

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF USA MOBILE COMMUNI-)
CATIONS, INC. II FOR AN ORDER AUTHORIZING) CASE NO. 10257
THE ISSUANCE AND SALE OF SECURITIES)

O R D E R

On May 17, 1988, USA Mobile Communications, Inc., II ("USA II") filed with the Commission a "Verified Application Pursuant to KRS 278.300" (the "Verified Application"), in which it requested the Commission to: (a) issue an order authorizing it to assume obligations in substantially the form and substance of certain notes described in Exhibits A, B, and C thereto (the "Notes"); and (b) to issue and offer the Notes for sale to certain accredited investors.

In connection with the Verified Application, USA II has filed the following two documents: (i) "Petition for Confidentiality" pursuant to 807 KAR 5:001, Section 7, requesting the Commission to issue an order directing that the blue highlighted portions of the Verified Application and Exhibits A, B, and C thereto, in their entirety, be afforded confidential treatment; and (ii) "Motion to Dispense with Certain Requirements of 807 KAR 5:001, Section 11."

Based on the evidence of record and the Commission being sufficiently advised, the Commission finds that:

1. USA II is a Delaware corporation authorized to do business in Kentucky. Certified copies of the Certificate of

Incorporation of USA II and its Certificate of Authority to transact business in the Commonwealth are currently on file with the Commission in Case No. 10025.¹

2. USA II was formed to acquire and operate radio common carriers ("RCCs") in the states of Ohio, Kentucky, and Indiana. These RCCs, including those in Kentucky, provide radio common carrier services including conventional two-way mobile telephone service. An affiliate of USA II, USA Mobile Communications, Inc. ("USA I"), has entered into written agreements to purchase the stock or assets of 13 RCCs. Nine of these RCCs will have operations in Kentucky. USA I has assigned its rights and obligations under these agreements to USA II. Consequently, USA II will purchase the assets or stock of these various RCCs. Certain of these RCCs are utilities subject to the jurisdiction of the Commission.

3. USA II's assumption of the obligations represented by the Notes and its offering of the Notes for sale to certain accredited investors is: (a) for a lawful objective within the corporate purposes of USA II; (b) is necessary and appropriate, as well as consistent with the provision by USA II of RCC services to the public; (c) will not impair the ability of USA II to provide the services; and (d) is reasonable or necessary and appropriate to accomplish these objectives.

¹ Joint Application of USA Mobile Communications, Inc., and Johnny L. Wills, d/b/a Kentucky Radio Service, Inc.

4. The Commission has approved the transfer of ownership and control to USA II of the radio-telephone utilities which will have operations in Kentucky referred to in numerical paragraph two hereof.² One transaction was found not to require Commission approval.³ USA II is therefore imminently about to begin providing utility services in the Commonwealth of Kentucky.

5. USA II has complied with all the requirements set forth at KRS 278.300 and 807 KAR 5:001, Section 11 governing the issuance of securities and other forms of indebtedness, except those requirements identified in USA II's "Motion to Dispense with Certain Requirements of 807 KAR 5:001, Section 11."

² See, the Commission's Orders in Case No. 10025; Case No. 10034, The Joint Application of USA Mobile Communications, Inc. ("USA"), Multi-Page, Inc., Commonwealth Telecommunications, Inc., Radio Communications Corporation and Metro Telecommunications of Kentucky, Inc. (Collectively, the "Sellers"), to, Inter Alia, (1) Acquire and Transfer Ownership and Control of the Sellers by the Sale of Their Assets and Business to USA and (2) Transfer and Assign the Certificates of Convenience and Necessity Granted in Case Nos. 8692, 9418, 9837, 8619, 9242, 7090 and 8086; Case No. 10143, The Joint Application of USA Mobile Communications, Inc., and Digital Paging Systems of Kentucky, Inc., to, Inter Alia, (a) Acquire and Transfer Ownership and Control of DPS by the Sale of Its Assets to USA and (b) Transfer and Assign the Certificate of Convenience and Necessity Granted in Case No. 8201; Case No. 10174, USA Mobile Communications, Inc. CO of Ohio, Inc.; and Case No. 10206, The Joint Application of USA Mobile Communications, Inc. ("USA") and Tele-Page Corporation ("TPC"), to, Inter Alia, (a) Acquire and Transfer Ownership and Control of TPC by the Sale of Its Assets to USA and (b) Transfer and Assign the Certificate of Convenience and Necessity Transferred to TPC in Case No. 8304.

³ See, the Commission's Order in Case No. 10186, The Joint Application of USA Mobile Communications, Inc. ("USA") and Alltel Mobile Communications of Kentucky, Inc. ("Alltel"), to, Inter Alia, (a) Transfer Ownership and Control of the Assets of Alltel to USA and (b) Transfer and Assign the Certificate of Convenience and Necessity Granted in Case No. 9672.

IT IS THEREFORE ORDERED that:

1. USA II's "Motion to Dispense with Certain Requirements of 807 KAR 5:001, Section 11" is granted and USA II is authorized to dispense with the requirements of 807 KAR 5:001, Sections 11(1)(a), 11(2)(b), 11(2)(c) and 6 relating, respectively, to the filing of the following information with the Commission in support of its Verified Application: (i) the original cost of the personal and real property acquired or to be acquired by USA II; (ii) trust deeds or mortgages; (iii) engineering maps and plans of the proposed property to be acquired; and (iv) a financial exhibit.

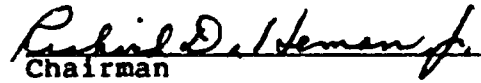
2. USA II's "Joint Petition for Confidentiality" regarding the blue highlighted portions of the Verified Application and Exhibits A, B, and C thereto, filed in accordance with 807 KAR 5:001, Section 7, is granted.

3. Pursuant to KRS 278.300 and 807 KAR 5:001, Section 11, USA II is authorized to assume the obligations represented by the Notes and to issue and offer the Notes for sale, and for these purposes, that is assumption, issuance and offer, to modify the terms and conditions set forth in the Notes subsequent to the issuance date of this Order.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 13th day of June, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director