

Decision 90 03 085 MAR 29 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Long Distance/U.S.A.,)	
Inc., (U-5149-C) to sell and)	
transfer certain assets to US Sprint)	Application 89-09-038
Communications Company Limited)	(Filed September 27, 1989)
Partnership, (U-5112-C).)	

O P I N I O N

This is an application in which Long Distance/U.S.A., Inc., (LD) seeks authority to sell all of its assets to US Sprint Communications Company Limited Partnership (Sprint).

Notice of the filing of the application appeared in the Commission's Daily Calendar on October 11, 1989. There are no protests.

The Commission makes the following findings and conclusion.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. LD (U-5149-C) is a Hawaiian corporation which is authorized to do business in California. It holds a certificate of public convenience and necessity, granted in Decision (D.) 88-05-013, authorizing it to operate as an interexchange long distance carrier to provide interLATA telecommunications service.
3. Sprint (U-5112-C) is a Delaware limited partnership which is authorized to do business in California. D.86-06-028 granted Sprint a certificate of public convenience and necessity authorizing it to provide intrastate interLATA telecommunications service.
4. LD and Sprint have entered into an agreement under which Sprint agreed to purchase all the assets of LD for \$26,803,749, subject to certain adjustments.

5. LD is a small carrier offering interLATA-switched voice services in selected regions in the United States, including California, and internationally. LD does not own any transmission facilities and Sprint currently supplies much of the transmission capacity used by it. LD believes the proposed transaction offers an opportunity for the resulting combined entity to expand its competitive operations in international markets and achieve networking efficiencies and economies of scale which will permit it to provide superior service to the customer base at lower costs than either company could achieve individually.

6. Sprint proposes to operate LD as a separate division until complete consolidation of the two entities is operationally feasible.

7. Sprint and its subsidiary had assets of \$3,583,738,000 as of December 31, 1988. It had operating revenues of \$3,405,360,000 for the twelve months ending December 31, 1988.

8. Sprint has the ability, including financial ability, to acquire the assets of LD and continue its operations.

9. The proposed sale and transfer by LD to Sprint of its assets is not adverse to the public interest.

10. LD and Sprint are telephone corporations which are nondominant telecommunications carriers.

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

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

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."

11. 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.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order Long Distance/U.S.A., Inc. (LD) may sell and transfer to US Sprint Communications Company Limited Partnership (Sprint) the assets set forth in the application in accordance with the terms of the application.
2. Within 10 days after transfer, LD shall write the Commission stating the date of transfer and the date when Sprint began operating the system. A copy of the transfer documents shall be attached.
3. Sprint shall either file a statement adopting LD's tariffs or refile those tariffs under its own name as prescribed in General Order 96. Rates shall not be increased unless done in accordance with the law.
4. Within 90 days after actual transfer, Sprint shall file, in proper form, an annual report on LD's operations from the first day of the current year through date of transfer.
5. When this order has been complied with, LD shall have no further public utility obligations in connection with the facilities transferred.
6. The corporate identification number assigned to LD (U-5149-C) shall be retained by Sprint and should be included in the caption of all original filings with this Commission, and in

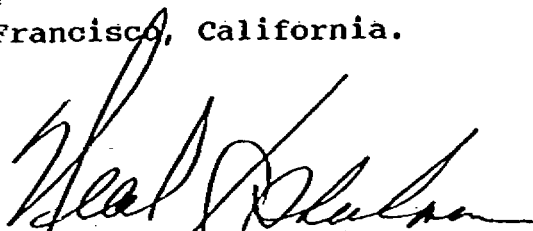
the titles of other pleadings filed in existing cases dealing with the assets transferred.

7. Within 60 days after acquiring the assets authorized in Ordering Paragraph 1, Sprint shall comply with Public Utilities Code § 708, Employee Identification Cards, and notify, in writing, the Chief of the Telecommunications Branch of the Commission Advisory and Compliance Division of compliance.

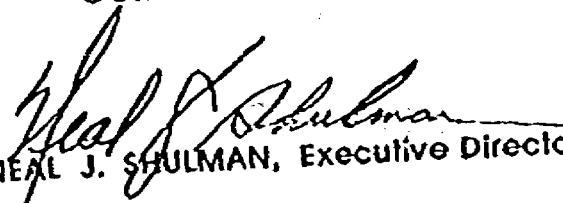
8. The authority granted in Ordering Paragraph 1 shall expire unless it is exercised before March 31, 1991.

This order is effective today.

Dated MAR 29 1990, at San Francisco, California.


NEAL J. SHULMAN
Executive Director

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


NEAL J. SHULMAN, Executive Director

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