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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory & Compliance Division

RESOLUTION T-14101
Date July 18, 1990

R E S O L U T I O N

RESOLUTION T-14101. MOBILECOMM OF CALIFORNIA, INC. (U-2032-C). REQUEST FOR WITHDRAWAL OF MANUAL MOBILE RADIOTELEPHONE SERVICE OFFERING IN THE LOS ANGELES AREA.

BY ADVICE LETTER No. 10, FILED ON MAY 31, 1990.

SUMMARY

This resolutions authorizes Mobilecomm of California, Inc. (Mobilecomm) to withdraw its manual mobile radiotelephone service in the Los Angeles area. The utility is experiencing significant losses when compared to the revenues generated by this service. The presence of alternative telecommunications services has affected the utility's customer base and has limited its growth. No protests were received.

BACKGROUND

Mobilecomm of California, Inc. is a radiotelephone utility (RTU) which provides mobile radiotlphone service throughout northern and southern California. The utility offers paging and signaling services, and two-way voice grade communications between mobile units served by the utility and other mobile units or landline units. The utility filed Advice Letter No. 10 on May 31, 1990 to withdraw its manual mobile telephone service in the Los Angeles Area.

Manual mobile telephone service is a two-way radiotelephone service which requires the need of round-the-clock operators to handle the customers' calls. A customer can make a call only if an operator receives the call and and is able to connect it to an open radio frequency channel.

The utility has experienced losses compared to the revenues generated by this service in the last few years. Since the introduction of cellular telephone service in mid-1984, the utility's customer base has shrunk from 2450 units to 372 units; with only three customers applying for this service in the last three years.

PROTESTS

No protests were received.

DISCUSSION

Currently, operator services are being provided by American Communication Xchange (ACX). The contract between Mobilecomm and ACX expires on June 30, 1990, after which another operator service will be needed because ACX has declined to renew its contract with Mobilecomm. Operator services will cost the company roughly \$375,000 to \$500,000. Combined with the loss associated in revenues with the provision of manual mobile service, the utility projects a total annual loss of approximately \$385,000.

Mobilecomm identifies cellular telecommunications and private mobile service as alternatives to its manual mobile customers. The utility will continue to provide automatic mobile radiotelephone service, or Improved Mobile Telephone Service (IMTS).

IMTS may be an alternative to some customers. However, not all the affected customers can be accommodated by this service because this offering is not available throughout the Los Angeles area. Mobilecomm bought out a number of small radiotelephone systems during its growth and not all systems were compatible with each other. While one system may have been one-way paging, the other may have been two-way communications. Furthermore, limitations on frequency spectrum would also limit the addition of new customers to the offering systems.

Although there were no protests to this advice letter, customers have complained that they will incur a financial loss with the obsolescence of their terminal equipment. They thought that it was unfair that they spent the money to be provided this service and will no longer be compensated for the costs in obtaining a new service. Customer owned terminal equipment is not regulated by the Public Utilities Commission and it would be unreasonable to require the utility to continue an unprofitable service when 2-way mobile radiotelephone service alternatives exist.

FINDINGS

1. Mobilecomm of California, Inc. is offering manual mobile radiotelephone service in the Los Angeles area which is unprofitable.
2. There are alternative 2-way mobile telephone services for Mobilecomm's affected customers.

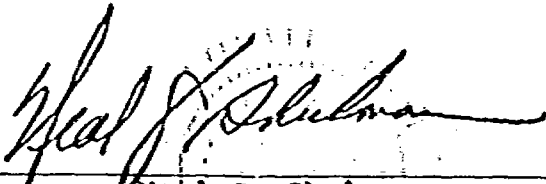
Resolution T-14101
July 16, 1990

THEREFORE, IT IS ORDERED that:

Advice Letter No. 10 of Mobilecomm of California, Inc. be made effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on July 18, 1990. The following Commissioners approved it:

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


Neal J. Shulman
Executive Director