

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
)  
LOCKHEED MARTIN GLOBAL )  
TELECOMMUNICATIONS SERVICES, INC., )  
LOCKHEED MARTIN GLOBAL )  
TELECOMMUNICATIONS, INC., AND )  
LOCKHEED MARTIN CORPORATION )  
)  
For Approval of Transfer of Stock. )  

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DOCKET NO. 02-0147

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DECISION AND ORDER NO. 19534

Filed August 26, 2002  
At 8:00 o'clock A.M.

Karen Higashi  
Chief Clerk of the Commission

ATTEST: A True Copy  
KAREN HIGASHI  
Chief Clerk, Public Utilities  
Commission, State of Hawaii.

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

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TELECOMMUNICATIONS SERVICES, INC.,)	)	
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DECISION AND ORDER

I.

By an application filed on June 6, 2002, LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS SERVICES, INC. (LMGT Services), LOCKHEED MARTIN GLOBAL TELECOMMUNICATIONS, INC. (LMGT), and LOCKHEED MARTIN CORPORATION (LMC) (collectively referred to as Applicants) requests commission approval for the *pro forma* intracorporate restructuring of LMGT Services' current ownership. LMGT proposes to transfer all of its stock in LMGT Services to LMC, thus making LMGT Services a direct, wholly owned subsidiary of LMC.

Applicants served copies of the application on the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs (Consumer Advocate). On August 14, 2002, the Consumer Advocate filed its statement of position indicating that it does not object to the approval of the application, provided that LMGT Services revises its tariff in accordance with Decision and Order No. 19017, filed on November 15, 2001, in Docket No. 01-0338.

## II.

LMGT Services, a privately held Delaware corporation, is a direct, wholly owned subsidiary of LMGT, which in turn is an indirect, wholly owned subsidiary of LMC. LMGT Services is authorized to operate as a reseller of intrastate telecommunication services in the State of Hawaii.<sup>1</sup>

For corporate and business reasons, LMC desires to realign its direct and indirect subsidiaries. The internal corporate restructuring proposed by this Application involves the transfer of 100 per cent of LMGT Services' outstanding stock from LMGT to LMC, thus making LMGT Services a direct, wholly owned subsidiary of LMC.

## III.

Hawaii Revised Statutes (HRS) § 269-7 provides the commission the authority to, among other things, examine into the condition of each public utility, the utility's issuance of its stocks and bonds, the utility's business relations with other persons, companies, or corporations, and all matters affecting the relations and transactions between the utility and the public or persons or corporations. Under HRS § 269-7, the commission will only approve the proposed stock transfer if it is reasonable and consistent with the public interest. The proposed stock transfer is reasonable and consistent with the public interest if

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<sup>1</sup>See, Decision and Order No. 19017, filed on November 15, 2001, in Docket No. 01-0338.

it will not adversely affect LMGT Services' fitness, willingness, and ability to provide telecommunications services in Hawaii.

Based on our review of the record, we find that the proposed stock transfer is reasonable and in the public interest on the basis that it will not have any adverse impact on LMGT Services' current operations, management, or customers. Accordingly, Applicant's request for approval of the transfer of all of its stock in LMGT Services to LMC, making LMGT Services a direct, wholly owned subsidiary of LMC, should be approved.

#### IV.

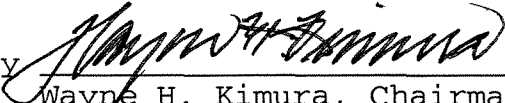
##### THE COMMISSION ORDERS:

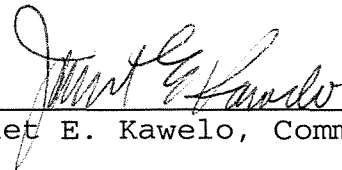
1. Applicants' request to transfer all of the stock in LMGT Services to LMC, as described in the application, is approved.

2. Applicants shall amend its tariff to comply with Decision and Order No. 19017, issued on November 15, 2001, in Docket No. 01-0338.


DONE at Honolulu, Hawaii this 26th day of August,  
2002.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Wayne H. Kimura, Chairman

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


  
Kevin M. Katsura  
Commission Counsel  
02-0147.ac

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 19534 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

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ASSISTANT GENERAL COUNSEL  
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6560 Rock Spring Drive  
Bethesda, MD 20817



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Catherine Sakato

DATED: August 26, 2002