

MEMORANDUM

December 7, 1998

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RECORDS AND  
REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (B. KEATING) *BK*  
*MB*

RE: DOCKET NO. 981252-TP - JOINT PETITION FOR APPROVAL OF  
MERGER OF GTE CORPORATION (HOLDER OF LEC CERT. 31 AND  
PATS CERT. 4962 IN THE NAME GTE FLORIDA INCORPORATED,  
ALEC CERT. 4819 AND IXC CERT. 4080 IN THE NAME GTE  
COMMUNICATIONS CORPORATION, AND IXC CERT. 4079 IN THE  
NAME GTE TELECOMMUNICATIONS SERVICES INCORPORATED) AND  
BELL ATLANTIC CORPORATION (HOLDER OF IXC CERT. 4714 IN  
THE NAME NYNEX LONG DISTANCE COMPANY D/B/A BELL ATLANTIC  
LONG DISTANCE AND IXC CERT. 4438 IN THE NAME BELL  
ATLANTIC COMMUNICATIONS, INC.), WHEREBY GTE WILL BECOME  
A WHOLLY-OWNED SUBSIDIARY OF BELL ATLANTIC.

PSC-98-1645-FOE-TP

Attached is an NOTICE OF PROPOSED AGENCY ACTION ORDER  
APPROVING JOINT PETITION PURSUANT TO SECTION 364.33, FLORIDA  
STATUTES, to be issued in the above-referenced docket. (Number of  
pages in order - 5)

BK/anr  
Attachment  
cc: Division of Communications  
I: 981252or.bk

see 2

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of merger of GTE Corporation (holder of LEC Cert. 31 and PATS Cert. 4962 in the name GTE Florida Incorporated, ALEC Cert. 4819 and IXC Cert. 4080 in the name GTE Communications Corporation, and IXC Cert. 4079 in the name GTE Telecommunications Services Incorporated) and Bell Atlantic Corporation (holder of IXC Cert. 4714 in the name NYNEX Long Distance Company d/b/a Bell Atlantic Long Distance and IXC Cert. 4438 in the name Bell Atlantic Communications, Inc.), whereby GTE will become a wholly-owned subsidiary of Bell Atlantic.

DOCKET NO. 981252-TP  
ORDER NO. PSC-98-1645-FOF-TP  
ISSUED: December 7, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
JOE GARCIA  
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING JOINT PETITION  
PURSUANT TO SECTION 364.33, FLORIDA STATUTES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

DOCUMENT NUMBER-DATE

13745 DEC-78

FPC-RECORDS/REPORTING

On July 28, 1998, GTE Corporation (GTE) and Bell Atlantic Corporation (Bell Atlantic) announced their agreement to combine the two corporations in a merger of equals. Accordingly on October 1, 1998, GTE and Bell Atlantic petitioned us for approval of this transaction pursuant to our authority under Section 364.33, Florida Statutes. On November 9, 1998, the Telecommunications Resellers Association filed comments with us regarding this transaction.

As a result of this transaction, GTE will merge into Beta Gamma Corporation, a subsidiary of Bell Atlantic created solely to facilitate the merger. GTE will be the surviving subsidiary, and Bell Atlantic will be the surviving parent corporation. We note that this transaction is between the parent companies. GTE is a holding company and is not a regulated telecommunications company in Florida. GTE does, however, have three subsidiaries that are certificated to perform telecommunications services in Florida. GTE's certificated subsidiaries are:

1. GTE Florida Incorporated (GTEFL), which holds Florida Public Service Commission Local Exchange Certificate No. 31 and Pay Telephone Certificate No. 4962. This company provides local exchange telephone service to more than 2.2 million switched access lines in Florida;
2. GTE Communications Corporation (GTECC), which holds Florida Public Service Commission Alternative Local Exchange Certificate No. 4819 and Interexchange Telecommunications Service Certificate No. 4080; and
3. GTE Telecommunication Services Incorporated (GTE TSI), which holds Interexchange Telecommunications Service Certificate No. 4079.

Bell Atlantic Corporation (Bell Atlantic) is also a holding company that is not a regulated telecommunications company operating in Florida. It does have two subsidiaries that are certificated to perform telecommunications services in Florida. Bell Atlantic's certificated subsidiaries are:

1. NYNEX Long Distance Company d/b/a Bell Atlantic Communications (BAC), which holds Interexchange Telecommunications Service Certificate No. 4714; and

2. Bell Atlantic Communications, Inc., which holds Interexchange Telecommunications Service Certificate No. 4438.

The companies assert that the merger will create a new competitor with the nationwide presence and financial resources necessary to compete head-to-head in the provision of the full array of telecommunications services around the country. The companies also assert that the merged company will be able to draw upon the abilities and expertise of personnel from both companies in serving the public. The companies further aver that their combined ownership will not significantly affect competition for long-distance services. The companies add that there will be no anti-competitive effects in Florida.

At the completion of the merger, GTE's and Bell Atlantic's regulated subsidiaries in Florida will remain as subsidiaries of GTE and Bell Atlantic, respectively. The parties state that, as such, all subsidiary companies operating in Florida will continue to operate under their existing certificates and tariffs on file with us.

In accordance with our authority under Section 364.33, Florida Statutes, to review the acquisition or transfer of majority organizational control or controlling stock ownership of a telecommunications company providing services in Florida, we have reviewed the Joint Petition of GTE and Bell Atlantic. Based upon our review, we find that it is in the public interest to approve the Joint Petition. We emphasize, however, that our approval of the Joint Petition, pursuant to our authority under Section 364.33, Florida Statutes, in no way precludes us from addressing any of our concerns that may arise regarding this transaction to the appropriate federal agency.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Joint Petition filed by GTE Corporation and Bell Atlantic Corporation is hereby approved pursuant to Section 364.33, Florida Statutes. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division

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of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 7th day of December, 1998.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

BK

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of

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Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 28, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.