

SEP. 3 1992

Decision 92-09-013 September 2, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
PageMart II, Inc. for a Certificate)
of Public Convenience and Necessity)
to extend its radiotelephone utility)
paging services into San Diego,)
Corona and Sacramento, California.)

Application 92-06-045
(Filed June 15, 1992)

O P I N I O N

PageMart II, Inc. (applicant) seeks a certificate of public convenience and necessity to extend its radiotelephone utility paging services into San Diego, Corona, and Sacramento. Applicant is a Delaware corporation and is qualified as a foreign corporation with the Secretary of State of California. Applicant's management has significant managerial and technical experience in the paging industry.

Applicant has received authority from the Federal Communications Commission (FCC) to operate a one-way paging facility on 35.30 MHz at the referenced locations, pursuant to the provisions of 47 C.F.R. § 22.00 et seq. Applicant now seeks its California operating authority.

Applicant has received FCC construction authority for the following sites:

Proposed Transmittal Sites

San Miguel Mountain
San Diego, CA
32-41-49; 116-56-09

Santiago Peak
12 Miles South of Corona, CA
33-42-38; 117-32-00

Park Place
Sacramento, CA
38-34-28; 121-29-27

Applicant anticipates it will have 300 customers after its first year of operation at these sites and 3,000 customers at the end of five years of operation. Applicant sets forth its projected costs and revenues for the next five years as follows:

Applicant projects that the annual cost of providing the proposed service will be \$30,000 at these three sites in the first year of operation and will rise to roughly \$52,200 during the fifth year of operation. During the same time frame, it anticipates that revenues from subscribers will rise from \$0 to nearly \$500,000. It is projecting that the service will become profitable before the end of the third year.

Applicant asserts that it will be able to start and operate at a loss until its profitability is assured. The total shortfall after the first year of operations is \$30,000.

Applicant anticipates that the number of units in service will increase from 0 in the first year of operation to approximately 4,800 at the end of the fifth year. Thus, the subscribers will generate sufficient revenues to produce profits commencing after the third year of operation.

Applicant currently is operating paging services in the San Francisco area; Dallas and Houston, Texas; Chicago, Illinois; and Philadelphia, Pennsylvania. It has applied for an assignment of a paging license in Washington, D.C. Applicant has no other operations. Applicant's parent company, PageMart, Inc., is a private carrier paging company providing nationwide paging services.

Applicant proposes to price its numeric display units between \$6.75 and \$8.75 per month. The price will vary as a function of how many units are ordered.

Applicant has been awarded the frequency on 35.30 MHz in San Diego, Corona, and Sacramento, California. It will be able to provide California residents service as they travel within and around these metropolitan areas.

The transmitter sites are located where there are existing radio facilities, including transmitter antenna buildings and other structures. If there is a local use permit required, applicant will follow those procedures and satisfy the local requirements. However, applicant believes that there is no environmental impact requiring the Commission to act under the provision of Rule 17.1.

Findings of Fact

1. Applicant served notice of its application and notice of the application appeared in the Commission's Daily Calendar of July 3, 1992. There are no protests. A public hearing is not necessary.

2. There is public demand in applicant's service area for the additional facilities which applicant proposes to construct.

3. The facilities applied for have been authorized for construction by the FCC.

4. Applicant has the technical expertise to construct and operate the new facilities.

5. Applicant has the financial resources to construct and operate the new facilities.

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

Conclusion of Law

The Commission concludes that the application should be granted.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to PageMart II, Inc. (applicant) for the construction and

operation of a public utility radiotelephone paging system with base stations and service area as follows:

Proposed Transmittal Sites

San Miguel Mountain
San Diego, CA
32-41-49; 116-56-09

Santiago Peak
12 Miles South of Corona, CA
33-42-38; 117-32-00

Park Place
Sacramento, CA
38-34-28; 121-29-27

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 (GO) 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 5 days' notice. The rates and charges shall be the rates and charges set forth in the application.

4. Applicant shall file as part of its individual tariff, after the effective date of this order and, consistent with Ordering Paragraph 3, an engineered service area map drawn in conformity with the provisions of Federal Communications Commission Rule 22.504, commonly known as the "Carey Report," and consistent with Exhibit 5C to A.92-02-046.

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

6. Applicant shall keep its books and records in accordance with the Uniform System of Accounts for Radiotelephone Utilities prescribed by this Commission.

7. Applicant shall file an annual report, in compliance with GO 104-A, on a calendar-year basis using CPUC Annual Report Form L and prepared according to the instructions included in that Form.

8. Applicant shall use its existing corporate identification number, U-2129-C, in connection with the authority issued in this proceeding. The number shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

9. Within 60 days of the effective date of this order, applicant shall comply with Public Utilities (PU) Code § 708, Employee Identification Cards, and notify the Chief of CACD's Telecommunications Branch in writing of its compliance.

10. Applicant shall pay the user fee provided in PU Code §§ 431-435, which is 0.1% of gross intrastate revenue for the 1992-93 fiscal year.

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. 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 September 2, 1992, at San Francisco, California.

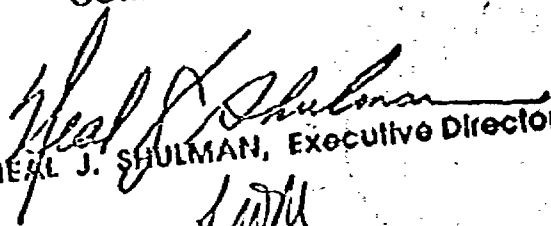
DANIEL Wm. FESSLER
President

JOHN B. OHANIAN

NORMAN D. SHUMWAY
Commissioners

Commissioner Patricia M. Eckert,
being necessarily absent, did
not participate.

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


NEAL J. SHULMAN, Executive Director
