

Decision 89 11 055 NOV 2 2 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
American Paging, Inc. (of California) )  
(U-2001-C), a California corporation, )  
for a Certificate of Public Convenience )  
and Necessity to construct and operate )  
an additional site in order to expand )  
its two-way paging telephone service )  
and one-way paging service for the Napa )  
area. )

Application 89-08-045  
(Filed August 29, 1989)

O P I N I O N

American Paging, Inc. (of California) (applicant), a California corporation, requests a certificate of public convenience and necessity (CPCN) pursuant to Section 1001 of the Public Utilities Code. Applicant requests authority to construct and operate an additional radiotelephone utility (RTU) site for the purpose of expanding to the Napa area its currently authorized two-way radio services and one-way paging services in the San Francisco/Santa Rosa area. Applicant will use Station KNKD868, frequency 454.375 MHz, for service in this expanded territory. Engineering data and a map of the proposed service area are attached to the application as Exhibits D and E, respectively.

Copies of the application were served on the cities and counties within the proposed service area and other entities with which the applicant's proposed service is likely to compete, as listed in the certificate of service attached to the application, and as supplemented and indicated in the First Amendment to the Application.

Notice of this application appeared on the Commission's Daily Calendar of September 6, 1989. No protests to the application have been received. A public hearing is not necessary.

Applicant requested waiver of Rule 18(o)(1) of the Commission's Rules of Practice and Procedure in its original application, regarding the need for the application to include a copy of the necessary Federal Communication Commission (FCC) construction permit. The First Amendment to the Application includes a copy of the FCC construction permit as Exhibit H and therefore notes that a waiver of the Commission's Rule 18(o)(1) is no longer necessary. The construction permit provides for applicant's facilities to be built on Sugar Loaf Mountain, Napa, Napa County.

Applicant is a wholly-owned subsidiary of Telephone and Data Systems (TDS), an Iowa corporation. TDS is engaged in the business of acquiring and operating telephone and other communications companies. TDS owns over 81 telephone companies in 26 states, and owns and operates companies engaged in cellular telephone service and radio paging service in various locations in the United States.

Applicant is a certificated RTU. Applicant operates one-way paging services and two-way radiotelephone services in San Francisco/Santa Rosa/Berkeley, San Jose, San Diego, and Sacramento.

Applicant believes that there is a substantial market of potential users in the Napa area whose service needs are not being met. The area has shown patterns of substantial and continuing growth due to the vibrancy of the wine and tourism industries, creating a significant demand for the proposed paging services. Applicant estimates the number of customers for this extension of service to be 40 in the first year and 300 in the fifth year. Further, applicant seeks to improve its overall reliable coverage to existing customers, including filling in "dead spots" in the coverage of existing territory already served by applicant. Applicant notes that its competitors are already serving the Napa area, and it is necessary to build the new RTU facility in order to aggressively compete in the Greater Bay Area market. Applicant

believes it must offer coverage in the Napa area in order to meet existing competitive conditions.

Applicant estimates the cost of the proposed construction to be \$19,000 for equipment and installation. Monthly site maintenance and rental fees will be approximately \$360 (\$4,320 per year). Applicant intends to finance the cost of the expansion through internal capital. Exhibit F to the application consists of a balance sheet for American Paging, Inc. (of California) San Francisco, which shows common equity of \$191,405 and total assets of \$1,325,993 (July 31, 1989).

Applicant does not provide evidence if and when it forecasts the venture will yield a positive net income. Applicant files annual reports with the Commission. The annual report for 1988 shows it had total assets as of December 31, 1988 of \$2.8 million, down from total assets as of December 31, 1987 of \$4.1 million. These same annual reports show that from 1984 through 1988 applicant has had a negative net income each year. The net income in 1988 was negative \$1,085,794. Nonetheless, applicant submits a letter of commitment from TDS as Exhibit J which confirms TDS's intent to make available to applicant such funds as may be necessary up to a maximum of \$50,000 for the construction and initial operation of the radio common carrier facility at Napa.

Applicant provides a copy of TDS's Form 10-Q for the quarter ended June 30, 1989 as Exhibit K. TDS's and subsidiaries' unaudited consolidated balance sheet for June 30, 1989 indicates common equity of \$284.5 million and total assets of \$665.3 million. Six-month consolidated operating income through June 30, 1989 is \$12.3 million. TDS has sufficient assets and operating income to provide applicant up to \$50,000. Applicant submits that the proposed extension is economically feasible given American Paging, Inc. (of California) San Francisco's assets and capital shown in its balance sheet, the modest cost associated with the proposed new

Napa RTU facility, and the willingness of the applicant's parent company to provide up to \$50,000 for construction and initial operation.

The proposed base station antennae will be located on an existing 80-foot tower whose height will not be increased. The existing tower contains other antennae and other radio equipment of other common carriers. Therefore, it can be seen with certainty that there is not any possibility that the proposed construction may have a significant adverse effect on the environment.

Applicant states that the equipment and facilities it proposes will be completely automatic. Transmissions will be monitored routinely on a 24-hour-a-day basis to detect any system malfunction. Company employees will also have the capacity to diagnose equipment failure by remote dial-up to the system terminal.

Applicant proposes to offer one-way paging services in the expanded area using the latest pagers available. These pagers will offer tone-only, numeric display, alphanumeric display, tone-and-voice paging, and alphanumeric voice paging in combinations geared to specific customer needs. Applicant proposes to offer usage sensitive rates for its tone-only paging, tone-and-voice, and numeric display services.

Maintenance and repair of the proposed facilities will be performed under the supervision of the vice president of engineering of American Paging, Inc., Minneapolis, Minnesota. The vice president of engineering will supervise installation of the new RTU site and thereafter ensure that maintenance, repair, and the technical operation of the system, including frequency measurements, are in compliance with the requirements of the FCC. Day-to-day maintenance and repair of the proposed facilities will be performed by a local Motorola-authorized service shop. Service will be performed pursuant to Motorola's standard maintenance and

service agreement. Local service personnel will hold valid first-class or second-class FCC radiotelephone operators' licenses to the extent required by FCC rules and will make regular checks of the system technical performance.

The proposed facilities will be designed to operate on a completely automatic basis. Transmission will be monitored routinely on a 24-hour-a-day basis to detect any system malfunction. Applicant has established a telephone number to permit subscribers to obtain assistance. This number will also be available for the new customers added because of the proposed expanded facility. This number will be answered during business hours by company employees. During non-business hours, the answering service responsible for receiving customer calls will monitor operation. In case of an emergency, the answering service will be instructed to contact local FCC licensed personnel, who will be on call 24-hours-a-day, to correct the problem.

Applicant's proposed tariffs for the Napa area are the same rates and charges applicable for the San Francisco/Santa Rosa areas for similar services and are attached to the application as Exhibit G.

Applicant further requests that the decision be made effective on the date it is issued, and applicant be authorized to file tariffs on not less than five days' notice.

Findings of Fact

1. Applicant requests a CPCN to construct and operate additional one-way paging and two-way radiotelephone facilities in the Napa area.
2. Notice of this application appeared on the Commission's Daily Calendar of September 6, 1989.
3. No protests to the application were received.
4. Applicant possesses the requisite FCC construction permit.

5. Applicant is a certified RTU operating one-way paging and two-way radiotelephone services in San Francisco/Santa Rosa/Berkeley, San Jose, San Diego, and Sacramento.

6. Applicant estimates the cost of the proposed construction to be \$19,000 and the monthly maintenance and rental fees to be \$360.

7. Applicant intends to finance the cost of the expansion either through internal capital or with up to \$50,000 from its parent company, TDS.

8. TDS has sufficient assets and operating income to fund up to \$50,000 for applicant if necessary.

9. The proposed operation is economically feasible.

10. The proposed base station antennae will be located on an existing tower which contains other antennae and radio equipment of other common carriers.

11. The height of the existing tower will not be increased.

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

13. The proposed operation is technically feasible.

14. Public convenience and necessity require the granting of the application.

15. 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.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to American Paging, Inc. (of California), a California corporation, for the construction and operation of a public utility two-way and one-way radiotelephone system with base station and service area as follows:

Base station location: Sugar Loaf Mountain,  
Napa. (Lat. 38° 15' 50" N; Long. 122° 12'  
54" W.)

Service area: As shown in Exhibit E to  
Application (A.) 89-08-045.

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 General Order 96-A, tariffs applicable to the service authorized containing rates, charges, and rules applicable to its radiotelephone services. The tariffs shall become effective on not less than five days' notice. The rates and charges shall be as proposed for service in Exhibit G in A.89-08-045.

4. Applicant shall file as part of its individual tariff, after the effective date of this order and consistent with Ordering Paragraph 3, engineered service area maps drawn in conformity with the provisions of FCC Rule 22.504, commonly known as the "Carey Report", and consistent with Exhibit E to A.89-08-045.

5. Applicant shall notify the Commission Advisory and Compliance Division Director in writing of the date service is first rendered to the public as authorized herein, within five days after service begins.

6. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

7. Applicant shall send a copy of this decision to concerned local permitting agencies not later than 30 days from today.

This order is effective today.

Dated NOV 22 1989, at San Francisco, California.

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

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

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*Wesley Franklin*  
WESLEY FRANKLIN, Acting Executive Director  
*WB*