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December 24, 1997

BY HAND DELIVERY

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
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2540 Shumard Oak Blvd.
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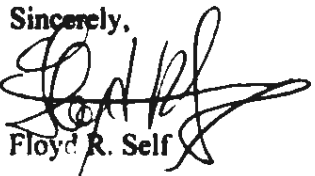
Re: Docket Nos. 971604-TP

Dear Ms. Bayo:

Enclosed for filing are an original and fifteen copies of Joint Opposition of WorldCom, Inc. and MCI Communications Corporation to GTE Petition to Intervene in the above-referenced dockets.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Thank you for your assistance with this filing.

Sincerely,

Floyd R. Self

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU** _____
- CTR _____
- EAG _____
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Enclosures

cc: Jean L. Kiddoo, Esq.
Parties of Record

DOCUMENT NUMBER-DATE
13198-DEC 24 97
FPSC RECORDS/REPORTING

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Request for approval of merger of MCI)
Communications Corporation (Holder of)
AAV/ALEC Certificate 2986 in the name MCI)
Metro Access Transmission Services, Inc.;)
and IXC Certificate 61, PATS Certificate 3080,)
and AAV/ALEC Certificate 3996 in the name)
of MCI Telecommunications Corp.) with)
TC Investments Corp., a Wholly-Owned)
Subsidiary of WorldCom, Inc.)

Docket No. 971604-TP

**JOINT OPPOSITION OF WORLDCOM, INC. AND
MCI COMMUNICATIONS CORPORATION TO GTE PETITION TO INTERVENE**

WorldCom, Inc. ("WorldCom") and MCI Communications Corporation ("MCI"), by their undersigned counsel, hereby oppose the Petition to Intervene of GTE Corporation and GTE Communications Corporation (collectively "GTE") filed on December 15, 1997, in the above-referenced proceeding. The matter for consideration by this Commission in this proceeding is whether to approve WorldCom's acquisition of MCI pursuant to F.S.A. § 364.33. Nowhere in § 364.33 is it mandated that this determination requires GTE's participation as a "protector of the public interest" or consideration of its unfounded "anticompetitive" allegations with respect to the proposed transaction. As clearly demonstrated by GTE's Petition and its actions in other state proceedings governing the WorldCom/MCI transaction, GTE's participation in this proceeding is unnecessary and will unreasonably broaden the scope of the Commission's consideration of the proposed transaction under F.S.A. § 364.33. Accordingly, GTE's Petition for Intervention must be denied.

DOCUMENT NUMBER-DATE

18198 DEC 24 5

FPSC-RECORDS/REPORTING

DISCUSSION

GTE has sought intervention on the ground that, as a local exchange and interexchange carrier in Florida, it has a legal interest and right to participate in this case to present its views on whether the transaction would be beneficial to the public interest.^{1/} The narrow scope of the Commission's determination under § 364.33 does not confer on GTE the right to intervene because of its interest in ensuring that the proposed transaction will "yield . . . public interest benefits" or because of its unsubstantiated allegations of the "anticompetitive" impact of the proposed transaction. It is not GTE's role to serve as a "protector of the public interest" in this case. Moreover, GTE's "anticompetitive" allegations are unfounded and immaterial to this proceeding. GTE's participation on these grounds is unnecessary with respect to the Commission's determination of the proposed transaction under § 364.33, and in fact, will only serve to impede and delay the process.

GTE's claim that the proposed merger will have an anticompetitive impact on the provision of interexchange and local exchange services in Florida is unfounded and ignores the dynamic reality of competition in the telecommunications industry. Ironically, GTE, an incumbent local exchange carrier ("ILEC") in Florida, argues that WorldCom's acquisition of MCI will "significantly reduce competition in the Florida long distance market" and "frustrate the progress of local exchange

^{1/} GTE Petition at 3. GTE also argues that it has a substantial interest and right to participate in this proceeding as a customer of WorldCom. *Id.* As previously and publicly stated by WorldCom, the merger will not affect WorldCom's existing customer arrangements, including those with GTE. See *Opposition of WorldCom, Inc. and MCI Communications Corporation to Petition to Intervene of GTE Corporation and GTE Communications Corporation*, p. 4, filed before the Indiana Utility Regulatory Commission in Cause No. 41023 on December 8, 1997. Moreover, GTE's participation on this ground is unnecessary with respect to the Commission's determination of the proposed transaction under § 364.33.

competition in Florida." ^{2/} In the interexchange market, entry barriers are relatively low and new competitors (including GTE itself) are constantly entering the market, offsetting any transitory increase in market concentration that may result from the merger. WorldCom and MCI as a combined company would have no more ability to prevent such entry or to control prices than either of the two companies alone has today. Moreover, ILECs currently dominate the local exchange market in Florida. The proposed transaction between WorldCom and MCI certainly would not result in a reversal of these market positions. Together, however, WorldCom and MCI would be in a stronger position than either of the two companies alone to present a true competitive challenge to entrenched incumbents such as GTE. GTE's "concern" must be seen for what it really is -- that competition for local exchange services will be greatly *enhanced*, not diminished, by the WorldCom/MCI transaction. GTE's request for intervention is a transparent attempt to impede and delay the proposed transaction in an effort to keep its competitors small and protect its own market share. Therefore, GTE's request must be denied.

In addition, GTE's participation in this proceeding will unreasonably broaden the issues in this proceeding, as clearly demonstrated by its actions in other state proceedings governing the WorldCom/MCI transaction. For example, GTE's First Set of Data Requests served on WorldCom and MCI in a transfer of control proceeding before the Oklahoma Corporation Commission ("OCC") reveals the lengths to which GTE will go to burden the resources of WorldCom, MCI, and the OCC, and to bring unnecessary and immaterial issues before the state regulatory commissions. GTE's list of data requests includes requests for highly confidential and proprietary information regarding

^{2/} GTE Petition at 3. It should be noted that GTE did not intervene in the proceeding before this or any other federal or state regulatory Commission pertaining to the earlier proposed transfer of control of MCI to BT.

customer-specific revenues and usage,³⁷ requests for details concerning the precise locations of the existing and proposed networks of WorldCom and MCI,³⁸ and other burdensome requests for information that is only relevant to its interest in obtaining competitively sensitive commercial information that would be useful as GTE seeks to expand its long distance business.

The purpose of this proceeding is for the Commission to determine whether to approve the proposed transaction pursuant to F.S.A. § 364.33, not to provide GTE with proprietary information about its competitors, their other customers, and their network plans. GTE's intervention will only serve to unreasonably delay and detract the Commission from making its determination. Both WorldCom and MCI have operating subsidiaries certificated to operate in Florida. This Commission has determined through its certification process that each of these companies meets the financial, technical, and managerial qualifications necessary to provide telecommunications services to Florida consumers. Nothing about the proposed transaction will have any detrimental effect on this assessment. WorldCom's and MCI's operating subsidiaries will continue to provide high quality telecommunications services to Florida consumers. Indeed, as demonstrated in WorldCom's and MCI's filings, the combined company will be able to utilize the technical, financial and managerial

³⁷ For example, GTE asks WorldCom and MCI to "identify [separately for MCI and WorldCom] all customers purchasing wholesale long distance services and for each customer provide (i) total revenue; (ii) total minutes of use; and (iii) average revenue per minute of use for each month from January 1, 1992 to the present." WorldCom and MCI submit that this request speaks for itself with respect to GTE's real interests in obtaining proprietary information by participating in this proceeding.

³⁸ For example, GTE asks WorldCom and MCI to provide it with the location and detailed description of each telecommunications facility existing, planned or proposed by WorldCom and MCI in the state, along with a "map with a scale of not less than 1 inch per .25 mile" showing the exact location of each such existing and planned network. Again, WorldCom and MCI submit that GTE is seeking such proprietary information for its own competitive purposes, not to assist the Commission in its § 364.33 determination.

resources of both of the companies, which are a matter of record at the Commission. Rather than focus on these considerations, however, GTE would have this Commission focus on GTE's self-serving interests in protecting the monopoly status it currently enjoys in Florida as an ILEC in the Tampa market area, thus furthering its effort to delay and impede the transaction.

Importantly, other state Commissions have recognized that similar GTE intervention motions should be denied because allowing GTE to intervene would unreasonably expand the issues presented before the Commission. In ruling on GTE's motion to intervene, the Hawaii Public Utilities Commission determined that "[GTE's] allegations to intervene in the docket are based on their interests as competitors to WorldCom and MCI . . . [and] are not reasonably pertinent to and will unreasonably broaden the issues in this proceeding."²⁹ Similarly, the Mississippi Public Service Commission, in denying GTE's motion to intervene, noted that "[t]his Commission is not the proper forum for remedying a dispute among the parties . . . as to who should acquire MCI."³⁰

²⁹ See *In re WorldCom, Inc., for Alternative Relief of Exemption or Waiver, or for Alternative Expedited Approval to Transfer Control of MCI Communications Corporation to WorldCom, Inc.*, Order No. 16101, Docket No. 97-0377 (Nov. 25, 1997).

³⁰ See *WorldCom, Inc. Petition for Approval to Transfer Control of MCI Communications Corporation to WorldCom, Inc.*, Order, Docket 97-UA-667 (Nov. 26, 1997).

For the foregoing reasons, WorldCom and MCI respectfully request that the Commission deny GTE's Petition to Intervene. In the alternative, if the Commission grants GTE intervenor status, it should limit GTE's participation to commenting only on issues related directly to the Commission's assessment of the proposed transaction under § 364.33.

Respectfully submitted,

MCI COMMUNICATIONS CORPORATION

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Its Counsel

Its Counsel

Dated: December 24, 1997

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of Joint Opposition of WorldCom, Inc. and MCI Communications Corporation to GTE Petition to Intervene in Docket No. 971604-TP have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 24th day of December, 1997:

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