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EX PARTE OR LATE FILED

Bell Atlantic

June 14, 2000

JUN 14 2000

**EX PARTE**

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, N.W.
Washington, D.C. 20554

***Re: Bell Atlantic Corp. and GTE Corp., CC Docket No. 98-184***

Dear Ms. Salas:

This provides notice that the undersigned spoke separately by telephone yesterday with Dorothy Attwood and Chris Wright. The purpose of the calls was to clarify one aspect of the applicants' proposal with respect to the proposed spin-off of Genuity.

Specifically, in the event that NewCo sells all or part of its interest after it has met the 50% section 271 threshold but before it has eliminated 271 restrictions as to 95% of Bell Atlantic's in-region lines, the amount of proceeds that it may retain is limited to the amount of its original investment plus a normal return (based on the S&P 500). The amount that NewCo may retain under these circumstances is calculated without regard to tax consequences. Any remaining proceeds that NewCo otherwise would retain must be paid to the U.S. Treasury, and it is only the amount of this payment that would be calculated on a tax-adjusted basis. This tax adjustment merely reflects the fact that the portion of the sales proceeds that NewCo may not retain is itself subject to taxes. To put it another way, if the remaining proceeds were paid to the Treasury without taking taxes into account, NewCo would still have to pay taxes on those proceeds. As a result, the tax adjustment is necessary so that NewCo does not forgo more of the proceeds than is required.

Sincerely,

Michael E. Glover

Cc: D. Attwood
C. Wright
J. Mikes

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If NewCo sells all of its stock before it has eliminated applicable section 271 restrictions as to 95% of Bell Atlantic in-region lines, NewCo will not have a right to retain ~~after-tax~~ sale proceeds that exceed (i) the value of a 10% equity interest in Genuity (determined based on the sale proceeds), plus (ii) the amount NewCo would have if it had taken the amount of its initial investment in Genuity above a 10% interest (based on the IPO offering price for the Class A shares) and invested it at the time of closing in the S&P 500 Index. If, during such period, NewCo sells all of its stock except an amount convertible into a 10% equity interest in Genuity, NewCo will have a right to retain only the amount described in clause (ii) above.[1] In each of these cases, NewCo would pay an amount equal to the tax-adjusted remainder of its ~~after-tax~~ sale proceeds, or such lesser amount as the Commission in its discretion may determine, into the general fund of the U.S. Treasury. Once NewCo has eliminated applicable section 271 restrictions as to at least 95% of Bell Atlantic's in-region lines, NewCo may sell its stock and retain the sales proceeds, except that NewCo or the purchaser) shall make either the conversion payment or the conversion adjustment that would be required under the last paragraph of section 2.B.

[1] Likewise, if, during such period, NewCo sells a portion of its stock but retains stock convertible into more than a 10% equity interest in Genuity, NewCo will have a right to retain only a prorated portion of the amount described in clause (ii) above; and if, during such period, NewCo sells all of its stock except for an amount convertible into less than a 10% equity interest, NewCo will have a right to retain the proceeds from the number of shares sold that, together with the number of shares retained, would be convertible into a 10% equity interest, plus the amount described in clause (ii) above.