

ALJ/rr

ORIGINAL

Decision 84 OS 023 AUG 1 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of MCI Airsignal of California, Inc., a California corporation, for a certificate of public convenience and necessity to expand its radio-telephone facilities and service in the Greater San Francisco Bay Area and the area south to Monterey Bay, California.

Application 83-01-47  
(Filed January 21, 1983;  
amended October 3, 1983  
and January 30, 1984)

O P I N I O N

Applicant MCI Airsignal of California, Inc., a California corporation, requests a certificate of public convenience and necessity to construct and operate facilities for the purpose of rendering public utility one-way and two-way radiotelephone service in the Greater San Francisco Bay area and the area south to Monterey Bay. The application shows that copies of the application were served on the counties and principal cities included in the proposed service area and on ten entities with which the proposed service may compete. The application and amendments to the application appeared in the Commission's Daily Calendar, respectively, of January 26, 1983, October 7, 1983, and February 2, 1984. Four protests to the application were filed, three of which were later withdrawn. The only remaining protest is that of General Telephone Company of California (General). General's protest is for the limited purpose of opposing a method by which applicant proposes to interconnect with the telephone network. Applicant possesses nine of the twenty-six requisite Federal Communications Commission (FCC) construction permits to engage in the proposed operations. The unissued permits have been applied for and are expected to be issued shortly.

Applicant seeks authority, among other things, to construct and operate 23 base stations, which will transmit on the frequency 35.56 megahertz (MHz) for the purpose of providing one-way paging service in a 100-mile corridor extending from above Vallejo in the north to Monterey Bay in the south, including San Francisco and San Jose. This proposed system will offer tone-only, tone-and-voice, and display paging service.

Applicant also seeks authority to expand two of its present radiotelephone systems which offer 2-way mobile and secondary one-way paging services in the Vallejo-Concord area. These systems transmit from the same base station in Concord. The one system transmits on 454.075 MHz and applicant desires to expand that system to the north by establishing a base station at Mt. Vaca, five miles northwest of Vacaville, and to the west and southwest by establishing a base station at the Nike site, two miles north-northeast of the City of San Rafael. Applicant states that the San Rafael base station will reinforce coverage of the western portion of the 454.075 MHz system Vallejo-Concord service area as well as extend coverage to include the southern portion of Marin County, while the transmitter on Mt. Vaca will improve coverage in Napa and Fairfield as well as extend coverage to Vacaville and Winters and along Interstate Highway 80. The other system transmits on 454.250 MHz and applicant desires to expand that system's service area to the southwest and west by the installation of a base station atop the Wells Fargo Building in San Francisco. Both expanded systems will offer two-way mobile and secondary tone-only, tone-and-voice, and display paging service.

The proposed facilities will be installed, operated, and maintained by and under the supervision of applicant's technical staff and that of its parent company, MCI Airsignal, Inc. The daily management, operation, and maintenance of both systems will be

provided by local station personnel of applicant, including applicant's local manager. Emergency maintenance and repair of facilities will also be provided by local qualified radio communication service shops. Foreign Exchange (FX) lines or an equivalent arrangement will be provided in order that telephone calls originating in the proposed service area will not cost more than a single local message unit. The proposed facilities will include automatic interconnected access to the public switched telephone networks. Applicant's control center will be located at its present site in Concord.

All proposed transmitters will be located at sites already occupied by radiotelephone facilities.

Applicant estimates the total cost to install all proposed facilities will be approximately \$436,000.

Applicant intends to make the following rates for one-way paging service:

	<u>Type of Service</u>	<u>Tone Alert</u>	<u>Digital Display</u>	<u>Tone And Voice</u>
1.	Monthly Message Service	\$11.00	\$ 20.00	\$ 21.00
2.	90-day Message Service	27.00	50.00	54.00
3.	Annual Message Service	90.00	175.00	197.00
-	Monthly call allowance, applicable to services # 1-3 above	100	100	75
-	Additional call price	.10	.15	.20

We take notice of applicant's Advice Letter No. 48, filed December 19, 1983 which requested these rates for existing services. The rates were authorized by our Resolution No. T-10784.

Charges for two-way mobile radiotelephone service will be the same as presently appear in applicant's tariffs.

Exhibit C to the application and amendments to the application set forth the engineering data relative to the new and expanded systems.

As of June 30, 1983 applicant had a net worth of \$711,509 and a net loss from operations for the year ending on that date of \$531,996. Also, on that date applicant's parent company had a net worth of approximately \$12,621,000. Applicant proposes to finance the purchase and installation of the proposed facilities and initial operation and maintenance through intercompany advances from its parent company.

Applicant estimates that, as a result of the proposed expansion of its services area, it will experience the addition of not less than 20 mobile units in the first full year of operation and not less than 100 mobile units in the fifth full year of operation. Applicant further estimates it will experience the addition of not less than 1,150 paging units in the first full year of operation, and not less than 7,525 paging units in the fifth full year of operation.

Applicant estimates that its new and expanded paging operations will return a gross revenue of approximately \$243,592 first year of operation and \$1,965,505 in the fifth year of operation. It anticipates the first year paging operations will result in a loss of approximately \$297,987 while the fifth year of operation should result in a net profit of \$671,744.

Applicant estimates that its first year mobile operations to return a gross revenue of \$7,330 for a net loss of \$4,035, while in the fifth year of operation it expects its mobile operations to gross \$39,240 and have a net profit of \$16,079.

Applicant contends that mobile telephone systems of existing utilities have not been able to accommodate adequately the demand which currently exists in the greater San Francisco Bay Area. The expansion of applicant's automatic mobile systems will greatly alleviate the public need and demand for automatic two-way mobile telephone service. Applicant states that it has conducted telephone market surveys and personal interviews with potential customers within the proposed expanded service area, which reveal that a substantial unserved public need for the automatic two-way mobile telephone and paging services proposed by applicant exists in the proposed expanded service area. Applicant provides paging service in a number of the major cities in California. Under its proposed tariffs, a paging customer of applicant in the proposed expanded service area may, for an area charge in addition to the monthly service rate, obtain service on any other compatible paging system operated by applicant within California or on a connecting carrier system of MCI Airsignal, Inc. or its affiliate outside of California. Under this proposal, a customer of applicant in the proposed service area could receive service in all of the major population centers in California where applicant is authorized to provide compatible service. Presently, compatible service is available on the frequency 454.075 MHz in the California metropolitan areas of Bakersfield, Stockton, and portions of Vallejo, and FCC authorizations have been obtained to serve Marysville and San Diego. On 454.250 MHz, compatible service is available in the California metropolitan areas of Vallejo and Visalia/Porterville. FCC authorizations have been obtained to provide compatible service on 35.56 MHz to the Los Angeles and San Diego metropolitan areas as well as in many major cities outside California. Applicant, on the basis of its experience and surveys, believes there is a substantial demand for these proposed multi-city paging services. Applicant asserts that no other California RTU offers such multi-city paging service.

Protestant General is a wireline telecommunications company providing telephone and other communications services to various areas in California. Based on maps attached to the application it appears to General that several of General's serving areas will be within applicant's proposed service areas. General states that applicant has not specified whether the service will be "end-to-end" or "selector level access" (involving the assignment of a separate telephone number to each pager). General is informed that no formal decision has been made by applicant on this matter. General contends that Rule 18(o)(2)(iii) of the Commission's Rules of Practice and Procedure requires greater specificity on this subject than has been provided. General states that it cannot guarantee that it will be able to provide all of applicant's requirements and even if applicant seeks "selector access" numbers from some other telephone, the use of large numbers in this way can be expected to have an adverse impact on General's customers. General believes that the use of telephone facilities to provide an individual telephone number to each of applicant's pagers is wasteful and an unnecessary drain on telephone company capacity. General contends there are other alternatives now being used by existing paging systems which are more appropriate than a "selector access" system.

Discussion

We do not agree with General's contention that in this case Commission rules require an applicant to state what type of automatic connection with the public switched telephone network it intends to use. An applicant should be free to use whatever automatic connection it finds available and satisfactory to it when it constructs its system. If we were to base part of our approval of an application on the type of automatic interconnection it intended to employ, an applicant might feel that its system, once constructed, must always use that type of interconnection and that its system

could not be upgraded, as time goes by, by adopting improved methods of interconnection. However, the granting of this application gives no assurance that applicant will be able to obtain selector access telephone numbers from a telephone company.

Findings of Fact

1. Applicant requests a certificate to construct and operate radiotelephone facilities for the purpose of rendering one-way paging service in a 100-mile corridor extending from above Vallejo in the north to Monterey Bay in the south.

2. Applicant also seeks a certificate to expand two of its radiotelephone facilities which presently offer two-way mobile radiotelephone and secondary one-way paging service in the Vallejo-Concord area.

3. Present and proposed facilities will include automatic interconnected access to the public switched telephone network.

4. All proposed transmitters will be located at the sites already occupied by radiotelephone facilities.

5. The estimated total cost to install all the proposed facilities is \$436,000.

6. Rates for the proposed services will be at the same level as applicant is now charging.

7. Applicant proposes to finance the purchase and installation of the new facilities through intercompany advances from its parent company, which had a net worth of approximately \$12,621,000 as of June 30, 1983.

8. A survey conducted by applicant reveals a public need for its new and expanded service.

9. The proposed services are economically feasible.

10. The proposed services are technically feasible.

11. Public convenience and necessity require the granting of the application.

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

13. Applicant possesses nine of the requisite 26 FCC permits. The FCC permits it does not possess have been applied for and are expected to be issued shortly.

14. The granting of this application gives applicant no assurance that it will be able to obtain selector level telephone numbers from a telephone company.

15. 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 MCI Airsignal 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:

- a. 6613 Hollis Street, Emeryville.  
Lat.  $37^{\circ} 50' 46''$  N, Long.  $122^{\circ} 17' 30''$  W.
- b. San Bruno Mountain, South San Francisco.  
Lat.  $37^{\circ} 41' 21''$  N, Long.  $122^{\circ} 26' 08''$  W.
- c. Sunol Ridge, 4.3 Miles NE of Niles.  
Lat.  $37^{\circ} 37' 12''$  N, Long.  $121^{\circ} 55' 17''$  W.
- d. Mount Tamalpais, San Rafael.  
Lat.  $37^{\circ} 55' 41''$  N, Long.  $122^{\circ} 35' 11''$  W.
- e. 1350 Bayshore Highway, Burlingame.  
Lat.  $37^{\circ} 35' 41''$  N, Long.  $122^{\circ} 21' 43''$  W.
- f. Atop TV Hill, 1 mile north of Highway 4, Concord.  
Lat.  $38^{\circ} 01' 49''$  N, Long.  $122^{\circ} 0' 3.5''$  W.
- g. Big Rock, 4 miles southwest of Novato.  
Lat.  $38^{\circ} 03' 33''$  N, Long.  $122^{\circ} 36' 10''$  W.



- h. Atop Sherman Bldg., 3031 Tisch Way, San Jose.  
Lat.  $37^{\circ} 19' 03''$  N, Long.  $121^{\circ} 56' 47''$  W.
- i. Round Top Peak, Oakland.  
Lat.  $37^{\circ} 51' 00''$  N, Long.  $122^{\circ} 11' 30''$  W.
- j. 14721 Van Avenue, San Leandro.  
Lat.  $37^{\circ} 42' 58''$  N, Long.  $122^{\circ} 07' 19''$  W.
- k. Mount Beakon, 1 mile Southwest of Sausalito.  
Lat.  $37^{\circ} 50' 57''$  N, Long.  $122^{\circ} 29' 56''$  W.
- l. 1250 Jones St., San Francisco.  
Lat.  $37^{\circ} 47' 33''$  N, Long.  $122^{\circ} 24' 52''$  W.
- m. 1.5 miles NE of Intersection of Bayshore Freeway  
and Highway 84, Palo Alto.  
Lat.  $37^{\circ} 29' 04''$  N, Long.  $122^{\circ} 08' 04''$  W.
- n. 2206 1st Street, Livermore.  
Lat.  $37^{\circ} 40' 56''$  N, Long.  $121^{\circ} 46' 05''$  W.
- o. 2151 Appian Way, Pinole.  
Lat.  $37^{\circ} 59' 49''$  N, Long.  $122^{\circ} 17' 58''$  W.
- p. 820 23rd Avenue, Richmond.  
Lat.  $37^{\circ} 56' 41''$  N, Long.  $122^{\circ} 20' 47''$  W.
- q. Mount Belmont, .5 miles south of Belmont.  
Lat.  $37^{\circ} 30' 45''$  N, Long.  $122^{\circ} 16' 30''$  W.
- r. Grizzly Peak, Oakland Hills.  
Lat.  $37^{\circ} 52' 56''$  N, Long.  $122^{\circ} 13' 58''$  W.
- s. Sulphur Springs MTN., 1.6 miles NE of Vallejo.  
Lat.  $38^{\circ} 6' 54''$  N, Long.  $122^{\circ} 10' 33''$  W.
- t. Loma Prieta Mountain, San Jose.  
Lat.  $37^{\circ} 06' 40''$  N, Long.  $121^{\circ} 50' 29''$  W.
- u. 44 Montgomery Street, San Francisco.  
Lat.  $37^{\circ} 47' 23''$  N, Long.  $122^{\circ} 24' 02''$  W.
- v. Wiedeman Hill, San Ramon.  
Lat.  $37^{\circ} 44' 18''$  N, Long.  $121^{\circ} 59' 38''$  W.
- w. 101 Park Center Plaza, San Jose.  
Lat.  $37^{\circ} 19' 58''$  N, Long.  $121^{\circ} 53' 38''$  W.

Service area: As shown on map marked Exhibit B attached to amendment filed January 20, 1984 to A.83-01-47.

To the extent that the FCC has not issued construction permits for certain of these locations, our construction authority for each is contingent upon such issuance.

2. A certificate of public convenience and necessity is granted to applicant for the construction and operation of expanded public utility one-way and two-way radiotelephone systems with additional base stations and a service area located as follows:

Base station locations:

- a. Nike Site, 2 miles NNE of San Rafael.  
Lat.  $37^{\circ} 59' 25'' 14''$  N, Long.  $122^{\circ} 29' 58''$  W.
- b. Mount Vaca, 5 miles NW of Vacaville.  
Lat.  $38^{\circ} 25' 14''$  N, Long.  $122^{\circ} 07' 02''$  W.
- c. 44 Montgomery Street, San Francisco.  
Lat.  $37^{\circ} 47' 23''$  N, Long.  $122^{\circ} 24' 02''$  W.

Service area: As shown on maps marked Exhibits B-1 and B-2 attached to amendment filed October 3, 1983 to A.83-01-47.

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

4. 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 the same as proposed by applicant in its A.83-01-47. This filing shall comply with General Order 96-A. The tariffs shall become effective on not less than 10 days' notice.

5. Applicant shall file, after the effective date of this order and in compliance with Ordering Paragraph 3, as part of its individual tariff, engineered service area maps drawn in conformity with the provisions of the Federal Communications Commission Rule 22.504, commonly known as the "Carey Report", consistent with (1) Exhibit B to amendment filed January 30, 1984 to A.83-01-47, and (2) Exhibits B-1 and B-2 to amendment filed October 3, 1983 to A.83-01-47.

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

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

8. 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.

9. 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.

10. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated AUG 1 1984, at San Francisco, California.

Commissioner Priscilla C. Grew,  
being necessarily absent, did  
not participate

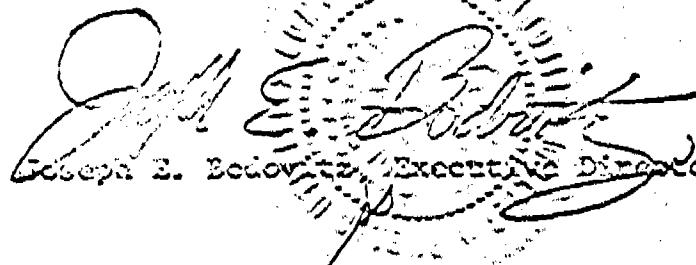
Commissioner William T. Bagley  
being necessarily absent, did  
not participate.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
DONALD VIAL

Commissioners

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

  
Joseph E. Bodovitz, Executive Director

Applicant seeks authority, among other things, to construct and operate 23 base stations, which will transmit on the frequency 35.56 megahertz (MHz) for the purpose of providing one-way paging service in a 100-mile corridor extending from above Vallejo in the north to Monterey Bay in the south, including San Francisco and San Jose. This proposed system will offer tone-only, tone-and-voice, and display paging service.

Applicant also seeks authority to expand two of its present radiotelephone systems which offer 2-way mobile and secondary one-way paging services in the Vallejo-Concord area. These systems transmit from the same base station in Concord. The one system transmits on 454.075 MHz and applicant desires to expand that system to the north by establishing a base station at Mt. Vaca, five miles northwest of Vacaville, and to the west and southwest by establishing a base station at the Nike site, two miles north-northeast of the City of San Rafael. Applicant states that the San Rafael base station will reinforce coverage of the western portion of the 454.075 MHz system Vallejo-Concord service area as well as extend coverage to include the southern portion of Marin County, while the transmitter on Mt. Vaca will improve coverage in Napa and Fairfield as well as extend coverage to Vacaville and Winters and along Interstate Highway 80. The other system transmits on 454.250 MHz and applicant desires to expand that system's service area to the southwest and west by the installation of a base station atop the Wells Fargo Building in San Francisco. Both expanded systems will offer two-way mobile and secondary tone-only, tone-and-voice, and display paging service.

The proposed facilities will be installed, operated, and maintained by and under the supervision of applicant's technical staff and that of its parent company, MCI Airsignal, Inc. The daily management, operation, and maintenance of both systems will be