

Decision 90 10 070

OCT 25 1990

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Americom L.A. Systems)
 (U-4036-C) to transfer and GTE)
 Mobilnet of California, Inc.)
 (U-4028-C) to acquire certain assets)
 of Americom L.A. Systems.)

Application 90-09-019
 (Filed September 7, 1990)

O P I N I O N

By this application, Americom L.A. Systems (Americom), seeks authority to transfer certain assets to GTE Mobilnet of California, Inc. (GTEM-CA), and GTEM-CA seeks authority to acquire those assets.

Americom is a general partnership with its principal place of business in Dallas, Texas. Americom operates as a reseller of cellular radio telecommunications services pursuant to authorization by this Commission. A copy of its current partnership agreement is submitted with the application. GTEM-CA is a California corporation with its principal place of business in Houston, Texas. GTEM-CA also operates as a reseller of cellular radio telecommunications services pursuant to authorization by this Commission. GTEM-CA's current articles were filed as an exhibit to Application 90-02-006.

At the present time, Americom provides service in the Los Angeles area, while GTEM-CA offers its services throughout California, except for those areas served by its facilities-based affiliates. Their respective operations entail the retail provision of communications channels acquired in bulk from authorized facilities-based cellular radio carriers.

By this application, Americom and GTEM-CA are seeking authority to transfer all of Americom's 4,000 Los Angeles subscriber accounts to GTEM-CA along with associated accounts receivable.

The terms and conditions of the transaction are set forth in the agreement between the parties submitted with the application. As indicated in the agreement between the parties, the valuation of the involved subscriber base is \$500 per subscriber in good standing as of the closing plus associated accounts receivable. GTEM-CA agrees to return the security deposit of any transferred customer to said customer.

The subscriber accounts represent the expenditure of substantial sums of money, as well as marketing time and effort. The applicants assert that although some tangible property, in the nature of records, journals, applications, software, and the like pertaining to the marketing, administration, and accounting relating to the subscriber base will be transferred, there is no ascertainable book value, per se, of the property.

GTEM-CA states it is entering into the proposed transaction in order to enhance the efficiency of its operation in the Los Angeles area. It believes that the transfer of such accounts to GTEM-CA will enable it to spread its fixed costs over a broader customer base and may provide the opportunity for it to obtain wholesale services at lower bulk rates.

Americom maintains it is entering into the proposed transaction as a result of a determination by the Americom partners that the cellular resale operation no longer serves their business interests. Upon completion of the transfer, Americom will cease operating as a cellular reseller in this state.

Notice of this application appeared in the Commission's Daily Calendar of September 18, 1990. No protests to the application have been filed; therefore, a public hearing is not necessary.

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. In the circumstances, the application should be granted.

Pursuant to Ordering Paragraph 1 of Decision 87-10-035, this application should be approved by the Executive Director on an expedited basis because the application is noncontroversial and because the applicants are nondominant telecommunication carriers. The above 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 Americom's cellular reseller operations to GTEM-CA.
2. No protests to the application have been filed.
3. 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, Americom L.A. Systems (Americom) may transfer to GTE Mobilnet of California, Inc. (GTEM-CA) its cellular reseller operations and customers in accordance with the terms described of the application.
2. Americom and GTEM-CA shall jointly notify the affected cellular customers of the transfer and the date of transfer.
3. GTEM-CA 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. A true copy of the transfer documents shall be attached to the written notification.

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

5. Within 90 days after transfer, Americom 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.

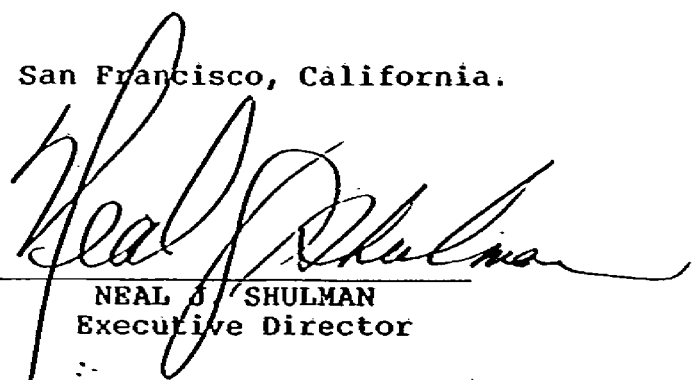
6. When the authorized transfer is completed and the conditions of this order are fulfilled, Americom shall be relieved of its public utility obligations for the transferred system and its corporate identification No. U-4036-C shall be abrogated.

7. GTEX-CA shall use its existing corporate identification No. U-4028-C in connection with the 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 OCT 25 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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