

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory and Compliance Division Date Sept. 6, 1991

RESOLUTION T-14550

R E S O L U T I O N

RESOLUTION T-14550. MOBILECOMM OF CALIFORNIA, INC.
REQUEST AUTHORITY TO WITHDRAW ITS TWO-WAY MOBILE
RADIOTELEPHONE SERVICE.

BY ADVICE LETTER No. 13, FILED ON APRIL 4, 1991.

SUMMARY

This resolution authorizes Mobilecomm of California, Inc. (Mobilecomm) to withdraw its two-way mobile radiotelephone service. There are 25 subscribers currently on this service and Mobilecomm finds it uneconomical to continue to provide this service without the benefit of recovering costs. Alternative providers of two-way mobile radiotelephone service, namely cellular radiotelephone service, exist for those potential customers in Mobilecomm's service area who wish to receive two-way mobile radiotelephone service. No protests were received.

BACKGROUND

Mobilecomm is a radiotelephone utility (RTU) that provides one-way and two-way mobile radiotelephone service. The utility filed Advice Letter No. 13 with the Telecommunications Branch of the Commission's Advisory and Compliance Division on April 4, 1991 to terminate its remaining two-way mobile radiotelephone service.

Two-way mobile radiotelephone service provides telephone service to mobile customers. There are two ways in which mobile calls can be directed with this technology, manually and automatically. Two-way manual mobile radio service employs the use of operators to receive and transmit radio calls between two mobile subscribers, or between mobile radio subscribers and landline users. Radio-dispatch operators must be employed to provide 24-hours-a-day coverage. Two-way automatic mobile radio service, commonly known as Improved Mobile Telephone Service (IMTS) employs equipment capable of performing all the switching and routing functions automatically. IMTS is the forebear of cellular telephony. Mobilecomm's two-way mobile radiotelephone service is IMTS.

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In 1990, Mobilecomm incurred approximately \$86,000 in expenses providing IMTS. The company's generated revenues were \$31,128. Mobilecomm realized losses for that year of \$54,872. Other providers of similar services in Mobilecomm's service areas are Los Angeles Cellular Telephone and PacTel Mobile Services.

NOTICE/PROTESTS

Copies of Mobilecomm's Advice Letter No. 13 were served on competing and adjacent utilities at the time of their filing, pursuant to General Order 96-A, Section III, paragraph 6. The service subscribers were also notified by the utility on July 18, 1991. No protests were received regarding this filing by CACD. Notice of this Advice Letter was published in the Commission calendar on April 9, 1991.

DISCUSSION

Mobilecomm has spent approximately \$86,000 in 1990 for provision of this service. Mobilecomm finds it uneconomical to continue offering this service when it has no means of recovering any of these costs. The radio spectrum that will be freed with Mobilecomm's withdrawal of two-way service will be used to accommodate additional one-way mobile paging subscribers.

One of the Commission's concerns with any service withdrawal is whether alternatives to this service exist. Customers who wish to obtain two-way mobile radio service in Mobilecomm's service area have a number of cellular radiotelecommunications utilities to choose from. Cellular service provides a more than adequate alternative to this service because of its greater coverage. The utility's proposed withdrawal of its two-way mobile radio service will not leave prospective subscribers of this type of service without alternatives.

Mobilecomm can not effectively raise its rates to offset its losses especially as that may encourage further loss of its current subscribers. Also, such an increase would constitute a heavy burden on Mobilecomm's few remaining subscribers.

FINDINGS

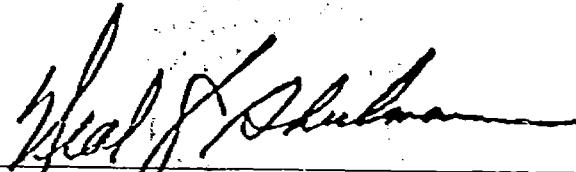
1. Mobilecomm of California, Inc. has 25 subscribers to its two-way mobile service. These subscribers have been notified by the utility and have not protested the utility's request.
2. It is uneconomical for the utility to continue to offer this service without compensation.
3. Viable alternatives exists for those customers who wish to obtain radio telecommunications service.

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THEREFORE, IT IS ORDERED that:

Mobilecomm of California, inc.'s Advice Letter No. 13,
requesting authority to withdraw its two-way mobile
radiotelephone service is made effective today.

I certify that this Resolution was adopted by the Public
Utilities Commission at its regular meeting on
September 6, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

I abstain.

G. MITCHELL WILK
Commissioner

PATRICIA M. ECKERT
President
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners