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Decision 88 05 005 MAY 11 1988

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 KERMAN TELEPHONE CO. (U-1012-C),)
 a corporation, for authorization to)
 sell and transfer radiotelephone)
 assets, and of COOK TELECOM, INC.)
 OF FRESNO (U-2099), a corporation,)
 for authorization to purchase and)
 acquire radiotelephone assets in)
 Fresno County; and of TOM L. COOK)
 for authorization to control)
 COOK TELECOM, INC. OF FRESNO.)

Application 87-11-017
 (Filed November 17, 1987)

OPINION

This is an application in which Kerman Telephone Co. (Kerman) seeks authority to sell and transfer radiotelephone assets to Cook Telecom, Inc. of Fresno (Cook-Fresno). Tom L. Cook (Tom Cook) also seeks authority to acquire control of Cook-Fresno.

Notice of the filing of the application appeared in the Commission's Daily Calendar on November 19, 1987. There are no protests. The matter was held in abeyance because of interrelated subject matter in Application (A.) 87-10-015, since decided, and proceedings before the FCC. On March 28, 1988, applicants forwarded to the Commission copies of grants by the FCC of requisite authority to consummate the transactions here under consideration. The matter is now ready for decision.

The Commission makes the following findings and conclusions:

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Kerman is a California corporation which operates as a radiotelephone utility under the jurisdiction and control of the Commission, providing two-way communication with mobile stations, and one-way paging and signaling services in Fresno County. Kerman

also operates as a local exchange telephone utility in the vicinity of Kerman, Fresno County.

3. Cook-Fresno is a newly formed California corporation. Its sole shareholder is Tom Cook who is President and general manager of Cook-Fresno and will be in charge of the proposed operations. Tom Cook has had many years of experience in the ownership and management of radiotelephone utility operations in California. He is President of Cook Telecom, Inc., a California corporation, which operates as a radiotelephone utility under the jurisdiction and control of the Commission.

4. On October 1, 1987, the parties entered into an agreement in which Kerman agreed to transfer its radiotelephone operations, including base station facilities, to Cook-Fresno for 7,000 shares of Cook-Fresno capital stock. The reason for Kerman's entering into the transaction is that it is primarily a local exchange company and is unable to operate the paging business properly. The original cost, less depreciation of the properties to be transferred is \$1,596.

5. Cook-Fresno has assets in cash of \$18,000.

6. Cook-Fresno has the ability, including financial ability, to acquire the operating authority and facilities of Kerman's radiotelephone operations and continue those operations.

7. The proposed sale and transfer by Kerman to Cook-Fresno of Kerman's radiotelephone operating authority and facilities is not adverse to the public interest.

8. As a result of the proposed transaction, Kerman will own less than 50% of the capital stock of Cook-Fresno. Tom Cook will own more than 50% of the capital stock.

9. On March 9, 1988, the FCC authorized the assignment of a license from Cook Telecom, Inc. to Cook-Fresno. On February 24, 1988, the FCC granted Kerman a permit and license for the six base station facilities which are included in this application.

10. Cook-Fresno proposes to adopt the rates, rules, and regulations presently governing the operations of Kerman.

11. Cook-Fresno and Kerman are telephone corporations which are nondominant telecommunications carriers.

12. This is a noncontroversial application.

13. Ordering Paragraph 1 of D.85-01-008 in A.85-03-092 dated January 3, 1985, provides that:

"1. On or after the effective date of this order, public utility resellers of telecommunications services are exempted from the requirements of PU Code §§ 816-830."

14. Ordering Paragraph 7 of D.87-04-017, dated April 8, 1987, provides in part that:

"...in noncontroversial applications for authority to transfer assets or control under PU Code §§ 851-855, such authority may be granted by the Commission's Executive Director as specified in D.86-08-057."

15. Since the ensuing order primarily affects the parties to this application, it should be made effective on the date of issuance.

Conclusion of Law

The application should be granted.

This authorization is not a finding of the value of the rights and properties to be transferred.

ORDER

IT IS ORDERED that:

1. On or after the effective date of this order, Kerman Telephone Co. (Kerman) may sell and transfer to Cook-Telecom, Inc. of Fresno (Cook-Fresno) the operating authority and operating properties for radiotelephone service described in the application in accordance with the terms of the application.

2. Within 10 days after transfer, Kerman shall write the Commission stating the date of transfer and the date when Cook-Fresno began operating the system. A copy of the transfer documents shall be attached.

3. Cook-Fresno shall either file a statement adopting Kerman's tariffs or refile those tariffs under its own name as prescribed in General Order Series 96. Rates shall not be increased unless authorized by this Commission.

4. Within 90 days after actual transfer, Cook-Fresno shall file, in proper form, an annual report on Kerman's operations from the first day of the current year through date of transfer.

5. When this order has been complied with, Kerman shall have no further public utility obligations in connection with the operating authority and facilities transferred.

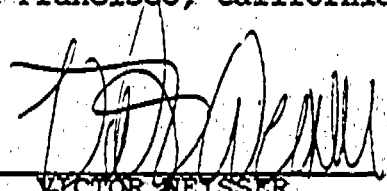
6. The corporate identification number assigned to Cook-Fresno is U-2099-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

7. Tom L. Cook is authorized to acquire control of Cook-Fresno.

8. The authority granted in Ordering Paragraph 1 shall expire unless it is exercised before December 31, 1988.

This order is effective today.

Dated MAY 11 1988, at San Francisco, California.


VICTOR WEISSER
Executive Director

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


Victor Weissler, Executive Director