

ALJ/md

Decision 83 08 051 AUG 17 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Peninsula Communications, Inc., a)
 California corporation; Beepercall,)
 a California corporation; and Paging)
 Network of San Francisco, Inc., a)
 Delaware corporation, pursuant to a)
 plan of reorganization.)

Application 83-07-30
 (Filed July 15, 1983)

ORIGINAL

O P I N I O N

Paging Network of San Francisco, Inc. (Paging), a nonutility Delaware corporation, owns 100% of the issued and outstanding stock of Peninsula Communications, Inc. (Peninsula), a nonutility California corporation. Peninsula in turn owns 100% of the issued and outstanding stock of Beepercall, Inc. (Beepercall), a California corporation and certificated radiotelephone utility (RTU). Beepercall provides one-way paging and two-way mobile RTU service throughout the San Francisco Bay Area from its offices in San Mateo.

Paging, Peninsula, and Beepercall seek authority to dissolve Peninsula and Beepercall and to distribute all their rights, obligations, assets, and liabilities to the sole surviving corporation, Paging. Applicants allege that the Federal Communications Commission has approved the proposed reorganization.

According to the application the sole purpose of the reorganization is to obtain tax benefits under Internal Revenue Code §§ 332 and 334, which will in turn reduce the costs of and improve the quality of applicants' operations. Applicants allege that these sections permit the employment of a step-up of the tax basis of Beepercall's and Peninsula's assets from their book value to their

purchase price, resulting in substantial tax savings from larger tax deductions for amortization and depreciation expenses and thus smaller operating expenses.

After the reorganization Paging will continue Beepercall's RTU service using the same officers and directors. Paging's operations and rate schedules will be identical to Beepercall's.

Notice of the filing of the application appeared in the Commission's Daily Calendar on July 18, 1983, and no protests have been filed. The application will be granted.

Applicants were charged \$400 as a filing fee for a new certificate, whereas \$75 is the correct charge for a transfer. The Cashier's Office should be directed to refund \$325 to applicants.

Findings of Fact

1. The reorganization proposed in the application will not change the way RTU service is provided to the public under the certificate of public convenience and necessity now held by Beepercall.

2. The proposed reorganization will result in economic benefits to the owners of the corporations and will reduce operating expenses.

Conclusion of Law

1. The application should be granted.

2. This order should be effective today to allow the transaction to be consummated as soon as possible.

O R D E R

IT IS ORDERED that:

1. On or after the effective date hereof and on or before June 2, 1984, Beepercall, Inc. (Beepercall) and Peninsula Communications, Inc. (Peninsula) may be dissolved pursuant to the proposed plan of reorganization as contained in the proposed plan of reorganization in the application.

2. Concurrent with the dissolution of Beepercall and Peninsula, the assets of the corporations may be distributed to Paging Network of San Francisco, Inc. (Paging).

3. After distribution of assets to Paging, all of the public utility assets and operating rights may be transferred to Paging.

4. Upon compliance with all the terms and conditions of the order, Beepercall shall be relieved of its public utility obligations in connection with the radiotelephone system being transferred.

5. Paging may receive the utility assets, may assume all of the liabilities, and shall undertake the public utility obligations of Beepercall.

6. Within 30 days after the consummation of the reorganization plan, Paging shall notify the Commission in writing of that fact, and that it assumes the radiotelephone utility obligations.

7. Paging shall file with the Commission a report, or reports, as required by General Order (GO) 24-B, which order, insofar as applicable, is made a part of this order.

8. Not less than 5 days before the date of the actual reorganization, Paging shall file with the Commission, by advice letter, 4 copies of a notice of adoption of the tariff schedules of Beepercall, then in effect. The effective date of the notice of adoption shall be concurrent with the date of actual reorganization.

9. Within 60 days after the effective date of actual reorganization herein authorized and in accordance with the requirements of GO 96-A, Paging, as part of its tariffs, shall refile the tariff maps and rate schedules applicable to areas served by Beepercall, and the rules and standard forms of the companies to be reorganized may be standardized to the extent that they do not result in increases in rates or more restrictive conditions than those in effect.

11. Paging shall maintain its accounting records on a calendar-year basis in conformance with the Uniform System of Accounts for Radiotelephone Utilities and shall file with the Commission on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

12. Within 60 days after the consummation of the reorganization herein authorized, Paging shall file with the Commission a copy of each journal entry to record the transfer on its books of account.

13. On or before the end of the third month after the consummation of the reorganization herein authorized, Paging shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report or reports related to the operations of Beepercall for the period commencing with the first day of the current year and to and including the effective day of the reorganization.

14. Within 60 days after the actual transfer of control, Paging shall notify this Commission in writing of the date which the transfer of control is consummated.

15. The Cashier's Office is directed to refund \$325 of the filing fee to applicant's attorney.

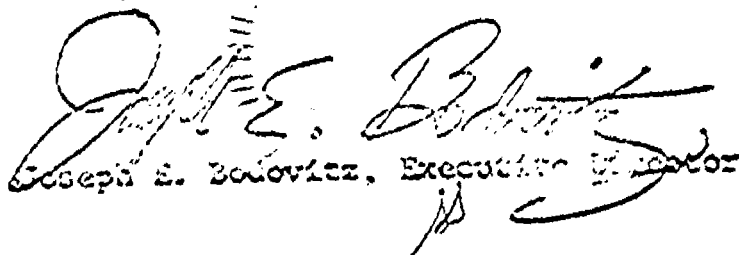
This order is effective today.

Dated AUG 17 1985, at San Francisco, California.

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

Commissioner Leonard M. Grimes, Jr.,
being necessarily absent, did not
participate.

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


Joseph E. Bolovitz, Executive Director