ALJ/MJG/ltg *

Decision <u>87-12-054</u> December 17, 1987

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
MOBILECOMM OF CALIFORNIA, INC. (U-2032-C);)
MOBILECOMM OF LOS ANGELES, INC. (U-2034-C);)
MOBILECOMM OF LONG BEACH, INC. (U-2033-C);) Application 87-09-002
MOBILECOMM OF SAN BERNARDINO, INC. (U-3035-C);)
MOBILECOMM OF VENTURA, INC. (U-2036-C);)
MOBILECOMM OF ORANGE COUNTY, INC. (U-2041-C);)
MOBILECOMM OF SAN FRANCISCO, INC. (U-2006-C);)
and MOBILFONE, INC. (U-2038-C) pursuant to)
Public Utilities Code § 851, 852 and 854.)

<u>OPINION</u>

Mobilecomm of California, Inc.; Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. (applicants) seek Commission authority to merge their operations, assets, and liabilities with Mobilecomm of California, Inc., pursuant to Public Utilities (PU) Code Sections 851, 852, and 854.

Copies of the application were served on 28 entities with which applicants compete, Exhibit G to the application.

Notice of this application appeared on the Commission's Daily Calendar of September 9, 1987. No protests to the application have been received; therefore, a public hearing is not necessary.

Applicants, California corporations, are wholly owned subsidiaries of Mobile Communications Corporation of America (MCCA), a Delaware corporation. Applicants are certificated radiotelephone utilities (RTU) authorized to provide public utility one-way and two-way radiotelephone services and engage in certain

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unregulated enterprises, such as providing paging and mobile telephone equipment and telephone answering services.

Some, but not all, applicants have filed advice letters describing cellular resale offerings. However, applicants have voluntarily transferred either to other resellers or to one of the facilities-based carriers in the Los Angeles area their cellular resale authority. Currently, there are no resale customers remaining, and applicants propose to withdraw this service offering.

Applicants represent that as the RTU industry has expanded it has become necessary for RTUs to introduce new services covering wider areas. Applicants believe it will be in their best interest to consolidate their services because in many cases they already share common frequencies licensed by the FCC, already provide many paging services through common facilities, and will achieve cost efficiencies from maintaining one set of accounting books and regulatory filings instead of eight separate sets of accounting books and regulatory filings.

Applicants propose to merge their operations, assets, and liabilities, with Mobilecomm of California, Inc. being the surviving corporation. Applicants' current service territories will be consolidated into one service territory as shown in Exhibit B-1 and B-2 to the application, respectively.

All outstanding shares of applicants will be transferred to Mobilecomm of California, Inc., and all applicants except for Mobilecomm of California, Inc. will be dissolved and their shares extinguished.

Applicants' Federal Communications Commission (FCC) licenses and Commission certificates of public convenience and necessity are to be transferred to and held in the name of Mobilecomm of California, Inc. The issued and outstanding shares of Mobilecomm of California, Inc. are currently and will continue to be, owned by MCCA. There will be no change in the control of

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any of the applicants. The principal place of business of Mobilecomm of California, Inc. will be at 101 South First Street, Suite 1000, Burbank.

MCCA's net worth as of June 30, 1987 was approximately \$133 million. Net income for the six month period then ended was approximately \$3 million, Exhibit C to the application. A pro forma financial statement shows that upon consolidation Mobilecomm of California, Inc.'s net worth will be approximately \$4 million, Exhibit E to the application.

Upon consolidation, Mobilecomm of California, Inc. requests authority to file consolidated tariff sheets, Exhibit F to the application. One-way paging services will be uniform at rates which will be, in all but a few immaterial cases, the same as or lower than those which now prevail. Two-way mobile services are to remain largely separate and discrete.

Findings of Fact

1. Notice of this application appeared in the Commission's Daily Calendar of September 9, 1987.

2. No protests to the application have been received.

3. Applicants are wholly-owned by MCCA.

4. Applicants are certificated RTUs.

5. All outstanding shares of applicants are to be transferred to Mobilecomm of California, Inc.

6. All applicants except for Mobilecomm of California, Inc. will be dissolved.

7. There will be no change in the control of any of applicants.

8. It can be seen with certainty that there is no possibility that granting this application may have a significant effect on the environment.

9. The proposed consolidation is not adverse to the public interest.

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Cnclusion of Law

The application should be granted.

ORDER

IT IS ORDERED that:

1. Mobilecomm of California, Inc.; Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. are authorized to consolidate their public utility one-way and two-way radiotelephone system, with Mobilecomm of California, Inc. being the surviving corporation.

2. Mobilecomm of California, Inc. shall file written notice of the effective date of consolidation with the Commission's Docket Office within 15 days after the consolidation is consummated.

3. Mobilecomm of California, Inc. is authorized to file, after the effective date of this order and in compliance with General Order 96-A, consolidated tariffs applicable to the service authorized containing rates, rules, and charges otherwise applicable to its radiotelephone services. The tariffs shall become effective on not less than five days' notice. The consolidated rates and charges shall be as proposed for service in Exhibit F to A.87-09-002.

4. Within 90 days after transfer, Mobilecomm of California, Inc. shall file with the Commission, in the prescribed form, an annual report on Mobilecomm of Los Angeles, Inc.'s; Mobilecomm of Long Beach, Inc.'s; Mobilecomm of San Bernardino, Inc.'s; Mobilecomm of Ventura, Inc.'s; Mobilecomm of Orange County, Inc.'s; Mobilecomm of San Francisco, Inc.'s; and Mobilfone, Inc.'s operations from the first day of the current year through the effective date of the transfer.

5. When the authorized transfer is complete and the conditions of this order are fulfilled, Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. shall be relieved of their public utility obligations for the transferred system.

6. The corporate identification number assigned Mobilecomm of California, Inc. is U-2032-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

7. Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. (expiring RTU's) shall file separate Advice Letters withdrawing their tariffs once the consolidated Mobilecomm of California, Inc. Advice Letter filing is effective. The Commission Advisory and Compliance Division will then cancel the corporate identification numbers for the expiring RTU's.

8. The application is granted as set forth above and the authority granted will expire if not exercised within one year of the effective date of this order.

This order is effective today. Dated December 17, 1987, at San Francisco, California.

> STANLEY W. HULETT President. DONALD VIAL G. MITCHELL WILK JOHN B. OHANIAN Commissioners

Commissioner Frederick R. Duda, being necessarily absent, did not participate.

> I CERTIFY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY

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Victor Wulmer Executive Diructor

Decision <u>87 12 054</u> DEC 17 1987

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<u>OPIN/ION</u>

Mobilecomm of California Inc.; Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. (applicants) seek Commission authority to merge their operations, assets, and liabilities with Mobilecomm of California, Inc., pursuant to Public Utilities (PU) Code Sections 851, 852, and 854.

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Application 87-09-002 (Filed September 2, 1987)

Cnclusion of Law

The application should be granted.

ORDER

IT IS ORDERED that:

1. Mobilecomm of California, Inc.; Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. are authorized to consolidate their public utility one-way and two-way radiotelephone system, with Mobilecomm of California, Inc. being the surviving corporation.

2. Mobilecomm of California, Inc. shall file written notice of the effective date of consolidation with the Commission's Docket Office within 15 days after the consolidation is consummated.

3. Mobilecomm of California, Inc is authorized to file, after the effective date of this order and in compliance with General Order 96-A, consolidated tariffs applicable to the service authorized containing rates, rules, and charges otherwise applicable to its radiotelephone services. The tariffs shall become effective on not less than five days' notice. The consolidated rates and charges shall be as proposed for service in Exhibit F to A.87-09-002.

4. Within 90 days after transfer, Mobilecomm of California, Inc. shall file with the Commission, in the prescribed form, an annual report on Mobilecomm of Los Angeles, Inc.'s; Mobilecomm of Long Beach, Inc.'s; Mobilecomm of San Bernardino, Inc.'s; Mobilecomm of Ventura, Inc.'s; Mobilecomm of Orange County, Inc.'s; Mobilecomm of San Francisco, Inc.'s; and Mobilfone, Inc.'s operations from the first day of the current year through the effective date of the transfer.

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5. When the authorized transfer is complete and the conditions of this order are fulfilled, Mobilecomm of Los Angeles, Inc.; Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Mobilecomm of Ventura, Inc.; Mobilecomm of Orange County, Inc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. shall be relieved of their public utility obligations for the transferred system.

6. The corporate identification number assigned Mobilecomm of California, Inc. is U-2032-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

7. Mobilecomm of Los Angeles, Inc. Mobilecomm of Long Beach, Inc.; Mobilecomm of San Bernardino, Inc.; Moibilecomm of Ventura, Inc.; Mobilecomm of Orange County, INc.; Mobilecomm of San Francisco, Inc.; and Mobilfone, Inc. (expiring RTU's) shall file separate Advice Letters withdrawing their tariffs once the consolidated Mobilecomm of California, Inc. Advice Letter filing is effective. The Commission Advisory and Compliance Division will then cancel the corporate identification numbers for the expiring RTU's.

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STANLEY W. HULETT President DONALD VIAL G. MITCHELL WILK JOHN B. OHANIAN Commissioners

Commissioner Frederick R. Duda being necessarily absent, did not participate.