

Decision 91 09 044 SEP 1 3 1991

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application for Approval of)	
the Transfer Control of Execuline of)	Application 91-07-033
Sacramento, Inc. (U-5008-C) to)	(Filed July 23, 1991)
American Sharecom, Inc.)	
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OPINION

Execuline of Sacramento, Inc., (Execuline) and American Sharecom, Inc., (Sharecom) seek authority, pursuant to Public Utilities (PU) Code § 854, for Sharecom to control Execuline. At the close of the transaction proposed in the application, Execuline will become a wholly-owned subsidiary of Sharecom.

Execuline is a California corporation operating from offices in Sacramento. It conducts business as a telephone corporation, under a certificate of public convenience and necessity granted by Decision (D.) 84-02-012 in Investigation 83-06-01, Application (A.) 84-01-38, et al., and by D.88-12-075 in A.84-01-38 pursuant to PU Code §§ 233, 234, and 1001; and it is a nondominant interexchange carrier (NDIEC).

Sharecom is a Minnesota corporation operating from offices in Minneapolis. It is qualified to transact intrastate business in California. Sharecom also conducts business as an NDIEC, directly and through wholly-owned subsidiaries, in various parts of the United States, excluding California.

The proposed transaction involves the transfer of 100% of the issued and outstanding shares of stock in Execuline to Sharecom. In consideration Sharecom will make a series of payments over a three-year period for the benefit of Execuline's shareholders. The total value of the payments will be about \$5,565,000. No property or operating authorities will be transferred under the proposed transaction.

Following transfer of control, Execuline will continue to engage in its current operations pursuant to its existing authority and filed tariffs. However, the parties expect to enter into various arrangements among themselves and with other affiliated and nonaffiliated corporations from time to time to achieve operating and administrative efficiencies.

The purpose of the proposed transaction is to increase the applicants' operating efficiency and to enhance their competitive positions. Increased efficiency will result primarily from the elimination, where feasible, of duplicate operating, administrative, and management functions. The parties believe, in addition, that their collective size will enable both entities to obtain necessary financing, goods, and services at a lower cost than is now available to the separate entities.

This increase in operating efficiency, along with the ability to obtain lower-cost financing, goods, and services, will allegedly improve the ability of the applicants to compete against other interexchange carriers in their service areas. The parties believe that their enhanced competitive positions will ultimately benefit customers through lower rates or improved service, and that the proposed transaction is therefore clearly in the public interest.

The applicants seek expedited, ex parte relief, pursuant to D.86-08-057, which authorized and directed the Executive Director to grant noncontroversial applications for the transfer of control or assets of NDIECs. Accordingly, the applicants request that the application be granted by an order of the Executive Director.

Findings of Fact

1. Notice of the filing of the application appeared in the Daily Calendar. No protests have been filed.

2. The transfer of control will not affect the rates or terms of service of any Execuline subscriber, except to the extent that lower costs may ultimately produce lower rates.

3. Execuline will continue to be managed, operated, and ultimately controlled by experienced personnel.

4. Sharecom is financially and technically able to control Execuline.

5. Pursuant to D.86-08-057, the Executive Director is authorized and directed to sign noncontroversial orders granting requests under PU Code § 854 for authority to transfer control of NDIECs.

6. Execuline is an NDIEC.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted by Executive Director's order.

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

4. Within ten days after the close of the proposed transaction, Execuline should write to the Telecommunications Branch of the Commission Advisory and Compliance Division stating the closing date of the transaction.

ORDER

IT IS ORDERED that:

1. American Sharecom, Inc., may acquire control of Execuline of Sacramento, Inc. (Execuline), in accordance with a stock purchase agreement carrying out the terms of a June 28, 1991, letter of intent, a copy of which is attached to the application as Exhibit B.

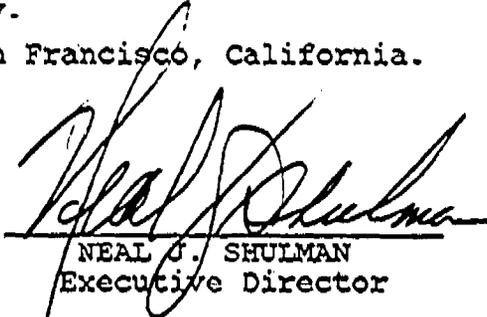
2. Within 10 days after the close of the transaction Execuline, shall write to the Telecommunications Branch of the

Commission Advisory and Compliance Division stating the closing date of the transaction.

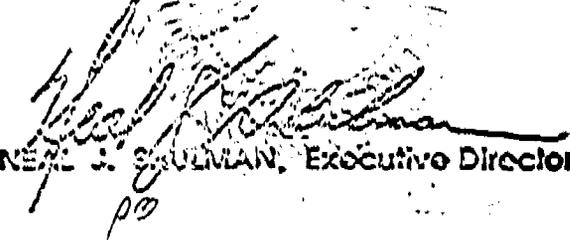
3. Until further order of the Commission, pursuant to applications or advice letters filed hereafter, Execuline, shall continue to apply the rates and rules set forth in its filed tariff.

This order is effective today.

Dated SEP 13 1991, 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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