

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch  
Commission Advisory & Compliance Division

RESOLUTION T-14075  
May 22, 1990

## R E S O L U T I O N

RESOLUTION T-14075. PACTEL PAGING OF CALIFORNIA.  
RESOLUTION AUTHORIZING A RATE STRUCTURE CHANGE (AN  
INCREASE) FOR DISPROPORTIONATE USE OF ONE-WAY PAGING  
SERVICES FROM PACTEL PAGING OF CALIFORNIA (U-2111-C) IN  
ALL OF UTILITY'S MARKETS WITHIN UTILITY'S CERTIFICATED  
SERVICE AREA.

BY ADVICE LETTER No. 5, FILED ON February 1, 1990.

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SUMMARY

This Resolution authorizes PacTel Paging of California (PacTel) to make a rate structure change for all of its one-way paging services in all of its certificated service area. PacTel may modify its rates for all of its paging services, except paging services provided to those subscribers who prove by showing identification that they use their pagers in public emergencies, for public health and safety purposes and the medical profession, as follows:

## 1. For unlimited service subscribers:

<u>Pages</u>	<u>Additional Charge per Page</u>
Below 500	No Additional Charge
501 - 1000	\$0.10 per page
1000+	\$0.50 per page

## 2. For measured service subscribers:

<u>Pages</u>	<u>Additional Charge per Page</u>
Below 1000	No Additional Charge
1000+	\$0.40 per page

BACKGROUND

Presently, PacTel offers measured service paging and unlimited paging services. For example, a subscriber in San Diego, under measured Digital Display Paging service, pays a monthly fee of \$8.00 and \$.10 per page over 200 pages initiated; under

unlimited Digital Display Paging services, the subscriber pays only a monthly fee of \$12.00.

Under the new rate structure, measured service subscribers who initiate over 1000 pages per month will be charged an additional \$.40 per additional page initiated. For unlimited service subscribers who initiate over 500 pages per month, but less than 1,000 pages per month, a new charge of \$.10 per additional page initiated will be made. For unlimited service subscribers who initiate over 1,000 pages per month, a charge of \$.50 per additional page initiated over 1,000 per month.

PacTel calls these charges Disproportionate Use Charges. These charges will not apply to subscribers who use their pagers in or for public emergencies, for public health or public safety purposes, or in the medical profession.

#### DISCUSSION

PacTel requests this change in rate structure (Disproportionate Use) because it believes that the average paging user subsidizes the disproportionate user of the Utility's services. The Utility states that such disproportionate use may overload the Utility's paging system and consequently delay the throughput of pages to other subscribers who do not have such a large volume of pages.

Furthermore, the Utility is concerned that other than for a few subscribers and those who use their service in public emergency or medical professions, anyone who uses more than 1000 pages a month may be involved in illegal activity, for example, drug trafficking. The Utility, believes its disproportionate use tariff modification will achieve the goals of shifting the costs of disproportionate use to those who have caused the disproportionate use and, when the activities are illegal, deter use.

PacTel estimates the number of affected subscribers will be insignificant; it states that less than 2 % of its paging service subscribers ever initiate over 500 pages a month and less than 1% of its paging service subscribers initiate over 1,000 pages a month. It states that the increase in its revenues will be insignificant, not exceeding 1% of its paging service revenue. As required by our General Order 96-A, Section III.G.5., PacTel notified all paging service subscribers, including those purchasing under bulk use tariffs or contract, of the planned rate structure change.

#### PROTESTS

Protests were received from subscribers. One firm, in the construction business, estimated that they use 480 to 720 pages per month, and states that it would have to consider other communication options and cancel its PacTel service if the new rate structure is approved.

Another party commented that PacTel's proposal would actually take advantage of the low volume user, from whom he believes PacTel profits tremendously. He believes the additional charges proposed by PacTel are punitive and will result in driving high-volume users from PacTel's system, allowing PacTel to avoid investing in equipment required for expansion. He suggests that to obtain usage sensitive pricing, PacTel should offer rate reductions to low volume users.

We note that paging service is competitive in California, and that not all Radiotelephone Utilities have restricted their offers of "unlimited" paging service. Other firms have expressed concern about illegal activity and abuse of the "unlimited" offers, and we can understand their interest and anxiety. At the present time, we believe the one-way paging service market to be sufficiently competitive to permit customers to purchase the offer each finds most attractive among a variety of measured and unlimited services. We do not find the proposed rate structure change from PacTel Paging for disproportionate use to be unreasonable.

#### FINDINGS

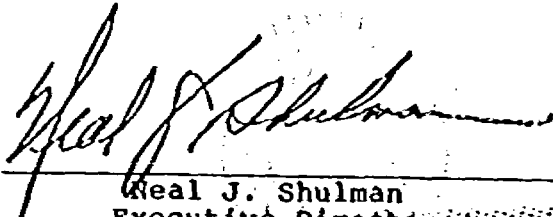
1. PacTel proposes to charge for disproportionate use of its one-way paging services.
2. Exception will be made for subscribers who use the service in public emergencies, for public health and safety purposes, and the medical profession.
3. The increase in revenues from the proposed change is insignificant.
4. One-way paging service is competitive and subscribers have a choice of competing offers of measured and unlimited services.
5. The proposed charges by PacTel for disproportionate use of its one-way paging services are reasonable.

THEREFORE, IT IS ORDERED that:

Advice Letter No. 5 of PacTel Paging of California (U-2111-C), filed February 1, 1990, be made effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on May 22, 1990. The following Commissioners approved it:

G. MITCHELL WILK  
President  
STANLEY W. HULETT  
JOHN B. CHANIAN  
PATRICIA M. ECKERT  
Commissioners

  
Neal J. Shulman  
Executive Director

Commissioner Frederick R. Duda,  
being necessarily absent, did  
not participate.