

ORIGINALDecision 84 06 119

JUN 20 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PAGE AMERICA COMMUNICATIONS OF
CALIFORNIA, INC., for a Certificate
of Public Convenience and Necessity
pursuant to Section 1001 of the
Public Utilities Code to Construct
a New Radio Paging System in the San
Francisco Bay Area.

Application 82-12-43
(Filed December 16, 1982;
amended October 3, 1983)

O P I N I O N

Applicant Page America Communications of California, Inc., a California corporation, requests authority to construct facilities for the purpose of rendering public utility one-way radiotelephone paging service in the San Francisco Bay Area. Notice of filing the application and amended application appeared, respectively, in the Commission's Daily Calendar of December 21, 1982 and October 6, 1983. The application shows that it was served on the counties and principal cities in the proposed service area, on 10 entities certificated to provide radiotelephone service in all or part of the service area, and on Allied Telephone Companies Association. Four protests to the application were filed but were later withdrawn leaving no protest to the application. Applicant possesses the necessary Federal Communications Commission (FCC) permits.

Applicant proposes to provide selective signaling, tone-only, tone plus digital display, and tone plus voice paging service, using frequency 35.34 megahertz (MHz). The proposed system will initially employ two base station transmitters located at 1250 Jones Street in San Francisco, and at Monument Ridge near Fremont. Antennas and transmitters will be installed on existing towers or in existing buildings used to support or house radio transmission

facilities. The service area includes all of San Francisco and parts of the Counties of Marin, San Mateo, Santa Clara, Alameda, and Contra Costa. Applicant's facilities will be coordinated to create a unified paging system in which each paging message is transmitted by simultaneous activation of all transmitters, thereby enabling receipt of messages throughout the service area covered by the system. Transmitters will initially be controlled through leased wireline or microwave connection with a DAY Data Page 400 paging terminal. The paging terminal will automatically dispatch messages without the assistance of operators. Applicant anticipates that as additional transmitter sites are added and use of the system increases, the leased line control circuits will be replaced with 72 MHz, 900 MHz, or FM subcarrier control links. Standard end-to-end dialing techniques will be used to contact pagers from the public switched telephone network.

Applicant is aware that, due to the inherent characteristics of the 35 MHz radio band, the two transmitters initially proposed may not generate a signal capable of effectively penetrating certain types of structures throughout the proposed service area. Applicant intends to construct and integrate into its system such additional "fill-in" transmitters as may be necessary to ensure adequate coverage throughout its service contour. A number of potential "fill-in" transmitter sites have been identified and financial planning of the system has considered the need for two or three additional sites.

Engineering specifications are set out in Exhibit D.

Applicant proposes a rate of \$9 per month per tone alert pager with an allowance of 200 pages per month per unit. A quantity unit discount will be offered. The rate for digital display paging will be \$12 per month per pager, maximum allowance 200 calls per pager, with a quantity discount offered. The rate for tone plus

voice service will be \$13 per month per pager, maximum allowance 150 calls per pager, with a quantity unit discount offered.

Applicant estimates its initial capital requirements to be \$381,000, including such items as may be required for "fill-in" transmitters, radio control links, etc.

Applicant is a wholly owned subsidiary of Page America Group, Inc. (Group), which has been in marketing paging services since 1976. Exhibit G is a letter from Group in which it expresses its intention to make funds available to applicant as will be necessary for the construction and initial operation of radiotelephone facilities that this application seeks approval to construct. A balance sheet attached to the application shows that Group had a net worth on March 31, 1983 of \$3,257,200.

Applicant conducted a survey of a limited number of potential paging customers in its proposed service area which showed that interviewees expressing a willingness to subscribe to the proposed service require a total of 679 paging units. In addition, applicant reviewed the annual reports (Form 1s) filed with the Commission for 1975 through 1982 and found that the reported paging units in service increased a total of 662% during that time, an average of 31% per year. Applicant expects this growth trend to accelerate as technological advances make new services available, thus expanding the uses of and potential market for paging. Applicant expects to operate at a loss for the first two years of operation, but starting with the third year of operation it expects to operate at a profit. By the end of its fourth year of operation it expects to recoup its initial losses.

Findings of Fact

1. Applicant requests a certificate to construct and operate facilities for the purpose of rendering public utility one-way radiotelephone paging service in the San Francisco Bay Area.

2. Applicant possesses the requisite FCC permits.
3. Applicant proposes to provide selective signaling, tone-only, tone plus digital display, and tone plus voice paging service.
4. The proposed system will initially employ two base stations installed on existing towers or in existing buildings used to support or house radio transmission facilities.
5. Standard end-to-end dialing techniques will be used to contact pagers from the public switched telephone network.
6. "Fill-in" transmitters may be necessary to ensure adequate coverage and a number of potential "fill-in" sites have been identified and financial planning of the system has considered the need for two or three additional base station sites.
7. Applicant proposes rates as set out in its Exhibit E to the amended application.
8. Applicant's parent company, Group, which had a net worth of approximately \$3,257,200 as of March 31, 1983, will provide applicant with the necessary initial capitalization and expenses of \$381,000 to construct and operate the system.
9. Applicant has conducted a survey which has shown a public need for its proposed service.
10. The proposed operation is technically feasible.
11. The proposed operation is economically feasible.
12. Public convenience and necessity require the granting of the application.
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.

Conclusion of Law

The application 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 Page America Communications of California, Inc. (applicant) for the construction and operation of a public utility one-way radiotelephone system with base stations and a service area located as follows:

Base station locations:

1. 1250 Jones Street, San Francisco.
Lat. 37° 47' 33" N, Long. 122° 24' 52" W.
2. Monument Ridge, Fremont.
Lat. 37° 29' 23" N, Long. 121° 51' 54" W.

Service Area: As set out on contour map in Exhibit C to Application (A.) 83-12-43.

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 General Order 96-A, tariffs applicable to the service authorized containing rates, charges, and rules applicable to its radiotelephone services. The tariffs shall become effective on not less than five days' notice. The rates and charges shall be as proposed for service in Exhibit E to amended A.82-12-43.

4. Applicant shall file as part of its individual tariff, after the effective date of this order and, consistent with Ordering Paragraph 3, an engineered service area map drawn in conformity with the provisions of Federal Communications Commission Rule 22.504, commonly known as the "Carey Report," and consistent with Exhibit C to amended A.82-12-43.

5. Applicant shall notify this Commission in writing of the date service is first rendered to the public as authorized herein, within five days after service begins.

6. Applicant shall keep its 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 according to the instructions included in that form.

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

This order becomes effective 30 days from today.

Dated JUN 20 1984, at San Francisco, California.

LEONARD M. CRIMES, JR.

President

VICTOR CALVO

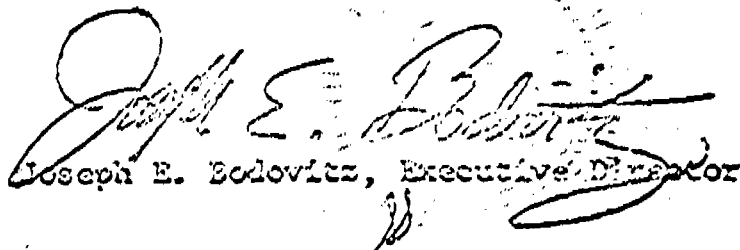
PRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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


Joseph E. Bolovitz, Executive Director