

Decision 92 11 023 NOV 18 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 MobileComm of California, Inc.)
 (U-2032-C), Digital Mobile)
 Communications, Inc.-California)
 (U-2049-C), and Digital Mobile)
 Communications, Inc.-Sacramento)
 (U-2016-C), Pursuant to Section 851)
 of the California Public Utilities)
 Code, for Authority to Merge)
 MobileComm of California, Inc. and)
 Digital Mobile Communications, Inc.-)
 California into Digital Mobile)
 Communications, Inc.-Sacramento.)

ORIGINAL

Application 92-08-045
(Filed August 31, 1992)

O P I N I O N

1. Summary

Applicants MobileComm of California, Inc. (Old MobileComm), Digital Mobile Communications, Inc.-California (DMC-Cal) and Digital Mobile Communications, Inc.-Sacramento (DMC-Sac) seek authority under Public Utilities (PU) Code §§ 851-854 to merge Old MobileComm and DMC-Cal into DMC-Sac. DMC-Sac would acquire the operating authority of the other two utilities, along with other assets used in providing utility service. After the merger, DMC-Sac proposes to change its name to MobileComm of the West, Inc. (MobileComm-West), and it asks that it be authorized to file a new set of tariffs and service area map providing for continuation of the various services provided by all three of the applicants. MobileComm-West would be certificated as a public utility. The former tariffs of all three utilities would be withdrawn, and Old MobileComm, DMC-Cal and DMC-Sac would be relieved of further obligations as public utilities.

2. Background

The application was served on some 90 competing carriers, and notice of the application appeared in the Commission's Daily Calendar on September 4, 1992. No protests have been received, and a public hearing is not necessary.

Applicants are all California corporations and, through intermediate corporations, are wholly owned subsidiaries of BellSouth Corporation. Old MobileComm has been a BellSouth subsidiary since its parent corporation, Mobile Communications Corporation of America, was acquired by BellSouth pursuant to Decision (D.) 86-12-090. DMC-Cal and DMC-Sac have been BellSouth subsidiaries since the acquisition by BellSouth of their parent corporation, Graphic Scanning Corporation, pursuant to D.91-07-022.

3. Applicants' Present Operations

Old MobileComm is licensed by the Federal Communications Commission (FCC) and certificated by this Commission to provide noncellular conventional two-way radiotelephone and one-way paging services. It serves approximately 115,000 users throughout California.

DMC-Cal is licensed by the FCC and certificated by the Commission to provide one-way paging services in both Northern and Southern California. It serves approximately 30,000 users. Before a change of name in 1991, DMC-Cal was known as Radio Relay Corporation-California.

DMC-Sac serves about 4,000 customers in Sacramento, Northern San Joaquin Valleys and the Gold Country. Like DMC-Cal, it provides no two-way services, but it does offer all types of one-way paging services. Before 1991, DMC-Sac was known as Electropage, Inc.

4. Proposed Transaction

The merger is described in Exhibit 5-A of the application. Essentially, Old MobileComm and DMC-Cal will cease their separate existence, and all of their respective rights,

obligations and properties will vest in DMC-Sac, which will change its name to MobileComm of the West, Inc. Thereafter, MobileComm-West will continue to operate all three applicants' utility systems as a single entity, preserving all currently offered services and rates.

Applicants state that the merger will enable MobileComm-West to realize economies of scale that ultimately will benefit customers. All three companies, for example, have fully equipped and separately staffed accounting and financial operations that now would be merged. Similarly, merging the three companies will eliminate two-thirds of their government reporting and tariff administration activities, and will simplify state and federal tax reporting functions.

Applicants state that, with a few exceptions that are not material, the service and rate tariffs of the three companies will be maintained without change. Applicants state that, following the merger, MobileComm-West intends to file its Advice Letter 1 adopting the combined tariffs as original sheets, with some changes that applicants state are necessitated by the merged operation. All customers affected by changes in the tariffs will be notified and advised of when and how to file a protest to the advice letter filing.

5. Regulatory Compliance

Applicants applied for the consent of the FCC, as well as the Commission. The FCC granted the request on October 28, 1992. No construction or alteration of any facilities will result from the merger, and thus it can be seen with certainty that the merger will not have a significant adverse effect on the environment. Applicants have submitted with their application copies of financial statements and pro forma balance sheets. A pro forma operating statement showing expected results of the first six months of the merged operation forecasts a 10% reduction in operating expenses as a result of the merger.

6. Request for Expedited Approval

Applicants request expedited, *ex parte* approval of the application pursuant to D.86-08-057. That decision, as modified by D.87-10-035, authorizes the Executive Director to grant noncontroversial applications by nondominant telecommunications carriers for authority to transfer assets or control under PU Code §§ 851-855. All three of the applicants are nondominant telecommunications carriers.

Findings of Fact

1. Notice of the filing of the application appeared in the Daily Calendar on September 4, 1992. No protests have been filed. A hearing is not necessary.

2. Old MobileComm and DMC-Cal request authority to merge their operating authorities and operations into DMC-Sac.

3. The surviving corporation DMC-Sac is to be renamed MobileComm of the West, Inc.

4. DMC-Sac (MobileComm of the West, Inc.) has the financial ability and management experience to provide public utility one-way and two-way radiotelephone services and paging services in California.

5. No customer services will be affected. MobileComm-West will continue to provide service in accordance with the existing tariffs of the three companies, as modified in the application.

6. The applicants are nondominant telecommunications carriers.

Conclusions of Law

1. The proposed merger is not adverse to the public interest.

2. The application should be granted to the extent provided in the following order.

3. DMC-Sac should be renamed MobileComm of the West, Inc.

4. The certificates of Old MobileComm, DMC-Cal and DMC-Sac should be revoked upon completion of the merger.

5. MobileComm-West should be granted a new corporate identification number.

6. This order should be effective on the date signed because the proposed merger is in the public interest and will not result in any material change in the terms and conditions of service.

7. This authorization is not a finding of the value of the rights and properties to be transferred.

O R D E R

IT IS ORDERED that:

1. MobileComm of California, Inc. (Old MobileComm), Digital Mobile Communications, Inc.-California (DMC-Cal) and Digital Mobile Communications, Inc.-Sacramento (DMC-Sac) are authorized to consolidate their public utility one-way and two-way radiotelephone and paging system, with DMC-Sac being the surviving corporation.

2. DMC-Sac is authorized to change its name to MobileComm of the West, Inc.

3. MobileComm-West shall file 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.

4. MobileComm-West 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.

5. Within 90 days after transfer, MobileComm-West shall file with the Commission, in the prescribed form, an annual report on Old MobileComm's, DMC-Cal's, and DMC-Sac's operations from the

first day of the current year through the effective date of the transfer.

6. When the authorized transfer is complete and the conditions of this order are fulfilled, Old MobileComm, DMC-Cal, and DMC-Sac shall be relieved of their public utility obligation for the transferred systems.

7. The corporate identification number assigned to MobileComm-West shall be U-2133-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.

8. The authority granted in Ordering Paragraph 2 is conditioned upon MobileComm-West providing the Commission's Advisory and Compliance Division Director with a copy of its amended articles of incorporation as approved by the Secretary of State.

9. Old MobileComm, DMC-Cal, and DMC-Sac, the expiring radiotelephone utilities, shall file separate Advice Letters withdrawing their tariffs once the consolidated MobileComm-West Advice Letter is effective. The Commission Advisory and Compliance Division Director will then cancel the corporate identification numbers (U-2032-C, U-2049-C, and U-2016-C) for these expiring utilities.

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 NOV 18 1992, at San Francisco, California.

Wesley Franklin for

NEAL J. SHULMAN
Executive Director

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

NEAL J. SHULMAN
NEAL J. SHULMAN, Executive Director