

Decision 89 11 051 NOV 2 2 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BellSouth Corporation)
to transfer, and BellSouth Enterprises,)
Inc. to acquire control and operating)
authority of Mobilecomm of California,)
Inc. (U-2032-C) and Bakersfield Cellular)
Telephone Company (U-4056-C).)

ORIGINAL
Application 89-08-006
(Filed August 4, 1989)

OPINION

Applicants, BellSouth Corporation (BellSouth) and BellSouth Enterprises, Inc. (Enterprises), jointly request authority to transfer control and operating authority of Mobilecomm of California, Inc. (Mobilecomm-California) and Bakersfield Cellular Telephone Company (Bakersfield Cellular), pursuant to § 854 of the California Public Utilities Code.

Notice of this application appeared in the Commission's Daily Calendar of August 9, 1989. No protests to the application have been filed; therefore, a public hearing is not necessary.

BellSouth, a Georgia corporation, wholly owns Enterprises and Mobile Communications Corporation of America (Mobilecomm-Delaware). Mobilecomm-Delaware, in turn, has direct ownership interest in Mobilecomm-California and Bakersfield Cellular. Mobilecomm-Delaware also has an indirect beneficial interest¹ in Los Angeles Cellular Telephone Company (LACTC).

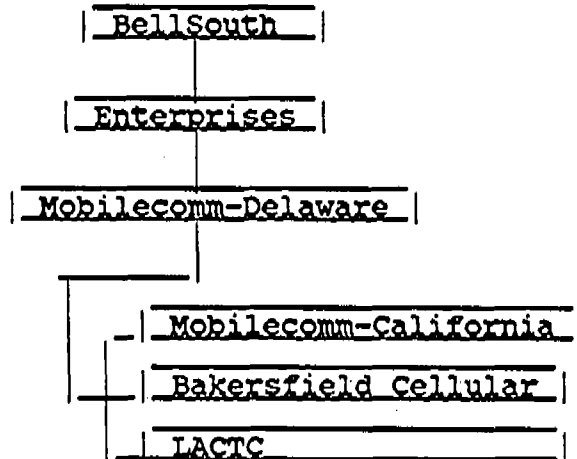
¹ Mobilecomm-Delaware owns a 50% interest in American Cellular Communications Corporation (ACCC). ACCC, for its part, has an 85% interest in Los Angeles RCC's, Inc. (LARCC), which in turn, has a 51% interest in Los Angeles Cellular Corporation (LA Corp.). LA Corp. has a 65% interest in LACTC, the regulated cellular corporation. The net result is that Mobilecomm-Delaware indirectly holds a 14% interest in LACTC.

Mobilecomm-California, a wholly owned subsidiary of Mobilecomm-Delaware, is a certificated radiotelephone utility providing tone-only paging services, display paging services, voice paging services, alphanumeric paging services, and conventional mobile telephone services throughout California. It is a successor in interest, pursuant to Decision (D.) 87-12-054, to a group of California radiotelephone utilities which include 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.

Bakersfield Cellular was certificated to resell cellular services pursuant to D.88-01-017. In D.88-05-025 it obtained a certificate of public convenience and necessity to construct and operate a new domestic public cellular radiotelephone service within the Bakersfield area. As a condition of the certificate, Bakersfield Cellular was required to phase out its resale service in the Bakersfield area within 90 days after the new cellular service was placed in service. Bakersfield Cellular is wholly owned by BellSouth.

BellSouth proposes to restructure its subsidiaries to aggregate its non-landline telephone operations under a single subsidiary, Enterprises. Enterprises and Mobilecomm-Delaware will continue to be wholly owned subsidiaries of BellSouth. The only difference will be in its subsidiary structure. Mobilecomm-Delaware will become a wholly owned subsidiary of Enterprises, and thus an indirect wholly owned subsidiary of BellSouth. The diagram on the following page depicts BellSouth's proposed corporate structure.

PROPOSED STRUCTURE



Mobilecomm-California, Bakersfield Cellular, and LACTC will continue to provide service in the same manner as provided prior to the restructure. The financial, technical, and managerial structure will remain the same. California end-users will not be affected by the proposed restructuring, except that they will benefit from resulting administrative efficiencies.

Applicants propose to consummate the restructure upon approval of this application and upon the Federal Communications Commission's (FCC) approval of the pro forma transfer of affected FCC licenses from BellSouth to Enterprises. According to the application, applicants have not yet filed for FCC approval.

Findings of Fact

1. Notice of this application appeared in the Commission's Daily Calendar of August 9, 1989.
2. No protests to the application have been filed.
3. Enterprises and Mobilecomm-Delaware are wholly owned subsidiaries of BellSouth.
4. Mobilecomm-California is a wholly owned subsidiary of Mobilecomm-Delaware.

5. Mobilecomm-California is a certificated radiotelephone utility.

6. Bakersfield Cellular is a certificated public cellular radiotelephone utility.

7. LACTC is a certificated public cellular radiotelephone utility.

8. Applicants have not yet requested FCC approval for its proposed restructure.

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

Conclusion of Law

The application should be granted.

ORDER

IT IS ORDERED that:

1. BellSouth Enterprises, Inc. may acquire the control and operating authority of Mobilecomm of California, Inc., Bakersfield Cellular Telephone Company, and Los Angeles Cellular Telephone Company from BellSouth Corporation.

2. The authority granted in Ordering Paragraph 1 is conditioned upon BellSouth Enterprises, Inc. filing with the Commission Advisory and Compliance Division (CACD) Director written notice that it possesses the requisite Federal Communications Commission authority discussed in this opinion.

3. BellSouth Enterprises, Inc. shall file with the CACD Director written notice that the authorized reorganization has been completed.

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

This order is effective today.

Dated NOV 22 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

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

- 5 -

Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director
WB