



STATE BOARD OF EQUALIZATION

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Executive Director

March 28, 1996

TO COUNTY ASSESSORS:

No. 96/25

ONE-WAY PAGING COMPANIES

Chapter 357 of the Statutes of 1995 (Assembly Bill 202) was chaptered on August 4, 1995 and became effective on January 1, 1996. Chapter 357 amends Section 234 of the Public Utilities Code to exclude from the definition of "telephone corporation" one-way paging services utilizing facilities that are licensed by the Federal Communications Commission (FCC). Therefore, for the 1996 lien date and thereafter, one-way paging companies that are not otherwise subject to assessment by the State Board of Equalization will be assessed by county assessors.

Background

The FCC allocates radio frequencies or channels to domestic public land mobile radio carriers (public radio carriers) and private radio carriers. Public radio carriers are authorized to provide radiotelephone services to the general public; private carriers may provide services to a select group of customers (e.g. taxi companies).

The California Public Utilities Commission (CPUC) classifies public radio carriers licensed by the FCC as regulated radio telephone utilities (RTUs) because they offer telecommunications services over the public switched telephone network to the general public. A Certificate of Public Convenience and Necessity (CPCN) from the CPUC is required for an RTU to provide radio telephone services to the general public.

Private carriers, who in the past were limited to providing self-service to a select group of customers (i.e. taxi cab companies), are now able to provide service to others or to the general public because of changes in the paging industry, including advances in technology. This has resulted in a dilemma where paging companies performing similar functions are not regulated on an equal basis.

The FCC recognized this problem and in March of 1994 issued a decision which conformed the different regulatory schemes and deregulated the industry as of August 1996, subject to the individual states requesting authority to continue regulatory control.

The CPUC decided not to seek such regulatory control. This decision not to seek regulatory control is in line with the CPUC's assertion as far back as 1992 when it recognized that the one-way paging industry was competitive, noting that over 97 paging firms did business in the state. Currently, all major California markets have six or more competing paging companies. When a market is competitive or a service is non-essential, the rationale for regulatory control is significantly diminished.

The State Board of Equalization (Board) has assessment jurisdiction over the regulated RTUs pursuant to Article III, Section 19 of the California Constitution, which requires the Board to assess the property owned or used by regulated telephone companies. Traditionally, the Board has interpreted the term

“regulated telephone companies” to mean telephone companies which are classified as public utilities by the CPUC or by the FCC. According to the Board’s Legal Division, that means telephone companies which have been issued a CPCN by the CPUC or are licensed as a common carrier by the FCC.

Chapter 357

Chapter 357 amends Section 234(b)(2) of the Public Utilities Code to exclude “any one-way paging service utilizing facilities that are licensed by the Federal Communications Commission, including, but not limited to, narrowband personal communications services described in Subpart D (commencing with Section 24.100) of part 24 of Title 47 of the Code of Federal Regulations, as in effect on June 13, 1995.” According to the CPUC staff, Chapter 357: (1) has no effect on radio telephone companies providing traditional two-way mobile telephone service since they will remain under CPUC jurisdiction; (2) excludes one-way paging systems only, so two-way paging services will continue to be subject to CPUC jurisdiction; and (3) provides very little guidance as to which paging companies are excluded from CPUC regulation.

The CPUC has not issued a final determination regarding what constitutes one-way paging services. In the absence of a final CPUC determination, the Board decided to relinquish assessment responsibility for companies that are engaged in one-way paging services and that are not otherwise subject to assessment by the Board. For example, some companies are engaged in both one-way and two-way mobile telephone services; such companies will remain under the assessment jurisdiction of the Board.

Enclosed is a list of one-way paging companies that were previously assessed by the Board but that are to be assessed locally beginning with the 1996 lien date. We have been informed that some of these companies plan to engage in two-way paging in the future, and future CPUC determinations may affect assessment jurisdiction in subsequent years. However, we do not anticipate that any such changes will be retroactive for the 1996 lien date.

Valuation methodology

The primary valuation method used by the Valuation Division of the State Board of Equalization in the assessment of paging companies is Reproduction Cost Less Depreciation (RCLD).

Here are descriptions of the types of equipment specifically applicable to paging companies.

Control and Message Center Equipment - This account includes the original costs of radiotelephone control consoles, equipment and wiring, interconnect equipment, and associated apparatus used in receiving, forwarding, and terminating calls and messages and for other control purposes. Monitoring and measurement equipment installed for regular control purposes are also recorded in this account.

Fixed Station Equipment - This account includes the original cost of transmitters, receivers, antennas, and associated equipment and wiring used in base station and repeater operations. Microwave facilities and other equipment used for control of base station operations are recorded in this account.

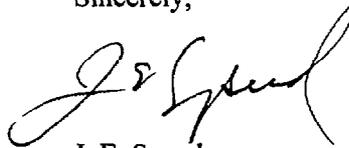
Mobile Equipment for One-Way Radio Service - This account includes the original cost (noninstalled) of equipment used in providing one-way signaling or paging service, including receivers, decoders, mobile antennas, and associated apparatus which is mounted in vehicles or is hand portable. This account also includes mobile units in stock which may be subject to the business inventory exemption.

Mobile Equipment for Two-Way Radio Service - This account includes the original cost of equipment used in providing two-way radio telephone service such as transmitters, receivers, decoders, mobile antennas, and associated apparatus and wiring which is mounted in vehicles or is hand portable. Companies offering this type of service should be assessed by the State Board of Equalization.

Shop and Test Equipment - This account includes the original cost of instruments, tools, and other equipment located in offices, shops, or vehicles and used in testing, maintaining, and constructing radiotelephone plant. Note that in many cases, paging companies charge small tools and instruments or other equipment costing \$50 or less directly to operating expense at the time of purchase.

We will keep you informed if there are further developments affecting local assessment of paging companies. If you have any questions regarding the assessment of one-way paging companies, please call our Business Property Technical Services Section of the Assessment Standards Division at (916) 445-4982.

Sincerely,



J. E. Speed
Acting Deputy Director
Property Taxes Department

Enclosure

**STATE BOARD OF EQUALIZATION
LISTING OF PAGING COMPANIES TO BE REMOVED
FROM THE BOARD'S ASSESSMENT JURISDICTION**

Name, Mailing Address, and Contact	SBE #	Counties Where Property Was Assessed for 1995
Starpape, Inc. 5640 S. Broadway Eureka, CA 95501 Mr. James N. Hoff -Owner	3003	8, 12
Mobilcomm of the West, Inc. 1800 E. County Line Rd., Ste. 300 Ridgeland, MS 39157 Mr. George Gillom - Accounting Tax-Manager	3004	1, 4, 7, 9, 10, 15, 19, 21, 24, 27, 29, 30, 31, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 48, 49, 50, 56, 57, 58
North State Communications, Inc. 3168 Bechelli Lane Redding, CA 96002 Mr. Raymond G. Dibble - President	3006	4, 9, 29, 34, 45, 52
San Diego Paging, Inc. 400 Kelby Street, 15th Floor Fort Lee, NJ 07024 Mr. Mitchell Peipert - Controller	3011	37
Metrocall 6677 Richmond Highway Alexandria, VA 22306-6677 Mr. Vincent D. Kelly	3018	1, 4, 7, 9, 10, 13, 19, 24, 27, 30, 31, 33, 34, 35, 36, 37, 38, 39, 41, 42, 43, 44, 45, 49, 56
Paging Network of Los Angeles dba PageNet 4965 Preston Park Blvd., Suite 600 Plano, TX 75093 Mr. Terry L. Scott - President	3020	15, 19, 30, 33, 36, 37, 40, 42, 56
Advanced Paging and Communications dba Aircom Paging & Communications Communications of CA. 3100 Oak Road, Suite 330 Walnut Creek, CA 94596	3022	1, 7, 21, 28, 38, 41, 43, 48
Mobilemedia Communications Inc. 65 Challenger Rd Ridgeland, MS 39157 Mr. Al Pertowski - Property Supervisor	3023	1, 7, 9, 10, 15, 16, 19, 21, 24, 27, 30, 31, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 48, 49, 50, 51, 54, 56
Communication Enterprises, Inc. 2315 Q Street Bakersfield, CA 93301 Thomas R. Poor - President	3027	15
Telepage Communications, Inc. 2264 Fair Oaks Blvd., Suite 102 Sacramento, CA 95825 Ms. Debra Jones	3030	9, 29, 31, 34, 39, 48, 50, 51
Valley Paging, Inc. 1620 East Shields Fresno, CA 93704 Ms. Ellie LaPlante - President	3031	10
Paging Systems, Inc DM Carroll P.O. Box 4249 Burlingame, CA 94011-4249 (415)-697-1000 Mr. D. M. Carroll	3034	* 1, 5, 7, 10, 13, 15, 19, 21, 22, 27, 30, 33, 34, 36, 37, 38, 41, 42, 43, 48, 49, 50, 51, 56
Satellite Paging, Inc. 4936 W. Rosecrans Ave Hawthorne, CA 90250-6616 Mr. Mark Henrich - President	3035	* 19
Communication Transmitting Services 811 S. Euclid Anaheim, CA 92802 Mr. Roy A. Hull - General Partner	3045	19, 30, 33, 36, 37, 42, 56
Blaslar, Inc. dba Alert Comms 5515 York Blvd. Los Angeles, CA 90042 Mr. John Husman	3051	19, 30
Inland Desert Security & Communication 312 So. Sycamore Street Rialto, CA 92376 Mr. Nathan Blake - Accountant	3060	33, 36

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Name, Mailing Address, and Contact	SBE #	Counties Where Property Was Assessed for 1995
Sonoma Communications, Inc. P.O. Box 1511 Santa Rosa, CA 95402 Mr. William H. Colclough - President	3347	49
California Communications Network, Inc 1184 Yulupa Ave. Santa Rosa, CA 95405 Mr. William H. Colclough - President	3350	* 17, 23, 28, 49
Cook Telecom, Inc. of San Francisco dba United Radiophone System 912 Irwin Street San Raphael, CA 94901 Mr. David Yam - Controller	3358	1, 3, 4, 5, 6, 7, 9, 10, 12, 15, 16, 17, 19, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, 34, 35, 36, 38, 39, 41, 42, 43, 44, 47, 48, 49, 50, 51, 52, 54, 55, 56, 57, 58
Radio Dispatch Corp. 116 E. Third Street Pomona, CA 91766 Mr. Edward Konjoyan - President	3372	19
Paging Network of San Francisco dba PageNet 4965 Preston Park Blvd., Suite 600 Plano, TX 75093 Mr. Terry L. Scott - President	3382	1, 4, 5, 7, 9, 10, 17, 21, 22, 23, 24, 27, 28, 29, 31, 34, 35, 38, 39, 41, 43, 44, 45, 48, 49, 50, 51, 52, 54
Dial Page, Inc. 923 Laguna Santa Barbara, CA 93101 Mr. John P. Franklin	3383	42
AirTouch Paging 425 Market St. 30th Floor San Francisco, CA 94105 Ms. Linda Bryan - Tax Manager	3392	1, 4, 5, 7, 9, 10, 12, 13, 15, 17, 19, 21, 22, 24, 26, 27, 28, 29, 30, 31, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 48, 49, 50, 51, 52, 54, 56, 57
Pagemart, Inc. One Preston Centre 6688 N. Central Expressway #900 Dallas, Tx 75206-3921 Mr. J. Michael McElroy - Agent	3403	1, 3, 4, 7, 9, 10, 12, 13, 15, 19, 20, 21, 24, 27, 28, 29, 30, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 48, 49, 50, 51, 52, 54, 56, 57
Shasta Cascade Services, Inc. 422-A Chestnut St. Mount Shasta, CA 96067 Ms. Gerrie Bourke	3405	47
Shelcomm 14160 Live Oak Ave., Unit C Baldwin Park, CA 91706 Mr. Michael D. Schelin -General Partner	3406	19
Paging Plus (DBA), Luczak, Tom and Arlene 1210 S. Brand Boulevard Glendale, CA 91204 Mr. Tom Luczak - Owner	3410	19
Pagers Plus 16810 Valley View La Mirada, CA 90638 Mr. Hal Linden	3411	19, 30, 33, 36, 37, 40, 56
Harris Communications Harold Harris 3305 S. Fairway St. Visalia, CA 93277 (209)-625-3333 Mr. Harold Harris	3412	10, 15, 54
Skytel Corp. P.O. Box 2469 Jackson, MS 39225 (601)944-7057, Mary Kay Thompson Ms. Mary Kay Thompson	3415	1, 3, 4, 5, 7, 9, 10, 11, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 47, 48, 49, 50, 52, 54, 55, 56
Cook Telecom, Inc. of San Diego dba United Radiophone System 2960 Kerner Blvd. San Raphael, CA 94901 Mr. David Yam - Controller	3420	7, 13, 19, 21, 30, 37
Westlink, Inc. C/O Marie Harris - Arthur Andersen 701 B. Street #1600 San Diego, CA 92101	3424	19, 30, 33, 37, 42, 56
Southwest Paging, Inc. Parker Plaza 400 Kelby Street 15th Floor Fort Lee, NJ 07024	3425	30, 41