

Decision **84 03 024** August 1, 1984

ORIGINAL

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
Radiotelephone Facilities and
Service in San Diego County,
California.

Application 83-02-10
(Filed February 3, 1983;
amended October 3, 1983
and January 30, 1984)

O P I N I O N

MCI Airsignal of California, Inc. (MCI) requests a certificate of public convenience and necessity to construct and operate two public utility radiotelephone systems in the County of San Diego. One system will offer one-way paging service and the other will offer two-way mobile telephone service. Notice of filing of the application and amendments appeared, respectively, in the Commission's Daily Calendar of February 7, 1983, October 6, 1983, and February 2, 1984. The application shows that it was served on the County of San Diego, principal cities within the proposed service area, and Gencom, Inc. and Pacific Bell. A protest to the application was received but later withdrawn. Applicant possesses the requisite Federal Communications Commission (FCC) two-way mobile telephone permit and FCC permits to construct fourteen proposed base stations to perform its one-way paging service.

MCI is a radiotelephone public utility which provides two-way mobile telephone and one-way paging service within and adjacent to the cities of Sacramento, Stockton, Concord, Modesto, Vallejo, South Lake Tahoe, Fresno, Hanford, Visalia, Porterville, and Bakersfield among other places. It currently provides service to

over 17,000 mobile and paging units. For the fiscal year ended June 30, 1983 it had gross revenues of \$3,864,157 and a net loss of \$531,996. As of June 30, 1983 it had assets of \$2,899,324 and a net worth of \$711,509. MCI is a subsidiary of MCI Airsignal, Inc. which will finance the purchase and installation of the proposed facilities --estimated to be \$338,100--through account advances to MCI. MCI Airsignal, Inc. had a net worth of \$7,222,000 as of September 30, 1982.

MCI's proposed automatic two-way mobile radio service will serve an area extending roughly from La Jolla in the north to the Mexican Border in the south, and from the Pacific Ocean in the west to La Mesa in the east. The base station, located at 600 "B" Street in San Diego, will operate on two frequencies, 454.075 megahertz (MHz) and 454.125 MHz. The automatic one-way paging system will operate from 14 antenna sites and will cover an area roughly from Escondido on the north, Chula Vista in the south, and El Cajon to the east. The one-way system will operate on frequency 35.56 MHz. Engineering data concerning the proposed systems are set forth in Exhibit C.

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 interconnected access to the public switched telephone networks. All antenna sites are presently occupied by radio communication facilities, or are in the immediate vicinity of radio communication facilities. 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. The daily management, operation, and maintenance of both systems will be provided by local station personnel of applicant under the direct supervision of applicant's district manager.

MCI proposes to charge for service its present rates on file with the Commission covering the particular service rendered.

MCI states that it has conducted telephone market surveys and personal interviews with its existing and potential customers within the proposed service area which has revealed to it that a public need exists for the proposed services. MCI believes that the competition which it would provide will spur full and efficient utilization of available radio spectrum to accommodate expanding public need for innovative radiotelephone services at reasonable prices as proposed by it.

Based on its survey MCI expects to be serving 20 mobile units in the proposed area at the end of the first full year of operation and not less than 60 mobile units at the end of the fifth full year of operation. It also estimates that it will be serving 1,060 paging units at the end of the first full year of operation and 7,200 paging units at the end of the fifth full year of operation. MCI estimates it will gross \$190,570 during the first full year of operation from both pager and mobile telephone services with an operating loss of \$266,956. However, it expects to have a gross revenue from both operations for the fifth year of operation of \$1,492,896 and a net profit of \$273,535.

Findings of Fact

1. MCI requests authority to construct and operate a public utility two-way mobile radiotelephone system and a one-way radiotelephone paging system in San Diego County.
2. MCI currently possesses the requisite FCC two-way permit and FCC permits for the fourteen base stations necessary in the performance of its proposed one-way paging service.
3. MCI currently operates as a public utility radiotelephone company in various areas of the State.
4. As of June 30, 1983 MCI had a net worth of \$711,509.
5. MCI is a wholly owned subsidiary of MCI Airsignal, Inc., which had a net worth of \$7,222,000 as of September 30, 1982.

6. The area proposed to be served by MCI's two-way service extends roughly from La Jolla in the north to the Mexican border in the south and from the Pacific Ocean in the west to La Mesa in the east.

7. The area proposed to be served by MCI's one-way paging service will cover an area roughly from Escondido on the north, Chula Vista in the south, and El Cajon to the east.

8. Charges for the proposed services will be the same as its present rates for like services.

9. Purchase and installation of the proposed facilities will cost approximately \$338,100 and will be financed by MCI Airsignal, Inc. through account advances to MCI.

10. All antenna sites are presently occupied by radio communication facilities, or are in the immediate vicinity of radio communication facilities.

11. MCI conducted a survey which revealed to it a public need for the proposed services.

12. While the proposed operations will incur a monetary loss the first year, the fifth year of operations will result in a profit.

13. The proposed operations are technically feasible.

14. The proposed operations are economically feasible.

15. MCI is fit, willing, and able to conduct the proposed operations.

16. MCI has available to it the financial resources to engage in the proposed operations.

17. MCI has available to it persons who are technically qualified to construct and manage the proposed system.

18. Public convenience and necessity require the issuance of the requested certificates.

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

20. A public 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) to construct and operate facilities for the purpose of rendering public utility two-way radiotelephone service with a base station located at 600 B Street, San Diego (Lat. 32° 43' 05" N, Long. 117° 09' 32" W), and a service area as set out on the map on page 1 of Exhibit B to original Application (A.) 83-02-10.

2. A certificate of public convenience and necessity is granted to applicant to construct and operate facilities for the purpose of rendering public utility one-way radiotelephone service with base stations and a service area located as follows:

Base station locations:

- a. 600 B Street, San Diego.
Lat. 32° 43' 05" N, Long. 117° 09' 32" W.
- b. Birth Hill, 17 3/4 miles NE of Escondido.
Lat. 33° 18' 26" N, Long. 116° 51' 16" W.
- c. Woodson Mountain, 17 miles NE of San Diego.
Lat. 33° 0' 34" N, Long. 116° 58' 11" W.
- d. San Miguel Mountain, 13 miles east of San Diego.
Lat. 32° 41' 47" N, Long. 116° 56' 06" W.
- e. 345 South Orange Avenue, El Cajon.
Lat. 32° 47' 31" N, Long. 116° 57' 44" W.
- f. 321 Washington Drive, San Marcos.
Lat. 33° 7' 20" N, Long. 117° 11' 25" W.
- g. Mt. Otay, near San Diego.
Lat. 32° 35' 54" N, Long. 116° 50' 35" W.

- h. 6480 El Camino Real, Carlsbad.
Lat. 33° 6' 49" N, Long. 117° 16' 12" W.
- i. 8160 Center Street, La Mesa.
Lat. 32° 46' 18" N, Long. 117° 1' 16" W.
- j. 6152 Tooley Street, San Diego.
Lat. 32° 43' 28" N, Long. 117° 3' 55" W.
- k. 1753 Lake Drive, Cardiff.
Lat. 33° 1' 32" N, Long. 117° 15' 56" W.
- l. 1200 Harbor Drive, North Oceanside.
Lat. 33° 12' 27" N, Long. 117° 23' 19" W.
- m. 3.2 miles east of Vista.
Lat. 33° 12' 52" N, Long. 117° 11' 15" W.
- n. 8933 Complex Drive, San Diego.
Lat. 32° 49' 45" N, Long. 117° 7' 55" W.

Service area: As set out on the map in Exhibit B in the Amendment to Amended Application to A.83-02-10.

3. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificates 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 now charged by applicant for the respective service. 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 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 Exhibit B to original A.83-02-10 and Exhibit B to Amendment to Amended Application to A.83-02-10.

6. Applicant shall notify this Commission, in writing, of the date each 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. Any certificate granted here 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

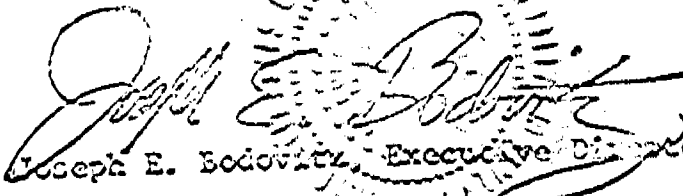
Commissioner William T. Bagley
being necessarily absent, did
not participate.

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

ALJ/rr

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