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Decision 89 01 050 JAN 27 1989 JAN 30 1989**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Santa Cruz Cellular Telephone Company)
 for a certificate of public convenience)
 and necessity under Section 1001 of the)
 Public Utilities Code of the State of)
 California for authority to construct)
 and operate a domestic public cellular)
 radio telecommunications service in)
 the Santa Cruz Cellular Service Area;)
 and for authority under Section 816)
 through 830 and 851 of the Public)
 Utilities Code to issue evidence of)
 indebtedness in a principal amount)
 of up to \$3,100,000 and to encumber)
 public utility property.)

Application 88-03-030
 (Filed March 14, 1988)

(U-3019-C)

Dinkelspiel, Donovan & Reder, by David M. Wilson, Attorney at Law, for Santa Cruz Cellular Telephone Company, applicant.
Peter A. Casciato, Attorney at Law, for Cellular Resellers Association, Inc.; and Armour, St. John, Wilcox, Goodin & Schlotz, by James Squeri, Attorney at Law, for GTE Mobilnet of San Francisco, Limited Partnership; protestants.

FINAL OPINIONSummary

This final opinion grants Santa Cruz Cellular Telephone Company (SCTC) a certificate of public convenience and necessity (CPC&N) to provide wholesale and retail service within the Santa Cruz Metropolitan Statistical Area (Santa Cruz MSA) located in Santa Cruz County. This final opinion also replaces SCTC's interim roamer service tariff with a roamer service tariff consistent with the provisions of this opinion.

Background

SCTC was authorized a CPC&N to construct a new domestic public cellular radio telecommunication service within the Santa Cruz MSA by Decision (D.) 88-07-065. Subsequently, by D.88-09-029, SCTC's CPC&N was expanded to provide roamer service pursuant to an agreement between SCTC and Cellular Resellers Association, Inc. (CRA). Wholesale and retail cellular service authority was deferred pending a hearing on the reasonableness of SCTC's proposed rates for such service.

Activation Fees

GTE Mobilnet of San Francisco Limited Partnership (GTEM) protests SCTC's proposal to waive the customer activation fee for the first 90 days that SCTC initiates its proposed wholesale and retail cellular service. Prior to the evidentiary hearing, GTEM and SCTC agreed to address the activation issue by briefs. GTEM and SCTC filed concurrent briefs on August 26, 1988.

SCTC asserts that GTEM has been advantaged, unfairly, because GTEM has been able to sign up the majority of the natural cellular customers within the Santa Cruz MSA since December 1987. Therefore, GTEM customers' freedom to choose a cellular provider will be restricted with the need to pay SCTC a second activation fee unless SCTC's activation fee is waived.

Further, SCTC believes that the waiver is critical to promoting true competition within the cellular market and to SCTC's economic viability.

GTEM objects to SCTC's blanket waiver. However, GTEM does concur that a waiver may be warranted for retail entities that provide underlying cellular service and for customers who have paid an activation fee to move freely from one carrier to another and back to their original carrier, for a specific period of time. GTEM opposes the waiver of the activation fee to new customers.

We find that GTEM has not been advantaged, unfairly, as SCTC asserts. SCTC's Federal Communications Commission (FCC)

cellular permit was issued in March 1987. However, SCTC did not seek Commission authority to operate its cellular system until one year later in March 1988. If SCTC was concerned about being disadvantaged it should have filed for Commission authority upon receipt of its FCC permit.

To promote cellular competition within the Santa Cruz MSA we will authorize SCTC to waive the activation fee for all of its customers for the first 90 days after it begins wholesale and retail operations. This waiver should be conditioned upon SCTC notifying its cellular competitors in writing of the dates that it intends to exercise this waiver and informing its competitors that they may request from this Commission a waiver of activation fees during the same time period by an advice letter filing.

Evidentiary Hearing

Evidentiary hearings were held from October 17, 1988 through October 20, 1988 in San Francisco to address the reasonableness of SCTC's proposed rates for wholesale and retail cellular service. Other issues addressed at the hearings were the elimination of bulk and wholesale rates to large individual end users, reasonable number activation payments, roamer service, choice of long distance carrier, segregation of wholesale and retail operations, direct computer access for the resellers, and deposit requirements. George Billings and Nattu Patel testified for SCTC. David Nelson testified for CRA. Briefs were filed on November 1, 1988 and reply briefs on November 9, 1988. The proceeding was submitted on November 9, 1988.

Wholesale/Retail Rates

SCTC's proposed wholesale and retail rates are similar to the rates Bay Area Cellular Telephone Company (BACTC) and GTEM charge in the San Francisco Bay Area. SCTC's rates detailed in Exhibit 1 are summarized in the following table:

	<u>Units</u>	<u>Activation Fees</u>	<u>Access Charge</u>	<u>Usage Charge</u>
Retail Service	1-9	\$25	\$45.00	.45 prime time
				.20 non-prime
	10-24	25	39.00	Same as 1-9 units
	25 and over	25	36.00	Same as 1-9 units
Bulk/Wholesale	1-100	15	30.50	.38 1st 30,000 prime minutes
				.36 remaining prime minutes
				.16 non-prime
	101 and over	15	28.25	Same as 1-100

SCTC patterned its rates after BACTC's and GTEM's rates because SCTC believes that its rates must be compensatory and adequate to sustain its business within the present market conditions. Billings testified that SCTC, as a small company operating in a service territory with approximately 211,000 residents, cannot enter into an established market with higher rates than its competitors and expect to attract customers at the higher rates or expect to stay in business.

SCTC "judged" BACTC's and GTEM's Commission established rates to be fair and adequate for SCTC's proposed operation. Its financial analysis shows that SCTC will operate at a loss for the first three years of operation with its proposed rates. Even though it expects to earn a \$282,000 profit in the fourth year of operation and a \$1 million profit in the fifth year, SCTC projects a 5-year cumulative loss of approximately \$1 million.

The retail side of SCTC's proposed operation is not expected to operate profitably until the third year of operation. The wholesale side of the business is expected to turn a profit in the fourth year of operation. Billings does not believe the expected losses for the first three to four years are unusual for a start-up company.

CRA asserts that SCTC's proposed wholesale and retail rates are not based on costs, and that SCTC does not allocate costs

between the proposed wholesale and retail operation properly. Therefore, CRA believes that SCTC's proposed rates constitute a form of price fixing which will impede competition and result in unreasonable consumer rates and charges.

Although SCTC testified that it considered only BACTC's and GTEM's rates, SCTC did test the reasonableness of these rates on SCTC's proposed operation. This is shown in a financial analysis included in the application and Exhibit 1, which updates SCTC's analysis with current data.

SCTC is expected to operate initially at a loss; however, it is expected to operate profitably in the fourth year. SCTC, as any entity starting a business or entering a new market, cannot be expected to turn a profit in its first three to five years of operation. This has consistently been demonstrated in certificate applications before the Commission, two of which are identified in D.87-10-026 and D.87-10-039. CRA's argument that SCTC's rates are not based on costs is without merit because SCTC's financial analysis shows that the proposed rates will enable SCTC to operate a viable business within four years.

CRA's wholesale and retail costs allocation dispute is based on alleged discrepancies between SCTC's financial analysis included in the application and the revised financial analysis presented at the evidentiary hearing. Discrepancies include the capitalization of professional fees and other costs which were expensed in the application, different engineering estimates, a reduction of the expected market share, increased personnel costs, and different interconnect costs.

SCTC's financial forecast was revised prior to the evidentiary hearing to show the impact of actual costs and changes known that have occurred since the application was filed. The record substantiates that changes to the engineering costs, personnel costs, and interconnect costs were made to reflect current costs. CRA's dispute is without merit.

CRA also disputes the way SCTC estimates and allocates marketing costs. CRA asserts that SCTC's marketing costs exceed BACTC's and GTEM's marketing costs by approximately 20%. However, included in marketing costs are commission payments which is an issue in Case (C.) 86-12-023, which has subsequently been consolidated with the generic cellular investigation (I.88-11-040). Parties were advised at the prehearing conference that the commission issue should be litigated in the generic proceeding, and not in this application. Accordingly, this issue is not addressed in this opinion.

CRA's primary interest in this application is for SCTC to provide rates that will provide cellular resellers a viable cellular reseller program. Nelson testified that the wholesale/retail spread for SCTC should enable a start-up and stand-alone reseller to earn a profit.

Nelson believes that a start-up and stand-alone reseller with the worst case scenario could operate at a profit in the end of its fourth year if commission payments are eliminated or reduced to \$50 per activation, the wholesale rate is reduced from \$30.50 per month to \$28.00 per month, peak usage is reduced from \$0.38 per minute to \$0.28, and off peak usage is reduced from \$0.16 to \$0.12.

SCTC disputes CRA's claim that the wholesale/retail spread should be sufficient for a worst case scenario start-up and stand-alone reseller to operate at a profit.

We concur with SCTC. The wholesale/retail spread should be sufficient for an efficient reseller, not an inefficient start-up and stand-alone reseller as CRA asserts, to operate a viable business within a reasonable period of time.

Again, CRA argues the commission issue which has been set aside for the generic investigation. SCTC has established that it can operate profitably in both the wholesale and retail market with its proposed rates. There should be no adjustment to SCTC's wholesale spread until the financial health and viability of the

reseller market is addressed in the generic investigation. Any changes to SCTC's reseller market at this time would disadvantage SCTC from the other facilities-based cellular carriers.

The generic investigation also addresses the duopoly market structure of the facilities-based carrier which includes SCTC, price competition, rate setting methods, and the financial health and viability of the reseller market. To the extent that issues raised by CRA in this application are generic and scheduled to be addressed in the generic investigation, we will not change current cellular policy in this opinion.

Bulk and Wholesale Service Rates

SCTC proposes to offer individual end users who purchase a minimum of 50 access lines for their own use the same bulk and wholesale rate that SCTC proposes to offer to the resellers. SCTC proposes this equal treatment for large individual end users because of the economies of scale that SCTC will gain in handling a large number of accounts with reduced billing and collection costs.

CRA opposes SCTC's equal treatment to large users because resellers will have to offer large users the same rate that the resellers pay SCTC. Resellers believe that they will be precluded from obtaining large user customers unless they provide such service at a loss.

Alternatively, CRA proposes a corporate retail plan that provides a gradual reduction in charges to large users. CRA believes that its corporate plan will enable resellers to compete with SCTC in the large user market. CRA's corporate plan requires large users choosing SCTC as their cellular provider to pay an additional \$250 monthly access charge for 50 numbers and \$550 for 100 numbers.

CRA's sole concern that resellers may be precluded from competing with SCTC in the large user market is not sufficient reason to deny SCTC's large user bulk and wholesale rate. Further, CRA did not address why SCTC's economies of scale should be passed

on to resellers in the form of lower rates and not to large users. Even if CRA's corporate plan was considered, the merits of such a plan cannot be determined without an analysis of the impact on the large user market. Such analysis should consider large user concerns, alternative service, resellers large user access charge, air time, and other resellers charges for ancillary services. Based on the record before us, we find that SCTC's proposed large user bulk and wholesale rates are reasonable.

Number Activation

SCTC proposes to require large users and resellers to pay for an initial block of 50 numbers and subsequent orders in blocks of 10. The large users and resellers are required to pay access charges when they order a block of numbers, prior to the time they activate a number.

CRA asserts that the access charge payment due at the time of ordering the initial block of 50 numbers is discriminatory to the resellers given the size of the Santa Cruz MSA. CRA believes that resellers should be allowed to order numbers in blocks of 10 and to pay access charges only when the numbers are activated.

If resellers are permitted to reserve numbers without payment, SCTC will not only be required to reserve specific capacity without a commitment that the numbers will be used but will guarantee resellers a wholesale rate irrespective of how many numbers are actually activated. We do not concur with CRA's proposal.

Large individual end users should pay the access charge at the time of ordering the initial block of 50 numbers because such users purchase the numbers for their own use and are precluded from selling to other individuals and entities. However, consideration should be given to resellers who are in the business of marketing these numbers to others.

Even though SCTC's reseller tariff provision is similar to other facilities based carriers, we should consider the potential number of end users in the Santa Cruz MSA. As Billings testified on the third day of hearing, SCTC's market is significantly different from BACT and PacTel, who operate in larger markets. Therefore, resellers should be required to pay access charges for 30 of the initial block of 50 numbers, the mid range of SCTC's initial block of 50 numbers and CRA's 10. A reseller should not qualify for the wholesale rate if the remaining 20 numbers are not activated within 90 days of ordering and the reseller does not pay access charges for the remaining numbers. Subsequent numbers should be reserved with access charge payments in blocks of 10, as proposed by SCTC.

Roamer Service

SCTC is offering roamer service pursuant to an interim agreement with SCTC and CRA and as authorized by D.88-09-029. Roamer service is a service whereby end users can move from one cellular system to another cellular system without ongoing calls being interrupted. This interim tariff provides a wholesale discount to reseller customers on other systems who roam within SCTC if SCTC is given reciprocal treatment for its own resellers.

SCTC and CRA recommend that SCTC's roamer tariff should be affirmed. We concur. The roamer tariff wholesale rates SCTC should reflect the terms and conditions of this opinion.

Long Distance Carrier Choice

Nelson believes that the resellers should be permitted to choose their own long distance carrier in those instances where the resellers' end user does not select a specific long distance carrier. According to Nelson, the resellers' selection of a default carrier will enable resellers to ally themselves with carriers interested in the cellular technology and to participate in cooperative advertising funds to advertise cellular service, exclusive of equipment.

SCTC asserts that this issue is premature because SCTC's traffic will be switched through BACTC who does not offer equal access to SCTC. SCTC believes that the selection of a default carrier should not be addressed until SCTC's end users may individually choose their own long distance carrier.

We concur with SCTC and will not address the merits of a long distance default carrier in this opinion.

Wholesale/Retail Division

Nelson recommends that SCTC should be required to separate its wholesale operations from its resale operations, consistent with D.88-08-063 which requires GTEM to establish a structural separation between GTEM's wholesale and retail divisions and to allocate GTEM's management and employees between the wholesale and retail divisions.

SCTC concedes that its wholesale and retail operations should be accounted for separately under the Uniform System of Accounts (USOA) for cellular utilities adopted by this Commission. However, it does not believe that a structural separation is necessary or cost effective for SCTC.

Although Nelson recommends that SCTC be required to have separate wholesale and retail divisions, he acknowledges that it would be expensive for SCTC to implement this recommendation. Except for GTEM, no other entity is required to maintain separate wholesale and retail divisions. GTEM was initially required to form a fully separate entity to provide resale cellular service. Subsequently, GTEM's wholesale and retail entities merged into a limited partnership. By D.88-08-083 GTEM was authorized to operate its wholesale and retail operations as a single entity with separate division.

Other than to ensure that SCTC will not use its wholesale operations and profits to subsidize its reseller operations, CRA offers no evidence to substantiate the need to structurally separate SCTC's wholesale and retail operations. The USOA for

cellular utilities provides reasonable separation requirements for cellular utilities, such as SCTC, to account for their wholesale operations separately from their retail operations. Therefore, CRA's separate wholesale and retail division requirement should not be adopted.

Direct Computer Activation

CRA recommends that SCTC should provide resellers direct computer access to activate retail cellular telephone numbers. CRA requests this service so that resellers can cut the processing time needed to activate and deactivate an end user's call. Nelson believes that the resellers can cut 80% of the processing time with direct computer access.

Billings testified that SCTC cannot technically provide this service because it does not have direct access to BACTC's switch, which processes SCTC's traffic. Although Billings acknowledges that Napa Cellular has an agreement with BACTC to share BACTC's switch, similar to SCTC, he did not know whether Napa Cellular provides direct computer access to Napa Cellular's resellers. Billings agreed that if Napa Cellular has direct access to BACTC's switch it would be technically possible for SCTC to have direct access to BACTC's switch also.

SCTC would need to dedicate separate access trunks for each reseller if we required SCTC to provide direct computer access. Although end users would save a substantial amount of processing time, Nelson expects only 1 to 3 direct activations a day compared to 60 activations a day in the Los Angeles area. The expected use of this service does not justify the need to provide direct computer access.

We will not require SCTC to provide the resellers direct computer access at this time. However, SCTC may implement a tariff provision to handle reseller direct activation requests on a non-discriminatory basis, as SCTC offers in its reply brief.

Deposit Requirements

At SCTC's discretion, SCTC proposes to require resellers to guarantee payment for services by furnishing a letter of credit or by making a monetary deposit. The amount of guarantee will equal twice the estimated monthly charge for access, usage, and toll. In addition, resellers will be required to pay an advance usage charge for 200 minutes of usage under Plan 1 and 80 minutes of usage under Plan 2 per access number.

CRA opposes SCTC's advance usage charge. Nelson estimates that a reseller commencing business with 50 cellular numbers from SCTC will require a deposit of at least \$10,530. Nelson is concerned that this may encourage SCTC to delay providing timely credit to resellers when SCTC develops system or coverage problems and that it may adversely affect resellers' cash flow.

Nelson recommends that the advance usage charge be eliminated and that SCTC exercise its discretion to require deposits or letters of credit only to insure payment and to protect SCTC against credit risks.

SCTC's tariff language specifically states that deposits and letters of credit are at SCTC's discretion. Although the advance usage charge is not discretionary, SCTC proposes to add similar language to its advance usage charge tariff. By reply brief, SCTC proposes to add the following language to its advance usage charge tariff:

"Carrier's discretion to require an advance payment of usage charges shall be exercised in light of past and projected usage levels by the reseller, the reseller's general credit history and references, and the reseller's payment history in prior dealings with Carrier."

SCTC is not proposing mandatory deposits. Rather, it is exercising good business practice to protect itself from credit risk. We will not change SCTC's deposit policy at this time. We will also approve SCTC's proposal to extend discretionary authority

to require an advance usage charge in those instances where a reseller has a poor payment history.

Section 311

Public Utilities (PU) Code § 311 requires the presiding Administrative Law Judge (ALJ) to issue a proposed decision on all matters that have been heard and requires the Commission to issue its decision no sooner than 30 days after the ALJ's proposed decision has been issued.

On December 13, 1988, SCTC, CRA, and GTEM filed a stipulated agreement with the ALJ requesting that the 30-day waiting period from the time the ALJ's proposed decision is issued to the time the Commission can issue its decision in this application be waived, pursuant to PU Code § 311(d). All parties to this application signed the stipulated agreement, Attachment A. Therefore, we will waive the 30-day waiting period for purposes of considering the ALJ's draft decision.

Findings of Fact

1. D.88-07-065 authorized SCTC a CPC&N to construct a cellular system within the Santa Cruz MSA.
2. D.88-09-029 authorized SCTC a CPC&N to provide roamer service within the Santa Cruz MSA.
3. D.88-09-029 deferred consideration of SCTC's wholesale and retail rates pending a hearing.
4. GTEM and SCTC filed concurrent briefs on the merits of SCTC's proposal to waive its activation fees.
5. GTEM has been signing up cellular customers since December 1987.
6. GTEM agrees that an activation fee waiver may be warranted for retail entities that provide underlying cellular service and for those customers who have paid an activation fee to move freely from one carrier to another.
7. Although SCTC's FCC permit was issued in March 1987 it did not seek operating authority until March 1988.

8. SCTC's wholesale and retail rates are similar to BACTC's and GTEM's rates.

9. SCTC believes that its rates must be compensatory and adequate to sustain its business within the present market conditions.

10. SCTC is a small company with authority to operate in a MSA with approximately 211,000 residents.

11. SCTC judged BACTC's and GTEM's established rates to be fair, reasonable, and adequate for SCTC's proposed operation.

12. SCTC will operate at a loss for the first three years of operations with its proposed rates.

13. It is not unusual for a start-up company to expect losses during its first three to five years.

14. SCTC prepared a financial analysis to test the reasonableness of its proposed rates.

15. SCTC's financial analysis shows that its proposed rates will enable SCTC to operate a viable business within the first four years of operation.

16. Discrepancies between SCTC's two financial analysis resulted from the use of actual costs and changes known to have occurred since its first financial analysis was prepared.

17. Marketing costs include commission payments which is an issue to be considered in C.86-12-023 and I.88-11-040.

18. The generic cellular investigation addresses the duopoly market structure of the facilities-based carrier, price competition, rate setting methods, and the financial health and viability of the reseller market.

19. Resellers believe that they will be precluded from obtaining individual large end user customers if SCTC offers these customers the same bulk rate and wholesale rate that SCTC proposes to offer the resellers.

20. SCTC is required to reserve system capacity to resellers at the time resellers reserve numbers.

21. SCTC is offering roamer service pursuant to D.88-09-029.
22. SCTC's traffic will be switched through BACTC which does not offer equal access to SCTC.
23. SCTC will account for its wholesale and retail operations in accordance with the USOA for cellular utilities.
24. It would be costly for SCTC to separate its wholesale and retail operations into separate divisions.
25. Except for GTEM, no other cellular entity is required to maintain separate wholesale and retail divisions.
26. SCTC cannot technically offer resellers direct computer access to activate retail cellular telephone numbers.
27. SCTC is not proposing mandatory deposits from resellers.
28. SCTC proposes to require advance payment of usage charges based on the reseller's credit history and references.
29. All parties to this application waive the 30-day waiting period which is normally required between the date the ALJ's proposed decision is filed and the Commission's final action with respect thereto.

Conclusions of Law

1. SCTC should not be considered disadvantaged because GTEM has already signed-up customers.
2. SCTC's waiver of activation fees should be conditioned upon SCTC notifying its competitors that SCTC intends to exercise the waiver, and upon SCTC notifying the competitors that they may request a Commission waiver of their respective activation fees by advice letter filing.
3. SCTC, as any entity starting a business, should not be expected to turn a profit in its first few years of operation.
4. Issues such as commission payments which impact the cellular industry are scheduled to be addressed in the generic investigation and should not be addressed in this application.
5. The economies of scale that SCTC gains from large users should be passed on to the large users in the form of lower rates.

6. SCTC should be compensated for reserving numbers at the request of resellers.

7. SCTC's current roamer tariff should be affirmed.

8. Resellers should not select the default long distance carrier because SCTC is not technically capable to offer such service.

9. SCTC should not be required to maintain separate wholesale and retail divisions.

10. SCTC should not be required to offer resellers direct computer access to activate retail cellular telephone numbers.

11. SCTC's proposal to extend discretionary authority to require an advance usage charge should be approved.

12. Pursuant to § 311(d), the 30-day waiting period normally required between the date the ALJ draft decision is filed and the Commission's final decision should be waived.

FINAL ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity (CPC&N) is granted to Santa Cruz Cellular Telephone Company (SCTC) to provide wholesale and retail services at the rates authorized in this opinion.

2. SCTC may waive its customer activation fee for the first 90 days of that it begins wholesale and retail operations. This authority shall be conditioned upon SCTC notifying its cellular competitors in writing of the dates that it intends to exercise this waiver and that its competitors may also seek Commission waiver of their activation fees during the same time period by submitting an advice letter filing. SCTC shall notify its competitors at least 10 days prior to the date it waives its activation fee.

3. The use of commission payments shall be decided in Case 86-12-023 and Investigation 88-11-040.

4. SCTC shall not be required to maintain separate divisions for its wholesale and retail operations.

5. SCTC shall add the following language to its advance usage charge tariff:

"Carrier's discretion to require an advance payment of usage charges shall be exercised in light of past and projected usage levels by the reseller, the reseller's general credit history and references, and the reseller's payment history in prior dealings with Carrier."

6. Public Utilities (PU) Code § 311(d) which requires a 30-day waiting period between the time the Administrative Law Judge's draft decision is filed and the Commission's final decision is hereby waived.

7. SCTC shall revise its interim roamer service tariff to conform with the terms and conditions contained in this opinion.

8. SCTC is authorized to file, after the effective date of this order and in compliance with General Order Series 96-A, tariffs applicable to wholesale, retail, and roamer services. The tariffs shall become effective on the date filed.

9. Within 30 days after the effective date of this order, SCTC shall file a written acceptance of the CPC&N with the Commission Advisory and Compliance Division (CACD) Director.

10. SCTC's filed tariffs shall provide for a user fee surcharge of 0.10%, pursuant to Public Utilities (PU) Code §§ 431-435.

11. SCTC is subject to a one-half percent (1/2%) surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf, pursuant to PU Code § 2881 as set forth in Resolution T-13005.

12. GTE Mobilnet of San Francisco Limited Partnership may seek waiver of its customer activation fee for all customers in the

Santa Cruz Metropolitan Statistical Area during the 90-day period that SCTC waives its charges, by advice letter filing.

13. SCTC shall keep its books as directed by the Uniform System of Accounts for cellular communications licensees as prescribed by Decision 86-01-043.

14. SCTC shall notify the CACD Director in writing of the date service is first rendered to the public as authorized herein, within 5 days after service begins.

15. The corporate identification number assigned to SCTC is U-3019-C which shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.


16. Within 60 days of the effective date of this order, applicant shall comply with PU Code § 708, Employee Identification Cards, and notify, in writing, the Chief of the Telecommunications Branch of the Commission Advisory and Compliance Division of compliance.

This order is effective today.

Dated January 27, 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
Commissioners

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


Victor Weissert, Executive Director
JB

APPENDIX A
BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SANTA CRUZ CELLULAR TELEPHONE COMPANY
(U-3019-C) For a Certificate of Public
Convenience and Necessity under Section
1001 of the Public Utilities Code of
the State of California for authority
to construct and operate a domestic
public cellular radio telecommunica-
tions service in the Santa Cruz Cellular
Service Area; and for authority under
Sections 816 through 830 and 851 of
the Public Utilities Code to issue
evidences of indebtedness in a prin-
cipal amount of up to \$3,100,000 and
to encumber public utility property.

Application
No. 88-03-030

STIPULATION

Applicant Santa Cruz Cellular Telephone Company (U-3019-C) ("Santa Cruz") and protestants GTE Mobilnet of San Francisco Limited Partnership (U-3002-C) ("GTEM") and Cellular Resellers Association, Inc. ("Association") (hereinafter collectively referred to as the "Parties") constitute all the parties in the above-referenced proceedings. Insofar as the Parties wish to expedite final action by the California Public Utilities Commission ("Commission") with respect to Administrative Law Judge Michael Galvin's proposed opinion in this proceeding, the Parties hereby seek to shorten the 30-day waiting period which is

APPENDIX A

normally required between the date of filing of a proposed decision and the Commission's final action with respect thereto.

Therefore, pursuant to Public Utilities Code section 311(d), the Parties hereby stipulate to waiving the 30-day waiting period that would otherwise be applicable to the prepared decision in this proceeding.

Dated: December 9, 1988

SANTA CRUZ CELLULAR TELEPHONE
COMPANY

By 

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One Embarcadero Center
Twenty-Seventh Floor
San Francisco, CA 94111
(415) 788-1100
Its attorneys

Dated: December 2, 1988

GTE MOBILNET OF SAN FRANCISCO
LIMITED PARTNERSHIP

By 

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Goodin & Scholtz
505 Sansome Street, 9th Flr.
San Francisco, CA 94111

Dated: December 3, 1988

CELLULAR RESELLERS ASSOCIATION

By 

Peter Casciato

Santa Cruz Metropolitan Statistical Area during the 90-day period that SCTC waives its charges, by advice letter filing.

13. SCTC shall keep its books as directed by the Uniform System of Accounts for cellular communications licensees as prescribed by Decision 86-01-043.

14. SCTC shall notify the CACD Director in writing of the date service is first rendered to the public as authorized herein, within 5 days after service begins.

15. The corporate identification number assigned to SCTC is U-3019-C which shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

This order is effective today.

Dated JAN 27 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. CHANIAN
Commissioners