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February 18, 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BY HAND

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Room TW-B204
Washington, D.C. 20554

Re: GTE-Bell Atlantic Merger (CC Docket No. 98-184) /

Dear Ms. Salas:

Enclosed are transmittal letters for the public record in the above case. At Ms. Truong's request, I have also included a zip disk with these same documents in *.pdf format.

Please do not hesitate to call if you have any questions.

Sincerely,



Gerald F. Masoudi

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Enclosures

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FEDERAL COMMUNICATIONS COMMISSION
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December 21, 1998

BY HAND

To-Quyen Truong
Federal Communications Commission
1919 M Street, N.W.
Room 544
Washington, DC 20554

*Re: Proposed Merger of GTE Corporation and Bell Atlantic Corporation,
CC Dkt. No. 98-184*

Dear Ms. Truong:

Pursuant to the procedures we have previously agreed to, enclosed are copies of documents requested at pages 5 and 6 of your November 24, 1998 letter. As we discussed, we will submit a complete set of the documents we produce to you to the Secretary's office at the completion of our production.

These documents are confidential and subject to the protective order entered November 19, 1998. Please note that certain of the documents have been stamped "Copying Prohibited."

Very truly yours,



Steven G. Bradbury

SGB:djd
Enclosures

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January 15, 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. Michael Kende
Ms. To-Quyen Truong
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: *GTE-Bell Atlantic Merger (CC Docket No. 98-184)*
Response to Commission's Requests for Documents and Information

Dear Mr. Kende & Ms. Truong:

On November 24, 1998 and December 11, 1998, the Commission sent letters to GTE requesting documents and information in connection with the Bell Atlantic merger. GTE and Bell Atlantic made every effort to incorporate the requested data into their Joint Reply filed with the Commission on December 23, 1998. GTE's responses to the Commission's specific requests are provided below.

Some of the data requested by the Commission is included in the attached appendices. These appendices contain confidential information subject to the protective order and are not attached to the public version of this letter.

Requests Included in the Commission's November 24 Letter

I. GTE - Local Services

As requested during the November 6, 1998 GTE presentation, provide the following documents relating to GTE's plans or considerations concerning the provision of local exchange or exchange access services:

- (a) All documents identifying or describing GTE's facilities in all Bell Atlantic states and the District of Columbia, including the location and parameters of GTE's fiber routes and the exact locations in which GTE provides local exchange service and/or wireless service.

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Responsive documents are included in the accompanying production and are marked with Bates numbers LOC(a) 000001-000025.

- (b) All market analyses commissioned by GTE, including, but not limited to, (i) studies of consumer focus groups relating to consumer purchasing patterns and preferences for bundled communications services, and (ii) industry forecasts prepared by or with assistance from economists at the University of Chicago relating to consolidation activities and/or to the growth of new products (including data services) in communications industries.

A number of these analyses are described in the Joint Reply and in the Declaration of Jeffrey C. Kissell & Scott M. Zimmerman (Kissell & Zimmerman Declaration). Responsive documents are also included in the accompanying production and are marked with Bates numbers LOC(b) 000001-000408.

- (c) All documents relating to the 1997 request for proposals from IBM as described in the November 6, 1998 GTE presentation, and GTE's response.
- (d) All documents relating to GTE's internal strategic opportunities assessment (SORT Review) which were referenced in the November 6, 1998 GTE presentation.

Responsive documents are included in the accompanying production and are marked with Bates numbers LOC(c & d) 000001-000025.

- (e) All documents relating to GTE's Virginia CLEC certification process, including documents related to GTE's decision to withdraw its application.

Responsive documents are included in the accompanying production and are marked with Bates numbers LOC(e) 000001-002375.

- (f) All documents relating to the negotiation and, if applicable, execution of interconnection agreements, as defined in Section 252 of the Communications Act as amended, between Bell Atlantic and GTE for any Bell Atlantic state and the District of Columbia.

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Mr. Michael Kende
Ms. To-Quyen Truong
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Responsive documents are included in the accompanying production and are marked with Bates numbers LOC(f) 000001-007830.

- (g) All documents relating to GTE's efforts, plans or considerations to provide communications services outside of GTE's present territory to large business customers with offices located inside GTE's present territory. Please include documents relating to both GTE's actual provision of service and GTE's decision to withdraw from any such plans or considerations to provide service.

Responsive documents are included in the accompanying production and are marked with Bates numbers LOC(g) 000001-001150.

- (h) All documents relating to the conversion or adaptation of existing wireless switches and facilities to provide wireline service.

GTE plans to test the use of a San Francisco wireless switch to provide wireline service, as detailed in the Kissell & Zimmerman Declaration. Documents responsive to this request are included in the accompanying production and are marked with Bates numbers LOC(h) 000001-000890.

II. Bell Atlantic & GTE - Internet Services

As requested during the November 9, 1998 joint Bell Atlantic and GTE presentation, provide the following documents relating to Bell Atlantic's and GTE's respective Internet services and facilities, and plans and considerations for new services and facilities expansion:

- (a) All documents relating to GTE's assessment of the customer density (business and residential) needed to justify installation or expansion of service or installation or expansion of facilities, including the placement of additional Internet points of presence (POPs) on GTE's fiber network; and
- (b) All documents identifying current and future Internet POPs along the GTE network, including, but not limited to, POP locations that GTE was considering to add before the announcement of the proposed merger with Bell Atlantic and POP locations that GTE believes will be made feasible by the proposed merger. Please include estimated costs for installing each Internet point of presence.

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Mr. Michael Kende
Ms. To-Quyen Truong
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GTE is currently planning to place POPs on its national network -- the Global Network Infrastructure (GNI) -- in roughly 70 cities. An explanation of POP costs, and the threshold levels of customers required to support a POP, is provided in Appendix A. Documents further detailing GTE's pre-merger plans for GNI POPs are also included in the accompanying production and are marked with Bates numbers IS(a & b) 000001-001465.

GTE has not made any changes to its POP placement plans in anticipation of the Bell Atlantic merger, but an outside economist, David J. Teece, has reviewed the two companies' city-by-city revenue and non-Internet data traffic projections and concluded that the merger would justify the placement of POPs in at least 11 new cities solely as a result of the increased level of such non-Internet data traffic. If these POPs were added to the GNI, the merger would expand the geographic coverage of the network by more than 15 percent. A list of these cities, along with an explanation of how they were identified, is included in the Declaration of David J. Teece (Teece Declaration).

- (c) All documents relating to planned new services for residential and business customers, particularly GTE's plans to deploy CyberID and Unified Messaging services.

As detailed in GTE and Bell Atlantic's Public Interest Statement and in the Declaration of John T. Curran (Curran Declaration), the merger will allow the combined company to roll out new consumer-oriented Internet services -- like CyberID and Unified Messaging -- in far more markets than GTE could alone. The breadth of these offerings will be expanded by marrying GTE's immediate ability to provide these services with Bell Atlantic's concentrated Northeast customer base. Documents further detailing GTE's pre-merger plans for these services are included in the accompanying production and are marked with Bates numbers IS(c) 000001-001361.

- (d) All documents relating to the existing resale relationship between GTE and WorldCom and documents relating to any considerations to migrate traffic to GTE's network.

Responsive documents are included in the accompanying production and are marked with Bates numbers IS(d) 000001-000249.

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- (e) All documents relating to both firms' pre-merger IP telephony plans, and post-merger IP telephony plans.

Information on the complementarity of GTE and Bell Atlantic's IP telephony programs is included in the Joint Reply. Responsive documents are also included in the accompanying production and are marked with Bates numbers IS(f) 000001-001744.

III. Bell Atlantic & GTE - Long Distance Services

As requested during the November 12, 1998 joint Bell Atlantic and GTE presentation, provide the following documents relating to Bell Atlantic's and GTE's respective long distance services and facilities, and plans and considerations for new services and facilities expansion:

- (a) All documents relating to Bell Atlantic's and GTE's respective pre-merger out-of-region long distance plans, including, but not limited to, each firm's existing and planned switch locations and marketing plans.

GTE's pre-merger and post-merger long distance plans, including its plans for switch placement, are detailed in the Declarations of Debra R. Covey. Documents responsive to this request are also included in the accompanying production and are marked with Bates numbers LDS(a) 000001-007871. Some of GTE's more recent long distance plans, which give the placement of a New York switch priority over the placement of a switch in the Northwest, are based on GTE's internal projections of Bell Atlantic traffic and the corresponding assumption that this traffic may soon be added to the GNI.

- (b) All documents relating to any plans by either firm to use long distance service provision as a springboard for providing local service and why and when those plans changed.

As explained in the Kissell & Zimmerman Declaration, GTE has no plans to use its small existing long distance customer base as a springboard to provide local service. None of GTE's out-of-franchise local launches to date has relied on this strategy and no such launches are planned for the future. A small number of documents

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Ms. To-Quyen Truong
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discussing this strategy are included in the accompanying production and are marked with Bates numbers LDS(b) 000001-000209.

- (c) All documents regarding GTE's long distance service provision penetration into Bell Atlantic's region, by state and the District of Columbia, for both residential and business customers. Please include August 7, 1998 letter to the DOJ, as referenced in the November 12, 1998 meeting, and subsequent related filings.

The requested data, including the letter to the Department of Justice, is provided in Appendix B.

- (d) All documents identifying current and future long distance POPs along the GTE network, including, but not limited to, POP locations that GTE was considering to add before the announcement of the proposed merger with Bell Atlantic and POP locations that GTE believes will be made feasible by the proposed merger. Please include estimated costs for installing each long distance point of presence.

Responsive documents are included in the accompanying production and are marked with Bates numbers LDS(d) 000001-000168.

- (e) All documents relating to Bell Atlantic's request for proposals to provide internal long distance traffic services, and GTE's subsequent extrapolations therefrom to estimate Bell Atlantic's future long distance traffic.

Responsive documents are included in the accompanying production and are marked with Bates numbers LDS(e) 000001-000059.

- (f) All documents relating to Bell Atlantic's out-of-region long distance trials. Please include documents relating to plans, assessments of results, and decisions resulting from such assessments.

GTE has no documents responsive to this request.

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Ms. To-Quyen Truong
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Requests Included in the Commission's December 11 Letter

I. As requested during the December 1, 1998 meeting, please provide the following documents relating to Bell Atlantic and GTE's claimed merger efficiencies:

- (a) In relation to the Bell Atlantic/NYNEX merger, all consultant reports that analyzed any expected and actual efficiencies from the merger, and all documents relating to how any such consultant reports were used and whether these efficiencies were realized. In relation to the Bell Atlantic/GTE proposed merger, all consultant reports analyzing any expected efficiencies from the merger.

Responsive documents are included in the accompanying production and are marked with Bates numbers I(a) 000001-000228.

- (b) All analyst reports in your possession that estimate or comment upon anticipated efficiencies from the Bell Atlantic/GTE proposed merger.

Responsive documents are included in the accompanying production and are marked with Bates numbers I(b) 000001-000145. These documents were prepared by outside analysts and their conclusions are not necessarily adopted or ratified by GTE.

- (c) All documents relating to GTE's pre-merger plans for establishing new touchdown points along the GNI network, and, to the extent they exist, all documents relating to Bell Atlantic and GTE's post-merger plans for establishing additional touchdown points, and the number, location and anticipated costs and revenues of any such touchdown points.

The requested information is provided above in response to Part II, questions (a) & (b), from the Commission's November 24 letter. Responsive documents are also included in the accompanying production and are marked with Bates numbers I(c) 000001-001170.

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Ms. To-Quyen Truong
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II. In addition, we request further clarification and documentation regarding the post-merger cost savings and revenue enhancements that are cited in Bell Atlantic and GTE's public interest statement of October 2, 1998, and the accompanying Declaration of Doreen Toben, Vice President and Controller of Bell Atlantic Corporation ("Toben Declaration"). Please provide the following information:

- (a) All documents itemizing the source and corresponding amount of the savings or revenue enhancements leading to the totals listed in the following three categories:
 - (i) \$2.0 billion annual expense savings three years from closing;
 - (ii) \$0.5 billion annual capital expenditure savings three years from closing; and
 - (iii) \$2.0 billion annual revenue enhancements three years from closing.
- (b) For each item in each of the three categories above, identify the percentage of the corresponding saving or revenue enhancement that would only be realized by the proposed merger between Bell Atlantic and GTE, and provide all documents on which Bell Atlantic and GTE rely to assert that the saving or revenue enhancement is specific to this merger.

A detailed breakdown of the savings and revenue enhancements stemming from the GTE-Bell Atlantic merger is included in the Reply Declaration of Doreen Toben. Documents responsive to these requests are being produced by Bell Atlantic.

- (c) For each item in each of the three categories above, identify the public interest benefit of the corresponding saving or revenue enhancement, and specify by type (business or residential) the customers that are expected beneficiaries of this public interest benefit. Provide all documents on which Bell Atlantic and GTE rely to assert these public interest benefits.

The \$2.5 billion in expense and capital savings generated by the GTE-Bell Atlantic merger will create a public interest benefit of precisely that amount, as the public will benefit directly from the new company's use of fewer resources to produce the same products. Moreover, by making the combined company \$2.5 billion more efficient, GTE-Bell Atlantic will be able to offer more competitively priced services --

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Mr. Michael Kende
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a benefit that will flow to residential and business customers of all sizes. For example, the merger will generate \$200 million in expense savings for Internet and data services -- a result stemming in significant part from the fact that the new company will be able to provision these services at a unit cost that is at least 10 percent lower. This cost reduction will allow GTE-Bell Atlantic to offer Internet, ATM, Frame Relay, and VPN services on more competitive terms.

Likewise, residential and business customers will benefit from the \$2 billion in additional sales the merger will create. GTE-Bell Atlantic will, for example, have \$300 million in additional annual sales of vertical services. These services will be purchased by existing residential and business customers and eventually by customers in the 21 new markets that GTE-Bell Atlantic is planning to enter. Consumers will thus benefit directly from these revenue enhancements: GTE-Bell Atlantic could not secure any increase in sales unless customers take advantage of an expanded choice among telecommunications providers and a wider range of more competitively priced services.

- III. We request further clarification and documentation regarding the post-merger plans of Bell Atlantic and GTE, as discussed in the applicants' public interest statement and the Toben Declaration. In this Declaration, Ms. Toben states that the financial efficiencies discussed above "will allow the new company to meet its commitments to improve service quality, accelerate new services, and build out competitive local exchange carrier businesses in [twenty-one cities]." (Toben Declaration at 2). Please provide the following information:
- (a) Describe and provide all existing documents supporting Bell Atlantic and GTE's asserted commitment to improve service quality post-merger, including specifying the areas in which service quality will be improved, and the anticipated steps, investments, and timetable for implementation of each planned service quality improvement. Identify the extent to which each planned service quality improvement is dependent on and specific to the merger between Bell Atlantic and GTE, and produce all documents on which Bell Atlantic and GTE rely to support these assertions (including, but not limited to, Bell Atlantic and GTE's plans relating to these service quality improvements absent the merger).

By reducing the cost of providing local, long distance, Internet, data, and wireless services, the GTE-Bell Atlantic merger will allow the combined company to improve

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Mr. Michael Kende
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the quality of all of these services and offer them at a more competitive price. The Declaration of Doreen Toben (Toben Declaration) spoke to Bell Atlantic's existing commitments to improve service quality rather than any new commitments stemming from this merger. GTE has no information on these Bell Atlantic commitments.

- (b) Describe and provide all existing documents supporting Bell Atlantic and GTE's asserted commitment to accelerate the roll-out of new services post-merger, including specifying the new services that will be introduced, and the anticipated steps, investments, revenue increases, and timetable for the rollout of each new service to each target customer type (business or residential). Identify the extent to which the introduction of each new service is dependent on and specific to the merger between Bell Atlantic and GTE, and produce all documents on which Bell Atlantic and GTE rely to support these assertions (including but not limited to Bell Atlantic and GTE's roll-out plans relating to these services absent the merger).

The Toben Declaration also explained that the merger "will allow the new company to . . . accelerate new services, and build out competitive local exchange carrier businesses in [twenty-one cities]." The requested information, to the extent it is currently available, is provided in the Public Interest Statement, Joint Reply, Curran Declaration, Teece Declaration, and Kissell & Zimmerman Declaration. It is also provided above in response to Part II, questions (c) & (e), from the Commission's November 24 letter, and Part II, question (c), from the December 11 letter.

- (c) Describe and provide all existing documents supporting Bell Atlantic and GTE's asserted commitment to begin offering services as a competitive LEC post-merger in the twenty-one cities cited, including specifying the services that will be offered in each city, and the anticipated steps (including facilities build-out plans), investments, revenue increases, and timetable for the rollout of each new service to each target customer type (business or residential) in each city. Identify the extent to which the introduction of each new service is dependent on and specific to the merger between Bell Atlantic and GTE, and produce all documents on which Bell Atlantic and GTE rely to support these assertions (including, but not limited to, Bell Atlantic and GTE's competitive LEC plans absent the merger).

GTE and Bell Atlantic plan to provide a bundle of services -- including advanced data and voice, Internet, long distance, and local services -- to customers in the

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Mr. Michael Kende
Ms. To-Quyen Truong
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Page 11

21 cities identified to Congress by GTE Chairman Charles R. Lee. Mr. Lee also identified to Congress two additional cities -- Denver and Phoenix -- that are likely targets for out-of-franchise expansion. Several factors were considered in selecting these target markets: GNI point-of-presence locations; customer relationships; nearby franchise territories and levels of existing brand recognition; and the presence of wireless facilities.

As explained in the Kissell-Zimmerman Declaration and the Teece Declaration, GTE conducted an actual analysis of the economics of entry into two of the markets identified by Mr. Lee: one in which GTE-Bell Atlantic will have some facilities and brand recognition; and another in which GTE-Bell Atlantic will have neither facilities nor brand recognition. Each of the other markets identified on the 21-city list fits one of these profiles.

In both test cities, GTE compared the post-entry returns that GTE-Bell Atlantic will generate with the returns that Bell Atlantic and GTE could secure independently. For each scenario, a Cash Flow/Value Statement, an Income Statement, a Revenue and Expense Summary, and an Investment/Depreciation Schedule were prepared. This underlying data is attached as Appendix C.

These analyses demonstrated that entries that would be profitable for neither company alone should be profitable for the merged company. Moreover, the merger will allow GTE-Bell Atlantic to recover its initial investment, and earn a positive return, in a much shorter time frame than either company could alone. While these two markets are representative of each of the 21 targeted cities, city-by-city analyses are being developed.

- IV. We also request further clarification and documentation regarding the post-merger plans of Bell Atlantic and GTE if Section 271 approvals have not been received in any or all of Bell Atlantic's states and the District of Columbia by the time that the Commission acts upon the Joint Application. In Bell Atlantic and GTE's public interest statement of October 2, 1998, the applicants state that if Bell Atlantic's Section 271 approval process is not complete by the time that the merger closes, "applicants will request any necessary transitional relief from the Commission." (Joint Application at 19, footnote 14). Please:

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Mr. Michael Kende
Ms. To-Quyen Truong
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- (a) Identify every interLATA service (both information services and telecommunications services, whether provided over circuit-switched or packet-switched networks) offered by GTE or any of its affiliates in each Bell Atlantic state and the District of Columbia. List the number of customers, by type, of each of these services in each Bell Atlantic state and the District of Columbia.

GTE provides the following services that the Commission defines as interLATA services in Bell Atlantic's territory: long distance telephone service; Internet backbone service; dedicated Internet connectivity to business, ISP, and Web hosting customers; transport of data traffic for America Online; SS7 service; Frame Relay service, and private line service. The requested information is provided in Appendices B & D.

- (b) Discuss in detail what "transitional relief" Bell Atlantic and GTE will request from the Commission if Section 271 approvals have not been received in any or all of Bell Atlantic's states and the District of Columbia by the time that the Commission acts upon the Joint Application, including the specific legal basis for such relief.

The requested information is provided in the Joint Reply.

- (c) State whether Bell Atlantic and GTE's anticipated post-merger cost savings and revenue enhancements, and plans to improve service quality, accelerate new services, and build-out competing LEC services in twenty-one cities, discussed in their public interest statement, are dependent on the receipt of Section 271 approval in Bell Atlantic's states and the District of Columbia or the "transitional relief" discussed above in section IV(b) of this letter. Discuss specifically and produce all documents relating to how the lack of such 271 approval or transitional relief may affect the answers to sections II and III above.

Many of the procompetitive gains stemming from the GTE-Bell Atlantic merger can be achieved without Bell Atlantic receiving 271 approval. The gains created by the combination of GTE and Bell Atlantic's wireless assets, for example, are not contingent on 271 approval. Likewise, reductions in general and administrative expenses, procurement expenses, research and development, etc., can be achieved without Bell Atlantic obtaining 271 relief.

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Ms. To-Quyen Truong
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Other procompetitive benefits generated by the merger may not be fully achieved if Bell Atlantic does not receive 271 approval, including:

- *Full implementation of the 21-city plan. GTE-Bell Atlantic may not be able to implement fully its plan to offer out-of-franchise service in 21 cities without 271 approval, because that plan relies in part on the combined company's ability to provide bundled services to large business customers without regard to geographic boundaries. If the merged company lacks the ability to provide long distance, Internet, and advanced data services on a national basis, it would be more difficult to market effectively to these customers. Likewise, GTE-Bell Atlantic would be unable to serve residential customers out-of-franchise because residential target markets were selected based on long-distance calling affinities with cities in the Northeast.*
- *Efficiencies in long distance, Internet, and advanced data services. GTE-Bell Atlantic would not be able to realize fully the benefits of integrating both companies' long distance, Internet, and data traffic onto the GNI unless Bell Atlantic receives 271 approval. Without the ability to migrate Bell Atlantic's Northeast traffic, the new company could not, for example, achieve the maximum possible unit cost reductions. As stated in the Joint Reply, interim relief targeted at specific services like Internet or data would alleviate any efficiency limitations with respect to those services.*

V. Finally, please provide the following documents discussed during meetings held with the applicants in November 1998:

- (a) All documents relating to Bell Atlantic or GTE's plans from January 1, 1996, to the present to merge, team or enter into a joint venture with any other entity in order to accelerate the introduction of new services or facilitate the provision of telecommunications services outside of their respective franchise areas (GTE) or in-region states (Bell Atlantic) as that term is defined in Section 271 of the Telecommunications Act of 1996.

GTE evaluates a large number of potential mergers, acquisitions, and joint ventures each year, the great majority of which are designed to facilitate the provision of telecommunications services both inside and outside of GTE's franchise territories.

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Mr. Michael Kende
Ms. To-Quyen Truong
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Information on the most significant of these potential transactions is provided in Appendix E.

- (b) All documents relating to all discussions that Bell Atlantic or GTE has conducted with their customers, or requests from these customers, for Bell Atlantic or GTE to provide telecommunications services outside of their respective franchise areas (GTE) or in-region states (Bell Atlantic) as that term is defined in Section 271 of the Telecommunications Act of 1996.

Information relating to GTE's contacts with customers regarding out-of-franchise service is provided in Appendix F.

Please do not hesitate to contact me if you have any questions regarding GTE's responses.

Very truly yours,



Steven G. Bradbury

Enclosures

cc: Carol E. Matthey (without attachments)

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FEDERAL COMMUNICATIONS COMMISSION
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January 15, 1999

BY HAND

To-Quyen Truong
Michael Kende
Federal Communications Commission
1919 M Street, N.W., Room 544
Washington, D.C. 200554

Re: *GTE-Bell Atlantic Merger (CC Docket No. 98-184)*
Response to Commission's Requests for Documents and Information

Dear Mr. Kende & Ms. Truong:

Enclosed are GTE Corporation's documents responsive to the Commission's requests dated November 24, 1998 and December 11, 1998. Please treat these materials as confidential pursuant to the Protective Order in CC Docket No. 98-184.

Sincerely,



Steven G. Bradbury

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January 22, 1999

Mr. Michael Kende
Ms. To-Quyen Truong
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: *GTE-Bell Atlantic Merger (CC Docket No. 98-184)*
Revised Appendices to GTE's January 15 Letter

Dear Mr. Kende & Ms. Truong:

Per my discussions with Mr. Kende, enclosed are three copies of a corrected set of appendices to GTE's January 15 letter to the Commission.

Appendix B, which lists the number of GTE long distance customers in Bell Atlantic states, has been corrected by identifying separately the number of Pennsylvania and Virginia customers located inside and outside of GTE's franchise territory. The original exhibit erroneously enumerated only out-of-franchise customers for Pennsylvania, and a total of in-franchise and out-of-franchise customers for Virginia. Discrepancies between the customer numbers included in this spreadsheet and GTE's August 7, 1998, letter to the Department of Justice merely reflect one-month's growth in GTE's customer base.

The first page of Appendix D, which lists the number of GTE Internet customers in Bell Atlantic states, has also been revised to identify the date on which the data was collected (September 30, 1998).

Please do not hesitate to call if you have any questions about these corrections.

Very truly yours,



Steven G. Bradbury

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January 25, 1999

BY HAND DELIVERY

Mr. Michael Kende
Ms. To-Quyen Truong
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: *GTE-Bell Atlantic Merger (CC Docket No. 98-184)*
Revisions to GTE's January 15 Production

Dear Mr. Kende & Ms. Truong:

On January 15, GTE produced two documents that we inadvertently failed to designate as confidential. I have enclosed properly designated copies of those documents (labeled GTE-FCC-11/24/98, LOC(f)-006788 and GTE-FCC-11/24/98, LOC(f)-006829-6833).

Please return your copies of the above-designated documents that were produced on January 15 and replace them with the enclosures. I have enclosed a stamped and addressed envelope for your convenience.

Please do not hesitate to call me if you have any questions about these corrections.

Sincerely,


Gerald F. Masoudi

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Steven G. Bradbury
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KIRKLAND & ELLIS

PARTNERSHIPS INCLUDING PROFESSIONAL CORPORATIONS

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February 3, 1999

BY HAND

Mr. Michael Kende
Ms. To-Quyen Truong
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: *GTE-Bell Atlantic Merger (CC Docket No. 98-184)*
Update to GTE's January 15 Letter

Dear Mr. Kende & Ms. Truong:

It has come to our attention that GTE provides, at the option of its customers, expanded local calling service in certain areas of Pennsylvania and Virginia, and that some of GTE's local traffic in these optional calling areas crosses LATA boundaries. Although certain of the Pennsylvania calling areas cross into other Bell Atlantic states, GTE's facilities run only to the Pennsylvania boarder, where they link up with the facilities of the terminating carrier.

A list of the interLATA routes included in the Pennsylvania and Virginia optional calling areas, and the number of lines served on those routes, is provided in the attached appendix. The appendix includes, for your convenience, three separately stapled copies of the spreadsheets reporting the data. The documents included in the appendix, which were omitted from Appendix D to GTE's January 15 letter to the Commission, are confidential and copying prohibited as specified in the Protective Order.

Please do not hesitate to call if you have any questions.

Very truly yours,



Steven G. Bradbury

Attachments

Chicago

London

Los Angeles

New York

RECEIVED

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February 12, 1999

BY HAND

Mr. Michael Kende
Ms. To-Quyen Truong
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: *GTE-Bell Atlantic Merger (CC Docket No. 98-184)*
Virginia and Pennsylvania InterLATA Routes

Dear Mr. Kende & Ms. Truong:

It has come to our attention that the list of Virginia and Pennsylvania interLATA routes provided to the Commission in GTE's February 3 letter was over-inclusive. Three separately stapled sets of revised spreadsheets listing GTE's actual interLATA local calling routes are therefore attached.

The word "LATA" is defined in the 1996 Act to include only "a contiguous geographic area . . . established or modified by a Bell operating company." 47 U.S.C. § 153(25). A LATA for purposes of the 1996 Act thus includes only the operating territories of the Bell companies and not any adjoining associated territories held by GTE or other independent LECs. The Commission has repeatedly confirmed this interpretation of the term "LATA." *See, e.g., Petition of Southwestern Bell Tel. Co.*, 13 F.C.C.R. 13166, ¶ 2-3 (May 18, 1998); *Petitions of Ameritech Illinois*, 13 F.C.C.R. 10088, ¶ 2-3 (Oct. 22, 1997).

The original list of Virginia and Pennsylvania routes provided by GTE erroneously included routes running between two GTE territories and between the territories of GTE and other independent LECs. These routes have been removed from the revised spreadsheets

KIRKLAND & ELLIS

Mr. Michael Kende
Ms. To-Quyen Truong
February 12, 1999
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attached here. In addition, the original spreadsheet titled "GTE South Incorporated - Virginia Flat Rate Service Routes" included two-way routes between GTE and Bell Atlantic territory for which Bell Atlantic has previously received LATA modification approval, either from Judge Greene or from the Commission. These routes have also been removed from that spreadsheet, leaving only one route (Grundy-Honaker), for which a Bell Atlantic application is currently pending before the Commission.

Please do not hesitate to call if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Steve", with a long horizontal flourish extending to the right.

Steven G. Bradbury

Attachments