

ORIGINAL

Decision 90 05 070 MAY 22 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Cellular Corporation and Butte County Cellular License Corporation (U-3022-C) for Authority for General Cellular Corporation to Acquire Control of Butte County Cellular License Corporation.)	
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)	
)	Application 90-02-051
)	(Filed February 23, 1990)
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)	

O P I N I O N

General Cellular Corporation (GCC) and Butte County Cellular License Corporation (BCCLC), jointly referred to as applicants, seek authority for GCC to acquire control of BCCLC by acquiring a controlling interest in the stock of Butte County Cellular, Inc. (BCCI), the parent corporation of BCCLC.

Notice of this application appeared in the Commission's Daily Calendar of February 28, 1990. No protests to the application were received; therefore, a public hearing is not necessary.

BCCLC was issued a Certificate of Public Convenience and Necessity by this Commission to construct and operate a domestic public cellular radio telecommunications systems in the Chico Metropolitan Statistical Area. That certificate was issued pursuant to Decision (D.) 89-02-070.

BCCI is the parent corporation of BCCLC. 50.1 percent of the common stock of BCCI (5001.60 shares) is owned by Mr. Austin Peterson, a resident of the State of Oregon.

GCC through its subsidiary, GenCell Management, Inc. (GenCell) builds and operates cellular systems in several markets throughout the United States on behalf of cellular licensees. GCC has provided marketing and operational support to BCCLC pursuant to a management agreement between GenCell and BCCLC. GCC, BCCLC, and

BCCI, are all headquartered at 44 Montgomery Street, Suite 400, San Francisco, California 94104.

GCC and its subsidiary GenCell are in the business of providing operational and other support to entities licensed by the FCC and state utility commissions to operate cellular telephone systems. In order to more directly control cellular telephone systems for which GCC or its subsidiary GenCell have contracted to provide operational support while at the same time providing the original licensees with an interest in the financial success in the endeavor, GCC is in the process of acquiring direct interests in several of the entities it operates in exchange for interests in GCC. Recently, GCC and the entities that control several such cellular operations have reached agreement on the terms of these exchanges.

Applicants state that pursuant to the terms of an agreement between the parties, Mr. Peterson will receive approximately 427,760 shares of GCC. In return, Mr. Peterson will transfer 50.1 percent of the common stock of BCCI, the parent of BCCLC, to GCC. The approximate value of these shares has been determined to be \$8,555,200. By this transaction, GCC will acquire control of BCCI and thus BCCLC.

Applicants further state that they are unaware of any opposition or potential opposition to the transaction described herein. GCC, the entity that would acquire control of BCCLC, is amply qualified to operate the system, and, in fact, GCC's subsidiary, GenCell Management, Inc., has been providing marketing and other administrative support for the system since BCCLC was certified by the Commission pursuant to D.89-02-070. Moreover, as is set forth in Exhibit B to the application, GCC's financial statements, applicants believe that GCC is amply fit to operate the system from a financial standpoint.

Lastly, applicants claim that the transfer of control for which authority is sought herein will result in no change to the

rates and charges assessed by BCCLC. In fact, the transfer of control should be entirely transparent to the ratepayers of BCCLC since the transaction will simply result in GCC's more direct and expansive control of the operations of BCCLC. No change in the key operational personnel is anticipated as a result of this transaction.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. The proposed acquisition of control of BCCLC by GCC is not adverse to the public interest.

Conclusions of Law

1. The application should be granted.
2. This authorization is not a finding of the value of the property for which authorization to acquire control is granted.
3. Since the ensuing order primarily affects the parties to this application, it should be made effective on the date of issuance.

O R D E R

IT IS ORDERED that:

1. On or after the effective date of this order, applicants General Cellular Corporation and Butte County Cellular License Corporation, are granted authority for General Cellular Corporation to acquire control of Butte County Cellular License Corporation through the acquisition of capital stock in accordance with the terms set forth in the application.
2. Applicants shall file written notice of the acquisition of control with the Commission Advisory and Compliance Division within 15 days after it has occurred.
3. Butte County Cellular License Corporation shall continue to use Identification No. U-3022-C in the caption of all original

filings with the Commission, and in the titles of other pleadings filed in existing cases.

4. The authority granted in Ordering Paragraph 1 shall expire unless it is exercised within 12 months from the effective date of the order.

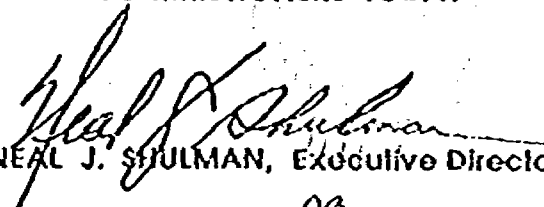
This order is effective today.

Dated MAY 22 1990, at San Francisco, California.

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

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

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


NEAL J. SHULMAN, Executive Director

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