

Decision 84 C9 011 SEP 6 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of High Tech Communications of California, Inc., for a certificate of public convenience and necessity to construct and operate a radio-telephone paging system in San Diego and vicinity.

Application 84-06-086
(Filed June 26, 1984)

O P I N I O N

Applicant High Tech Communications of California, Inc., a California corporation, requests a certificate of public convenience and necessity to construct and operate a public utility one-way radiotelephone paging system to serve San Diego and vicinity. Notice of the filing of the application was published in the Commission's Daily Calendar of June 29, 1984. Copies of the application were served on the County of San Diego, principal cities located in the service area, Gencon, Inc., General Telephone Co. of California, Pacific Bell, and Allied Telephone Companies Association. No protests to the application have been received. The requisite Federal Communications Commission (FCC) permit presently stands in the name of applicant's parent company, High Tech Communications Corporation. However, an application to the FCC is being filed to transfer the FCC permit from applicant's parent company to applicant.

Applicant proposes to establish one base station each located on Mt. Otay, Mt. San Miguel, Mt. Woodson, and Birch Hill. The combined service areas of these base station encompasses a land area within a line drawn generally from San Ysidro along the U. S.-Mexican border to Tecate, thence north to Santa Ysabel, thence northwest to Aguanga, thence on an arc through Vista to the Pacific

Ocean at Leucadia, thence south along the Pacific coast to San Ysidro. All antennas and transmitters will be installed on existing towers or in existing buildings used to support or house radio transmission facilities, and terminal and other equipment will be installed in rented office space.

Applicant proposes to provide tone-only and digital display service. The system will be unified in that each paging message will be transmitted by simultaneous activation of all transmitters, making possible receipt of messages throughout the service area.

Transmitters will be controlled initially through leased wireline connection with a BBL paging terminal. Messages will be dispatched automatically without the assistance of operators. Applicant anticipates that as the use of the system increases, leased line control circuits will be replaced with radio control links. The latest state-of-the-art equipment, facilities, and computer-control technology will be used. Standard end-to-end dialing techniques will be used in the event selector level telephone numbers are not available. The system will be fully interconnected with the public telephone network and, where sufficient demands exists, toll-free access by means of foreign exchange lines, or their equivalent, will be offered. Exhibit D to the application sets forth the engineering data respecting the proposed system.

Applicant will charge \$4.50 a month for tone-only paging and \$12 per month for digital display service.

The capital requirements for construction and initial operation are estimated by applicant to be approximately \$202,000. Attached to the application as Exhibit G is a copy of a letter of intent from Cellular Technology, Inc. (Cellular), which owns applicant's parent company, in which the Cellular states its intent to make available to applicant such funds as will be necessary for the construction and initial operation of the subject facilities. As of March 31, 1984, Cellular had a consolidated net worth of \$2,041,234.

Applicant's projected revenue and expenses for the first two years of the proposed system's operation will result in an operating loss for those first two years of operations. However, starting in the third year and carrying on through at least the fifth year of operation applicant projects an operating profit.

Applicant was incorporated on November 18, 1983 and as yet has not started any operations. By D.84-06-120, the Commission on June 20, 1984 granted applicant authority to provide one-way radiotelephone utility service in the Los Angeles area. As stated before, Cellular will provide the necessary startup capital. Cellular's management will also provide applicant with persons with the necessary expertness in the technical, sales, and business aspects of the operation.

Applicant has made a survey of potential paging customers in the San Diego area and has determined to its satisfaction that there is a need for its services.

Findings of Fact

1. Applicant requests a certificate to construct and operate a one-way public utility radiotelephone system to serve San Diego and environs.
2. The requisite FCC construction permit is currently in the name of the applicant's parent company which has made application to the FCC to transfer such permit to applicant.
3. Applicant proposes to provide tone-only and digital display services at the rate of \$4.50 a month for the tone-only service and \$12 a month for the digital service.
4. The system will be fully interconnected with the public telephone network and messages will be simulcast automatically without the assistance of operators. Standard end-to-end dialing techniques will be used.

5. Construction and initial operation of the system are estimated to cost \$202,000 and will be financed by Cellular, the parent company of applicant's parent company, which had a consolidated net worth as of March 31, 1984 of \$2,041.234.

6. The proposed system should turn a profit after the second full year of operation.

7. Cellular will also provide persons from its own management with the necessary expertness in the technical, sales, and business aspects of the operation.

8. Applicant has made a survey of potential paging customers in the San Diego area and has determined to its satisfaction that there is a need for its services.

9. The operation is technically feasible.

10. The operation is economically 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. 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 High Tech 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:

- a. Woodson Mountain, 17 miles NE of San Diego.
Lat. 33° 0' 34" N, Long. 116° 58' 11" W.
- b. San Miguel Mountain, 13 miles east of San Diego.
Lat. 32° 41' 47" N, Long. 116° 56' 6" W.
- c. Birch Hill, 17 3/4 miles NE of Escondido.
Lat. 33° 18' 26" N, Long. 116° 51' 16" W.
- d. Otay Mountain, San Diego.
Lat. 32° 36' 20" N, Long. 116° 50' 15" W.

Base station location: as set out on the map marked Exhibit C to Application (A.) 84-06-086.

2. To the extent that the Federal Communications Commission has not issued construction permits to applicant for any of the base station locations set forth in Ordering Paragraph 1, our authority for each is contingent upon such issuance.

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 set forth on Exhibit E in A.84-06-086. 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, 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", consistent with Exhibit C to A.84-06-086.

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.

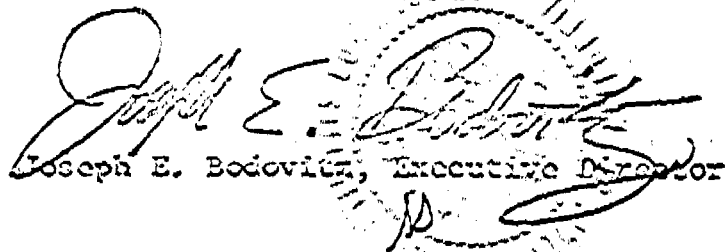
This order becomes effective 30 days from today.

Dated SEP 6 1984, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. CREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director