

Decision 84 08 019 AUG 1 1984

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
PAGE AMERICA COMMUNICATIONS OF  
CALIFORNIA, INC., PAGE AMERICA  
GROUP, INC. AND PAGE AMERICA  
COMMUNICATIONS, INC., pursuant to  
Section 854 of the Public Utilities  
Code.

Application 84-06-036  
(Filed June 12, 1984)

O P I N I O N

Applicants Page America Group, Inc. (Group), a New York corporation, Page America Communications of California, Inc. (PACC), a California corporation, and Page America Communications, Inc. (PAC), a Delaware corporation, request authority for PAC to acquire control of PACC by means of PAC purchasing all of issued and outstanding stock of PACC from Group. Notice of the filing of the application appeared in the Commission's Daily Calendar of June 14, 1984. No protests to the application have been received.

Group is a corporation organized and existing under and by virtue of the laws of the State of New York. Group owns all of the issued and outstanding capital stock of ten operating subsidiaries, including PACC, which are providing, or are seeking authority to provide, radio common carrier paging service in 53 cities throughout the United States and its possessions. Group also holds permits from the Federal Communications Commission (FCC), authorizing construction of private carrier paging facilities at various locations throughout the United States. Group is involved in cellular radiotelephone communications through partial ownership of the stock of several companies seeking cellular licenses from the FCC, and is 70% owner of a joint venture with RCA Global Communications to obtain FCC licensing for and organize a nationwide paging network. The stock of Group is publicly traded over the counter.

PACC has recently been authorized by the Commission by Decision (D.) 83-12-15, dated December 7, 1983 and D.84-06-119, dated June 20, 1984, to provide public utility one-way radiotelephone paging services in the respective areas of Los Angeles, San Diego, and San Francisco. The business of PACC is in the start-up phase and to date PACC has neither constructed public utility facilities nor served the public in the state. Its balance sheet as of May 31, 1984 shows that it has \$7,100 in assets and no liabilities, except for a contingent liability of \$25,000 which represents organizational, licensing, and litigation expenses already paid by Group on behalf of PACC. PACC has issued and outstanding 500 shares of stock for which \$100 was paid. All of PACC's stock is owned by Group.

PAC is also wholly owned by Group. PAC was originated by Group for the purpose of holding the stock of and managing the affiliates of Group which provide local paging services.

Applicants propose to transfer all of the issued and outstanding capital stock of PACC from Group to PAC in consideration of \$100 cash to be paid by PAC to Group at the time of transfer. There is no written agreement or other instrument memorializing the proposal. The proposed transaction is part of a larger plan to consolidate in PAC and separate from the other functions of Group, the direct ownership and management of local paging operations conducted by Group's affiliates. Applicants believe that such realignment of the group corporate structure will increase the efficiency of managing Group's geographically widespread but operationally similar local paging operations.

The officers of all three applicants are identical, and the proposed stock transfer will not result in any change in the ultimate management, ownership, or control of PACC.

Findings of Fact

1. Applicants request authorization for PAC to acquire control of PACC through the purchase by PAC from Group of all of the issued and outstanding stock of PACC for \$100 cash.

2. Both PAC and PACC are wholly owned by Group.

3. PACC possesses certificates issued by the Commission authorizing PACC to provide public utility one-way radiotelephone paging services in the Los Angeles, San Diego, and San Francisco areas.

4. PAC has been set up by Group for the purpose of holding the stock of and managing the affiliates of Group which provide local paging services.

5. The proposed realignment of the Group corporate structure will increase the efficiency of managing Group's geographically widespread but operationally similar local paging operations.

6. The officers of all three applicants will be identical and the proposed stock transfer will not result in any change in the ultimate management, ownership, and control of PACC.

7. The proposed transaction is not adverse to the public interest.

Conclusion of Law

The application should be granted.

Only the amount paid to the state for operative rights may be used in rate fixing. The state may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

This authorization is not a finding of the value of the rights and properties of PACC for ratemaking purposes. PAC is placed on notice that only the net book value of property transferred may be used in setting rates in the future.

O R D E R

IT IS ORDERED that:

1. Page America Communications, Inc. is authorized to control Page America Communications of California, Inc. as requested in Application 84-06-036.

2. Written confirmation of the transaction authorized here shall be filed with the Commission within ten days after its completion.

3. The application is granted as set forth above.

This order becomes effective 30 days from today.

Dated AUG 1 1984, at San Francisco, California.

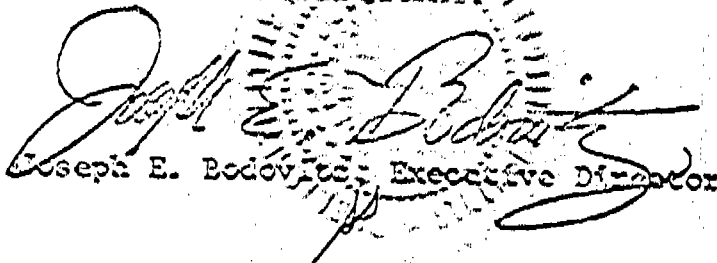
Commissioner Priscilla C. Crew,  
being necessarily absent, did  
not participate

Commissioner William T. Bagley  
being necessarily absent, did  
not participate.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
DONALD VIAL  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS.

  
Joseph E. Bodov, Jr., Executive Director