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Decision 91-05-045 May 22, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 ENTREPRENEURIAL VENTURES, INC. )  
 d/b/a CALIFORNIA CELLULAR SERVICES )  
 for a Certificate of Public )  
 Convenience and Necessity to )  
 Operate as a Reseller of Radio )  
 Telecommunications Services )  
 Within California. )

**ORIGINAL**

Application 91-03-043  
(Filed March 20, 1991)

OPINION

Entrepreneurial Ventures, Inc., doing business as California Cellular Services (applicant), seeks a certificate of public convenience and necessity (CPC&N) to resell cellular radio telecommunications service within California. It proposes to offer service initially in San Francisco/San Jose area and in contiguous Cellular Geographical Service Areas (CGSAs).

Applicant's proposed tariffs are attached to its application. The proposed rates are those currently in effect in the San Francisco/San Jose area. Applicant alleges that its owner has extensive technical and managerial experience in the cellular equipment industry and in sales of the cellular services of Bay Area Cellular Telephone Co.

Applicant's balance sheet shows a net worth of \$67,554.69. Its operations were profitable in 1990. It expects first year net revenues before taxes to average \$7,211 per month. In the fifth year of operations, it expects net revenues of \$157,441 per month on the average.

Applicant seeks expedited approval of its application. We have sought to process this application in a timely fashion in order to promote a competitive market in the San Francisco/San Jose area.

Applicant has provided adequate information for a grant of authority to provide cellular telecommunications services. Cellular resale markets in California are, by their nature, generally competitive. That competition will restrain applicant from charging unreasonably high prices to customers. Applicant has adequate financial resources to withstand short-term losses.

As a telephone corporation, applicant is subject to:

1. The fee used to fund the costs of regulating public utilities. (Public Utilities (PU) Code §§ 401-410, 431-435.) Resolution M-4754 (May 4, 1990) set the fee for fiscal year 1989-90 for telephone corporations at one-tenth of 1% (0.10%) of revenue subject to the fee.
2. The surcharge of three-tenths of 1% (0.3%) on gross intrastate revenues used to fund Telecommunications Devices for the Deaf. (PU Code § 2881.) This surcharge became effective July 1, 1989 (Resolution T-13061, April 26, 1989).

Applicant should include in its tariff appropriate rules for imposing these fees and surcharges.

Findings of Fact

1. Notice of the filing of the application appeared in the Daily Calendar. Applicant served a copy of its application on 90 cellular resellers and facilities-based carriers with whom it may compete. No protests have been filed. A hearing is not necessary.
2. Applicant seeks a CPC&N to operate as a reseller of cellular telecommunications services initially in the San Francisco/San Jose area and throughout California.
3. The proposed operation is technically and financially feasible.
4. Since no facilities are to be constructed, it can be seen with certainty that the proposed operation will not have a significant effect on the environment.

5. Public convenience and necessity require the granting of this application.

Conclusions of Law

1. Applicant should be granted a waiver of PU Code §§ 816-830 and 851-855, consistent with Decision (D.) 85-07-081 and D.85-11-044.

2. Applicant is subject to the user fee system, as set forth in PU Code § 401, et seq. The user fee for the 1990-91 fiscal year is 0.10%. (Resolution M-4754, May 4, 1990.)

3. Applicant is subject to a three-tenths of 1% (0.3%) surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf. (PU Code § 2881; Resolution T-13061, April 26, 1989).

4. Applicant should include in its tariff appropriate rules for imposing fees and surcharges.

5. Applicant is subject to the provisions of General Order 96-A, as modified by D.88-05-067 and D.90-06-025.

6. The application should be granted.

7. Because the public convenience and necessity require applicant's service, the following order should be effective immediately.

The State may grant any number of operative rights and may cancel or modify the monopoly feature of those rights at any time.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Entrepreneurial Ventures, Inc., doing business as California Cellular Services (applicant), to operate as a reseller of cellular telecommunications services in California.

2. Within 20 days of the effective date of this order, applicant shall file a written acceptance of the certificate.

3. Applicant is authorized to file, after the effective date of this order and in compliance with General Order (GO) 96-A, tariffs applicable to its cellular resale services. The tariffs shall become effective on not less than 5 days' notice. The rates and charges shall be as proposed in this application.

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

5. Applicant shall comply with GO 96-A, as revised in D.88-05-067 and D.90-06-025. Applicant shall also comply with the Electronic Serial Number (ESN) blocking tariff rules specified in D.90-06-025.

6. Applicant shall file an annual report, in compliance with GO 104-A, on a calendar-year basis using the format specified by the Chief of the Auditing and Compliance Branch of CACD.  
(Appendix A.)

7. Applicant shall comply with PU Code § 401, et seq., and Resolution M-4754, as they pertain to the collection of user fees to fund the costs of regulating public utilities.

8. Applicant shall comply with PU Code § 2881 and Resolution T-13061 as they pertain to a surcharge on gross intrastate revenues to fund Telecommunications Devices for the Deaf.

9. Applicant shall include in its tariff appropriate rules for imposing and collecting the user fees and surcharges in Ordering Paragraphs 7 and 8.

10. The corporate identification number assigned to applicant is U-4102-C, which shall be included in the caption of all original pleadings filed with this Commission, and in the titles of other pleadings filed in existing cases.

11. 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.

12. 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 CACD.

13. The application is granted.

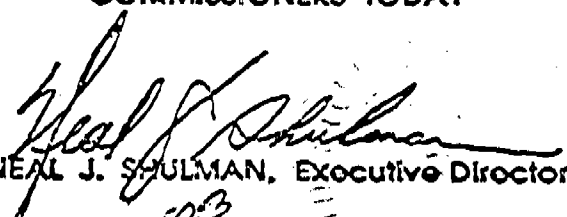
This order is effective today.

Dated May 22, 1991, at San Francisco, California.

PATRICIA M. ECKERT  
President  
G. MITCHELL WILK  
DANIEL Wm. FESSLER  
NORMAN D. SHUMWAY  
Commissioners

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

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

  
NEAL J. SHULMAN, Executive Director

APPENDIX A

Information Requested of California Interexchange Telephone Utilities.

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U # of reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).  
If incorporated, specify:
  - a. Date of filing articles of incorporation with the Secretary of State.
  - b. State in which incorporated.
6. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is:
  - a. Regulated public utility.
  - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

(END OF APPENDIX A)