

Decision 89 09 064

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of GTEL (U-4035-C))
and GTE Mobilnet of California, Inc.)
(U-4028-C) to transfer and acquire)
cellular telephone reseller business)
in Los Angeles.)

Application 89-07-020
(Filed July 12, 1989)

O P I N I O N

Applicants, GTEL and GTE Mobilnet of California, Inc. (GTEM) jointly request authority to transfer GTEL's cellular telephone business in Los Angeles to GTEM, pursuant to Rule 42 of the Commission's Rules of Practice and Procedure.

Notice of this application appeared in the Commission's Daily Calendar of July 19, 1989. No protests to the application have been filed; therefore, a public hearing is not necessary.

GTEL and GTEM are affiliates of GTE Corporation. GTEL provides certificated cellular reseller service in and around the Los Angeles area. GTEM, under separate tariff, also provides certificated cellular reseller service in and around the Los Angeles area. In addition, GTEM provides certificated cellular reseller service in northern California.

Applicants propose to transfer GTEL's cellular reseller operations, consisting of customers and related accounts receivables to GTEM, as shown in Exhibit C to the application. Applicants request that this transfer be approved so that all cellular reseller functions can be consolidated within GTEM.

GTEM will pay GTEL a sum equal to the aggregate of GTEL's cellular accounts receivable up to 90 days old for customers in good standing, and 10 percent of GTEL's accounts receivable for its customers in good standing beyond 90 days old, as of the date of transfer. GTEM will also reimburse GTEL up to \$50,000 for reasonable expenses incurred by GTEL in connection with this

transfer. In turn, GTEL will assign its accounts receivable and all GTEL cellular subscriber accounts existing as of the date of transfer to GTEM.

GTEM wants to supplement its current tariff, on a temporary basis, with GTEL's current cellular tariffed rates, Exhibit H to the application. These supplementary tariffs will be applicable to only those cellular customers being transferred from GTEL and will remain in effect three years from the date of transfer. However, if the Los Angeles wholesale rates charged to GTEM are increased, GTEM reserves the right to seek an appropriate adjustment to its retail rate charges. At the end of the three-year period, GTEM will withdraw its supplementary tariffs and provide cellular service to all its customers under its then existing tariffs. Six months prior to withdrawal of these supplementary tariffs, GTEM will notify all affected customers of the proposed changes.

GTEL represents that it notified each of its cellular customers of this proposed transfer, within 3 days after the filing of this application. It informed each customer that their respective cellular service and telephone number will remain the same. From the customer prospective, the only change will be in the customer service number and the bill payment address.

Upon approval of this transfer, applicants will jointly notify each affected cellular customer of the transfer and the date of transfer. A copy of applicants' joint notice is attached to the application as Exhibit E. Concurrent with the transfer approval, GTEL requests authority to withdraw its cellular reseller tariffs and to discontinue providing such service in California.

It can be seen with certainty that the proposed transfer will not have an adverse impact on the environment because the proposed transfer involves only the transfer of cellular reseller customers and related accounts receivables and because applicants do not propose any new construction.

Although the application was filed on July 12, 1989, applicants requested emergency relief to allow them to finalize the proposed transfer by July 15, 1989, three days after filing the application. Emergency relief was not considered because applicants did not provide any justification for it.

Pursuant to Ordering Paragraph 1 of Decision 87-10-035, this application should be approved by the Executive Director on an expedited basis because this application is noncontroversial and because applicants are nondominant telecommunication carriers. The ordering paragraph provides in part that:

"...the Executive Director...may grant noncontroversial applications by nondominant telecommunications carriers and radiotelephone utilities for authority to transfer asset or control under §§ 851-855 of the PU Code."

Findings of Fact

1. Applicants propose to transfer GTEL's cellular reseller operations to GTEM.
2. No protests to the application have been filed.
3. GTEM will supplement its current tariff with GTEL's current cellular tariffed rates and be applicable to only those customers being transferred from GTEL.
4. GTEM reserves the right to seek an appropriate rate adjustment if the Los Angeles wholesale rates charged to GTEM are increased.
5. GTEL informed each of its customers that their respective cellular service and telephone number will remain the same.
6. Applicants will jointly notify each affected customer of the transfer and the date of transfer.
7. It can be seen with certainty that the proposed transfer will not have an adverse impact on the environment.

Conclusion of Law

The application should be granted.

This authority is not a finding of the value of the rights and property to be transferred.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, GTEL may transfer to GTE Mobilnet of California, Inc. (GTEM) its cellular reseller operations and customers in accordance with the terms described of the application.

2. GTEL and GTEM shall jointly notify the affected cellular customers of the transfer and the date of transfer, as shown in Exhibit E to the application.

3. GTEM shall inform the Commission Advisory and Compliance Division Director in writing of the actual transfer date as authorized herein, within 10 days after the transfer from GTEL. A true copy of the transfer documents shall be attached to the written notification.

4. GTEM is authorized to file, after the effective date of this order and in compliance with General Order 96-A, tariff sheets consistent with GTEL's current tariffed rate structure and shall be applicable to all cellular customers transferred from GTEL.

5. Within 90 days after transfer, GTEL shall file with the Commission, in the prescribed form, an annual report on its operations from the first day of the current year through the effective date of the transfer.

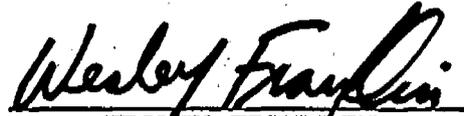
6. When the authorized transfer is completed and the conditions of this order are fulfilled, GTEL shall be relieved of its public utility obligations for the transferred system and its corporate identification No. U-4035 shall be abrogated.

7. GTEM shall use its existing corporate identification No. U-4028-C in connection with the certificate or authority issued in this proceeding. The number shall appear in the caption of all original pleadings and in the titles of pleadings and in the title of pleadings filed in existing cases with the Commission.

8. The authority granted in Ordering Paragraph 1 shall expire if not exercised within 12 months after the effective date of this order.

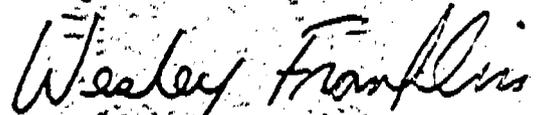
This order is effective today.

Dated SEP 22 1989, at San Francisco, California.



WESLEY FRANKLIN
Acting Executive Director

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



WESLEY FRANKLIN, Acting Executive Director

This authority is not a finding of the value of the rights and property to be transferred.

ORDER

IT IS ORDERED that:

1. On or after the effective date of this order, GTEL may transfer to GTE Mobilnet of California, Inc. (GTEM) its cellular reseller operations and customers in accordance with the terms described of the application.
2. GTEL and GTEM shall jointly notify the affected cellular customers of the transfer and the date of transfer, as shown in Exhibit E to the application.
3. GTEM shall inform the Commission Advisory and Compliance Division Director in writing of the actual transfer date as authorized herein, within 10 days after the transfer from GTE. A true copy of the transfer documents shall be attached to the written notification.
4. GTEM is authorized to file, after the effective date of this order and in compliance with General Order 96-A, tariff sheets consistent with GTEL's current tariffed rate structure and shall be applicable to all cellular customers transferred from GTEL.
5. Within 90 days after transfer, GTEL shall file with the Commission, in the prescribed form, an annual report on its operations from the first day of the current year through the effective date of the transfer.
6. When the authorized transfer is completed and the conditions of this order are fulfilled, GTEL shall be relieved of its public utility obligations for the transferred system and its corporate identification No. U-4035 shall be abrogated.