

Decision 87 10 040**ORIGINAL**

OCT 16 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GTE MOBILNET OF)
 SANTA BARBARA LIMITED PARTNERSHIP)
 for a Certificate of Public Con-)
 venience and Necessity to Construct)
 and Operate a Domestic Public)
 Cellular Mobile Radio System in the)
 Santa Barbara -- Santa Maria --)
 Lompoc Metropolitan Statistical Area.)

Application 87-06-012
 (Filed June 8, 1987)

O P I N I O N

Applicant GTE Mobilnet of Santa Barbara Limited Partnership seeks a certificate of public convenience and necessity (CPC&N) to provide a new domestic public cellular mobile radio system to serve the Santa Barbara Metropolitan Statistical Area (MSA). Service would be provided for the City of Santa Barbara and adjacent communities. Such cellular system would initially consist of three cell sites or transmitting/receiving stations located in and around Santa Barbara and four other sites and a switching facility/office in other portions of Santa Barbara County with areas such as Lompoc, Santa Maria, and Carpinteria to be possibly added as sites for future service.

Applicant is a limited partnership duly organized and existing under the laws of the State of Delaware. The partners and the capitalization of the partnership are as follows:

GTE Mobilnet Incorporated (GTE),	
General Partner	40.00%
GTE Mobilnet Incorporated (GTE),	
Limited Partner	11.00%
Pactel Mobile Access (Pactel), Limited	
Partner	10.00%
Contel Cellular, Inc. (Contel), Limited	
Partner	39.00%

Proposed System

The area served by a cellular radiotelephone service system is called a cellular geographic service area (CGSA). This CGSA is divided into a grid of small geographic areas known as "cells". The proposed Santa Barbara CGSA will initially be divided into three cells. Each cell has a low-powered, short range transmitter/receiver to serve mobile and portable telephones within its boundaries. Adjacent cells are assigned different voice channel frequencies to avoid interference. For cells which are sufficiently removed from one another to prevent interference, the same frequencies can be reused. The proposed service includes direct-dialed mobile-to-land, mobile-to-mobile, and land-to-mobile calling. The three major elements of such cellular system are: (a) a mobile telephone switching office (MTSO); (b) cell sites including antenna tower, building, and radio equipment; and (c) interconnection facilities.

Voice signals are communicated between cells or to and from fixed telephones through the public telephone system. A central MTSO routes all calls to or from the mobile or portable unit. The MTSO digital switch connects the mobile or portable telephones with other cells or the public telephone system as necessary to complete the call. The central switch also transfers the transmitting/receiving function from one cell transmitter/receiver to an adjacent cell transmitter/receiver as the mobile or portable telephone travels from one cell to the next. The automatic transfer of an ongoing call from one cell to another includes an automatic change of voice channel frequencies to the frequencies allotted the cell in which the mobile or portable phone is then located. This change is fully automatic and is accomplished during the continued progress of the conversation. Voice transmission quality is generally equivalent to that of a conventional landline telephone. As demand grows, cells can be subdivided into smaller cells. This allows additional reuse of the

same voice channel frequencies and increases the call-handling capacity of the system.

Applicant's proposed construction to serve the Santa Barbara CGSA will include an MTSO and transmitting/receiving stations for three cells. The switching system will be a Motorola GMX-100 which has been engineered to serve the maximum possible number of potential users.

Applicant has selected Motorola equipment and software for the Santa Barbara system. This software is well-supported and updated on a continuing basis and applicant's general partner has extensive experience with Motorola in numerous other cellular operations conducted by GTE Mobilnet Incorporated throughout the country. Initial construction costs for the Santa Barbara system will be approximately \$2,457,000.

A study of the anticipated level of demand for cellular service was performed for applicant in the Santa Barbara MSA. The study was based on interviews of businesses conducted by Marketing and Research Counselors, Inc. Respondents were randomly selected and interviews were conducted by telephone. Three different price levels were used in the survey to assist applicant in determining price-demand relationships. The study attempted to determine overall demand and also to identify the geographic areas of greatest need for the services in order to facilitate efficient design of the initial system. Applicant has concluded that cellular radiotelephone usage, at least initially, will be primarily for business purposes. The market and demand survey performed for applicant indicates that in the first year of full service, the number of customer units is estimated to be 337. After five full years of service, applicant estimates it will have 1,700 customer units in the Santa Barbara CGSA.

Applicant's service plan, rates, charges, directory assistance, and similar items will be substantially similar to

those of GTE Mobilnet of San Francisco Limited Partnership's (GTE-SF) Bay Area System as set forth in tariffs currently on file with the Commission. Applicant intends to adopt the same terms and conditions of service in its tariffs for the Santa Barbara MSA. Applicant proposes to file tariffs substantially similar to those of GTE-SF's Bay Area System, by advice letter, promptly upon the granting of this application.

Financial Feasibility

As the general partner, GTE is responsible for the financial obligations of the limited partnership. Pactel, a limited partner, has the right to contribute 10% of the funding required for the proposed cellular system, and Contel, a limited partner, has the right to contribute 39% of the required funding. GTE, as general partner, will contribute all other necessary funds. GTE Finance Corporation of Stamford, Connecticut, has agreed to provide all necessary financing of the general partner's obligation. GTE Finance Corporation is a wholly owned subsidiary of GTE Corporation and is not a regulated utility. Applicant's sole source of funding will be contributions and advances by the partners, and revenues generated by the system. Applicant will not issue stock, bonds, or other forms of indebtedness to any other party.

Applicant's revenue projections are as follows: 1987 - \$28,000; 1988 - \$591,000; 1989 - \$1,235,000; 1990 - \$1,954,000; 1991 - \$2,608,000; 1992 - \$3,101,000.

Applicant's pro forma income statement projects a net loss in 1987 of \$369,000; a net loss in 1988 of \$342,000; a net loss in 1989 of \$127,000; net income in 1990 of \$92,000; net income in 1991 of \$295,000; net income in 1992 of \$488,000.

Applicant's pro forma balance sheet shows assets of \$1,498,000 for the year ending December 1987; total current liabilities of \$606,000; deferred income tax of \$51,000, for a total liability of \$657,000. Total shareholders' equity is shown at \$841,000.

Applicant has a letter of commitment dated May 16, 1986 from the GTE Finance Corporation for a credit line of \$2,800,000.

Public Interest

Applicant alleges that the application supports and implements the Federal Communications Commission's (FCC) objective of expediting availability of cellular mobile radiotelephone service to the public. The findings of the market survey and analysis, utilizing a statistically valid sample population, substantiate the FCC's conclusion that there is a large and unsatisfied demand for cellular mobile radiotelephone service in the Santa Barbara MSA.

Other Licenses and Permits

In addition to the CPC&N requested in this application, applicant requires a construction permit from the FCC. On February 4, 1986, GTE, a wireline cellular applicant, requested FCC permission to construct a domestic public cellular mobile radio system in the Santa Barbara MSA. A radio station authorization was issued to applicant by the FCC for the Santa Barbara MSA effective June 18, 1986. Except for the certificate requested herein, there are no franchises or health and safety-related permits required by any public authority for the proposed system.

Construction Costs

Applicant estimates that the cost to construct the proposed cellular mobile radio system for the Santa Barbara -- Santa Maria -- Lompoc MSA and the expenses for the first year of operation will be as follows:

Estimated Cost of Construction:

a. Transmitter(s) and receiver(s)	\$ 528,434
b. Antenna(s) and waveguide or transmission line(s)	69,050
c. Power plant, control, and common equipment	913,675
d. Land, building, towers, etc.	735,875
e. Miscellaneous	<u>304,732</u>
Total Construction Cost	\$2,457,014

Estimated Expenses for
First Year of Operation: \$ 304,732

Proposed Resale Plan

The FCC has established a plan which provides for licensing two carriers, one wireline and one nonwireline, per market. The presence of two carriers in each market will provide market competition at the wholesale level. Applicant is proposing a wholesale pricing plan that anticipates and allows development of a competitive resale market which conforms to the FCC's Cellular Report and Order of May 4, 1981 (FCC Docket 79-318). Applicant is the wireline cellular carrier for the Santa Barbara MSA.

Under the terms of the limited partnership agreement, the general partner and limited partners of applicant are permitted to resell cellular services provided that their resale agreements with the limited partnership are equivalent to agreements between the partnership and other resellers. In addition, the limited partnership may enter the resale business at the discretion of the general partner.

Applicant will make blocks of numbers available to resellers at wholesale rates. The nonwireline Santa Barbara MSA FCC licensee should have access to its own NXX number block for resale on the GTE Mobilnet switch, and this NXX block should be

readily transferable to the nonwireline licensee's own MTSO facilities when it is ready to commence cellular carrier operations. Entities leasing blocks of cellular capacity can combine that capacity with hardware and/or service options to market a retail package that includes cellular service, customer equipment, and customer services. This availability will provide an opportunity for small local businesses to participate in the cellular business and will increase competition within the industry. This block capacity will also be available to large volume end-users. Resellers will have flexibility to offer the public a variety of cellular service packages, cellular mobile units, installation and maintenance, and enhancements. The presence of numerous resellers is anticipated in the market, offering a variety of service packages tailored to the specific needs of different customer segments.

The reseller companies will purchase capacity from applicant, in advance, for a minimum period, and will receive a monthly bill for the committed capacity. The reseller will be a direct "customer" of applicant. Applicant will provide technical support to resellers in the form of information regarding system performance and compatibility criteria. This support will enable the reseller to be responsive to its customer's needs. Applicant believes that its pricing plan will both encourage and allow competitive participation in the provision of cellular service and equipment to the benefit of the general public.

Proposed Rate Structure

The following is applicant's proposed rate structure containing the anticipated pattern of rates and charges for cellular service:

Rates - Wholesale

Access Charge:

<u>Total Quantity of Access Numbers</u>	<u>Monthly Access Charge, Per Access Number</u>
50-100	\$30.50
101 or more	\$28.25

Usage Charge:

<u>Peak (Weekdays) 7 a.m. - 7 p.m.</u>	<u>Usage Charge Per Minute</u>
--	------------------------------------

Usage Charge when total usage is less than or equal to 30,000 minutes per month	\$ 0.38
---	---------

Usage Charge when total usage is greater than 30,000 minutes per month	\$ 0.36
--	---------

Off-peak

All Usage	\$ 0.16
-----------	---------

Service Charge:

Individual Number Change	\$15.00
--------------------------	---------

Rates - Retail

Access Charge:

Per Month
\$45.00

Usage Charge:

Peak	\$ 0.45
Off-peak	\$ 0.20

Service Charge

Per Order
\$25.00

Revenue Projections

The following tabulations provide applicant's pro forma balance sheet and pro forma income statement for the first six years of operations:

Pro Forma Balance Sheet
(\\$000)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
<u>Assets</u>						
Total Current Assets	\$ 5	\$ 97	\$ 201	\$ 320	\$ 427	\$ 507
Net P.P. & E.	<u>1,493</u>	<u>2,244</u>	<u>2,253</u>	<u>3,365</u>	<u>3,256</u>	<u>3,209</u>
Total Assets	<u>\$1,498</u>	<u>\$2,341</u>	<u>\$2,454</u>	<u>\$3,685</u>	<u>\$3,683</u>	<u>\$3,536</u>
<u>Liabilities</u>						
Total Current Liabilities	606	458	207	596	407	659
Deferred Income Tax	<u>51</u>	<u>108</u>	<u>164</u>	<u>259</u>	<u>349</u>	<u>382</u>
Total Liabil.	\$ 657	\$ 566	\$ 371	\$ 855	\$ 756	\$1,041
<u>Equity</u>						
Paid in Capital	1,210	2,486	2,921	3,576	3,836	3,909
Retained Earnings	(369)	(711)	(838)	(746)	(451)	37
Distribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(458)</u>	<u>(1,451)</u>
Total Equity	<u>841</u>	<u>1,775</u>	<u>2,083</u>	<u>2,830</u>	<u>2,927</u>	<u>2,495</u>
Total Liab./Equity	<u>\$1,498</u>	<u>\$2,341</u>	<u>\$2,454</u>	<u>\$3,685</u>	<u>\$3,683</u>	<u>\$3,536</u>

(Red Figure)

Pro Forma Income Statement
(\$000)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Total Revenues	\$ 28	\$ 591	\$1,235	\$1,954	\$2,608	\$3,101
Total Cost of Service	89	263	398	522	641	717
Total System Costs	<u>215</u>	<u>680</u>	<u>814</u>	<u>1,014</u>	<u>1,183</u>	<u>1,240</u>
Contribution to Headquarters	(276)	(352)	23	418	784	1,144
Total Headquarters Expenses & Other	<u>93</u>	<u>(10)</u>	<u>150</u>	<u>326</u>	<u>489</u>	<u>656</u>
Net Income/ (Loss)	<u>\$ (369)</u>	<u>\$ (342)</u>	<u>(127)</u>	<u>92</u>	<u>295</u>	<u>488</u>

(Red Figure)

Proponent's Environmental Assessment

Applicant alleges that the construction and operation of the project proposed in its Proponent's Environmental Assessment (PEA) would not result in an environmental impact that is significant, as defined by the California Environmental Quality Act (CEQA). Of the basic physical elements of the proposed cellular telephone system, only the towers needed to support the radio antennas at certain cell sites would have a potential environmental impact. For those sites at which towers would be visible from surrounding areas, the visual impacts of the towers would be mitigated by their sensitive siting and by their monopole design. Other environmental issues that could result from the construction and operation of the cellular system are short-term or otherwise insignificant.

Under FCC rules, the proposed cellular mobile telephone service in Santa Barbara County is not a "major action" and does not require the preparation of a federal environmental impact statement under the National Environmental Policy Act.

The California Public Utilities Commission (CPUC), in its role as regulator of telephone service within the State, must review and approve any proposed telephone system before it licenses construction and operation. The application for a CPC&N (PU Code § 1001) is subject to environmental review under the CEQA, under California Public Resources Code § 21,000 et seq. and Rule 17.1 of the Commission's Rules of Practice and Procedure, Special Procedure for Implementation of the CEQA of 1970. The CPUC is the lead agency, under CEQA, in conducting an environmental review which must precede consideration and approval of the cellular system. Applicant anticipates that the CPUC'S environmental review will result in the issuance of a Negative Declaration. As a matter of practice, the CPUC review also relies on, and takes into full account, all of the zoning, planning, design, and environmental requirements of each jurisdiction within which the individual radio transmitters of the cellular system would be located.

Applicant alleges that in the selection of sites for each of the cells, it applied the following general criteria:

1. All sites will be selected to minimize environmental impact in providing the radio coverage requirements of the proposed cellular system;
2. The review, permitting, and approval processes of each of the individual responsible agencies will be followed throughout; and,
3. Pursuit of any site which would result in significant environmental impact, in the judgment of the responsible agency or agencies with jurisdiction over that site, will be discontinued, and replaced if any viable replacement sites can be found.

A total of two cell sites and four areas for location of future cell sites have been identified. The proposed system for initial construction and operation includes two cell sites in and near the City of Santa Barbara which constitute a workable basic

operating system. The switching office/facility is categorically exempt from environmental review. Applicant agrees to follow all local environmental review, permitting, and approval processes and to comply with any conditions of approval that are imposed.

Applicant has tentatively identified the need for minor conditional use permits and land use permits from the cities of Goleta, Santa Ynez, Santa Barbara, Summerland, Lompoc, Santa Maria, and Carpinteria, as well as coastal development permit from the Carpinteria area.

The Commission staff has examined applicant's PEA and the findings of the local agencies and agrees that the project, as presented, has no significant effect on the environment. As a result, staff prepared a Negative Declaration. A notice of preparation of Negative Declaration was sent to property owners and published in the Santa Barbara Newsprint on August 30, 1987, thus complying with Rule 17.1(f)1.A. of our Rules of Practice and Procedure. The PEA, confirmed by staff study, served as the initial study for the project.

No adverse comments concerning the potential environmental impact of the project were directly received from property owners or any public agency. This decision adopts the Negative Declaration, attached hereto as Appendix A.

Discussion

Before a utility can obtain a CPC&N for constructing plant and commencing operations as a utility, a showing of public need is required. For the protection of the public, a comprehensive evaluation of the applicant's ability, experience, equipment, and financial resources to perform the proposed service must be undertaken. In addition, full compliance with environmental requirements by the utility must be satisfied. Such an evaluation has been performed, and there does not appear to be any bar to issuing the certificate required by applicant.

Findings of Fact

1. The Santa Barbara CGSA for the proposed system will provide service for the City of Santa Barbara and adjacent communities. Other communities such as Lompoc, Santa Maria, and Carpinteria may be sites for future service.

2. The cellular system to be constructed by applicant would initially consist of three cell sites, or transmitting/receiving stations, located in and around Santa Barbara and possibly four other sites at a switching facility/office in other portions of Santa Barbara County.

3. Applicant's proposed system will initially consist of three service areas, called "cells", each with its own radio receiver and low-powered transmitter. One cell site will be located in Goleta, another atop Santa Ynez peak in Santa Barbara, and a third at KEYT-TV Station in the City of Santa Barbara. Potential cell sites for the future have been identified near or in Lompoc, Santa Maria, or Carpinteria.

4. The 5-year forecast of number of customer units applicant expects to serve is 1,701.

5. Applicant has the ability, experience, equipment, and financial resources to perform the proposed service.

6. Public convenience and necessity require the service proposed by applicant.

7. Applicant should file a set of tariffs similar in scope to the tariffs set forth in its application. The rates and charges set forth above are reasonable.

8. Applicant plans to offer both wholesale and retail services.

9. Applicant projects that its operating profit will range from a negative \$369,000 to a positive \$488,000 for the first five years of operation and that, for the same period, capitalization requirements will vary from \$1,210,000 to \$3,009,009.

10. The Commission is the lead agency under CEQA with respect to the determination of environmental impacts in connection with the project under consideration.

11. The proposed project will have no significant effect on the environment due to circumstances peculiar to the project as set forth in a Negative Declaration (Appendix A) issued by staff.

12. As no comments to the Negative Declaration issued by the Commission have been received, a public hearing is not necessary.

Conclusions of Law

1. The application should be granted as provided in the order which follows.

2. Applicant is subject to the fee system set forth in PU Code § 401 et seq.

3. The appropriate surcharge pursuant to Conclusion of Law 2 is 0.1% for the fiscal year 1987-1988.

4. The wholesale and retail tariffs set forth in Appendix A should become effective today.

5. The attached Negative Declaration should be adopted.

The certificate hereinafter granted is subject to the provision of law that the Commission shall have no power to authorize the capitalization of this CPC&N or the right to own, operate, or enjoy such CPC&N in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such CPC&N or right.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to GTE Mobilnet of Santa Barbara Limited Partnership to construct and operate a cellular mobile telecommunications system in the Santa Barbara Cellular Geographic Service Area.

2. On or after the effective date of this order applicant is authorized to file wholesale and resale tariff schedules substantially in accordance with Exhibit J to Application 87-06-012. Rates and charges shall be as set forth in this decision. The filing shall comply with General Order Series 96 and shall be effective not earlier than 5 days after filing.

3. Applicant is authorized to use in its tariff filing the alternate method of page numbering described in Resolutions U-275 and T-4886.

4. Within 30 days after this order is effective, Applicant shall file a written acceptance of the certificate of public convenience and necessity with the Evaluation and Compliance Division.

5. Applicant shall notify the Evaluation and Compliance Division in writing of the day it begins service.

6. Applicant shall maintain accounting records in conformity with the Uniform System of Accounts for cellular communications companies.

7. Applicant shall notify the Commission in writing of the date it commences service.

8. Applicant shall pay a user fee as a percentage of gross intrastate revenues pursuant to PU Code §§ 431-435.

9. In constructing its systems, applicant shall undertake the environmental mitigation measures identified in the Negative Declaration as lawfully required by local authority.

10. Applicant shall construct and operate the system to meet Federal Communications Commission coverage requirements.

11. The Commission adopts the attached Negative Declaration and directs the Executive Director to file a Notice of Determination approving the Negative Declaration (Appendix B) with the Office of Planning and Research, as set forth in Appendix A.

12. The corporate identification number assigned to GTE Mobilnet of Santa Barbara Limited Partnership is U-3011-C, which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

13. The application is granted as set forth above.

This order is effective today.

Dated OCT 16 1987, at San Francisco, California.

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
Commissioners

Commissioner John B. Ohanian, being necessarily absent, did not participate.

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

Victor Weiss
Victor Weiss, Executive Director

SP

NEGATIVE DECLARATION

PURSUANT TO DIVISION 13
CALIFORNIA PUBLIC RESOURCES CODE

Project Description: The California Public Utilities Commission (PUC) proposes to grant a Certificate of Public Convenience and Necessity to GTE Mobilnet of Santa Barbara, Limited Partnership, for the installation and operation of a mobile telephone system to serve the Santa Barbara Metropolitan Statistical Area. The proposed project consists of the installation of three cellular telephone antennas and associated radio equipment.

Findings: An Initial Environmental Study (attached) was prepared to assess the project's potential effects on the environment and the significance of those effects. Based upon the initial study, the project will not have any substantial adverse effects on the environment. This conclusion is supported by the following findings:

1. The proposed project will not have a significant effect on the geology, geomorphology, soils, climate, hydrology, aesthetics, vegetation, or wildlife of the antenna sites.
2. The project will have no significant effect on municipal or social services, utility services, or community structure.
3. The project will not have a significant adverse effect on air or water quality, the existing circulation system, ambient noise levels, or public health.
4. Because the individual systems operate at a low power level in frequency bands well-separated from television and ordinary broadcasting frequencies, no significant interference with radio or television reception is anticipated.
5. Visual impacts are expected to be minimal because no additional towers would be constructed. The project includes a new monopole in Goleta, but it would replace an existing pole which is about 20 feet shorter. All three sites are improved with communication equipment. The project components are conforming uses. All the antenna sites have been selected so as to minimize their respective environmental impact, while still providing the precise radio coverage requirements of the proposed cellular system.

To assure that significant adverse effects do not occur as a result of this project, the following conditions are incorporated into this Negative Declaration:

1. The applicant will consult with appropriate local public agencies on project details such as the design, color, and type of materials used in the antenna towers, the specific configuration of equipment on each facility site, and any other relevant community building codes, provided such conditions or requirements

do not render the project infeasible. While it is the PUC's intent that local concerns be incorporated into the design, construction, and operation of this system, no additional permits from local authorities are required as a condition of this certificate.

2. For future expansion antenna sites to serve other portions of this market area, the Applicant shall submit environmental information to the PUC prior to construction of such antennas. The PUC will review this material and determine at that time whether any supplemental environmental documentation is required in accordance with the provisions of the California Environmental Quality Act.

Copies of this Negative Declaration and Initial Study may be obtained by addressing a request to the preparer:

California Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814

Attention: Mike Burke
(916) 322-7316



Mike Burke, Regulatory and Environmental Coordinator
California Public Utilities Commission

APPENDIX A
Page 3

CALIFORNIA PUBLIC UTILITIES COMMISSION
INITIAL ENVIRONMENTAL STUDY
CHECKLIST

Project Title: GTE Mobilnet of Santa Barbara

Study Date: August 1987

I. BACKGROUND INFORMATION

A. Name of Project:

GTE Mobilnet - Santa Barbara

B. Project Location:

GTE Mobilnet of Santa Barbara, a Limited Partnership, has applied to the California Public Utilities Commission (PUC) for a certificate of Public Convenience and Necessity for the installation and operation of a mobile telephone system to serve the Santa Barbara Metropolitan Statistical Area. This cellular system would initially consist of three cell sites or transmitting/receiving stations in the company's geographic service area.

The proposed cellular system is intended to provide a wide variety of local and long distance communications between fixed (office/home) and mobile (automobiles) sites or between two mobile bases. Cellular telephones can be used for regular business and personal telephone conversations as well as for emergency services such as police, hospital, and fire agencies. This system would function as an extension of the present telephone network in the Santa Barbara Area.

On April 9, 1981, the FCC adopted rules providing for the installation and operation of cellular telephone systems. The provisions include:

1. There will be two cellular systems per market area. Each defined market area is based upon standard metropolitan statistical areas.
2. Twenty (20) MHz is held in reserve for all land mobile services.
3. There are no limits on the number of markets that can be served by a single cellular mobile radio service (CMRS) operator.
4. Licensees and affiliates of licensees are allowed to manufacture radio equipment.
5. Telephone companies will be required to establish a fully separate subsidiary to provide CMRS.
6. Wire line companies must provide equal interconnection to all cellular systems.
7. The FCC will preempt the State jurisdictions with regard to licensing but will not regulate rates.

8. The FCC has found that point-to-point microwave and other regular cellular telephone radio transmissions do not pose a human health hazard.

The California Public Utilities Commission's Rule 17.1 of Practice and Procedure entitled "Special Procedure for Implementation of the California Environmental Quality Act of 1970" and the California Environmental Quality Act (CEQA) require an environmental review of all developmental projects before the PUC can issue a Certificate of Public Convenience and Necessity for a project, such as the proposed San Joaquin County mobile telephone system.

Depending upon demand, the Company may consider expanding this system to provide cellular telephone service to other portions of the project area in the future. The installation of antennas not covered in this document would require additional environmental review by the California Public Utilities Commission.

C. Project Description:

As noted above, the proposed cellular telephone system will consist of three new antennas. See Figure 1 for the general locations of these antennas. The following is a description of the three project sites and the equipment that will be installed at each:

1. Cell 1 - Goleta Cell Site

Sheriff's Department communication site off Golton Road: Assessor parcel Number 59-140-23, zoned recreation. See Figure 2.

The existing Santa Barbara Sheriff's Department communication tower is on the summit of a ridge just to the east of a large solid waste transfer station. Other land use adjacent to this site includes the County Hospital (west), the Sheriff's Department (south), and single-family residential (northwest).

A 50-foot monopole will replace the existing Sheriff's Department antenna (approximately the same height) and both GTE Mobilnet and the Sheriff's Department will use the same monopole with separate antennas. An approximately 500 square foot module will be built near the antenna to house the radio and support equipment. The site of the module is vacant open grassland.

2. Cell 2 - Santa Ynez Park Cell Site

Near the summit of Santa Ynez Peak: Assessor Parcel Number 81-06-09, zoned agriculture. See Figure 3.

The summit of Santa Ynez Peak is a major location for communication facilities. There are six large installations near the top of the peak, each one of which contains a cinder block service building (average size is about 20 feet by 40 feet) and one or more towers with dish and antenna receivers and transmitters.

Santa Ynez peak is northwest of the City of Santa Barbara and is one of the highest points along the east-west ridge line in the Santa Ynez Mountains in Los Padres National Forest. The ridge is mostly covered with shrub and bush vegetation with few trees.

The GTE Mobilnet antenna will be located on an existing tower and the support equipment will be housed in an existing structure. The site is accessible via Camino Cielo, an unsurfaced road west of San Marcos Pass off Route 154.

3. Cell 3 - Santa Barbara Cell Site

KEYT-TV Station, 730 Miramonte Drive: zoned E-1 single family residential. See Figure 4.

The KEYT-TV Station is located on a hill in the southwest portion of the City of Santa Barbara. There are several antennas situated on this property. Because of its hilltop location, the antennas around the station are visible from adjacent residential areas and Highway 101.

The GTE Mobilnet antenna will be attached to existing poles on the TV station site.

D. Lead Agency Contact Person:

Mr. Mike Burke
Energy Resources Branch
California Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814
(916) 322-7316

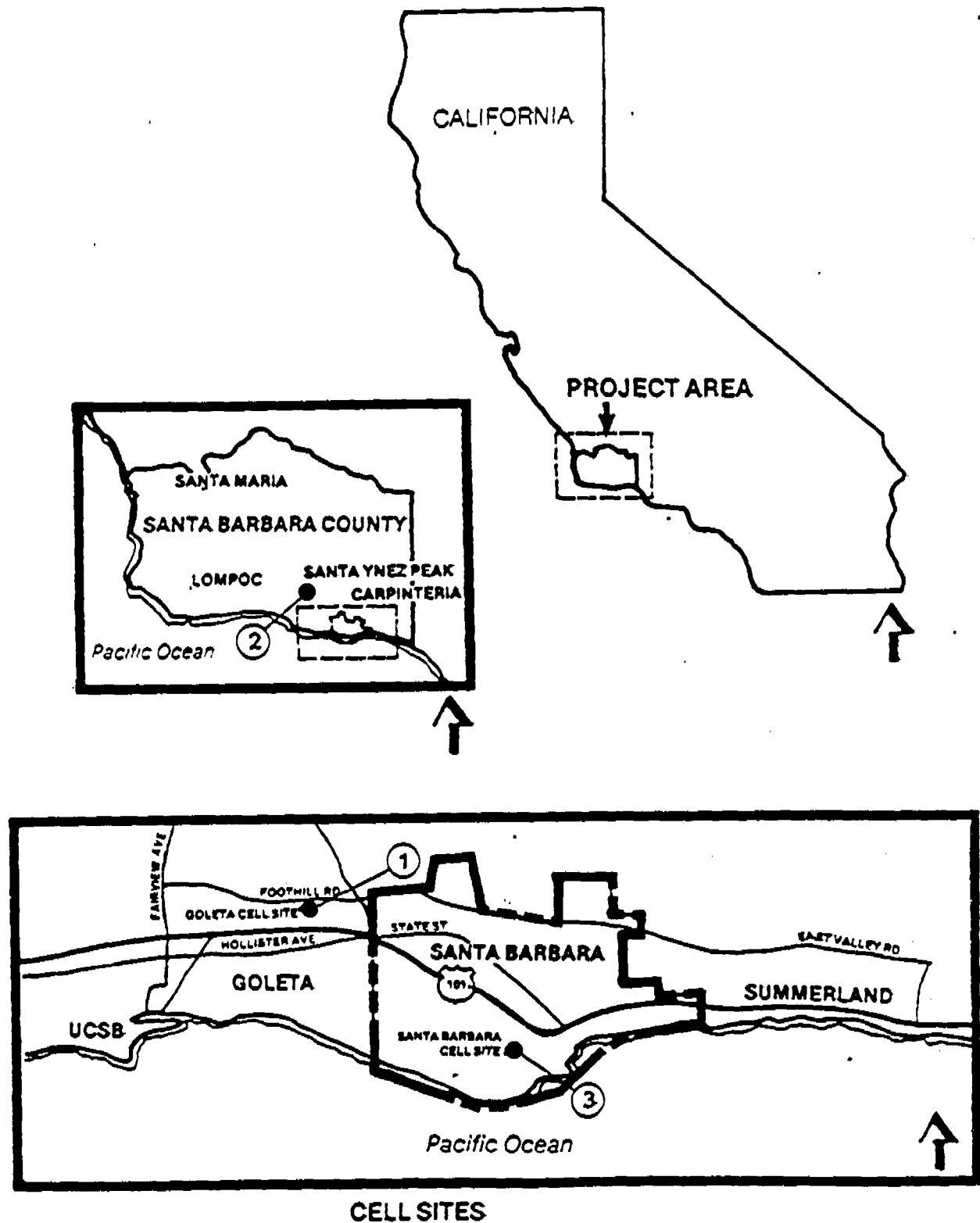
E. Lead Agency:

California Public Utilities Commission
505 Van Ness
San Francisco, CA 94102

F. Responsible Agencies:

Except for the California Public Utilities Commission, no other State or local agencies have discretionary approval over cellular telephone systems.

REGIONAL LOCATION STUDY AREA



GOLETA CELL SITE

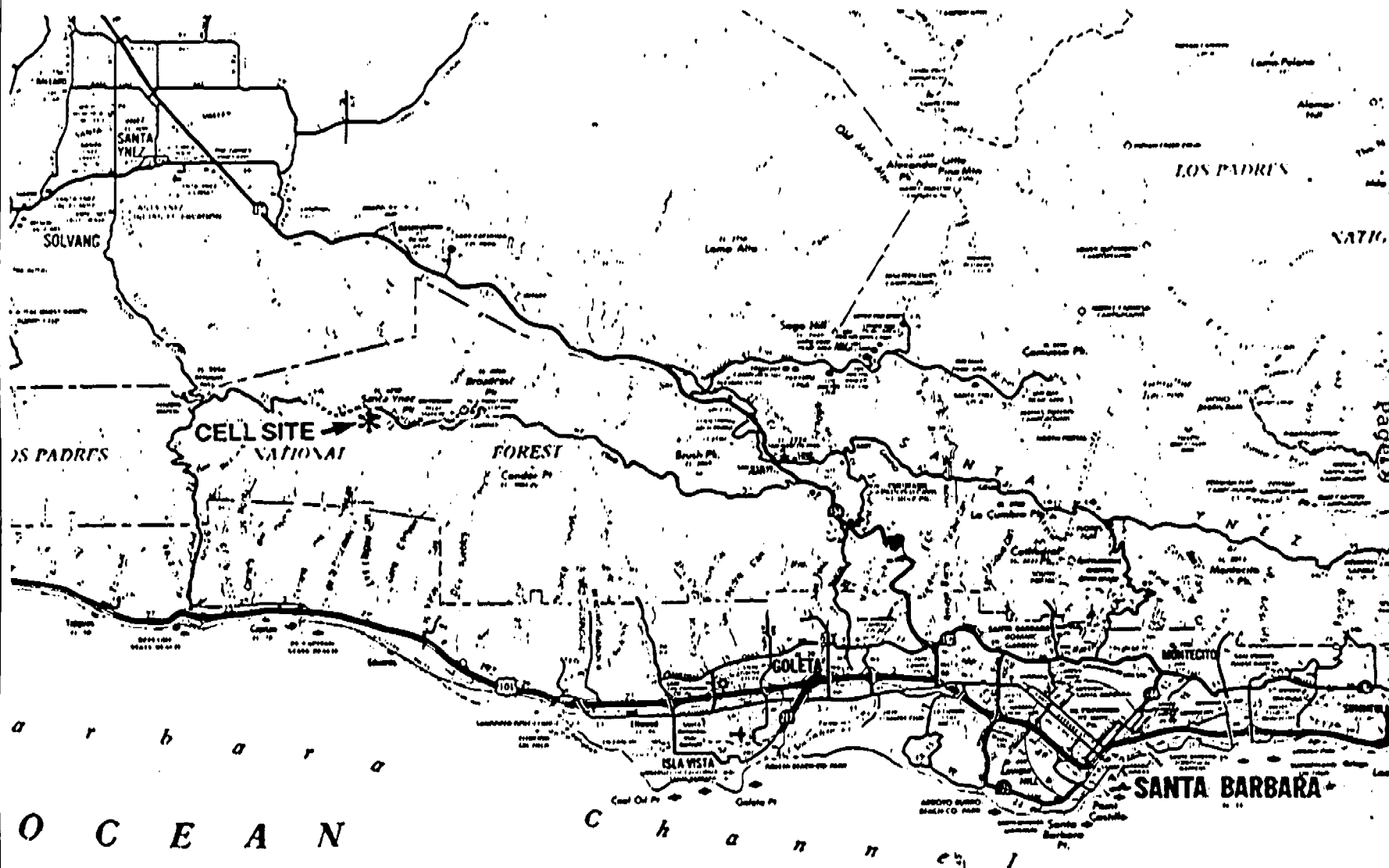
FIGURE 2



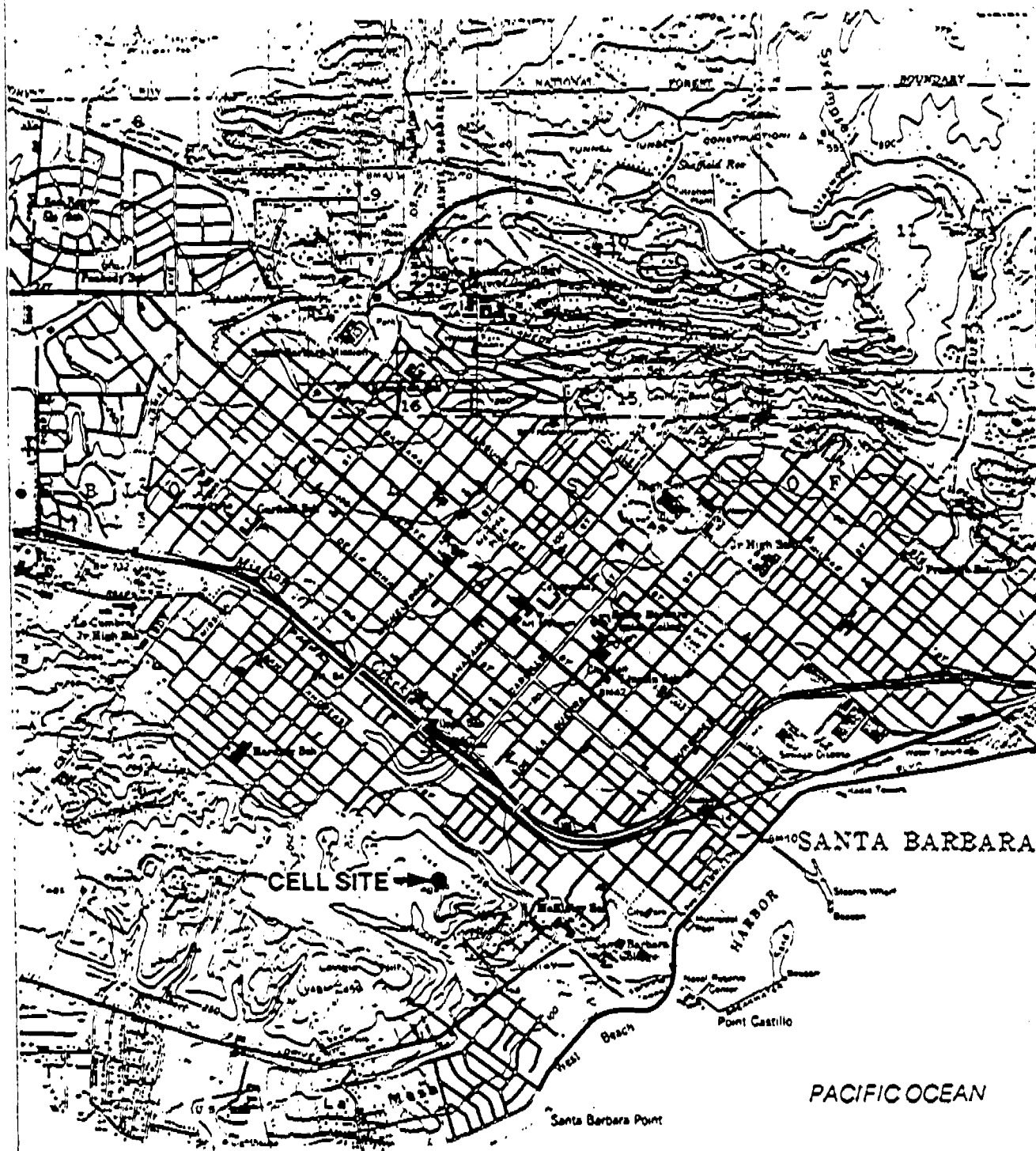
eip

FIGURE 3

SANTA YNEZ CELL SITE



SANTA BARBARA CELL SITE



eip

II. ENVIRONMENTAL IMPACTS

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
A. <u>Geology/Geomorphology</u> . Will the proposal result in:			
1. Unstable earth conditions or changes in geologic substructures?	—	—	X
2. Changes in topography or any unique geologic or physical features of the site?	—	—	X
3. Exposure of people or property to major geologic hazards (earthquakes, slides, subsidence, liquefaction, volcanism)?	—	—	X
B. <u>Soils</u> . Will the proposal result in:			
1. Disruptions, displacements, compaction or overcovering of the soil?	X	—	—
2. Increased erosion from wind or water?	—	—	X
3. Changes in deposition or erosion of beach sands, or changes in siltation, deposition or erosion which may modify the channel of a river or stream or the bed of the ocean or any bay, inlet or lake?	—	—	X
Minor displacement, compaction, and overcovering of soil would occur as a result of the construction of cell number 1. This would be a minor effect.			
C. <u>Air Quality/Climate</u> . Will the proposal result in:			
1. Substantial air emissions or deterioration of ambient air quality?	—	—	X
2. Creation of objectionable odors?	—	—	X
3. Alteration of air movement, moisture, temperature, or any change in climate, either locally or regionally?	—	—	X

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
D. <u>Water</u> . Will the proposal result in:			
1. Degradation of water quality?	—	—	X
2. Degradation or depletion of ground water resources, or interference with ground water recharge?	—	—	X
3. Depletion or contamination of public water supply?	—	—	X
4. Erosion, siltation, or flooding?	—	—	X
5. A change in the amount of surface water in any water body?	—	—	X
6. Alterations to the course or flow of flood waters?	—	—	X
E. <u>Vegetation</u> . Will the proposal result in:			
1. A change in the diversity of species, or numbers of any species of plants (including trees, shrubs, grass, crops, microflora and aquatic plants)?	X	—	—
2. A reduction of the numbers of any unique, rare or endangered species of plants?	—	—	X
3. The introduction of new species of plants into an area, or in a barrier to the normal replenishment of existing species?	—	—	X
4. A reduction in acreage of any agricultural crop?	—	—	X
Common grass would be removed during the construction of the 500 square foot building for cell number 1.			
F. <u>Wildlife</u> . Will the proposal result in:			
1. A change in the diversity of species, or numbers of any species of animals (birds and animals, including reptiles, fish and shellfish, benthic organisms, insects or microfauna)?	X	—	—

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
2. A reduction of the numbers of any unique, rare or endangered species of animals?	—	—	X
3. Introduction of new species of animals into an area?	—	—	X
4. Deterioration to existing fish or wildlife habitat, or interference with the movement of resident or migratory fish or wildlife?	—	—	X

Approximately 500 square feet of habitat for grass dwelling insects and rodents would be destroyed. This is a minor effect of the project.

G. Land Use. Will the proposal result in:

1. A substantial alteration of the present or planned land use in the area?	—	—	X
2. A conflict with Local, State or Federal land use plans or elements to those plans?	—	—	X

H. Visual Quality. Will the proposal result in:

1. Obstruction of any scenic vista or view now observed from public areas?	—	—	X
2. Creation of an aesthetically offensive site open to public view?	—	—	X
3. New light or glare substantially impacting other properties?	—	—	X

The proposed antenna sites are current communications facilities. The visual effects would be insignificant.

I. Human Population. Will the proposal result in:

1. Growth inducement or concentration of population?	—	—	X
2. Relocation of people (involving either housing or employment)?	—	—	X

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
J. <u>Housing</u> . Will the proposal affect existing housing, or create a demand for additional housing?	—	—	X
K. <u>Transportation/Circulation</u> . Will the proposal result in:			
1. An increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system?	—	—	X
2. Effects on existing parking facilities, or demand for new parking?	—	—	X
3. A substantial increase in transit demand which cannot be accommodated by current transit capacity?	—	—	X
4. An increase in traffic hazards to motor vehicles, bicyclists or pedestrians?	—	—	X
5. Alterations to present patterns of circulation or movement of people and/or goods?	—	—	X
6. Alterations to waterborne, rail or air traffic?	—	—	X
L. <u>Noise</u> . Will the proposal result in:			
1. An increase in ambient noise levels?	—	—	X
2. An effect on noise sensitive receptors near or on project site?	—	—	X
M. <u>History/Archaeology</u> . Will the proposal result in:			
1. Alteration or destruction of a prehistoric or historic archaeological site?	—	—	X
2. Adverse physical or aesthetic effects to a prehistoric or historic building, structure or object?	—	—	X
3. A physical change which would affect unique ethnic cultural values?	—	—	X

	Yes	Maybe	No
4. Restriction of existing religious or sacred uses within the potential impact area?	—	—	X
N. <u>Public Services</u> . Will the proposal result in:			
1. Increased demand for fire or police protection?	—	—	X
2. Increased demand for schools, recreation or other public facilities?	—	—	X
3. Increased maintenance of public facilities, including roads?	—	—	X
O. <u>Utilities</u> . Will the proposal result in:			
1. Expansion or alteration of water, sewer, power, storm water drainage or communication facilities?	—	—	X
2. A breach of published national State or local standards relating to solid waste or litter control?	—	—	X
P. <u>Energy/Natural Resources</u> . Will the proposal result in:			
1. Use of substantial amounts of fuel or energy?	—	—	X
2. Substantial increase in demand on existing sources of energy?	—	—	X
3. Substantial depletion of any nonrenewable natural resource?	—	—	X
Q. <u>Hazards</u> . Will the proposal result in:			
1. Creation of a potential health hazard or exposure of people to potential health hazards?	—	—	X

The Federal Communications Commission has determined that the microwave and other radio transmissions associated with cellular telephone systems do not pose a risk to humans. The towers that will be necessary for this system will be designed and constructed so that they are not subject to failure from anticipated natural forces.

Yes Maybe No

2. Interference with emergency
response plans or emergency
evacuation plans?

— — X

The proposed cellular telephone system will improve the emergency communications system in the Santa Barbara area by providing individuals with mobile telephones the ability to contact police, fire fighters, and other public safety agencies from their cars or mobile units.

III. MANDATORY FINDINGS OF SIGNIFICANCE

	<u>Yes</u>	<u>Maybe</u>	<u>No</u>
A. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of a major period of California history or prehistory?	—	—	X
B. Does the project have the potential to achieve short-term, to the disadvantage of long-term environmental goals?	—	—	X
C. Does the project have impacts which are individually limited, but cumulatively considerable?	—	—	X
D. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	—	—	X

IV. REFERENCES

1. Proponent's Environmental Assessment, GTE Mobilnet of Santa Barbara, a Limited Partnership, before the Public Utilities Commission of the State of California.
2. Federal Communications Commission, FCC 87-63, Gen. Docket No. 79-144, February 12, 1987 and May 5, 1987..

V. DETERMINATION (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☒ I find the proposed project COULD NOT have a significant effect on the environment. A NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will ~~not~~ be a significant effect in this case because the mitigation measures described in this Initial Study have been added to the project. A NEGATIVE DECLARATION will be prepared.
- ☐ I find the proposed project MAY have significant effects on the environment and an ENVIRONMENTAL IMPACT REPORT is required.

Date

4/26/87


Mike Burke

Regulatory and Environmental Coordinator

(END OF APPENDIX A)

NOTICE OF DETERMINATION

TO: Office of Planning and Research
1400 - 10th Street, Room 121
Sacramento, CA 95814

FROM: Public Utilities Commission
1107 - 9th Street, Suite 710
Sacramento, CA 95814

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title

GTE Mobilnet of Santa Barbara Cellular Telephone System

State Clearinghouse Number

N/A

Contact Person

Mike Burke

Telephone Number

(916) 322-7316

Project Location

Cellular telephone antenna sites located: (1) Golton Road, County of Santa Barbara; (2) Santa Ynez Peak, County of Santa Barbara; and (3) 730 Miramonte Drive, City of Santa Barbara.

Project Description

The proposed project consists of the installation of three cellular telephone antennas and associated radio equipment. The specific antenna sites are in Goleta, Santa Barbara and on Santa Ynez Peak. All three sites have existing communication facilities. The new equipment associated with this project would be integrated into the existing structures at these sites.

This is to advise that the California Public Utilities Commission has approved the above described project and has made the following determinations regarding the above described project:

1. The project will, X will not, have a significant effect on the environment.
2. An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
- X A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.

The EIR or Negative Declaration and record of project approval may be examined at:

California Public Utilities Commission

1107 - 9th Street, Suite 710

Sacramento, CA 95814

3. Mitigation measures were, X were not, made a condition of the approval of the project.
4. A statement of Overriding Considerations was, X was not, adopted for this project.

Date Received for Filing

Victor Weissner

Executive Director

same voice channel frequencies and increases the call-handling capacity of the system.

Applicant's proposed construction to serve the Santa Barbara CGSA will include an MTSO and transmitting/receiving stations for three cells. The switching system will be a Motorola GMX-100 which has been engineered to serve the maximum possible number of potential users.

Applicant has selected Motorola equipment and software for the Santa Barbara system. This software is well-supported and updated on a continuing basis and applicant's general partner has extensive experience with Motorola in numerous other cellular operations conducted by GTE Mobilnet Incorporated throughout the country. Initial construction costs for the Santa Barbara system will be approximately \$2,457,000.

A study of the anticipated level of demand for cellular service was performed for applicant in the Santa Barbara MSA. The study was based on interviews of businesses conducted by Marketing and Research Counselors, Inc. Respondents were randomly selected and interviews were conducted by telephone. Three different price levels were used in the survey to assist applicant in determining price-demand relationships. The study attempted to determine overall demand and also to identify the geographic areas of greatest need for the services in order to facilitate efficient design of the initial system. Applicant has concluded that cellular radiotelephone usage, at least initially, will be primarily for business purposes. The market and demand survey performed for applicant indicates that in the first year of full service, the number of customer units is estimated to be 337. After five full years of service, applicant estimates it will have 1,700 customer units in the Santa Barbara CGSA.

Applicant's service plan, rates, and charges, directory assistance, and similar items will be substantially similar to