

Decision 00-01-035 January 11, 2000

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of BroadStream Corporation f/k/a
Commco Tec Corporation For Approval of
Transfer of Control.

Application 99-10-019
(Filed October 18, 1999)

O P I N I O N

Summary

This decision grants the application of BroadStream Corporation (BroadStream), formerly known as Commco Tec Corporation (Commco Tec), for approval of a transfer of control. As a result, B. Scott Reardon III, the founder, an officer and a director of BroadStream, will acquire control of BroadStream. No significant change of ownership will take place.

Procedural Background

In Resolution ALJ 176-3026 dated November 4, 1999, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. Therefore, a public hearing is not necessary, and it is not necessary to alter the preliminary determinations.

Ordering Paragraph 1 of Decision (D.) 87-10-035 provides that the Executive Director may grant noncontroversial applications by nondominant telecommunications carriers and radiotelephone utilities to transfer assets or control under Pub. Util. Code §§ 851-854.¹

¹ 25 CPUC2d 459 at 462 (1987).

Parties to the Transaction

BroadStream is a Delaware corporation authorized to do business in California. It was formerly known as Commco Tec. Commco Tec received a certificate of public convenience and necessity (CPCN) to offer facilities-based local exchange and interexchange services in California by D.99-03-050 (U 6135 C). Its principal place of business is 4513 Pin Oak Court, Sioux Falls, South Dakota 57103. BroadStream is not currently doing business in California, nor is it generating revenues in the state.

BroadStream is wholly owned by BroadStream Communications Corporation (BroadStream Parent). BroadStream Parent was formerly known as Commco Communications Corporation.

BroadStream Parent was owned by Commco, L.L.C. (68% equity and voting interest) and Horizon Technologies, L.L.C. (32% equity and voting interest).

Commco Partners, L.L.C. is a holding company. It is owned by Commco, L.L.C. (68.220% equity and 0% voting interest), Reardon (0.005% equity and 100% voting interest), and Horizon Technologies, L.L.C. (31.775% equity and 0% voting interest).

Reardon is the founder, an officer and a director of BroadStream.

The business addresses for all of the above entities, except for Reardon, are the same as for BroadStream. Only BroadStream holds a CPCN to provide telecommunications services in California. None of the other entities are telecommunications carriers.

Reardon's principal place of business is 514 Minnesota Avenue, #15, Sioux Falls, South Dakota 57104.

Proposed Transaction

BroadStream Parent was acquired (ownership only) by Commco Partners, L.L.C. on September 14, 1999. The transfer of control has not yet occurred. This results in no significant change in ultimate ownership. However, Reardon will acquire 100% of the voting interest and, therefore, control of Broadstream.

BroadStream will retain its CPCN, and remain a wholly owned subsidiary of BroadStream Parent.

Discussion

The proposed transaction is a reorganization of the corporate hierarchy. The only operational effect will be the acquisition of control by Reardon. The issue is, therefore, whether Reardon is qualified to control BroadStream.

Reardon is the founder, an officer, and a director of BroadStream. This was the case when BroadStream, then Commco Tec, received its CPCN in March 1999. We will, therefore, grant the requested authorization.

Findings of Fact

1. BroadStream seeks approval for Commco, L.L.C. to acquire BroadStream Parent.
2. The acquisition will result in acquisition of control of BroadStream Parent and, therefore, BroadStream by Reardon.
3. Reardon is the founder, an officer and a director of BroadStream.
4. Notice of this application appeared on the Commission's Daily Calendar on October 20, 1999.
5. There were no protests to this application.
6. No hearings are necessary.

7. The Executive Director may grant noncontroversial applications by nondominant telecommunications carriers for authority to transfer assets or control under Pub. Util. Code §§ 851-854.

Conclusions of Law

1. Reardon is qualified to control BroadStream.
2. The application is not adverse to the public interest.
3. The application should be granted and made effective immediately.
4. After the acquisition of control, BroadStream will continue to be a wholly owned subsidiary of BroadStream Parent, and will exercise, under its current name and tariffs, the authority granted by its CPCN.
5. This application is noncontroversial and should be granted by the Executive Director.

O R D E R

IT IS ORDERED that:

1. The application of BroadStream Corporation (BroadStream) for approval of the acquisition of its parent company, BroadStream Communications Corporation, by Commco Partners, L.L.C. is approved.
2. The Certificate of Public Convenience and Necessity (CPCN) currently held by BroadStream remains with BroadStream.
3. BroadStream will continue to provide, under its own name and tariffs, the services authorized by its CPCN.

4. This application is closed.

This order is effective today.

Dated January 11, 2000, at San Francisco, California.

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN
Executive Director