

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch  
Commission Advisory and Compliance Division

RESOLUTION T-14657

November 6, 1991

R E S O L U T I O N

RESOLUTION T-14657. KIDD'S COMMUNICATION, INC.  
BAKERSFIELD DIVISION OF ICS COMMUNICATIONS. REQUEST FOR  
AUTHORITY TO WITHDRAW TWO-WAY MOBILE RADIOTELEPHONE  
SERVICE (EXCEPT INTERCONNECTED MOBILE TELEPHONE SERVICE  
[IMTS]).

BY ADVICE LETTER No. 48, FILED ON MAY 28, 1991.

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SUMMARY

This Resolution authorizes Kidd's Communication, Inc. (Kidd's/utility) to withdraw its two-way mobile radiotelephone service (except Interconnected Mobile Telephone Service or IMTS) in the Bakersfield area. The utility is experiencing significant losses for this service. Cellular telephone service and two-way trunked mobile service are available as alternatives for those affected customers who wish to continue receiving mobile telephone service. Two-way mobile service is also available with another carrier, but it requires modification of the customers' radios.

Kidd's will continue to utilize the radio frequencies for its other certificated services, such as one-way paging and data transmission. Protests were received from a number of customers. This Resolution denies the protests.

BACKGROUND

Kidd's is a radiotelephone utility that provides one-way and two-way mobile radiotelephone service. The utility filed Advice Letter No. 48 on May 28, 1991 to terminate its 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

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service, commonly known as Interconnected Mobile Telephone Service (IMTS) employs equipment capable of performing all the switching and routing functions automatically. IMTS is the forebear of cellular telephony. Kidd's proposes to withdraw only the operator-assisted two-way mobile radiotelephone service.

#### NOTICE/PROTESTS

Copies of Kidd's Advice Letter No. 48 were served on competing and adjacent utilities at the time of their filing, pursuant to General Order 96-A, Section III, paragraph 6. Notice of the filing appeared in the Commission's Daily Calendar of May 31, 1991. Customers were noticed in a letter dated May 1, 1991, that Kidd's intended to withdraw its two-way mobile telephone service effective June 30, 1991. A second notice, which was mailed to customers on June 25, 1991 following the Advice Letter filing, was deficient in that it did not explain the procedure for filing protests, and did not state that the withdrawal of service required Commission approval. A third notice was mailed on July 26, 1991. Six protests were received.

Jérôme Magee from Emjayco filed a protest on May 13, 1991, indicating that he represented a small oil production company with four radio-equipped pickup trucks in the area. Magee indicated that they had purchased their fourth radio from the company last March. Certainly the company knew at that time that they would be terminating their two-way service, thus making the equipment obsolete. Magee indicated that the company should be required to buy back their equipment.

In a letter dated July 2, 1991, Bing Taylor, owner of Bing Taylor Packaging, indicated that during the months he is in Bakersfield and using the service, his car is his office and the service is indispensable to his business. His customers all have the number and have used it to reach him for many years. A cellular phone will not provide the same quality of service for him, since he does not require service when he is not in the Bakersfield area. Taylor indicated that he would be happy to have his rates increased rather than have the service terminated.

John R. Lewis, General Manager of Flashco, Inc., filed a protest on July 22, 1991 indicating that his business takes him into the field on a regular basis, and that his clients and employees are familiar with the procedures for reaching him using the two-way radiotelephone. He indicated that it would be an injustice to the several hundred people who need this service to eliminate it.

Ted Cummings, Vice President of Cummings Vacuum Service, Inc., filed a protest on August 1, 1991. He indicated that they considered the service to be a vital part of their success as a 24-hour trucking company. He indicated that the company operates on a 24-hour schedule, and it is critical that they have mobile telephone access. Their service is sold on the basis that they are available at all times, and to discontinue

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the mobile two-way service would have an adverse impact on their service ability. He urged that Kidd's be compelled to continue service until a replacement service is established.

Larry Miller, Operations Assistant for Valley Waste Disposal Company, filed a protest on August 6, 1991, indicating that there is no other operator-assisted mobile radio service in the southern San Joaquin Valley. He stated that many rural residences and companies who use the service for outside communication have no other radio service available. He asked that the service be kept in place until a qualified operator assist service could be found to provide service.

Ben Laverty, President of the California Safety Training Corporation, filed a protest on August 20, 1991 indicating that he had relied on the service for 10 years. Shutting down the business would cause an immense financial burden as well as making it almost impossible to conduct their business. He indicated that other alternatives should be explored before arbitrarily shutting down an essential business service.

Kidd's responded to Cummings, Miller, and Laverty in separate letters dated August 26, 1991, indicating that over 75% of their original operator assisted manual mobile customer base have upgraded to new communication technologies. Kidd's went on to say that the manual mobile service Kidd's provides is extremely labor intensive. The mobile operator switchboard was custom built over twenty years ago, and parts are no longer available. It would cost more than \$250,000 to replace the system. Kidd's further indicated that the company would never be able to realize a proper return on that investment. The cost that would have to be passed on to customers would be prohibitive, and customers would all have to invest in new equipment which was compatible with the new system.

#### DISCUSSION

The number of subscribers to Kidd's two-way manual mobile radio service has been declining steadily over the past five years, from 1,228 customers at the beginning of 1986 to the current 322. The utility has found the service to be unprofitable, because regardless of the number of subscribers, the same number of sites must be maintained and a certain level of staffing must be maintained to provide 24-hour coverage. Kidd's lost money on the service beginning in 1990. The loss for 1990 was \$41,300 and the projected loss for 1991 (based on 5 months) will be approximately \$52,000.

Six protests were received from local businesses which described their need for the service. Some requested an extension of the date for withdrawal of service so that customers would have additional time to find other sources of service. Since the utility originally proposed to suspend service on July 1, 1991, customers have had almost four additional months to find alternative service providers.

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The six protests all involve local businesses which indicate that they are dependent on the service provided and consider it an essential part of their business. However, the utility states that cellular telecommunication service providers as well as two-way trunked mobile radio systems and automated two-way mobile service (no operator assistance) are available to users as alternatives. The automated two-way mobile service would allow customers to use their existing equipment, with some modifications of the customers' radios. IMTS is also available but would require the purchase new equipment since customers' radios cannot be adapted for IMTS.

FINDINGS

1. The number of subscribers to Kidd's mobile two-way radiotelephone service has decreased from 1,228 in 1986 to 322 in 1991.
2. Kidd's reports that it lost money on its two-way mobile telephone service in 1990 and that its loss for 1991 is projected to exceed \$50,000.
3. There are viable alternatives for those customers who need to use mobile communications service in this area.

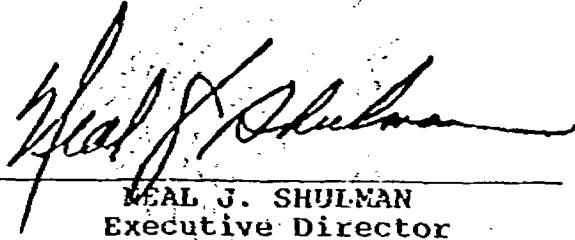
THEREFORE, IT IS ORDERED that:

Advice Letter No. 48 of Kidd's Communications, Inc. requesting authority to withdraw its two-way manual mobile radiotelephone service in the Bakersfield area is approved.

The effective date of this Resolution is today.

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

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

  
NEAL J. SHULMAN  
Executive Director