

AUG 14 1995

Decision 95-08-034 August 11, 1995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In Re Joint Application of Alfred H. Siegel, solely in his capacity as Chapter 11 Trustee of International Paging Corporation (U-2106-C) and Paging Network of Los Angeles, Inc. (U-2083-C) for Authority to Transfer Certain Utility Assets Pursuant to Public Utilities Code Section 851 et seq.

Application 95-05-055 (Filed May 30, 1995)

ORIGINAL

OPINION

Applicants Alfred H. Siegel, solely in his capacity as Chapter 11 Trustee of International Paging Corporation (U-2106-C) (IPC)<sup>1</sup> and Paging Network of Los Angeles (U-2083-C) (PageNet) (collectively, the Applicants) seek an order of the Executive Director, issued on an ex parte basis, authorizing a transfer of certain utility assets from IPC to PageNet.

IPC (U-2106-C) is a corporation organized under the laws of California. IPC, on February 24, 1994, filed a voluntary petition for relief under the Bankruptcy Code. Notwithstanding the bankruptcy filing, IPC continues to provide utility services. IPC was certified to provide one-way radiotelephone utility services

<sup>1</sup> On February 24, 1994, International Paging Corporation commenced Chapter 11 Case No. LA 94-17284-SB by filing a voluntary petition for relief under Chapter 11, Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. in the United States Bankruptcy Court for the Central District of California. On April 25, 1994 the Bankruptcy Court appointed Alfred H. Siegel as the Chapter 11 Trustee to operate the company's business and to manage its properties, pursuant to Sections 1104, 1106, and 1108 of the Bankruptcy Code. Mr. Siegel, as trustee, is currently in possession of the assets of the company's Chapter 11 bankruptcy estate.

throughout California pursuant to Decisions (D.) 89-03-057, 90-03-010, and 92-06-045.

PageNet provides radiotelephone utility service primarily in the Los Angeles metropolitan area. PageNet is certified to provide radiotelephone utility services pursuant to D.86-08-021, 86-10-007, and 87-01-056.

IPC alleges that it is the owner of various paging facilities configured to provide service in Southern California. (Together each facility, license, and authorization is collectively referred to as the System). The System--which includes transmitting sites and the relevant Federal Communications Commission (FCC) authorizations--is more particularly described by location and call signal in Exhibit B to the application. PageNet will purchase the IPC assets upon receipt of approval of the transfer from the FCC and from this Commission. The transaction does not involve a sale of IPC's stock. PageNet applied on April 19, 1995 for FCC authority to assign these stations from IPC to PageNet. The FCC application is currently pending.

PageNet alleges that it has entered into the proposed transaction to enhance its coverage and to operate more efficiently in order to better serve the public. The proposed transfer will permit PageNet to meet the demands of the increasingly competitive communications marketplace in California. This competition results, in part, from the advent of cellular technology, the FCC's allocation of new frequencies, and the entry of large, well-funded competitors into the market. As the coverage from the relevant sites in Southern California is entirely within the contours of PageNet's existing approved service area, no adjacent utilities would have their territories affected by the proposed transaction. IPC, for its part, has determined it is unable to operate profitably and therefore will withdraw from the paging business. All of the IPC's existing customers will continue to receive service from PageNet upon completion of the transaction. Thus,

IPC's withdrawal from service will not result in stranded ratepayers. In view of the above, the parties assert that the proposed transaction would be in the public interest.

The property conveyed in this transaction is already constructed and in operation in accordance with the authorizations issued to IPC by the FCC and this Commission. This application does not request authority to undertake any new construction, and there is no possibility that the grant of this application may have any adverse impact upon the environment.

Findings of Fact

1. Notice of the filing of the application appeared in the Daily Calendar on June 6, 1995. There are no protests. A public hearing is not necessary.

2. Seller may convey and purchaser may acquire the assets described in the agreement between seller and purchaser.

3. Upon final conveyance of such assets to purchaser, seller shall withdraw from the paging business in California.

4. The transfer is in the public interest.

5. There is no possibility that the proposed transfer may have a significant adverse effect on the environment.

Conclusions of Law

1. The application should be approved.

2. 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. On or before December 30, 1995, Alfred H. Siegel, solely in his capacity as Chapter 11 Trustee of International Paging Corporation (U-2106-C) (seller) may transfer the assets described in the agreement between seller and Paging Network of Los Angeles (U-2083-C), buyer.

2. Within 10 days after the transfer, buyer shall write the Director of the Commission Advisory and Compliance Division stating the date of transfer.

3. Upon complying with Ordering Paragraph 2, the operating authority of International Paging Corporation (U-2106-C) is revoked and its tariffs cancelled.

4. The authority authorized by this decision shall expire on December 30, 1995.

This order is effective today.

Dated August 11, 1995, at San Francisco, California.

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
Commissioners

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

*Wealey Franklin*

Acting Executive Director