

Decision 84 C4 C45 APR 18 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of James N. Hoff, an individual, for a certificate of public convenience and necessity to construct and operate one-way radio paging facilities in and around Eureka, California.

Application 84-01-32
(Filed January 13, 1984)

O P I N I O N

Applicant James N. Hoff, an individual, requests a certificate of public convenience and necessity to construct and operate facilities for the purpose of rendering public utility one-way radiotelephone service in the Eureka-Arcata-Fortuna area. The application shows that a copy of the application was served on Humboldt County, the principal cities involved in the service area, Cal-Autofone, Pacific Bell, Citizens Utilities, and Continental Telephone Company. Notice of the filing of the application appeared in the Commission Daily Calendar of January 19, 1984. No protests to the application have been received. Applicant possesses the necessary Federal Communications Commission (FCC) construction permit.

Applicant's proposed service area extends on the north from a point on the sea coast five miles north of Trinidad, southerly along the sea coast 45 miles to Cape Mendocino, and extends inland approximately 30 miles at its widest point. This large service area is made possible because applicant has been granted a waiver of high-power limitations authorizing it to operate with an effective radiated power of 500 watts. The proposed service area covers approximately 70% of the population of Humboldt County.

The system's transmitting facilities will be located at the site of applicant's affiliated broadcasting station on a tower

already containing radio antennas. This site is over 2,000 feet higher in elevation than the transmitters of other carriers serving the area. The system will be connected to applicant's control point in downtown Eureka by wireline.

Applicant proposes to offer tone-only and voice radiotelephone paging service. Subscribers will be offered fully automatic direct dial service whereby, for the cost of a local call if the call is made within the service area, a subscriber can reach one of its pagers simply by dialing a specially assigned number. That number will activate the applicant's terminal, which will in turn either send an immediate signal in the case of a tone-only pager, or will accept, record, and then transmit the caller's actual message in the case of voice pagers. Applicant envisions virtually instantaneous transmission of all calls for the foreseeable future. Cost to a customer will be \$10 per unit per month for tone-only paging service and \$14 per unit per month for voice-paging service. These charges are for air time only, since, under Commission Resolution T-10782, paging receivers may not be offered on a tariffed basis.

Applicant is president, general manager, and majority shareholder of broadcasting stations KRED-AM and KDPJ-FM in Eureka, president of the Greater Eureka Chamber of Commerce, a director of Eureka Rotary Club, and director of the Humboldt State University Foundation. He has a staff of competent technical personnel who are properly licensed by the FCC who will be available and capable of correctly maintaining the proposed system.

Applicant estimates the total cost of acquisition and installation of the proposed system to be \$26,530. While applicant

contends he has ample personal resources to assure the satisfactory acquisition, installation, and operation of the proposed system, he has established a line of credit with the Crocker National Bank in Eureka to supplement the financial resources upon which he may draw, if necessary.

Exhibit 6 attached to the application is a monthly Pro Forma Operating Statement, based on applicant's analysis of the system's projected income and expenses for the first 12 months of operation and the 16th month of operation. That statement shows that by the end of the eighth month of operation the system will become profitable based on the expected addition of 50 units per month with a mix of 70% tone-only and 30% voice-paging units less an attrition rate of 3% per month. The statement shows that by the 16th month the system should have recovered all interim losses accumulated during the first eight months.

Applicant personally conducted a survey to determine if there was a public need for his proposed paging service and concluded from that survey there was such need. He personally interviewed prominent business and civic leaders, among whom were managers of construction, stevedore, and trucking companies, a bank manager, members of the City Councils of both Eureka and Arcata, the administrator of a local hospital, and retailers. Based on these interviews applicant ascertained that there is an immediate need for at least eighty pagers in the service area proposed to be covered, and that it will be possible to add to his system approximately 50 pagers per month well beyond the first year of operation. Population growth in the service area is increasing as well as employment in the private sector. Service industries employment is growing at an annual rate of 8.8%. Business in Humboldt County has continued to improve.

Applicant requests waiver of the filing time requirement for applications pertaining to radiotelephone utility certificates

which is 30 days after receipt of one's FCC permit. The application was filed two weeks late because of a delay in communications.

Findings of Fact

1. Applicant requests a certificate to construct and operate facilities for rendering public utility one-way radiotelephone service in the Eureka-Arcata-Fortuna area.
2. Applicant possesses the necessary FCC permits.
3. Applicant proposes to provide fully automatic one-way tone-only and voice pagings.
4. Subscribers will be offered direct dial service whereby, for the cost of a local call if the telephone call is made within the service area, a subscriber can reach one of its pagers simply by dialing a specially assigned number.
5. The base station will be located at the site of applicant's affiliated broadcasting station with an antenna on a tower already containing radio antennas.
6. Applicant's proposed rates for paging service will be \$10 per unit per month for tone-only paging and \$14 per unit per month for voice-paging service.
7. Estimated cost of acquisition and installation of the proposed facilities will be \$26,000.
8. Applicant has a line of credit at a local bank of \$60,000.
9. Applicant personally conducted surveys to determine whether a public need exists for his proposal and concluded from such surveys that need existed.
10. Applicant has the financial resources available to it to construct and operate the proposed system.
11. The proposed service is technically feasible.
12. Public convenience and necessity require the issuance of the requested certificate.

13. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

14. A hearing is not necessary.

Conclusions of Law

1. The application should be granted.
2. Applicant's request for a waiver of the filing-time requirements should be granted.

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 James N. Hoff (applicant) for the construction and operation of a public utility one-way radiotelephone system with a base station and a service area located as follows:

Base station location:

Atop Barry Ridge, 10 miles S. E. of Eureka.
Lat. 40° 43' 36" N., Long. 123° 58' 23"
W.

Service area:

As depicted in Exhibit 1 to Application (A.)
84-01-32.

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. The offerings, rates, and charges shall be as proposed in A.84-01-32.

These tariffs shall become effective on not less than 5 days' notice.

4. Applicant shall file, after the effective date of this order and in compliance with Ordering Paragraph 3, as part of its individual tariff, an engineered service area map drawn in conformity with the provisions of the FCC Rule 22.504, commonly known as the "Carey Report," consistent with Exhibit 1 to A.84-01-32.

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

6. Applicant shall keep his books and records in accordance with the Uniform System of Accounts for Radiotelephone Utilities, prescribed by this Commission.

7. Applicant shall file an annual report, in compliance with General Order 104-A, on a calendar-year basis using CPUC Annual Report Form L and prepared in accordance with the instructions included in that form.

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

9. Applicant's motion for waiver of the filing-time requirements pertaining to applications for radiotelephone certificates is granted.

10. The application is granted as set forth above.
This order becomes effective 30 days from today.

Dated April 18, 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

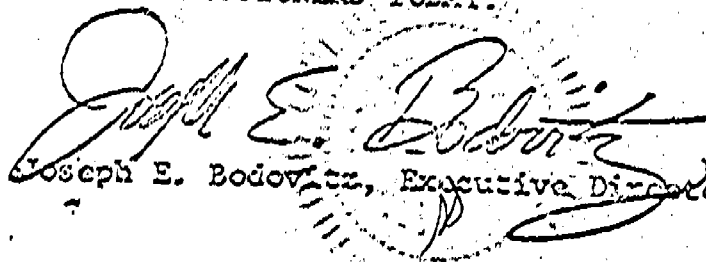
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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


Joseph E. Bodovitz, Executive Director

A.84-01-32 ALJ/ec

9. Applicant's motion for waiver of the filing-time requirements pertaining to applications for radiotelephone certificates is granted.

This order becomes effective 30 days from today.

Dated APR 18 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO

PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners