appears visually on a liquid crystal display. Tone plus voice paging consists of a tone followed by a short voice message not exceeding 10 seconds in duration.

Base station and control equipment will be installed and maintained by one of the many qualified radio-telephone sales and service organizations doing business in the San Bernardino area. The contractor will also provide 24-hour repair and technical monitoring of all locations on an ongoing basis. Applicant will establish sales offices at convenient locations for marketing operations, the pickup

of paging receivers, and exchange of inoperative receivers. Maintenance of paging receivers will be performed either by the manufacturer's representative or by a qualified radiotelephone service organization under contract with applicant. Applicant will lease suitable office space for sales personnel and terminal, should this application be granted.

Applicant intends eventually to provide wide-area paging service throughout a large portion of Southern California. Toward this end, applicant has on file with this Commission a companion application to provide a similar service in San Diego, California. That application, Application (A.) 83-06-38, has been protested by Gencom, Inc. It presently has on file with the FCC applications to construct systems in Santa Paula (Ventura County), Los Angeles, and Orange County. Applicant intends to seek certification for additional fill-in sites in the future. At a future date, applicant will propose to link a multi-transmitter system through a 72-76 MHz radio control station.

Applicant estimates its capital requirements for construction and initial operation of the San Bernardino system to be \$753,700. During the first year of operations it expects to have net sales of \$257,900, expenses of \$447,500, and a net loss from operations of \$189,600. However, it expects the fifth year of operation to result in a net profit from operations of \$2,424,800. Applicant's consolidated balance sheet as of August 31, 1983, which reflects the proceeds of a public offering of stock recently completed, shows applicant has a net worth of approximately \$1,459,367. Applicant's principal officers have been actively involved in the radio telecommunication industry for a considerable number of years. Applicant presently operates a business paging service in Phoenix, Arizona and has recently completed construction of a radiotelephone paging system in Tucson, Arizona and Houston, Texas.

Applicant's proposed monthly charges are as follows:

Proposed Schedule of Charges

<u>Type Unit</u>	<u>1-9</u>	<u>10-24</u>	<u>25-49</u>	<u>50 & Over</u>
Tone Only	\$17.50	\$16.50	\$15.50	\$14.50
Numeric Display	28.00	27.00	26.00	25.00
Alpha Display	35.00	34.00	33.00	32.00
Tone and Voice	28.00	27.00	26.00	25.00

Customer Provided

<u>Type Unit</u>	<u>1-9</u>	<u>10-24</u>	<u>25-49</u>	<u>50 & Over</u>
Tone Only	7.00	6.00	5.00	4.00
Numeric Display	12.00	11.00	10.00	9.00
Alpha Display	16.00	15.00	14.00	13.00
Tone and Voice	12.00	11.00	10.00	9.00

Applicant's monthly service charge entitles the subscriber to an unlimited number of direct dial pages. All operator-assisted calls cost \$.35 per call. Applicant's service charge on carrier-owned equipment includes pager maintenance service.

Applicant contracted for a telephone survey to be made to ascertain public need for its proposed service. Respondents were selected from business and professionals listed in the local yellow pages. Each respondent was provided with a full description of the nature and extent of the proposed service, its costs, and coverage. The survey produced 22 affirmative responses and disclosed requirements for 29 pagers. The survey was terminated when 22 affirmative responses were obtained. The actual market is believed to be much larger.

Applicant's FCC permit is due to expire if construction is not completed by February 21, 1984.

Findings of Fact

1. Applicant requests a certificate to construct and operate a public utility radiotelephone system for the purpose of providing one-way paging service in the San Bernardino area comprising portions of San Bernardino and Riverside Counties.

2. Applicant has the requisite FCC construction permit.
3. The application, as amended, is not protested.
4. Applicant expects its start-up capital needs for the proposed services to total \$753,700.
5. As of August 31, 1983 applicant and its subsidiary companies had a net worth of approximately \$1,459,367.
6. The proposed operations are expected to show a net loss for the first several years, but applicant estimates that at least by the end of the fifth year the operations will show a net profit.
7. Applicant has had experience in the construction and operation of radiotelephone systems.
8. A telephone survey conducted on behalf of applicant produced 22 affirmative responses and disclosed requirements for 29 pagers. The survey was terminated when the 22 affirmative responses were received.
9. The proposed base station will be located on an existing radio tower.
10. Applicant is financially fit to conduct the proposed service.
11. The proposed service is technically feasible.
12. Public convenience and necessity require the issuance of the requested certificate.
13. A grant of the proposed services will not so damage existing service or the particular marketplace as to deprive the public of adequate service to the public.
14. A hearing is not necessary.
15. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusion of Law

The application should be granted, but this grant should not have the effect of prejudging the protested companion application, A.83-06-38.

Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Conven, Inc. (applicant) for the construction and operation of a public utility radiotelephone system with a base station and service area as follows:

Base station location: Happs Peak, City of
San Bernardino.

Service area: As shown on Exhibit C in
A.83-06-39.

2. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in this proceeding.

3. Applicant is authorized to file, after the effective date of this order and in compliance with Ordering Paragraph 3, tariffs applicable to the service authorized containing rates, rules, and charges otherwise applicable to its radiotelephone services. This filing shall comply with General Order 96-A. The tariffs shall become effective on not less than 10 days' notice.

4. Applicant shall file, after the effective date of this order and compliance with Ordering Paragraph 3, as part of its individual tariff, an engineered service area map drawn in conformity with the provisions of the Federal Communications Commission Rule 22.504, commonly known as the "Carey Report."

5. Applicant shall notify this Commission, in writing, of the date service is first rendered the public under the rates, rules, and charges authorized within 5 days after service begins.

6. The certificate granted and the authority to render service under the rates, rules, and charges authorized will expire if not exercised within 12 months after the effective date of this order.

This order is effective today.

Dated FEB 1 1984, at San Francisco, California.

LEONARD M. CRIMES, JR.
President

VICTOR CALVO

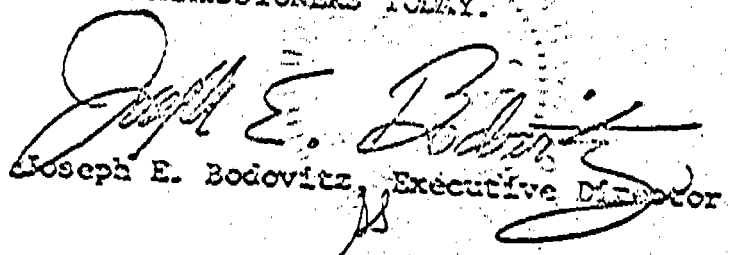
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director