

Decision 99-09-079 September 27, 1999

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Common Concerns, Inc.  
(U-6007-C) for authority to Transfer Control to  
Washoe Technology Corporation

Application 99-08-004  
(Filed August 3, 1999)

**OPINION**

**1. Summary**

This application seeks approval under Section 854 of the Public Utilities Code of a transfer of control of Common Concerns, Inc., a non-dominant telecommunications carrier, to Washoe Technology Corporation, a privately held Nevada corporation. The application is unopposed. The application is granted.

**2. Description of Applicants**

Common Concerns, a privately held Delaware corporation, was authorized to provide telecommunications services in California as a switchless reseller pursuant to Decision 96-09-031 issued on September 4, 1996. It is authorized to provide intrastate service in approximately 45 states, and it is authorized by the Federal Communications Commission to provide domestic interstate and international services as a non-dominant carrier in all 50 states.

Washoe is a start-up company, the principals of which are experienced in the telecommunications industry. The company's consolidated balance sheet as of April 30, 1999, showed assets of more than \$600,000.

**3. Nature of Application**

The proposed transfer of control will be accomplished through a transaction under which Washoe will acquire 100% of Common Concerns' issued and outstanding stock for cash. Following the transfer of control to Washoe,

Common Concerns will continue to provide services pursuant to the terms and conditions of its tariff, and only the underlying ownership of the company will change.

The application states that Common Concerns will continue to operate under its own name and will remain the holder of its California certification. Rates, terms and conditions available to customers of Common Concerns will not change as a result of the transaction.

Exhibits attached to the application show that Washoe has the financial and business qualifications necessary to continue the operation of Common Concerns.

#### **4. Public Interest**

The application states that the transfer of control will serve the public interest in promoting competition by allowing Common Concerns access to Washoe's financial and technical resources. The parties state that the transaction will enhance the carrier's operational flexibility and efficiency, and will give it the opportunity to strengthen its competitive position.

The parties in the application have attached copies of their financial statements, and they have attached a copy of a letter of intent describing the proposed transfer of control.

#### **5. Discussion**

Pub. Util. Code § 854 requires Commission authorization before a company may "merge, acquire, or control...any public utility organized and doing business in this state...." The purpose of this and related sections is to enable the Commission, before any transfer of public utility property is consummated, to review the situation and to take such action, as a condition of the transfer, as the public interest may require. (San Jose Water Co. (1916) 10 CRC 56.)

The proposed transfer of control here promises improved services for California consumers. No changes in the existing services of Common Concerns are proposed. Washoe has the financial qualifications necessary to support the Common Concerns operation.

There have been no protests to this application, and the contemplated transfer of control appears to be noncontroversial. The application requests expedited approval of the application. Expedited approval may be granted by the Executive Director pursuant to authority delegated to him by the Commission to grant "noncontroversial applications for authority to transfer assets or control under [Pub. Util.] Code §§ 851-855..." (CAWC, Inc., Decision (D.) 87-04-017 (1987).)

In Resolution ALJ 176-3022, dated September 2, 1999, the Commission preliminarily categorized this proceeding as ratesetting, and preliminarily determined that hearings were not necessary. Based on the record, we conclude that a public hearing is not necessary, nor is it necessary to alter the preliminary determinations in ALJ 176-3022.

The application is granted, subject to the terms and conditions set forth below.

#### **Findings of Fact**

1. Notice of this application appeared in the Commission's Daily Calendar of August 6, 1999.
2. Common Concerns seeks approval pursuant to Pub. Util. Code § 854 of a transaction that will transfer control of Common Concerns to Washoe.
3. Common Concerns is a switchless reseller of telecommunications services in California, and it is authorized to provide intrastate and interstate services in approximately 45 other states.

4. Washoe is a privately held Nevada corporation, the investors of which have experience in operating telecommunications enterprises.

5. There will be no change in current services or rates provided by Common Concerns as a result of the transfer of control.

**Conclusions of Law**

1. The proposed transfer of control is not adverse to the public interest.

2. This proceeding is designated a ratesetting proceeding; no protests have been received; no hearing is necessary.

3. The application is noncontroversial and may be granted by the Executive Director pursuant to authority delegated by the Commission.

4. The application should be approved.

**O R D E R**

**IT IS ORDERED** that:

1. Common Concerns, Inc. (Common Concerns) and Washoe Technology Corporation (Washoe) are authorized, pursuant to Section 854 of the Public Utilities Code, to enter into the transaction, as more fully described in the application and its exhibits, by which Washoe will acquire control of Common Concerns.

2. Common Concerns and Washoe shall notify the Director of the Commission's Telecommunications Division in writing of the transfer of authority, as authorized herein, within 10 days of the date of consummation of such transfer. A true copy of the instruments of transfer shall be attached to the notification.

3. Common Concerns and Washoe shall file new tariffs incorporating any changes in name, rates, services and management authorized in the transfer transaction.

A.99-08-004 ALJ/GEW/eap

4. Common Concerns and Washoe shall make all books and records available for review and inspection upon Commission staff request.

5. The authority granted herein shall expire if not exercised within one year of the date of this order.

6. Application 99-08-004 is closed.

This order is effective today.

Dated September 27, 1999, at San Francisco, California.

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN  
Executive Director