STATE OF CALIFORNIA

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

PETE WILSON, Governor

EX PARTE OR LATE FILED

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NOV-15 1994

FCC MAIL ROOM

November 14, 1994

VIA OVERNIGHT MAIL

Hon. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: PR Docket No. 94-105; Ex Parte Presentation

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

In accordance with 47 C.F.R. {1.1206(a)(1), I am submitting herewith two copies of the attached letter which contains information requested by staff members of the Federal Communications Commission.

Sincerely,

Ellen S. LeVine

Ellen S. LeVine
Principal Counsel

ESL:dp

No. of Copies rec'd 0+1
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Regina Harrison
Private Radio Bureau
Federal Communications Commission
1919 M Street
Washington, D.C. 20554

VIA FACSIMILE AND OVERNIGHT MAIL

Re: PR Docket No. 94-105, Ex Parte Presentation

Dear Ms. Harrison:

This letter is in response to questions which you asked the California Public Utilities Commission ("CPUC") to address with respect to information presented in the above-referenced proceeding.

First, the annual reports filed by the cellular carriers with the CPUC contain financial statements only, such as balance sheets, income statements, and information concerning ownership arrangements. The reports do not contain any subscriber data for the carriers.

Second, the carrier-specific subscriber data publicly disclosed by Los Angeles Cellular Telephone Company ("LACTC") in Attachment 1 to its reply comments in this proceeding is the very type of data which LACTC has claimed before the CPUC must remain confidential. Such carrier-specific subscriber data is not found in nor can it be derived from the annual reports or any other public report filed by the carriers. [1]

In comparing the data disclosed by LACTC and the data relied upon by the CPUC in its petition, we found the following differences:

(1) Under Cumulative Plant Investment, LACTC uses end-of-year plant while the CPUC used the average of beginning and end-of-year net plant;

(2) The Gross Revenue cited by LACTC is slightly lower than Gross Revenue reported by LACTC to the CPUC in its Annual Report. The gross revenue number used by the CPUC in its

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1 The CPUC relied upon the aggregate number of subscribers in order to derive market share data, examine growth, and determine the aggregate percentage of customers from all carriers on various service plans.

petition is the sum of wholesale and retail revenue contained in LACTC's annual reports to the CPUC.

In addition, LACTC calculates the Gross Revenue Per Subscriber and Operating Expenses Per Subscriber on a monthly basis. The CPUC calculated these factors on a yearly basis. The figures further differ because of the CPUC's reliance on year-end subscriber data.

(3) The subscriber data used by LACTC is based on the average number of subscribers over a year. The CPUC used year-end subscriber data. That difference is correspondingly reflected in Cumulative Plant Per Subscriber and Operating Expenses Per Subscriber.

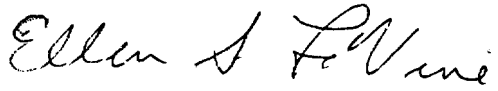
(4) The difference between the CPUC and LACTC regarding Operating Profit Per Subscriber Per Month is most likely due to different gross revenue figures.

(5) LACTC's Pre-Tax Income Per Subscriber Per Month appears to account for depreciation twice, thereby making the total amount lower than it should be. Depreciation costs are already accounted for as part of operating expenses.

Third, regarding the response by AirTouch to the CPUC's data request of September 26, 1994, AirTouch failed to supply data regarding Mr. Hausman's review of data from smaller MSAs, notwithstanding Mr. Hausman's statement at page 6, note 5 of Appendix E of his affidavit that his findings with respect to the 30 largest MSAs do not apply to smaller MSAs. In addition, Mr. Hausman never stated all assumptions underlying his regression analysis.

Please feel free to call me if you have any further questions.

Sincerely,



Ellen S. LeVine
Principal Counsel

ESL:mal