

Decision 97-09-006 September 3, 1997

SEP 3 1997

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Citizens Telecommunications Company of the Golden State, for approval of the sale and transfer of assets to Fort Mojave Telecommunications, Inc.

Application 97-04-064
(Filed April 30, 1997)

OPINION

ORIGINAL

Summary

This decision approves the sale and transfer of certain assets from Citizens Telecommunications Company of the Golden State (CTC-Golden State) to Fort Mojave Telecommunications, Inc. (FMTI).

Discussion

On April 30, 1997, CTC-Golden State filed this application for authority to transfer 91 existing access lines to FMTI. The access lines are located on the Fort Mojave Indian Reservation. FMTI is chartered, pursuant to federal law, by the Fort Mojave Indian Tribe to provide local exchange telecommunications services to the Fort Mojave Reservation near Needles. It already provides service to the Reservation using about 400 access lines. Because FMTI's operations are governed exclusively by federal law, FMTI requires no Commission authority for its telecommunications services.

CTC-Golden State explains that the transfer of the access lines is made pursuant to federal policy which fosters Indian Tribe autonomy and economic development. The Tribe is capable of operating its own telecommunications facilities and wishes autonomy over the reservation's telecommunications system. The 91 access lines which are the subject of this application were not controlled previously by the Tribe because the associated Reservation land was not owned by the Tribe until recent years.

CTC-Golden State states that the customers subject to the transfer will, as a result of the transfer, experience no change in service. (The applicant represents these customers will experience a change in area code; however, that will happen even

without the transfer, as a result of an imminent area code split.) CTC-Golden State states it is in the process of negotiating an interconnection agreement with FMTI.

CTC-Golden State states an environmental assessment of the transfer is not required because its application involves only a change in control and operation of the existing facilities.

The transfer serves the interest of the Fort Mojave Indian Tribe and is consistent with federal policy. The parties to the transaction are satisfied with the agreement and there is no evidence to suggest that customer interests will be compromised in any way. CTC-Golden State's customers will not be affected from the standpoint of changes to rates or services. The purchase price, filed under seal, is very small relative to CTC-Golden State's jurisdictional revenues. For that reason, we permit CTC-Golden State's shareholders to retain the gain on sale without creating any precedent with regard to that disposition. We herein grant approval for the transfer of subject assets to FMTI.

Findings of Fact

1. FMTI and CTC-Golden State have entered into an agreement to transfer 91 access lines from CTC-Golden State to FMTI, lines which are located on the Fort Mojave Indian Reservation.
2. The proposed transfer of 91 of CTC-Golden State's access lines to FMTI will benefit the Fort Mojave Indian Tribe and is consistent with federal policy to promote tribal autonomy.
3. There is no evidence to suggest the customers affected by the transfer will experience reductions in service or that CTC-Golden State's customers' rates or services will be affected by the transfer.
4. The purchase price and associated gain on sale are very small relative to CTC-Golden State's jurisdictional revenues.
5. It can be seen with certainty that the transfer approved by this decision will not have a significant effect on the environment.

Conclusion of Law

Commission should approve the transfer requested in this application.

O R D E R

IT IS ORDERED that:

1. The application of Citizens Telecommunications Company of the Golden State to transfer 91 access lines to Fort Mojave Telecommunications, Inc. is granted.
2. Application 97-04-064 is closed.

This order is effective today.

Dated September 3, 1997, at San Francisco, California.

P. GREGORY CONLON

President

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

Commissioners