

ORIGINAL

Decision 84 09 094

SEP 19 1984

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Mobilephone Corporation, a California
corporation, for a Certificate of
Public Convenience and Necessity to
Construct and Operate Radiotelephone
Facilities in and around Eureka,
California.

Application 84-07-030
(Filed July 10, 1984)

O P I N I O N

Applicant Mobilephone Corporation, a California corporation, requests a certificate of public convenience and necessity to construct and operate a public utility two-way radiotelephone system to serve an area in and around Eureka. The application shows that a copy of the application was served on Humboldt County, the cities of Eureka, Arcata, and Blue Lake, and on Cal-Autofone, Pacific Telesis, Citizens Utilities Company, Continental Telephone Company, and James N. Hoff. Notice of the filing of the application appeared in the Commission's Daily Calendar of July 13, 1984. No protests to the application have been received. Applicant has the requisite Federal Communications Commission (FCC) construction permit.

Applicant is a corporation newly formed for the purpose, among other things, of providing public utility radiotelephone service to Eureka. As of June 29, 1984, applicant had assets of \$15,000, no liabilities, and a net worth of \$15,000. The two principal holders of the stock of applicant claim to have extensive backgrounds in radiotelecommunications. One of the principals managed a radiotelephone public utility in the Redding area for 11 years and owns a two-way radiotelephone sales and service company. The other principal has had over a decade of experience with commercial radio and electronics, including the sales, engineering, and installation of two-way radiotelephone systems.

Applicant intends to establish a base station on Fickle Hill Road in Eureka at the site of an existing FM radio station transmitting tower which has been used since 1976. Its proposed service area lies within a line starting on the Pacific Coast west of Loleta, thence east 26 miles, thence north 26 miles, thence west 28 miles to the vicinity of Trinidad, thence south along the Pacific Coast to the point of beginning. Applicant proposes to offer an unlimited call rate of \$35 per month.

The cost to construct and install the system is estimated by applicant to be \$24,620, to be financed with a note of \$6,000 to General Electric Company for the cost of the transmitters and a note of \$18,000 to the Bank of America.

Applicant estimates that by the end of the first eleven months of operation, the system should become profitable and by the end of the first twenty months of operation, the operation should have recovered all interim losses accumulated since the start of the operation.

Applicant conducted a survey in the area to be served and determined to its own satisfaction that a need exists for its service. While the area to be served has for many years experienced a very low growth rate, employment in service industries, which form the primary market for radiotelephone service, is growing at an annual rate of 8.8%. In the course of its survey of prospective subscribers, applicant secured applications for service for 50 units.

Findings of Fact

1. Applicant requests a certificate to construct and operate a public utility two-way radiotelephone system to serve an area in and around Eureka.

2. Applicant possesses the necessary FCC construction permit.

3. Applicant is a corporation newly formed for the purpose of providing the service for which authorization is herein requested.

4. As of June 29, 1984, applicant had a net worth of \$15,000.

5. The two principal owners of applicant have had extensive experience in radiotelecommunications.

6. The proposed base station will be established at the site of an existing FM radio station transmitting tower.

7. The cost to construct and install the system is \$24,620, to be financed by a note to General Electric Company for the cost of the transmitters and a note of \$18,000 to the Bank of America.

8. Applicant estimates that by the end of the first eleven months of operation, the system should become profitable and by the end of the first twenty months of operation, the operation should have recovered all interim losses accumulated since the start of the operation.

9. Applicant conducted a survey which showed a public need for the proposed service.

10. The operation is technically feasible.

11. The operation is economically 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 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 Mobilephone Corporation (applicant), a California corporation, for the construction and operation of a public utility two-way radiotelephone system with a base station located at 6540 Pickle Hill Road, Eureka (Lat. 40° 49' 32" N, Long. 124° 0' 5" W.) with a service area as shown for that site on the map in Exhibit 1 to Application (A.) 84-07-030.

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 the same as represented in the application. This filing shall comply with General Order 96-A. The tariffs shall become effective on not less than 10 days' notice.

4. 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 1 to A.84-07-030.

5. 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.

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 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. The application is granted as set forth above.

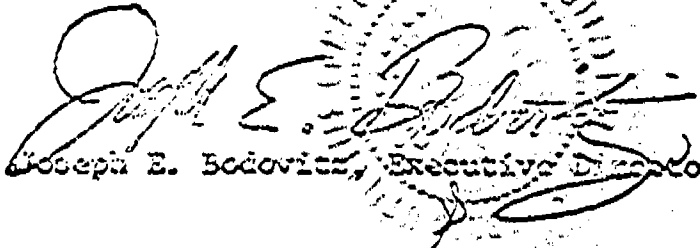
This order becomes effective 30 days from today.

Dated SEP 19 1984, at San Francisco, California.

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

VICTOR CALVO
FRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director