

SEP 7 1983

Decision 83 09 C18**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone
Company of California for Certificate
of Public Convenience and Necessity
under Section 1001 of the Public
Utilities Code of the State of
California for authority to expand
the service area of its existing
Los Gatos Paging System.

Application 83-05-48
(Filed May 23, 1983)

O P I N I O N

Applicant General Telephone Company of California requests a certificate to construct and operate one-way radiotelephone paging facilities for the purpose of expanding its existing Los Gatos one-way paging service area. The application shows that a copy of the application was served the cities and counties involved and on Answer Page, Interstate Radio Telephone, Santa Cruz Telephone Answering and Radio Service, Central Radio Telephone, Beeper Company, Salinas Valley Radio Telephone, Mobile Radio System of San Jose, and Pacific Telephone Company. Notice of the filing of the application was published in the Commission's Daily Calendar of May 26, 1983. No protests to the application have been received.

The application shows that applicant is a wireline telephone company which provides wireline telephone service, among other places, in its Los Gatos Exchange service area and in its Morgan Hill Exchange service area. It presently offers two-way mobile radiotelephone service in the Los Gatos area and as a sub-audible component of that service it offers secondary one-way paging service. Recent tests have shown that, contrary to an original understanding, the sub-audible signal is too weak to cover the full

land area covered by its two-way mobile radiotelephone service. To correct this deficiency applicant proposes to establish two new base stations, one on Mt. Tomita in Santa Clara County and the other at its present telephone facility at 15900 Los Gatos Boulevard in Los Gatos. While the new base stations will be installed primarily to serve applicant's present Los Gatos and Morgan Hill telephone exchange areas they will also be able to serve the communities of San Jose and Santa Cruz, which are beyond applicant's current wireline exchange boundaries. Applicant will establish its control station at 15900 Los Gatos Boulevard in Los Gatos. Once the new base stations are in operation applicant intends to freeze its present one-way tone-only paging service and eliminate those customers through attrition or voluntary transfer to the new system.

The application states that the proposed paging system will provide the most advanced state-of-the-art digital paging display system available. It will be an end-to-end system and provide service for three types of pagers:

- "1. The primary pager service will be a dual address digitally signaled format for a tone plus numeric readout pager.

"The caller dials a full seven digit telephone exchange number to access the paging terminal. The terminal responds with a ring back tone followed by a 'go ahead' tone. The 'go ahead' tone is the cue for the caller to enter the desired pager code number, followed by a one to ten character numeric display message. Upon completing the dialed message, the caller is returned a fast interrupted busy tone (120 IPM) to advise the initiator the page is in progress. The called party with the appropriate coded pager receives an alert tone followed by a one to ten numeric display message.

- "If, after accessing the paging terminal, an invalid page is initiated, the terminal will return an invalid siren tone to the caller.
- "2. The secondary service will be a dual address digitally signaled format for a tone only pager. The caller dials a full seven digit telephone exchange number to access the paging terminal. The terminal responds with a ring back tone followed by a 'go ahead' tone. The 'go ahead' tone is the cue for the caller to enter the desired pager code number. Upon acceptance of a valid pager code, the paging terminal emits an interrupted beep tone of approximately 6 second duration alerting the called party of a page. The 6 second beep tone is followed by a fast interrupted busy tone (120 IPM) to advise the caller the page is entered.
- "If, after accessing the paging terminal an invalid page is initiated, the terminal will return an invalid siren tone to the caller.
- "The called party upon receipt of the page calls a dedicated telephone number to receive the appropriate voice message.
- "3. A third service is being installed at this time for a future pager service. That service will also be a dual address tone only pager but will use a different language for the digital signal. This will be referred to as the POCSAG format and is expected to offer a very inexpensive pocket pager to the customer."

Applicant states that the costs to construct the proposed facilities will be minimal.

Proven
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The charges for the proposed service will be \$10 per month with no nonrecurring charge. The new digital pocket pagers will be a below-the-line direct sale item. Applicant estimates that the monthly revenue requirement for this paging service is \$4.125 and will be met by the end of the second year of operations at which time it expects to have 600 subscribers.

Applicant states that it possesses all the necessary permits, licenses, and authorizations to conduct the proposed service except for the certificate requested herein. The relevant Federal Communications Commission (FCC) construction permit is attached to the application as Exhibit D.

Applicant's balance sheet attached to the application shows that as of March 31, 1983 applicant had current assets of approximately \$253 million and current and accrued liabilities of \$435 million. ✓

Findings of Fact

1. Applicant requests a certificate to construct and operate two base stations, one located on Mt. Tomita and the other located at its present facility in Los Gatos, for the purpose of giving one-way paging service.
2. Applicant is a wireline telephone company which has a Los Gatos exchange service area and a Morgan Hill exchange service area.
3. The area applicant proposes to serve with one-way paging covers both its Los Gatos and Morgan Hill exchange service areas and considerable territory outside those exchange service areas.
4. Applicant presently offers mobile radiotelephone service and secondary one-way paging service in much of the involved areas.
5. Applicant's one-way paging signal is too weak to be heard throughout its present mobile radiotelephone service area.

6. Operation of the proposed base stations will permit applicant to extend its one-way paging service to fill out its mobile radiotelephone service areea and to extend its one-way paging service to the communities of San Jose and Santa Cruz.

7. The proposed one-way paging system will provide the most advanced state-of-the-art digital paging display system available.

8. Applicant expects its monthly revenue requirement for the new paging system will be met by the end of the second year of operation, at which time it expects to have 600 subscribers.

9. Applicant has the necessary relevant FCC construction permit to initiate the proposed operation.

10. Applicant is financially fit to construct and operate the proposed facilities.

11. Public convenience and necessity require the granting of the requested certificate.

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

13. No protests have been received. A hearing is not necessary.

Conclusions of Law

1. Applicant requires a certificate to construct and operate the proposed facilities.

2. 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.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted General Telephone Company of California to construct and operate two public utility radiotelephone systems with base stations and service areas as follows:

- a. Base station location: On Mt. Tomita in Santa Clara County.
Service area: as set out in Exhibit C of Application (A.) 83-05-48.
- b. Base station location: 15900 Los Gatos Boulevard in Los Gatos.
Service Area: as set out in Exhibit C of A.83-05-48.

Control station location for the above two base stations: 15900 Los Gatos Boulevard, Los Gatos.

2. Applicant is authorized to file, after the effective date of this order, tariffs applicable to the service authorized herein containing rates and charges otherwise applicable to its one-way paging and two-way radiotelephone services. Such filings shall comply with General Order 96-A. The tariffs shall become effective on not less than 10 days' notice.

3. Applicant shall file, after the effective date of this order, as part of its individual tariff, an engineered service area map drawn in conformity with the provisions of FCC Rule 22.504, commonly known as the "Carey Report."

4. Applicant shall notify this Commission, in writing, of the date service is first rendered the public under the rates and rules herein above authorized within 5 days.

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

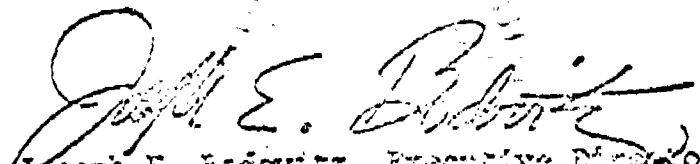
This order becomes effective 30 days from today.

Dated SEP 7 1983, at San Francisco, California.

Commissioner William T. Bagley
being necessarily absent, did
not participate.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph E. Bodovitz, Executive Director

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