

ORIGINAL

RECEIVED

FEB 20 1998

ARNOLD & PORTER ~~BOOK FILE COPY ORIGINAL~~ Federal Communications Commission  
Office of Secretary

555 TWELFTH STREET, N.W.  
WASHINGTON, D.C. 20004-1206

(202) 942-5000  
FACSIMILE: (202) 942-5999

DENVER  
LOS ANGELES  
LONDON

PHILIP W. HORTON  
(202) 942-5787

February 20, 1998

98-25

Magalie Roman Salas  
Secretary  
Federal Communications Commission  
1919 M St., NW  
Washington, DC 20554

Re: Application of SBC Communications Inc. for a  
Declaration of Common Ownership Under Part 62 of  
the Commission's Rules and a Blanket  
Authorization Under Section 212 of the  
Communications Act to Have Common Officers and  
Directors

Dear Ms. Salas:

Enclosed please find an original and two copies  
of the application of SBC Communications Inc. for a  
declaration of common ownership under Part 62 of the  
Commission's Rules, 47 C.F.R. §§ 62.1-62.26, and a  
blanket authorization under Section 212 of the  
Communications Act, 47 U.S.C. § 212, to have common  
officers and directors.

Please direct questions or correspondence  
concerning this application to:

Wayne Watts  
General Attorney  
SBC Communications Inc.  
175 E. Houston  
San Antonio, TX 78205  
210-351-3476 (voice)  
210-351-3488 (facsimile)

Thank you for your assistance.

Sincerely,

  
Philip Horton

Enclosures

RECEIVED

DOCKET FILE COPY ORIGINAL FEB 20 1998

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

Federal Communications Commission  
Office of Secretary

ORIGINAL

98-25

\_\_\_\_\_  
In the Matter of )  
 )  
SBC COMMUNICATIONS INC. )  
 )  
For a Declaration of Common )  
Ownership Under Part 62 of the )  
Commission's Rules and a Blanket )  
Authorization Under Section 212 )  
of the Communications Act to Have )  
Common Officers and Directors )  
\_\_\_\_\_

File No. \_\_\_\_\_

TO: The Commission

**APPLICATION FOR DECLARATION OF COMMON OWNERSHIP  
AND AUTHORIZATION FOR COMMON OFFICERS AND DIRECTORS**

SBC Communications Inc. ("SBC") hereby requests a declaration under Section 212 of the Communications Act, 47 U.S.C. § 212, and Part 62 of the Commission's Rules, 47 C.F.R. §§ 62.1-62.26, that, upon Commission approval of and subsequent consummation of the proposed merger between SBC and Southern New England Telecommunications Corporation ("SNET"), SBC's local exchange carrier subsidiaries will be "commonly owned carriers" within the meaning of Section 62.2 of the Commission's Rules. If the SBC/SNET merger is approved, and in light of SBC's previously-approved and consummated merger with Pacific Telesis Group ("Telesis"), SBC's local exchange carriers will include: Southwestern Bell Telephone Company ("SWBT"), Pacific Bell Telephone Company ("PacBell"), Nevada Bell Telephone Company ("Nevada

Bell"), The Southern New England Telephone Company ("the SNET Telco") and The Woodbury Telephone Company ("Woodbury"). The grant of this request would serve as a blanket authorization for the merged company and its subsidiaries to have and maintain common officers and directors without further prior application to the Commission.

#### INTRODUCTION

On January 31, 1997, the Commission approved the merger of SBC and Telesis, and on April 1, 1997, the parties consummated the merger. As a result of that merger, PacBell and Nevada Bell became wholly-owned, second-tier subsidiaries of SBC.

On January 4, 1998, SBC<sup>1</sup> and SNET announced that they had entered into an Agreement and Plan of Merger under which SNET would become a wholly-owned subsidiary of SBC. On February 20, 1998, SBC and SNET filed applications with the Commission seeking approval for the transfer of control of licenses which would be effected by the merger. As a consequence of the SBC/SNET merger, the SNET Telco and Woodbury would become wholly-owned, second-tier subsidiaries of SBC. No other person will hold any interest in any of these carriers.<sup>2</sup>

---

<sup>1</sup> The address of SBC is 175 E. Houston, San Antonio, Texas 78205.

<sup>2</sup> The address of SWBT is One Bell Center, St. Louis, MO 63101. The address of PacBell is 140 New Montgomery  
[Footnote continued on next page]

After the SBC/SNET merger closes, several officers and directors of SBC and its subsidiaries may become officers or directors of SNET (and of Telesis) and its (their) subsidiaries, and vice versa.

**THE COMMISSION SHOULD GRANT THE BLANKET AUTHORIZATION**

Section 212 of the Communications Act prohibits an individual from serving as an officer or director of more than one carrier, which the Commission has interpreted to include a parent or holding company of a carrier, unless permitted to do so by the Commission. Under Section 212 and Section 62.25 of the Commission's Rules, however, when the Commission determines that two or more carriers are "commonly owned carriers," they are permitted to have common officers and directors, without applying for separate FCC authorization for each interlock.<sup>3</sup> Under Section 62.2 of the Commission's Rules, the term "commonly owned carriers" is defined to

---

[Footnote continued from previous page]  
Street, 13th Floor, San Francisco, CA 94105. The address of Nevada Bell is 645 East Plumb Lane, Reno, NV 89502. The address of the SNET Telco is 227 Church Street, New Haven, CT 06510. The address of Woodbury is 299 Main Street South, Woodbury, CT 06798.

<sup>3</sup> Such blanket authorizations have been routinely granted in the past where similar circumstances existed. See, e.g., In re Centel Corp., Transferor, and Sprint Corp., Transferee, File No. EID-683 (Sept. 17, 1992) (referenced in In re Applications of Centel Corp., Transferor, and Sprint Corp. and F W Sub Inc. Transferees, 8 FCC Rcd. 1829, 1829 ¶ 2 n.6 (1993)); In re Applications of Centel Corp., Transferor, and GTE Corp., Transferee, 6 FCC Rcd. 1003, ¶¶ 1, 26 (1991).

include two or more carriers "50 percent or more of whose stock is owned directly or indirectly by the same person."

The prerequisite for a blanket authorization to permit SBC-owned carriers to have common officers and directors is met in this case. As stated above, as a consequence of the merger of SBC and SNET, assuming it is approved and consummated, SBC will own 100 percent of the common stock of SNET, and SNET will continue to own all of the stock of the SNET Telco and Woodbury. SNET and all of its subsidiaries will be controlled by SBC.<sup>4</sup> Further, SBC will continue to own all of the stock of SWBT, PacBell and Nevada Bell. Accordingly, all of the carriers owned directly or indirectly by SBC will be "commonly owned carriers" under Section 62.2 of the Commission's Rules. SBC and its subsidiaries are therefore entitled to a blanket authorization to have common officers and directors.<sup>5</sup>

---

<sup>4</sup> In view of the large number of other SBC entities and the complex and burdensome nature of presenting all ownership information regarding such entities, to the extent that Section 62.12(b) requests information beyond the information contained in this application, SBC requests a waiver from any such requirements. SBC would, of course, be happy to provide additional information on request.

<sup>5</sup> SBC requests that the Commission's finding of common ownership and its authorization to have common officers and directors extend to future subsidiaries or other entities 50 percent or more of whose stock is owned directly or indirectly by SBC.

For the foregoing reasons, SBC respectfully requests the grant of this Application.

Respectfully submitted,

SBC Communications Inc.

By:   
\_\_\_\_\_

DATE: 2/18/98