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Decision 92-05-021 May 8, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of GTE Mobilnet of San Francisco Limited Partnership, and GTE Mobilnet of San Jose Limited Partnership for certificates of public convenience and necessity to construct and operate a domestic cellular mobile radio system in the San Francisco-Oakland and San Jose Metropolitan areas.

ORIGINAL

Application 83-07-04
(Petition for Modification of D.88-08-063 filed September 27, 1991)

Armour, Goodin, Schlotz & MacBride,
by James D. Squeri, Attorney at Law,
for GTE Mobilnet of California, Inc.
(U-4028-C), petitioners.
Peter A. Casciato, Attorney at Law, for
Cellular Reseller's Association, Inc.,
protestants.

O P I N I O N

Background

In 1981, the General Telephone and Electronics Corporation (GTE Corp.) formed GTE Mobilnet Inc. (GTE Mobilnet), a wholly owned subsidiary, to engage in the domestic cellular mobile radiotelephone business. Headquartered today in Houston, Texas, GTE Mobilnet provides legal, regulatory, accounting, marketing support, and customer service functions to various cellular affiliates and subsidiaries.

Early in the 1980's GTE Mobilnet organized two subsidiary limited partnerships, GTE Mobilnet of San Francisco Limited Partnership and GTE Mobilnet of San Jose Limited Partnership, to join with Advanced Mobile Phone Service, Inc. (the latter later succeeded by Pac Tel Mobile Access) to seek the Bay Area wireline certifications for cellular services. Subsequently the former limited partnerships were merged and later succeeded by GTE

Mobilnet Ltd., which currently provides wholesale and retail cellular services within the greater San Francisco, San Jose, Vallejo-Fairfield-Napa, Santa Rosa-Petaluma, Santa Cruz and Salinas-Seaside-Monterey Metropolitan Statistical Areas (MSA), and the San Luis Rural Statistical Area. Today, GTE Mobilnet Ltd.'s general partner is GTE Mobilnet.

But back in 1984, conscious of the then headstart position of the GTE partnership in the Bay Area Cellular MSA, and concerned about a potential for the wireline facilities based carrier to regulate entry of resellers into the emerging cellular marketplace through effective control of reseller profit margins were the GTE partnership to be granted both the wholesale and resellers role they sought, by Decision (D.) 84-11-029 the Commission determined to apply, at least initially, a separate reseller entity concept to the partnership authority to operate. Accordingly, D.84-11-029 limited the GTE partnership's certificate of public convenience and necessity to the provision of wholesale services. However, the Commission also stated that after the headstart period, it would reconsider the separate reseller entity concept. And the Commission suggested that GTE apply for reseller authority in the Bay Area Cellular MSA through an entity separate from the partnership.

Consequently, GTE Mobilnet organized a subsidiary corporation, GTE Mobilnet of California, Inc. (GTEM-CA) to resell cellular telephone services. By D.85-04-008 GTEM-CA was granted authority to operate in California as a reseller.

Shortly later, by D.86-05-010, Bay Area Cellular Telephone Company (BACTC) was granted authority as the non-wireline facilities based carrier in the Bay Area MSA to sell cellular service, but without restriction as to both wholesale and retail. And a year later, after control of BACTC was acquired by Pac Tel Cellular, the latter's affiliate Pac Tel Mobile Services, which had

been a BACTC reseller, was permitted to continue competing in the same marketplace with its affiliate.

Thereupon, the GTE partnerships filed to modify D.84-11-029 to allow the partnerships to provide both wholesale and reseller service as a single entity. Their petition was strongly opposed by the Cellular Reseller's Association (CRA). After a prehearing conference, but before proceeding to evidentiary hearing, the partnerships and CRA, joined by the Commission's Telecommunications Branch staff, stipulated to a resolution of their differences, and this stipulation formed the basis for D.88-08-063.

While reiterating that it had been Commission policy to treat wireline and non-wireline facilities based cellular carriers equally, and stating that integrated wholesale-reseller authority had routinely been granted since 1986, albeit with appropriate restrictions to segregate accounting, sales, and services, the Commission in D.88-08-063 with regard to retail competition in the same marketplace between affiliates stated: "Generally speaking, it is our policy not to allow a separate entity reseller utility to compete in the same marketplace as a reseller with the retail operation of its affiliated facilities based carrier holding integrated wholesale-retail authority."¹

Consequently, while D.88-08-063 modified D.84-11-029 to authorize the GTE partnership to offer both wholesale and reseller services in the Bay Area MSA, the utility was required to adopt an organizational structure designed to keep the wholesale and reseller operations and accounting separate. The utility was also required to purchase and transfer the then existing local customer base of its reseller affiliate GTEM-CA to its own reseller

¹ Re GTE Mobilnet of San Francisco Limited Partnership (1988)
29 CPUC 2d 168, 173.

operation. And of particular relevance to the present captioned proceeding, D.88-08-063 amended the affiliate GTEM-CA's certificate to prohibit future competition with the Bay Area wireline partnership in any retail cellular marketplace served by that GTE partnership. This restriction was established to discourage cross-subsidization between affiliates which could enable the cross-subsidized reseller to compete unfairly with unaffiliated resellers.

It should be noted that we have been considering the overall issue of affiliate competition in our ongoing Investigation (I.) 88-11-040, the generic investigation into regulation of cellular radiotelephone utilities. And, by Interim D.90-06-025 in that investigation, we reserved the issue of affiliate competition for further consideration in Phase III of that investigation.² While that proceeding has now been submitted, it is anticipated that because of the extensive nature of the issues involved, our Commission decision will be delayed somewhat.

Statement of Facts

The operating authority granted GTEM-CA by D.85-04-008, consonant with usual grants of operating authority to resellers, permits GTEM-CA to resell cellular telephone services statewide, except for provision of any cellular service in the northern California areas served by its affiliate GTE Mobilnet Ltd.

At present along with other reseller services GTEM-CA is providing retail cellular credit card telephone service to rental car customers in various southern California markets through its association with an affiliate which operates an autonomous nationwide credit card telephone service. This service is marketed

² Re Regulation of Cellular Radiotelephone Utilities (1990)
36 CPUC 2d 464, 518 (see Ordering Paragraph 23c).

and operated by personnel responsible to management previously located in Houston, Texas, but now located in Atlanta, Georgia.

GTEM-CA has contracted with Hertz, a major car rental company, to install rental cellular phones in Hertz cars based in various major airports, including the San Francisco International Airport. By the captioned application's petition GTEM-CA asks for a limited exemption from the requirement in D.88-06-063 which prohibits GTEM-CA from offering any cellular services in the same marketplace as GTE Mobilnet Ltd. GTEM-CA by this limited request seeks authority for it to provide this retail cellular credit card telephone service within GTE Mobilnet Ltd.'s northern California service area. GTEM-CA states that there is an immediate market demand for the service and that GTE Mobilnet Ltd. is not staffed or in a position to handle the marketing and customer support associated with this specialized offering, including credit card billing and collection services. Unless granted the requested modification to D.88-06-063 to allow GTEM-CA to provide this specialized service, GTEM-CA argues, the market demand will go unmet. GTEM-CA would limit its intrusion to installation and service of credit card telephones in rental cars, public transportation vehicles including limousines and vans, offshore drilling platforms, and other such similar locations. Pointing to its statewide reseller operating authority, GTEM-CA contends that it is the entity through which the proposed credit card service can best be made available on a widespread basis, including the Bay Area.

GTEM-CA places emphasis on that assertion that the requested modification is very narrow in scope, that the concerns which prompted the severe restriction adopted in D.88-06-063 are not present here; that the anticompetitive and cross-subsidy concerns, reasons which underlaid implementation of a restrictive retail policy in D.88-06-063, cannot rationally be expected to occur here. GTEM-CA also refers to the asserted unfairness of

D.88-06-063; pointing out that the Commission, after four years, continues to allow Pac Tel Mobile Services (PTMS) to engage in "affiliate competition" by reselling in the Pac Tel Cellular (now controlling BACTC) service area (the non-wireline facilities based carrier GTE Mobilnet Ltd. competitor).³ GTEM-CA argues that this anomalous, uneven application of the Commission's ostensible ban on affiliate competition, in and of itself, provides strong equitable grounds for granting the limited exception sought by GTEM-CA.

The GTEM-CA petition for an exception is opposed by CRA, which argues that the request is bereft of public interest reasons, and would be premature and prejudicial to the final outcome of I.88-11-040. CRA argues that there is nothing so special or difficult about credit card marketing, billing, or collection servicing that GTE Mobilnet Ltd. personnel could not master it; that unless there exists some prohibited bundling⁴ in the affiliate-GTEM-CA-Hertz contracts, there appears to be no reason why GTE Mobilnet Ltd. should not be able to itself provide the credit card service in its own service territory if the need is so urgent. CRA argues that this GTEM-CA proposal is merely part of a parceling out of cellular services among GTE Mobilnet affiliates to absorb losses or incur profits in a way to avoid the consequences of modifications of the Uniform System of Accounts, modifications being covered by Phase III of I.88-11-40 and designed to prevent predatory practices and cross-subsidization.

3 At a time when Pac Tel Cellular's affiliate PTMS was operating as a Bay Area reseller for BACTC, the Commission by D.87-09-028 authorized Pac Tel Cellular to acquire control of BACTC. PTMS was to transfer its customers to an unaffiliated entity. It did not, and the issue was consolidated into I.88-11-040 to give it further consideration.

4 Defined as the practice of bundling unregulated products with regulated services and discounting the package (Re Regulation of Cellular Radiotelephone Utilities (1989) 32 CPUC 2d 271, 280).

A duly noticed public evidentiary hearing in this matter was held on February 21, 1992 in the Commission's San Francisco hearing room before Administrative Law Judge John B. Weiss. Both parties appeared and submitted evidence and closing arguments. Upon submission of a late-filed exhibit on February 28, 1992, the matter was submitted for decision.

Discussion

In our view, making credit card cellular telephone service available to customers in rental car company vehicles, public transportation limousines and vans, drilling platforms, etc. is an innovative and progressive step; one worthy of immediate implementation. Its public interest aspect is self-evident. It is to GTEM-CA's credit that it has taken the initiative, along with Spectron Cellular Service and Portable Cellular Communications, Inc., in offering this convenient and worthwhile service to the travelling public in Southern California.

GTEM-CA's contract to complete installations in Hertz cars, including those in the Bay Area located at or near San Francisco International, is a step in the logical progression of offering this service, and a natural complement to the service already offered in Southern California.

The only impediment to achievement of this natural expansion is the prohibition contained in D.88-08-063 against any GTEM-CA extension of retail cellular services into GTE Mobilnet Ltd.'s Northern California retail cellular marketplace. CRA objects to any relaxation of the D.88-06-063 restriction. CRA notes that GTE Mobilnet Ltd. is supposed to be keeping its books of account according to the Uniform System of Accounts for Cellular Carriers, and it is supposed to be separating out the general and administrative expenses for retail and wholesale. And as substantiation for its opposition CRA points to what it terms to be a "flagrant violation" of the existing decisions; a violation CRA asserts is readily evident from a simple comparison of the 1989 and

1990 Annual Reports filed by GTE Mobilnet Ltd.⁵ These reports show that GTE Mobilnet Ltd. listed all administrative and general expense for 1990 under wholesale operations, contrasted to an allocation of almost 80 percent of this expense in the 1989 report to retail. But the utility reported operating revenue in 1990 of \$74 million. As CRA puts it: "And it is absurd to even think that there is no one sitting in Pleasanton, California who is not doing retail." CRA fears that there is nothing stopping GTE Mobilnet from perhaps even taking personnel from one outfit and shifting them among other companies since they seem to be able to shift expenses easily. CRA contends that if there is such a pent-up demand that has to be met, nothing stops GTE Mobilnet Ltd. from itself mastering the trick of billing and collecting on credit card cellular phones; it deprecates any need for specialized personnel.

But while the structural separation between GTE Mobilnet Ltd.'s retail and wholesale operations and the Uniform System of Accounts may not be doing the job for that integrated carrier operation, there is a very real structural separation between GTEM-CA and GTE Mobilnet Ltd. that does not appear to present opportunities for cross-subsidization. The credit card telephone operations offered by GTEM-CA will make no use of any recording, rating, or other billing related functions provided by GTE Mobilnet Ltd. or its mobile telephone switching office, nor is there any other commonality of functions between the GTEM-CA credit card

5 It is interesting to note that GTE Mobilnet Ltd. attempted to have its 1990 Annual Report treated confidentially under General Order 66-C, alleging that release of information contained therein would result in competitive harm. The Commission concluded that the public interest in having an open regulatory process outweighed the utility's interest in maintaining confidentiality of the annual report. CRA was instrumental in getting these reports released.

operation and GTE Mobilnet Ltd.'s operation.⁶ All functions are and would remain completely separate, so that there would be no costs, or revenue, whether common or joint, direct or indirect, between the two entities. There would be no transfer or sharing of personnel, facilities, or functions. The sole relationship of GTE Mobilnet, Ltd. to credit card telephone operations would be that of any other wholesale customer purchasing credit card cellular service at tariffed rates. Under these circumstances it appears that the potential for predatory pricing, cross-subsidization, or other anticompetitive activities is virtually non-existent.

While CRA with certain merit attacks the present functioning of the requirements for separation of retail and wholesale operations which were mandated on GTE Mobilnet Ltd. through and by D.88-08-063, it has here failed to present evidence or to show in any tangible way that GTEM-CA's provision of credit card telephone service as proposed in GTE Mobilnet Ltd.'s service area could be contrary to the public interest or present realistic opportunities for cross-subsidization or any other anticompetitive practices. The requested relief from the ban on affiliate competition is extremely limited, involving only credit card telephone service, and the idea that GTEM-CA could somehow give a subsidy that would allow GTE Mobilnet Ltd. to artificially depress the rate it would charge for the credit card telephone service it receives and thus drive out competitors is only an idea.

⁶ The information required in order to permit billing of a customer who uses a rental car phone is stored by the telephone equipment itself and then automatically transmitted by the equipment to a nationwide credit card telephone service billing center, which formats and transmits the billing information to the customer's credit card company for billing and collection. It is asserted by GTEM-CA, without contradiction from GTE Mobilnet Ltd., that the latter is not adequately staffed to handle the proposed specialized services.

The service is needed now and should not be delayed to await the unpredictable date of a decision in Phase III of our investigation. We cannot ignore, however, Phase III of our investigation in I.88-11-040, where we are considering the overall issue of affiliate competition. Accordingly, we defer the ultimate disposition of affiliate competition to that decision. In the interim, we will not delay the entry of GTEM-CA to the credit card rental telephone marketplace. And as GTEM-CA points out, CRA has not demonstrated in any way that any of its membership would be affected by GTEM-CA's offering of rental phone service in the northern California marketplace. We, therefore, grant petitioner's request for an exception to the affiliate ban conditionally. Should the forthcoming decision in Phase III of I.88-11-040 prohibit affiliate competition in its entirety, then the grant of petitioner's request herein would be revoked. GTEM-CA is placed on notice that if it exercises its grant of an exception to the affiliate ban, it does so at its own risk.

Comments on the Proposed Decision
of the Administrative Law Judge

As provided by Public Utilities (PU) Code § 311, the Proposed Decision of ALJ John B. Weiss was served on the parties to this proceeding. Only CRA submitted comments. GTEM-CA submitted a reply to CRA's comments. In its comments CRA pointed out that GTEM-CA's September 27, 1991 Petition to Modify D.88-08-063 had not been verified, so that apart from the 2 exhibits introduced at the February 21, 1992 hearing, there could be no verified facts before the Commission upon which a decision could be based.⁷

⁷ Rule 5 of the Commission's Rules of Practice and Procedure requires that applications be verified. The ALJ confirmed the incomplete filing, a deficiency unfortunately not detected when
(Footnote continues on next page)

On April 30, 1992, GTEM-CA late filed an unqualified, unreserved verification of its September 27, 1991 Petition to Modify D.88-08-063 executed by its Vice President/General Counsel Richard W. Stimson. Accepted by the ALJ, this late-filed verification cured the verification deficiency.

In response to CRA's questioning GTEM-CA's use of Rule 43 for authority for its Petition to Modify, we observe that consonant with Rule 87, the Petition has been treated as an Application, the subject matter relating to a relatively new class of cellular service posing its own issues. Relative to the issue of GTE Mobilnet Ltd. lack of participation, it is noted that as GTE Mobilnet Ltd. and GTEM-CA have been represented by the same attorney in this and the associated OII 88-11-040 proceeding, GTE Mobilnet Ltd. was presumed to have been fully appraised of the issues and representations made by their joint attorney, with ample opportunity to have injected assertions should it have desired to do so on any issue. When CRA asserts that the information in footnote 6 of the ALJ's decision "appears no where in the record," CRA errs. The information is set forth on page 2 of GTEM-CA's October 31, 1991 reply to CRA, part of the filed pleadings in this proceeding.

In the present matter we do not address any issues relating to GTE Mobilnet Ltd.'s compliance or non-compliance with accounting requirements imposed by earlier decisions vis-a-vis its

(Footnote continued from previous page)

filed by our Docket Office, not noted by the ALJ, nor protested previously by CRA. Rule 87 mandates liberal construction of our rule to secure determination of issues. Accordingly, when GTEM-CA's reply to CRA's comments failed to offer a late-filed verification the ALJ on April 27, 1992 ruled to grant GTEM-CA a final opportunity to file a late-filed verification.

internal wholesale or retail operations. They are not at issue here, and consideration of them is not necessary in view of the limited scope of the present proceeding. It is GTEM-CA's prospective operations in GTE Mobilnet, Ltd.'s territory that is the issue here, and if GTEM-CA engages in violation of any Commission decisions, the complaint procedure is available to bring such to our attention. However, we do modify Finding 7 by adding "and cost allocations" (as reflected in the modified Finding herein) to better reflect the full requirement imposed by D.88-08-053. In all other respects, CRA's Comments seek to expand this limited application proceeding into an investigation of GTE Mobilnet Ltd. This we decline to do. The sole issue before us is GTEM-CA's request to be allowed to expand certain cellular credit card operations into GTE Mobilnet Ltd.'s service territory.

GTEM-CA's reply to CRA's Comments points up the fact that CRA has failed to refer to any evidence in this record that would show that granting the limited request would negatively affect the public interest or would lead to cross-subsidization or predatory pricing, or that GTEM-CA has not complied with Commission mandated allocation and accounting procedures.

The ALJ's Proposed Decision is affirmed.

Findings of Fact

1. GTE Corp.'s wholly owned subsidiary, GTE Mobilnet, provides legal, regulatory, accounting, marketing support, and customer services functions to the subsidiary's various cellular affiliates and subsidiaries in California.

2. Early in the 1980's GTE Mobilnet organized limited partnership subsidiaries to obtain the wireline cellular facilities based certificates for the Bay Area.

3. By D.84-11-029, the GTE partnerships (later merged and more subsequently styled GTE Mobilnet Ltd.) were authorized to provide the wireline cellular facilities based carrier service in the Bay Area MSA, but the decision limited the partnerships to

provision of wholesale services only; with concerns of cross-subsidization potential in an integrated wholesale-reseller entity, the Commission advised GTE to utilize an affiliate organization to pursue reseller operations in the MSA.

4. Consequently, GTE Mobilnet organized a subsidiary, GTEM-CA, to provide reseller cellular service, and by D.85-04-008 reseller authority was given to GTEM-CA.

5. GTEM-CA thereafter provided reseller cellular service in parts of the State, including the Bay Area MSA where its affiliate GTE Mobilnet Ltd. provided the wholesale services.

6. In 1988, two years after BACTC had been authorized both wholesale and reseller authority in the competing non-wireline Bay Area MSA, and one year after control of BACTC was acquired by Pac Tel Cellular, and the latter's affiliate Pac Tel Mobile Services (a reseller operating in BACTC's MSA) was permitted interimwise to continue reseller competition with the now Pac Tel Cellular controlled BACTC, the GTE partnership sought modification of D.84-11-029 to permit it to operate as an integrated entity providing both wholesale and retail cellular services.

7. D.88-08-063 modified D.84-11-029 to permit the GTE partnerships to operate as an integrated entity, offering both wholesale and retail cellular services, but required adoption of an organizational structure and operations and accounting mode designed to require strict separation of retail and wholesale functions and cost allocations within the integrated entity.

8. D.88-08-063 further required GTEM-CA to divest and sell its existing retail customers to the partnership's retail function, and amended GTEM-CA's certificate to prohibit future cellular competition by GTEM-CA with the partnership in any retail cellular marketplace served by the partnership.

9. Today, through an affiliate which operates an autonomous nationwide credit card telephone service, GTEM-CA provides retail

cellular credit card telephone service to rental car customers in Southern California.

10. GTEM-CA has now contracted with Hertz to install rental cellular phones in Hertz cars based in various major airports, including San Francisco International Airport.

11. GTEM-CA seeks authority to offer service in GTE Mobilnet Ltd.'s northern California areas, limiting this extension to installation and service of credit card telephones in rental cars, public transportation vehicles including limousines and vans, offshore drilling platforms, and other such similar locations.

12. Making credit card cellular telephone service available throughout California, and with the least delay, is in the public interest, and the Hertz contract evidences an immediate market demand.

13. It has been asserted, without contravention from GTE Mobilnet Ltd., that GTE Mobilnet Ltd. is not in a position to provide the proposed credit card service; that it is not adequately staffed to handle the marketing and customer support associated with the proposed specialized offering which includes credit card billing and collection services.

14. The structural separation between GTEM-CA and GTE Mobilnet Ltd., together with the fact that in providing the service GTEM-CA would make no use of any recording, rating, or other billing related functions of GTE Mobilnet Ltd., and the non-existence of any immediate commonality between the two affiliated entities appears to reasonably negate opportunities for predatory pricing, cross-subsidization, or other anticompetitive practices.

15. GTE Mobilnet Ltd.'s relationship vis-a-vis this service is proposed to be that of any other wholesale customer purchasing this credit card cellular service at tariffed rates.

16. Granting this petition would, at least for the present and pending a decision in Phase III of I.88-11-040, partially rectify the present inequitable and divergent treatment afforded

one of the two cellular interests with major stakes in the northern California cellular marketplace.

17. In that the entire issue of affiliate competition is open to Commission consideration in Phase III of I.88-11-040, nothing herein should be construed as tying the Commission's hands in whatever determinations it ultimately reaches in the investigation decision.

18. It is reasonable to grant petitioner's request for an exception to the affiliate ban conditionally pending the outcome of the forthcoming decision in Phase III of I.88-11-040.

19. To avoid delay in bringing this credit card service to customers in the GTE Mobilnet Ltd. market areas of northern California, and to as quickly as possible rectify to some degree the unequal treatment of the cellular interests in the marketplace, the order that follows should become effective immediately.

Conclusions of Law

1. There is an immediate market demand for the specialized services which GTEM-CA proposes to provide.

2. The underlying reasons for the ban on affiliate competition do not apply in the requested modification of D.88-08-063 to authorize GTEM-CA to provide cellular service through credit card telephones installed in rental cars, public transportation vehicles such as limousines and vans, offshore drilling platforms, and other such similar locations, in the same northern California markets in which GTE Mobilnet Ltd. now operates.

3. GTEM-CA, with statewide operating authority, is the entity through which the proposed credit card, rental car cellular service can be best made available as expeditiously as possible on a widespread basis, including the Bay Area.

4. Because the underlying credit card, rental vehicle cellular services which GTEM-CA will be reselling are tariffed and available to GTEM-CA's potential competitors, the initiation of

cellular credit card services by GTEM-CA should prompt increased competition in the marketplace.

5. Because GTE Mobilnet Ltd.'s competitor has been permitted interimwise to continue to engage in affiliate competition in the Bay Area, fairness also suggests that GTEM-CA be afforded this limited conditional exception to the otherwise applicable ban on such competition.

6. The accounting requirements and the structural separation between GTE Mobilnet Ltd. and GTEM-CA mandated by D.88-08-063 should continue and should be applicable to the provision of cellular credit card service by the GTEM-CA within the GTE Mobilnet Ltd. marketplace.

7. GTEM-CA should be at risk if it exercises its grant of an exception to the affiliate ban.

O R D E R

IT IS ORDERED that:

1. The certificate of public convenience and necessity granted to GTE Mobilnet of California, Inc. (GTEM-CA) by Decision (D.) 85-04-008 authorizing resale of cellular telephone services, amended by D.88-08-063 to prohibit future competition with GTE Mobilnet Ltd. in any retail cellular marketplace served by GTE Mobilnet Ltd., is further amended to permit GTEM-CA to offer cellular service, limited to and through credit card telephones installed in rental cars, public transportation vehicles such as limousines and vans, offshore drilling platforms, and other such similar locations in the same northern California markets in which its affiliated entity, GTE Mobilnet Ltd., currently provides wholesale and retail cellular service. The continuation of the extended authority herein granted is conditioned on disposition of the affiliate competition issue in Phase III of I.88-11-040.

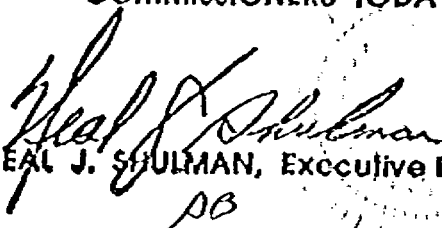
2. GTEM-CA shall adhere to the accounting requirements of the Uniform System of Accounts for Cellular Carriers with regard to the service extension authorized by this order, and the accounting requirements and structural separation between GTE Mobilnet Ltd. and GTEM-CA mandated by D.88-08-063 shall continue and be applicable to the provision of cellular credit card service by GTEM-CA within the GTE Mobilnet Ltd. marketplace.

This order is effective today.

Dated May 8, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President
JOHN B. OHANIAN
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director