**FLORIDA PUBLIC SERVICE COMMISSION**

**Capital Circle Office Center 2540 Shumard Oak Boulevard**

**Tallahassee, Florida 32399-0850**

**M E M O R A N D U M**

**December 5, 1996**

**TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING**

**FROM: DIVISION OF LEGAL SERVICES (KEATING)**

**DIVISION OF COMMUNICATIONS (WILLIAMS)**

**RE: DOCKET NO. 961340-TI; PETITION FOR EXPEDITED APPROVAL OF INDIRECT CHANGE IN CONTROL OF NYNEX LONG DISTANCE COMPANY, HOLDER OF INTEREXCHANGE TELECOMMUNICATIONS CERTIFICATE NO. 4714, THROUGH PROPOSED MERGER OF BELL ATLANTIC CORPORATION AND NYNEX CORPORATION**

**AGENDA: 12/17/96 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE**

**CRITICAL DATES: NONE**

**SPECIAL INSTRUCTIONS: I:\PSC\LEG\WP\961340.RCM**

**CASE BACKGROUND**

On November 8, 1996, NYNEX Long Distance Company (NLDC) petitioned the Commission for approval of an indirect change in control. This change in control would occur as the result of the proposed merger of Bell Atlantic Corporation (Bell Atlantic) and NYNEX Corporation (NYNEX), the parent corporation of NLDC. A copy of NLDC's Petition is attached hereto as Attachment A.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should NLDC's Petition for approval of the indirect change in control of NLDC, resulting from the proposed merger of Bell Atlantic and NYNEX, be approved by the Commission?

**RECOMMENDATION:** Yes.

**STAFF ANALYSIS:** On September 4, 1996, NLDC was granted Certificate of Public Convenience and Necessity No. 4714, by Order No. PSC-96-1122-FOF-TI. Because NLDC is a wholly-owned subsidiary of NYNEX, the merger of Bell Atlantic and NYNEX would result in a change in control of NLDC. Section 364.33, Florida Statutes, provides that Commission approval is required prior to an entity acquiring ownership or control of a telecommunications company operating a telecommunications facility in Florida.

The proposed merger, expected to be completed by early 1997, would result in NYNEX becoming a wholly-owned subsidiary of Bell Atlantic, and NLDC also becoming a subsidiary of Bell Atlantic. NLDC's Petition states that, after the merger, NLDC would continue to provide interexchange service in Florida in its own name pursuant to its interexchange certificate and its current tariff on file with the Commission. The change in control would therefore be transparent to customers.

NLDC's Petition states that the proposed merger would provide NLDC greater technical, managerial, marketing, and financial resources. These resources would allow NLDC to better compete and provide its customers with faster innovation and a modernized network. In summary, NLDC states that the proposed merger would improve NLDC's ability to provide quality service at reasonable prices in a competitive environment and would therefore be in the public interest.

Staff therefore recommends that the Commission approve NLDC's Petition.

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** This docket should be closed if no person whose interests are substantially affected by the proposed action files a protest within the 21 day protest period.

**STAFF ANALYSIS:** The docket should be closed at the end of the PAA protest period if no person whose interests are substantially affected by the proposed action files a protest within the 21 day protest period.