

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Branch
Commission Advisory and Compliance Division

RESOLUTION T-14658
November 6, 1991

R E S O L U T I O N

RESOLUTION T-14658. CHALFONT COMMUNICATIONS, PALM SPRINGS DIVISION OF ICS COMMUNICATIONS. REQUEST FOR WITHDRAWAL OF TWO-WAY MANUAL MOBILE RADIOTELEPHONE SERVICE (EXCEPT INTERCONNECTED MOBILE TELEPHONE SERVICE [IMTS]).

BY ADVICE LETTER No. 31, FILED ON MAY 29, 1991

SUMMARY

This resolution authorizes Chalfont Communications, Palm Springs Division of ICS Communications (Chalfont/utility) to withdraw its two-way manual mobile radiotelephone service (except IMTS) in the Palm Springs 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. Alternatives exist for those affected customers who wish to continue receiving mobile telephone service. One protest was received.

BACKGROUND

Chalfont is a radiotelecommunications utility (RTU) that provides one-way and two-way mobile radiotelephone service. The utility filed Advice Letter No. 31 to terminate its two-way manual mobile radiotelephone service in the Palm Springs area.

Manual mobile radio service employs the use of operators to receive and transmit radio calls between mobile radio subscribers, or between mobile radio subscribers and landline users. Radio-dispatch operators must be employed to provide 24-hour-a-day coverage.

NOTICE/PROTESTS

Notice of the filing appeared in the Commission's Daily Calendar of May 31, 1991. Chalfont initially informed affected customers of the withdrawal of service with a notice dated May 1, 1991. That notice indicated that the company was terminating its

mobile two-way service effective June 30, 1991. Commission Advisory and Compliance Division (CACD) staff notified the utility that service could not be discontinued without filing an advice letter which would require Commission approval. Utility responded by filing Advice Letter 31 on May 29, 1991, and a second notice was sent to customers on July 18, 1991. The second notice was also defective in that it did not tell customers that they could protest to the Commission and that Commission authorization was required. A third notice dated July 25, 1991 corrected those deficiencies. One protest was received, based on the initial notice Chalfont distributed.

DISCUSSION

The number of customers to Chalfont's two-way manual mobile radiotelephone service has been declining steadily over the past five years, from 195 at the beginning of 1986 to the current 70. 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. Chalfont has lost money on the service each of the past five years. The loss for 1989 was \$13,000 and for 1990 was \$12,500. The projected loss for 1991 (based on 5 months) will be approximately \$13,000.

The one protest received, which was dated May 13, 1991, requested an extension of the date for withdrawal of service so that customers would have additional time to find other sources of service. The utility originally told customers that service would be withdrawn on June 30, 1991.

The utility notes that there are cellular telecommunication service providers as well as paging service providers in the area. In addition, Chalfont's offers automatic two-way service which would allow customers to use their existing equipment, with some modifications to the customer's radio. IMTS is also available but would require the purchase of new equipment since customers' radios cannot be adapted for IMTS. Thus, the utility's proposed withdrawal of its manual mobile radio service will not leave the affected subscribers without alternatives.

FINDINGS

1. The number of subscribers to Chalfont's mobile two-way radiotelephone service has decreased from 195 in 1986 to 70 in 1991.
2. Chalfont reports that it lost money on its two-way mobile telephone service between 1986 and 1991.
3. There are alternatives for those customers who need mobile radiotelephone service in this area.

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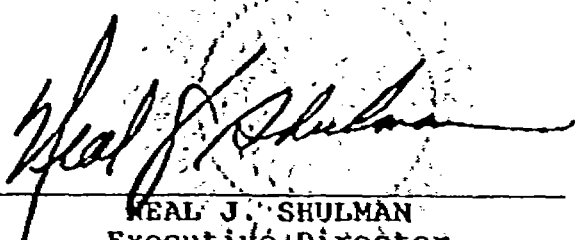
THEREFORE, IT IS ORDERED that:

Advice Letter No. 31 of Chalfont Communications requesting authority to withdraw its two-way manual mobile radiotelephone service in the Palm Springs 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