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Decision 91-03-048 March 22, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of ICS Communications (U-2023-C); Metromedia Telecommunications, Inc. (U-2078-C); Kidd's Communications, Inc. (U-2027-C); R.C.S., Inc. (U-2045-C); Salinas Valley Radio Telephone Company (U-2052-C); and Chalfont Communications (U-2007-C) for authority to consolidate and merge pursuant to Sections 851-854 of the Public Utilities Code of California and to approve change of name of surviving corporation.

ORIGINAL

Application 90-11-046 (Filed November 26, 1990)

OPINION

Applicants ICS Communications (ICS), Metromedia Telecommunications, Inc. (MTI California), Kidd's Communications, Inc. (Kidd's), R.C.S., Inc. (RCS), Salinas Valley Radio Telephone Company (Salinas), and Chalfont Communications (Chalfont) seek Commission authority to merge their operations, assets, and liabilities.

Copies of the application were served on eighty entities with which applicants compete. Notice of this application appeared on the Commission's Daily Calendar of November 30, 1990. No protests to the application have been received; therefore, a public hearing is not necessary.

Applicants are all California corporations. RCS, Salinas, Kidd's, and Chalfont are subsidiaries of ICS, a Delaware company wholly owned by Metromedia Paging Services, Inc. (MPS), a Delaware corporation qualified to do business in California. MTI California is also a wholly owned subsidiary of MPS. In turn, MPS is a wholly owned subsidiary of Southwestern Bell Corporation.

(SWB), a Delaware corporation qualified to do business in California.

Applicants are certificated radiotelephone utilities (RTU) authorized to provide public utility one-way radiotelephone services in major portions of California. Except for MTI California, applicants also provide two-way radiotelephone services in major portions of California.

Applicants share common frequencies licensed by the FCC in their respective service areas and provide paging services through common facilities. Currently, each applicant keeps and maintains separate books of accounts and separate regulatory filings. Applicants represent that the proposed merger will eliminate duplicate activities and enable applicants to better serve their customers through efficiencies and at less cost.

Applicants propose to merge their operations, assets, and liabilities with ICS. All of applicants' outstanding shares of stock will be transferred to ICS, and all applicants except for ICS will be dissolved and their shares extinguished. ICS will hold all of applicants' FCC licenses and certificates of public convenience and necessity. All of ICS's outstanding shares of stock will continue to be owned and held by MPS. Applicants' current service territories will be consolidated into one service territory as shown in Exhibit B to the application.

Upon consolidation, all of ICS's facilities, including licenses and certificates, will be operated and conducted by ICS under the fictitious name Metromedia Paging Services. Once merged, ICS will change its name to Metromedia Paging Services, Inc. (MPSI), the same name as its parent corporation, MPS, and will remain a California corporation.

Applicants clarified the difference between MPSI, the surviving company, and MPS, the parent company, by their letter of February 6, 1991. Contemporaneously with the merger, MPS, the parent company, will file a certificate of surrender to transact

intrastate business in California with the Secretary of State. Within ten days of the merger, ICS, as the surviving corporation, will file an amendment to its articles of incorporation with the Secretary of State to change its corporate name from ICS to MPSI.

There will be no change in control of any of the applicants. All outstanding stock of ICS is now and will continue to be owned and held by MPS. MPS will continue to remain a wholly-owned subsidiary of SWB. MPSI's principal place of business will continue to be 1125 North Magnolia Avenue, Anaheim, California.

The Federal Communications Commission (FCC) has approved the transfer (pro forma) of control of all licenses held by applicants to ICS. No FCC approval is needed to change ICS's name to MPSI. However, upon completion of the merger and name change, applicants will formally notify the FCC.

To the extent that ICS's internally generated funds may be insufficient to construct and operate its facilities, MPS is committed to provide the necessary funds to insure the continued construction and operation of such facilities. As of December 31, 1989, MPS had a net worth of approximately \$248 million.

The proposed merger should be approved because it will result in the consolidation of six entities into one entity without any change in ownership, eliminate duplicative services, and enable applicants to better serve their customers through efficiency at less cost.

Findings of Fact

1. Notice of the filing of this application appeared in the Daily Calendar on November 30, 1990. No protests have been filed. A hearing is not necessary.

2. Applicants are all California corporations, and are wholly owned by MPS.

3. Applicants are certificated RTUs.

4. All of applicants' outstanding shares of stock will be transferred to ICS.

5. All applicants, except for ICS, will be dissolved.
6. There will be no change in control of any of applicants.
7. It can be seen with certainty that there is no possibility that granting this application may have a significant effect on the environment.
8. The proposed consolidation is not adverse to the public interest.
9. MPS will file a certificate of surrender to transact intrastate business in California contemporaneous with the merger.
10. Within ten days of the merger, ICS will change its name to MPSI.
11. MPS's net worth as of December 31, 1989 was \$248 million.

Conclusions of Law

1. The application should be granted.
2. This order should be effective on the date signed because the proposed consolidation is in the public interest and will not result in any changes in the terms and conditions of service.

ORDER

IT IS ORDERED that:

1. ICS Communications (ICS); Metromedia Telecommunications, Inc. (MTI California); Kidd's Communications, Inc. (Kidd's); R.C.S., Inc. (RCS); Salinas Valley Radio Telephone Company (Salinas); and Chalfont Communications (Chalfont) are authorized to consolidate their public utility one-way and two-way radiotelephone system, with ICS being the surviving corporation.
2. ICS shall file written notice of the effective date of consolidation with the Commission's Advisory and Compliance Division Director, in writing, within 15 days after the consolidation is consummated.
3. ICS is authorized to file, after the effective date of this order and in compliance with General Order 96-A, consolidated.

tariffs applicable to the service authorized containing rates, rules, and charges otherwise applicable to radiotelephone services. The tariffs shall become effective on not less than five days' notice. The consolidated rates, terms and conditions of service shall be the same rates, terms, and conditions currently being offered by applicants.

4. Within 90 days after transfer, ICS shall file with the Commission, in the prescribed form, an annual report on MTI California's, Kidd's, RCS's, Salinas's, and Chalfont's operations from the first day of the current year through the effective date of the transfer.

5. When the authorized transfer is complete and the conditions of this order are fulfilled, MTI California, Kidd's, RCS, Salinas, and Chalfont shall be relieved of their public utility obligation for the transferred systems.

6. The corporate identification number assigned ICS Communications is U-2023-C which should be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

7. ICS is authorized to change its name to Metromedia Paging Services, Inc. (MPSI).

8. The authority granted in Ordering Paragraph 7 is conditioned upon ICS providing the Commission's Advisory and Compliance Division Director a copy of its amended articles of incorporation as approved by the Secretary of State. Concurrent with this notice ICS shall file revised tariffs to reflect its change in name and shall continue to use its corporate identification number U-2023-C in the caption or all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

9. MTI California, Kidd's, RCS, Salinas, and Chalfont (expiring RTU's) shall file separate Advice Letters withdrawing their tariffs once the consolidated ICS Advice Letter is effective.

The Commission Advisory and Compliance Division Director will then cancel the corporate identification numbers for the expiring RTU's.

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

This order is effective today.

Dated March 22, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President

G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL WM. FESSLER
NORMAN D. SHUMWAY
Commissioners

CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY

[Signature]
NEAL J. SHULMAN, Executive Director