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Decision 91-05-038 May 22, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 American Satellite Company (dba)
 Contel ASC) to abandon its)
 certificate of public convenience)
 and necessity to operate as a)
 reseller of telecommunications)
 services within California.)
 (U 5036 C))

ORIGINALApplication 91-04-011
(Filed April 10, 1991)O P I N I O N

American Satellite Company (applicant), doing business as Contel ASC, a Delaware corporation, seeks authority to abandon its certificate of public convenience and necessity (CPC&N), to withdraw its tariffs, and to discontinue operations as a public utility. Applicant is a corporation organized under the laws of the State of Delaware. Its principal place of business is Rockville, Maryland.

Applicant received a CPC&N to provide interLATA telecommunications reseller services on May 4, 1984, pursuant to Decision (D.) 84-05-008 in Application (A.) 84-04-032.

Applicant has determined that further operation of intrastate telecommunications business is not practicable. Substantially all of applicant's business consists of interstate or international satellite communication services. In 1990, intrastate private line services accounted for approximately 0.26% of total consolidated revenues. Such private line services have been offered only as an adjunct of applicant's interstate business and not as a separate line of business.

Applicant has notified all of its 16 customers of its intent to cease providing intrastate private line services. Applicant has made tentative arrangements with Cable & Wireless

Communications (U 5056 C) to provide applicant's customers with similar telecommunication services, at rates no less favorable than applicant's rates. Applicant's customers have been given the option to obtain service elsewhere. All of applicant's 16 customers have agreed to take substitute service. It is anticipated that substitution of service will be completed by May 24, 1991 without interruption of the customers' service.

Applicant alleges that, under the circumstances, there is no reason for applicant to maintain its CPC&N or to continue as a California public utility.

Upon issuance of a favorable order in this docket, applicant will no longer have any property or operation subject to the jurisdiction of the Commission and thus no longer will be one of the "Contel California Companies", as defined in Section 1 of Appendix C to D.91-03-022. After the issuance of a favorable decision, applicant anticipates that it and GTE Spacenet (an indirect, wholly-owned subsidiary of GTE Corporation) will be merged, although currently it is not known which corporation will be the survivor.

Applicant is unaware of any party opposing its request for decertification and believes that there is no reason for any opposition. It requests ex parte treatment of the application.

We take official notice that there are numerous public utility telephone corporations reselling interLATA, intrastate telecommunication services to the public from which applicant's current intrastate customers could obtain service if they did not prefer the substitute service offered by applicant.

Findings of Fact

1. Notice of the filing of the application appeared in the Daily Calendar. In addition, applicant served copies of the application upon three members of the Commission staff and upon a deputy attorney general. No protest has been received. A public hearing is not necessary.

2. Applicant now provides intrastate service in California to only 16 of its customers.

3. Applicant has arranged for its 16 intrastate customers to receive service from Cable & Wireless Communications when applicant ceases to provide intrastate telecommunications services.

4. Numerous public utility telephone corporations resell interLATA intrastate telecommunications services in California.

5. All of applicant's 16 customers have agreed to take the substitute service offered by applicant. That service will allow its customers to continue their telecommunications services without interruption.

6. No reason appears why applicant should not be authorized to abandon its CPC&N.

Conclusions of Law

1. Applicant should be authorized to abandon its CPC&N, to withdraw its tariffs, and to discontinue operations as a California public utility.

2. Since this matter is not controversial, the following order should be effective immediately.

3. The application should be granted.

ORDER

IT IS ORDERED that:

1. American Satellite Company (applicant), doing business as Contel ASC, is authorized to abandon its certificate of public convenience and necessity (CPC&N), to withdraw its tariffs, and to discontinue operations as a California public utility.

2. Applicant's CPC&N granted in Decision 84-05-008 in Application 84-04-032 is hereby canceled.

3. Applicant shall notify the Director of the Commission Advisory and Compliance Division of the date that substitution of

service for applicant's 16 customers is completed within 30 days after that date.

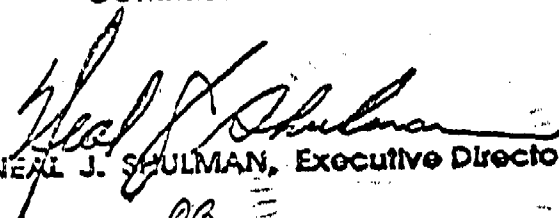
This order is effective today.

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

PATRICIA M. ECKERT
President
G. MITCHELL WILK
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.

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


NEAL J. SHULMAN, Executive Director
JB