

agreement and, except as expressly set forth herein, supersedes any and all other prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and, except for Section 7.8 (Indemnification, Directors' and Officers' Insurance) and Section 7.12 (Post-Merger Bell Atlantic Board of Directors), is not intended to confer upon any person other than GTE, Bell Atlantic, and Merger Subsidiary and, after the Effective Time, their respective stockholders, any rights or remedies hereunder.

SECTION 10.8 — *Assignment.* This Agreement shall not be assigned by operation of law or otherwise.

SECTION 10.9 — *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State, without regard to the conflicts of laws provisions thereof; provided that the Merger shall be governed by the laws of the State of New York applicable to contracts executed in and to be performed entirely within that State, without regard to the conflicts of laws provisions thereof.

SECTION 10.10 — *Counterparts.* This Agreement may be executed in two or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

SECTION 10.11 — *Interpretation.*

(a) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(b) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) - A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(d) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(e) All references to "\$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

IN WITNESS WHEREOF, GTE, Bell Atlantic and Beta Gamma Corporation have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

GTE CORPORATION

By: s/ Charles R. Lee
Name: Charles R. Lee
Title: Chairman and Chief Executive Officer

By: s/ Marianne Drost
Name: Marianne Drost
Title: Secretary

BELL ATLANTIC CORPORATION

By: s/ Ivan Seidenberg
Name: Ivan Seidenberg
Title: Vice Chairman, President and Chief
Executive Officer

BETA GAMMA CORPORATION

By: s/ Ivan Seidenberg
Name: Ivan Seidenberg
Title: President and Chief Executive Officer

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-8606

Bell Atlantic Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of incorporation)

23-2259884
(I.R.S. Employer
Identification No.)

1095 Avenue of the Americas
New York, New York
(Address of principal executive offices)

10036
(Zip Code)

Registrant's telephone number, including area code: (212) 395-2121

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.10 par value.....	New York, Philadelphia, Boston, Chicago and Pacific Stock Exchanges

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

At February 28, 1998, the aggregate market value of the registrant's voting stock held by non-affiliates was approximately \$69,664,000,000.

At February 28, 1998, 776,507,014 shares of the registrant's Common Stock were outstanding, after deducting 11,616,148 shares held in treasury.

Documents incorporated by reference:

Portions of the registrant's Annual Report to shareowners for the year ended December 31, 1997 (Part II).

Portions of the registrant's Proxy Statement dated March 16, 1998 prepared in connection with the Annual Meeting of Shareowners (Part III).

PART I

Item 1. *Business*

GENERAL

Bell Atlantic Corporation (the "Company") was incorporated in 1983 under the laws of the State of Delaware and has its principal executive offices at 1095 Avenue of the Americas, New York, New York 10036 (telephone number 212-395-2121).

The Company's principal operating subsidiaries are: New York Telephone Company ("New York Telephone"); Bell Atlantic - New Jersey, Inc. ("Bell Atlantic - New Jersey"); Bell Atlantic - Pennsylvania, Inc. ("Bell Atlantic - Pennsylvania"); New England Telephone and Telegraph Company ("New England Telephone"); Bell Atlantic - Maryland, Inc. ("Bell Atlantic - Maryland"); Bell Atlantic - Virginia, Inc. ("Bell Atlantic - Virginia"); Bell Atlantic - West Virginia, Inc. ("Bell Atlantic - West Virginia"); Bell Atlantic - Delaware, Inc. ("Bell Atlantic - Delaware"); Bell Atlantic - Washington, D.C., Inc. ("Bell Atlantic - Washington, D.C.") (collectively, the "telephone subsidiaries") and Bell Atlantic Mobile.

BELL ATLANTIC - NYNEX MERGER

On August 14, 1997, the Company and NYNEX Corporation ("NYNEX") consummated a merger whereby NYNEX became a subsidiary of the Company and NYNEX shareowners received 0.768 of a share of Company common stock for each share of NYNEX common stock owned.

In 1997, the Company recognized merger-related costs of approximately \$519 million, consisting of \$200 million of direct incremental costs, \$223 million of employee severance costs and \$96 million of transition and integration costs. The Company expects that, over the three years following the closing of the merger, transition and integration costs will aggregate between \$400 million to \$500 million. By the year 2000, the Company is targeting recurring expense savings of approximately \$1.1 billion and approximately \$300 million a year in capital savings by consolidating and integrating networks and operating systems, eliminating approximately 3,100 management positions, centralizing procurement, reducing the need for contract services, consolidating real estate, combining information systems and eliminating duplicative operations. The Company also expects to add approximately \$400 million a year in revenues from its current product portfolio by using best marketing and advertising practices.

TELECOMMUNICATIONS ACT OF 1996

The Telecommunications Act of 1996 (the "Act") became effective on February 8, 1996. Prior to the enactment of the Act, the operations of the Company and its subsidiaries were subject to the requirements of the "Modification of Final Judgment" ("MFJ"), a consent decree that arose out of an antitrust action brought by the United States Department of Justice ("DOJ") against AT&T Corp. ("AT&T") and the Bell Operating Companies ("BOCs"), including the telephone subsidiaries. The Act provides that any conduct or activity previously subject to the MFJ is now subject instead to the restrictions and obligations imposed by the Act.

In general, the Act includes provisions that open local exchange markets to competition and permit Bell Operating Companies ("BOCs"), or their affiliates, such as the Company, to engage in manufacturing and to provide services between Local Access and Transport Areas ("LATAs"). These LATAs are generally centered on a city or based on some other identifiable common geography and, with certain limited exceptions, each LATA marks the boundary within which a BOC has been limited to providing telephone service pursuant to the MFJ. Under the Act, the ability of the Company to engage in businesses previously prohibited by the MFJ is largely dependent on satisfying certain conditions contained in the Act and regulations to be promulgated thereunder.

The *General Business Services* business unit markets communications and information services to small and medium-sized businesses. The General Business Services business unit has approximately 1.6 million customers in the Territory which in 1997 generated approximately \$3.9 billion in revenues, representing approximately 16% of the telephone subsidiaries' aggregate revenues.

The *Large Business Services* business unit markets communications and information services to large businesses. These services include voice switching/processing services (e.g., dedicated private lines, custom Centrex, call management and voice messaging), end-user networking (e.g., credit and debit card transactions, and personal computer-based conferencing, including data and video), internetworking (establishing links between the geographically disparate networks of two or more companies or within the same company), network integration (integrating multiple geographically disparate networks into one system), network optimization (disaster avoidance, 911 service, intelligent vehicle highway systems), video services (distance learning, telemedicine, videoconferencing) and interactive multimedia applications services. 1997 revenues were approximately \$3.5 billion, representing approximately 15% of the telephone subsidiaries' aggregate revenues.

The *Public and Operator Services* business unit markets pay telephone and operator services in the Territory to meet consumer needs for accessing public networks and locating and identifying network subscribers, and to provide calling assistance and arrange billing alternatives (e.g., calling card, collect and third party calls). 1997 revenues were approximately \$1 billion, representing approximately 4% of the telephone subsidiaries' aggregate revenues.

The *Federal Systems* business unit markets communications and information technology and services to departments, agencies and offices of the executive, judicial and legislative branches of the federal government. 1997 revenues were approximately \$500 million, representing approximately 2% of the telephone subsidiaries' aggregate revenues.

The *Network Group* manages the technologies, services and systems platforms required by the business units and the telephone subsidiaries to meet the needs of their customers, including switching, feature development and on-premises installation and maintenance services.

FCC Regulation and Interstate Rates

The telephone subsidiaries are subject to the jurisdiction of the FCC with respect to interstate services and certain related matters. In 1997, the FCC adopted orders to reform the interstate access charge system, to modify its price cap system and to implement the "universal service" requirements of the Act.

Access Charges

Interstate access charges are the rates long distance carriers pay for use and availability of the telephone subsidiaries' facilities for the origination and termination of interstate service. The FCC's order adopted changes to the access tariff structures in order to permit the telephone subsidiaries to recover a greater portion of their interstate costs through rates that reflect the manner in which those costs are incurred. The FCC required a phased restructuring of access charges, beginning in January 1998, so that the telephone subsidiaries' nonusage-sensitive costs will be recovered from long distance carriers and end-users through flat rate charges, and usage-sensitive costs will be recovered from long distance carriers through usage-based rates. In addition, the FCC will require establishment of different levels of usage-based charges for originating and for terminating interstate traffic.

A portion of the telephone subsidiaries' interstate costs are also recovered through flat monthly charges to subscribers ("subscriber line charges"). Under the FCC's order, subscriber line charges for primary residential and single line businesses will remain unchanged initially, but such charges for additional residential lines and multi-line businesses will rise.

The FCC has begun an investigation of the tariffs filed by the telephone subsidiaries and other local exchange carriers to implement this new rate structure.

Bell Atlantic - New Jersey

Bell Atlantic - New Jersey is regulated under a Plan for Alternative Form of Regulation (the "New Jersey Plan"), which expires on December 31, 1999. The New Jersey Plan divides Bell Atlantic - New Jersey's services into Rate-Regulated Services and Competitive Services. Rate-Regulated Services are grouped in two categories:

- "Protected Services": Basic residence and business service, Touch-Tone, access services and the ordering, installation and restoration of these services. Basic residence service rates are capped through 1999. However, revenue-neutral rate restructuring for Rate-Regulated Services, including Protected Services and basic residence service, is permitted.

- "Other Services": Custom Calling, Custom Local Area Signaling Services ("CLASS" services which utilize Signaling System 7), operator services and 911 enhanced service.

All earnings above a return on equity of 13.7% for Rate-Regulated Services are shared equally with customers. There is no cap on earnings for Rate-Regulated Services. Competitive Services are deregulated. In approving its 1997 review of the Company's performance of its obligation under the New Jersey Plan, the BPU approved elimination of the provisions of the New Jersey Plan which would have allowed certain formula based rate adjustments for Protected and Rate Regulated Services.

Bell Atlantic - Pennsylvania

Bell Atlantic - Pennsylvania is regulated under an Alternative Regulation Plan (the "Pennsylvania Plan") approved in 1994 by the Pennsylvania Public Utility Commission ("PPUC"). The Pennsylvania Plan provides for a pure price cap plan with no sharing of earnings with customers, and replaces rate base rate of return regulation. The Pennsylvania Plan removes from price and earnings regulation certain competitive services, including directory advertising, billing services, Centrex service, paging, speed calling and repeat calling. Bell Atlantic - Pennsylvania can, and has, made subsequent filings with the PUC to have other services declared competitive. All remaining services are price regulated.

Under price regulation, annual price increases up to, but not exceeding, the inflation rate (GDP-PI) minus 2.93% are permitted. Annual price decreases are required when the GDP-PI falls below 2.93%. Prices for protected services in the noncompetitive category, which include residential and business basic exchange services, special access and switched access, are capped through 1999. However, revenue-neutral rate restructuring for noncompetitive services is permitted.

The Pennsylvania Plan requires Bell Atlantic - Pennsylvania to propose a Lifeline service for residential customers on a revenue-neutral basis. The Plan also requires deployment of a universal broadband network, which must be completed in phases: 20% by 1998; 50% by 2004; and 100% by 2015. Deployment must be reasonably balanced among urban, suburban and rural areas.

In December 1997, following appeals by several parties, the Pennsylvania Supreme Court upheld the PPUC's approval of the Pennsylvania Plan.

Bell Atlantic - Washington, D.C.

In 1996, the District of Columbia Public Service Commission ("DCPSC") approved a price cap plan for intra-Washington, D.C. services provided by Bell Atlantic - Washington, D.C. Provisions of the plan include (1) a term of four years, through December 31, 1999; (2) three service categories: basic, discretionary, and competitive; (3) caps on certain basic residential rates for the term of the plan, with other basic rates to change with the rate of inflation (GDP-PI) minus 3%; (4) discretionary service rate increases of up to 15% annually; (5) elimination of price limits on competitive service rates; and (6) elimination of the regulation of profits.

Bell Atlantic - Delaware

In 1994, Bell Atlantic - Delaware elected to be regulated under the alternative regulation provisions of the Delaware Telecommunications Technology Investment Act of 1993 (the "Delaware Telecommunications Act"). The Delaware Telecommunications Act provides that:

- the prices of "Basic Telephone Services" (e.g., dial-tone and local usage) will remain regulated and cannot change in any one year by more than the rate of inflation (GDP-PI) less 3%;
- the prices of "Discretionary Services" (e.g., Ident-a-RingSM and Call Waiting) cannot increase more than 15% per year per service;
- the prices of "Competitive Services" (e.g., directory advertising and message toll service) are not subject to tariff or regulation; and
- Bell Atlantic - Delaware will develop a technology deployment plan with a commitment to invest a minimum of \$250 million in Delaware's telecommunications network during the first five years of the plan.

The Delaware Telecommunications Act also provides protections to ensure that competitors will not be unfairly disadvantaged, including a prohibition on cross-subsidization, imputation rules, service unbundling and resale service availability requirements, and a review by the Delaware Public Service Commission ("DPSC") during the fifth year of the plan. In March 1998, the DPSC voted to approve Bell Atlantic - Delaware's request to extend Bell Atlantic Delaware's term under the Delaware Telecommunications Act until March 2002.

Competition

Legislative changes, including provisions of the Act discussed above under "Telecommunications Act of 1996," regulatory changes and new technology are continuing to expand the types of available communications services and equipment and the number of competitors offering such services. The Company anticipates that these industry changes, together with the rapid growth, enormous size and global scope of these markets, will attract new entrants and encourage existing competitors to broaden their offerings. Current and potential competitors in telecommunication services include long distance companies, other local telephone companies, cable companies, wireless service providers, foreign telecommunications providers, electric utilities, Internet service providers and other companies that offer network services. Many of these companies have a strong market presence, brand recognition and existing customer relationships, all of which contribute to intensifying competition and may affect the Company's future revenue growth. In addition, a number of major industry participants have announced mergers, acquisitions and joint ventures which could substantially affect the development and nature of some or all of the Company's markets.

Local Exchange Services

The ability to offer local exchange services has historically been subject to regulation by state regulatory commissions. Applications from competitors to provide and resell local exchange services have been approved in every jurisdiction in the Territory. The Act is expected to significantly increase the level of competition in all of the Company's local exchange markets.

One of the purposes of the Act was to ensure, and accelerate, the emergence of competition in local exchange markets. Toward this end, the Act requires most existing local exchange carriers (incumbent local exchange carriers, or "ILECs"), including the telephone subsidiaries, to permit potential competitors (competitive local exchange carriers, or "CLECs") to (i) purchase service from the ILEC for resale to CLEC customers, (ii) purchase unbundled network elements from the ILEC, and/or (iii) interconnect its network with the ILEC's network. The Act provides for arbitration by the state public utility commission if an ILEC and a CLEC are unable to reach agreement on the terms of the arrangement sought by the CLEC.

Other potential sources of competition include cable television systems, shared tenant services and other non-carrier systems which are capable of bypassing the telephone subsidiaries' local plant, either partially or completely, through substitution of special access for switched access or through concentration of telecommunications traffic on fewer of the telephone subsidiaries' lines.

Wireless Services

Wireless services also constitute potential sources of competition to the telephone subsidiaries. Wireless portable telephone services employ digital technology allow customers to make and receive telephone calls from any location using small handsets, and can also be used for data transmission. The Company's investment in Wireless Services is described below under "Global Wireless Communications."

Public Telephone Services

The telephone subsidiaries face increasing competition in the provision of pay telephone services from other providers. In addition, the growth of wireless communications decreases usage of public telephones.

Operator Services

Alternative operator services providers have entered into competition with the telephone subsidiaries' operator services product line.

INFORMATION SERVICES

The Company (through Bell Atlantic Yellow Pages Company, Bell Atlantic Electronic Commerce Services, Inc. and other subsidiaries) publishes printed and electronic directories, provides an Internet-based electronic shopping service and provides Internet access services. The Company's directory publishing business produces 600 domestic and international Yellow Page directories with nearly 900,000 advertisers and distributes approximately 80 million copies annually in its regional markets as well as in Poland, the Czech Republic, Slovakia, Gibraltar and Greece. The Company offers its Internet access services in 13 states and the District of Columbia and provides on-line shopping services with more than 10,000 advertisers and nearly 2 million visits per month. 1997 revenues from the Company's Information Services were approximately \$2.3 billion.

LONG DISTANCE SERVICES

With respect to interLATA services originating outside of the Territory, the Company, through its subsidiaries, Bell Atlantic Communications, Inc. and NYNEX Long Distance Company, has complied with state entry requirements in 34 states.

With respect to interLATA services within the Territory, although the Company believes that the District Court decision will be upheld on appeal (see "Telecommunications Act of 1996" above), the Company is continuing to work through the regulatory process at both the state and federal levels in order to be in a position to enter the in-region long distance market in 1998. The Company expects to petition the FCC for permission to enter the in-region long distance market in New York in the second half of this year and in one or more other states by year-end. The Company anticipates entering the in-region long distance market in at least one jurisdiction during the second half of 1998, but there can be no assurance that any approval will be forthcoming in time to permit the Company to do so. The timing of the Company's long distance entry in each of its 14 jurisdictions depends on the receipt of FCC approval and on the ultimate outcome of the appeals of the District Court's decision.

INTERNATIONAL TELECOM

New Zealand

In 1990, wholly owned subsidiaries of the Company and Ameritech Corporation ("Ameritech") each purchased approximately 49.8% of the common shares of Telecom Corporation of New Zealand Limited ("TCNZ") from the New Zealand government for an aggregate purchase price of approximately \$2.4 billion. Under the terms of the acquisition and subsequent agreements with the New Zealand government, the Company and Ameritech were required to sell equity interests in TCNZ such that their combined ownership would, within four years of the acquisition, be reduced to 49.9%. Through public and private sales during 1991 and 1993, the Company reduced its ownership interest in TCNZ to 24.82%, and, together with Ameritech, completed the sell-down obligation. As a result of TCNZ's share repurchase plan, which was completed in December 1997, the Company increased its ownership interest to 24.95%, the maximum permitted level. The New Zealand government retains a single share in TCNZ, which gives the government the right to limit residential local service price increases to no more than the rate of inflation and requires a flat-rate local calling option for residential customers.

TCNZ continues to be the principal provider of telecommunications services in New Zealand, offering local service, national and international long distance service, cellular service and Internet access. TCNZ faces increasing competition in most of its markets. In February 1998, the Company issued approximately \$2.5 billion in exchangeable notes. The notes have a maturity of five years and may be exchangeable into shares of TCNZ, with the exchange price established at a premium of 20% to the TCNZ share price at the time of the offering. The notes will be noncallable for a period of at least three years, and will not be exchangeable by investors for an initial period of 18 months. Upon exchange by investors, the Company will retain the option to settle in cash or by delivery of shares. Proceeds from the offering are being used for general corporate purposes, including the repayment of a portion of the Company's short-term debt.

Great Britain

The Company has an 18.5% economic interest in Cable & Wireless Communications, PLC ("CWC"), which was created in April 1997 through the merger of Mercury Communications, NYNEX CableComms, and Bell Cablemedia, following the acquisition of Videotron Holdings by Bell Cablemedia. CWC provides telecommunications and CATV services and at year-end had approximately 901,000 residential telephony lines and 753,000 CATV subscribers.

Thailand

The Company has an economic interest of 18.2% in TelecomAsia Corporation Public Company Limited ("TelecomAsia"), which operates a telecommunications network and CATV system in metropolitan Bangkok. At year-end, TelecomAsia had approximately 1,252,000 telephony lines in service and 150,000 CATV subscribers.

Philippines

The Company has a 20% economic interest in BayanTel Telecommunications Holdings Corporation ("BayanTel"), a local exchange provider. At year-end, BayanTel had approximately 237,000 customers.

FLAG

Fiberoptic Link Around the Globe Limited (FLAG) is a joint venture which owns and operates an undersea fiberoptic cable system, providing digital communications links between Europe and Asia. The Company is the managing sponsor of FLAG and holds approximately a 38% equity interest in the venture and a 41% funding obligation. FLAG completed construction of its network and launched commercial service in the fourth quarter of 1997. At year-end, 66 international carriers had leased capacity with FLAG.

Item 2. *Properties*

GENERAL

The principal properties of the Company do not lend themselves to simple description by character and location. The Company's investment in plant, property and equipment, 91% of which was held by the telephone subsidiaries in 1997 (89% in 1996), consisted of the following at December 31:

	<u>1997</u>	<u>1996</u>
Central office equipment	38%	36%
Cable, wiring and conduit.....	34	34
Other equipment	16	15
Land and buildings	9	9
Other	<u>3</u>	<u>6</u>
	<u>100%</u>	<u>100%</u>

"Central office equipment" consists of switching equipment, transmission equipment and related facilities. "Cable, wiring and conduit" consists primarily of aerial cable, underground cable, conduit and wiring. "Other equipment" consists of public telephone instruments and telephone equipment (including PBXs) used by the telephone subsidiaries in their operations, poles, furniture, office equipment, vehicles and other work equipment, and cellular plant. "Land and buildings" consists of land owned in fee and improvements thereto, principally central office buildings. "Other" property consists primarily of plant under construction, capital leases and leasehold improvements.

The customers of the telephone subsidiaries are served by electronic switching systems that provide a wide variety of services. The telephone subsidiaries' network is in a transition from an analog to a digital network, which provides the capabilities to furnish advanced data transmission and information management services. At December 31, 1997, approximately 92% of the access lines were served by digital capability.

Substantially all of the assets of New York Telephone Company, totaling approximately \$12.6 billion at December 31, 1997, are subject to lien under New York Telephone Company's refunding mortgage bond indenture.

CAPITAL EXPENDITURES

The telephone subsidiaries have been making and expect to continue to make significant capital expenditures to meet the demand for communications services and to further improve such services. Capital expenditures were approximately \$6.6 billion in 1997, \$6.4 billion in 1996 and \$6.3 billion in 1995. Capital expenditures exclude additions under capital leases and the equity component of allowance for funds used during construction prior to the discontinuance of Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation." The total investment in plant, property and equipment was approximately \$77.4 billion at December 31, 1997, \$75.7 billion at December 31, 1996 and \$72.0 billion at December 31, 1995, in each case after giving effect to retirements, but before deducting accumulated depreciation at such date.

Item 4. *Submission of Matters to a Vote of Security Holders*

Not Applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below is certain information with respect to the Company's executive officers.

<u>Name</u>	<u>Age</u>	<u>Office</u>	<u>Held Since</u>
Raymond W. Smith	60	Chairman of the Board and Chief Executive Officer	1989
Ivan G. Seidenberg	51	Vice Chairman, President and Chief Operating Officer	1997
Lawrence T. Babbio, Jr.	53	President and Chief Executive Officer - Network Group Chairman - Global Wireless Group	1997
James G. Cullen	55	President and Chief Executive Officer - Telecom Group	1997
Jacquelyn B. Gates	46	Vice President - Ethics, Compliance, Diversity and Organization Development	1997
Alexander H. Good	48	Executive Vice President - Strategy and Corporate Development	1998
Melvin Meskin	53	Vice President - Comptroller	1997
Patrick F.X. Mulhearn	46	Vice President - Corporate Communications	1997
Donald J. Sacco	56	Executive Vice President - Human Resources	1997
Frederic V. Salerno	54	Senior Executive Vice President and Chief Financial Officer/Strategy and Business Development	1997
Doreen A. Toben	48	Vice President and Chief Financial Officer - Telecom Group	1997
Chester N. Watson	47	Vice President - Internal Auditing	1997
Morrison DeS. Webb	50	Executive Vice President - External Affairs and Corporate Communications	1997
Ellen C. Wolf	44	Vice President - Treasurer	1997
James R. Young	46	Executive Vice President - General Counsel	1997

Prior to serving as an executive officer of the Company, each of the above officers, with the exception of Mr. Good, have held high level managerial positions with the Company or one of its subsidiaries for at least five years. From 1990 until joining the Company in 1994, Mr. Good served as Senior Vice President of Mobile Telecommunications Technology Corporation (MTEL) and President of MTEL International.

Officers are not elected for a fixed term of office but are removable at the discretion of the Board of Directors.

Item 8. *Financial Statements and Supplementary Data*

The Report of Independent Accountants, Consolidated Statements of Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Shareowners' Investment, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements on pages 23 through 49 of the Company's 1997 Annual Report to shareowners are incorporated herein by reference.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

Not Applicable.

PART III

Item 10. *Directors and Executive Officers of Registrant*

For information with respect to the executive officers of the Company, see "Executive Officers of the Registrant" at the end of Part I of this Report. For information with respect to the Directors of the Company, see "Election of Directors" on pages 3 through 8 of the Proxy Statement for the Company's 1998 Annual Meeting of Shareowners, which is incorporated herein by reference. For information regarding compliance with Section 16(a) of the Securities Exchange Act of 1934, see "Section 16(a) Beneficial Ownership Reporting Compliance" on page 21 of the Proxy Statement for the Company's 1998 Annual Meeting of Shareowners, which is incorporated herein by reference.

Item 11. *Executive Compensation*

For information with respect to executive compensation, see "Executive Compensation" on pages 14 through 19, "Stock Performance Graph" on page 20, "Bell Atlantic Pension Plans" on pages 22 and 23, and "Employment Agreements" on pages 23 and 24 of the Proxy Statement for the Company's 1998 Annual Meeting of Shareowners, which are incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management*

For information with respect to the security ownership of the Directors and Executive Officers of the Company, see "Security Ownership of Directors and Officers" on page 21 of the Proxy Statement for the Company's 1998 Annual Meeting of Shareowners, which is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions*

For information with respect to certain relationships and related transactions, see "Corporate Governance - Other Matters" on page 3 of the Proxy Statement for the Company's 1998 Annual Meeting of Shareowners, which is incorporated herein by reference.

- 10e Bell Atlantic Insurance Plan for Directors. (Exhibit 10hh to Registration Statement on Form S-1 No. 2-87842).*
- 10f Description of Bell Atlantic Plan for Non-Employee Directors' Travel Accident Insurance. (Exhibit 10ii to Registration Statement on Form S-1 No. 2-87842).*
- 10g Section 6 from Bell Atlantic Cash Balance Plan regarding limitations on payment of pension amounts which exceed the limitations contained in the Employee Retirement Income Security Act of 1974. (Exhibit 10g to Form 10-K for the year ended December 31, 1996).*
- 10h Bell Atlantic Senior Management Retirement Income Plan, as amended and restated effective as of January 1, 1996. (Exhibit 10h to Form 10-K for the year ended December 31, 1996).*
- 10h(i) Termination of Bell Atlantic Senior Management Retirement Income Plan, effective December 31, 1997, with respect to active participants.*
- 10i Bell Atlantic Deferred Compensation Plan, as amended and restated as of January 1, 1997. (Exhibit 10i to Form 10-K for the year ended December 31, 1996).*
- 10i(i) Description of Amendments to Bell Atlantic Deferred Compensation Plan (renamed the Bell Atlantic Senior Management Income Deferral Plan), effective January 1, 1998.*
- 10j Bell Atlantic 1985 Incentive Stock Option Plan, as amended and restated as of July 1, 1996. (Exhibit 10j to Form 10-K for the year ended December 31, 1996).*
- 10j(i) Description of Amendment and Administrative Change to Bell Atlantic 1985 Incentive Stock Option Plan, effective August 14, 1997. (Exhibit 10a(i) to Form 10-Q for the quarter ended September 30, 1997).*
- 10k Bell Atlantic Retirement Plan for Outside Directors, as amended and restated as of January 1, 1996. (Exhibit 10k to Form 10-K for the year ended December 31, 1995).*
- 10l Bell Atlantic Stock Compensation Plan for Outside Directors, as amended and restated as of January 1, 1996. (Exhibit 10l to Form 10-K for the year ended December 31, 1995).*
- 10m Bell Atlantic Corporation Directors' Charitable Giving Program. (Exhibit 10p to Form SE dated March 29, 1990).*
- 10m(i) Resolutions amending and partially terminating the Program. (Exhibit 10p to Form SE dated March 29, 1993).*
- 10n Employment Agreement, dated July 10, 1996, between Bell Atlantic and Lawrence T. Babbio, Jr. (Exhibit 10o to Form 10-K for the year ended December 31, 1996).*
- 10o Resolution, dated January 24, 1994, granting Lawrence T. Babbio, Jr. certain nonqualified stock options to purchase American Depository Receipts representing Series L shares of the capital stock of Grupo Iusacell, S.A. de C.V. (Exhibit 10s to Form 10-K for the year ended December 31, 1993).*
- 10p Form of stock option grant to Lawrence T. Babbio, Jr. and William O. Albertini, dated February 18, 1997, containing terms and conditions of certain nonqualified stock options to purchase American Depository Receipts representing Series L shares of the capital stock of Grupo Iusacell, S.A. de C.V. (Exhibit 10q to Form 10-K for the year ended December 31, 1996).*
- 10q Employment Agreement, dated June 30, 1996, between Bell Atlantic and James G. Cullen. (Exhibit 10s to Form 10-K for the year ended December 31, 1996).*

- 10ff Description of NYNEX Non-Employee Director Pension Plan. (Exhibit No. (28) (i) 1 to Amendment No. 1 to NYNEX's 1987 Annual Report on Form 10-K, File No. 1-8608.)*
- 10ff(i) NYNEX Corporation Non-Employee Director Pension Plan. (Exhibit No. 99 to NYNEX's Proxy Statement dated March 18, 1996, File No. 1-8608.)*
- 10gg NYNEX 1987 Restricted Stock Award Plan (Exhibit No. (28) (i) 1 to NYNEX's filing on Form SE dated March 23, 1988, File No. 1-8608.)*
- 10hh NYNEX 1990 Stock Option Plan. (Exhibit No. 2 to the Registrant's Proxy Statement dated March 26, 1990, File No. 1-8608.)*
- 10ii NYNEX Stock Plan for Non-Employee Directors. (Exhibit No. 10 iii (A) 22 to the Registrant's 1990 Annual Report on Form 10-K, File No. 1-8608.)*
- 10jj NYNEX Supplemental Life Insurance Plan. (Exhibit No. 10 iii 21 to NYNEX's Quarterly Report on Form 10-Q for the period ended June 30, 1996, File No. 1-8608.)*
- 10kk NYNEX 1995 Long Term Incentive Program. (Exhibit No. 1 to NYNEX's Proxy Statement dated March 21, 1994, File No. 1-8608.)*
- 10ll NYNEX 1995 Stock Option Plan. (Exhibit No. 2 to NYNEX's Proxy Statement dated March 21, 1994, File No. 1-8608.)*
- 10mm NYNEX 1990 Stock Option Plan as amended. (Exhibit No. 2 to NYNEX's Proxy Statement dated March 20, 1995, File No. 1-8608.)*
- 10nn NYNEX 1995 Stock Option Plan as amended. (Exhibit No. 1 to NYNEX's Proxy Statement dated March 20, 1995, File No. 1-8608.)*
- 10oo NYNEX 1995 Long Term Incentive Program as amended. (Exhibit No. 3 to NYNEX's Proxy Statement dated March 20, 1995, File No. 1-8608.)*
- 10pp NYNEX Corporation Non-Employee Director Retainer Stock Plan. (Exhibit No. 99 to NYNEX's Proxy Statement dated March 18, 1996, File No. 1-8608.)*
- 10qq NYNEX Executive Retention Agreement. (Exhibit No. 10 iii 35 to NYNEX's Quarterly Report on Form 10-Q, for the period ended June 30, 1996, File No. 1-8608.)*
- 10rr Description of Bell Atlantic Senior Management Death Benefit Plan, effective April 1, 1998.*
- 10ss Description of Bell Atlantic Senior Management Flexible Spending Perquisite Account, effective January 1, 1998.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BELL ATLANTIC CORPORATION

By /s/ Mel Meskin
Mel Meskin
Vice President - Comptroller

March 25, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Principal Executive Officer: Raymond W. Smith	Chairman of the Board and Chief Executive Officer
Principal Financial Officer: Frederic V. Salerno	Senior Executive Vice President and Chief Financial Officer/Strategy and Business Development
Principal Accounting Officer: Mel Meskin	Vice President - Comptroller

Directors:

Lawrence T. Babbio, Jr.
Richard L. Carrion
James G. Cullen
Lodewijk J.R. de Vink
James H. Gilliam, Jr.
Stanley P. Goldstein
Helene L. Kaplan
Thomas H. Kean
Elizabeth T. Kennan
John F. Maypole
Joseph Neubauer
Thomas H. O'Brien
Eckhard Pfeiffer
Hugh B. Price
Rozanne L. Ridgway
Frederic V. Salerno
Ivan G. Seidenberg
Walter V. Shipley
Raymond W. Smith
John R. Stafford
Morrison DeS. Webb
Shirley Young

- By /s/Mel Meskin
Mel Meskin
(individually and as
attorney-in-fact)
March 25, 1998

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareowners of
Bell Atlantic Corporation

Our report on the consolidated financial statements of Bell Atlantic Corporation and subsidiaries has been incorporated by reference in this Form 10-K from page 23 of the 1997 Annual Report to shareowners of Bell Atlantic Corporation and subsidiaries. In connection with our audits of such financial statements, we have also audited the related financial statement schedule listed in the index on page F-1 of this Form 10-K.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

/s/Coopers & Lybrand L.L.P.

1301 Avenue of the Americas
New York, New York
February 9, 1998

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO TELECOMMUNICATIONS REGULATORY BOARD**

IN THE CASE OF:
Joint Petition for Authorization of Merger between
GTE Corporation and Bell Atlantic Corporation

**RE: Authorization for
Merger**

DECLARATION OF FINANCIAL CAPACITY

I, P. Alan Bulliner, Associate General Counsel and Corporate Secretary for Bell Atlantic Corporation, hereby declare the following:

1. That upon the merger between GTE Corporation and Bell Atlantic Corporation, the merged company will remain in a financially sound condition.
2. That it is expected that the merged company, operating with combined resources, management, personnel and technical expertise, will have more financial and operational strength than either company would have on its own.
3. That it is expected that the combined company, larger than either the stand-alone GTE Corporation or Bell Atlantic Corporation, will receive revenues from a widely distributed national base of customers and services.
4. That it is expected that Bell Atlantic Corporation's and GTE Corporation's combined assets, management and personnel will result in more efficient corporate operations reflecting the practices of both companies, creating

COMMONWEALTH OF PUERTO RICO
PUERTO RICO TELECOMMUNICATIONS REGULATORY BOARD

IN THE CASE OF:
Joint Petition for Authorization of Merger between
GTE Corporation and Bell Atlantic Corporation

RE: Authorization for
Merger

SWORN STATEMENT

I, Ivan Seidenberg, of legal age, 52, Chairman and Chief Executive Officer of Bell Atlantic Corporation ("Bell Atlantic") and resident of West Nyack, New York, in compliance with the provisions of the Article 5.3(g) of the Regulation No. 5631 issued pursuant to Law No. 213 of September 12, 1996, under the most formal and solemn oath do hereby declare that:

1. To the best of my knowledge, neither Bell Atlantic Corporation nor its directors or officers are a party to any judicial or administrative proceedings in connection with the commission of a felony, crime involving moral turpitude, offense in connection with drugs, or violation of the antitrust laws of the Commonwealth of Puerto Rico or in any other civil or criminal offense in connection with fraud, deceit or any similar claim as of the date hereof with respect to any matter in Puerto Rico.

In NEW YORK, NEW YORK, on July 23, 1999.

Ivan Seidenberg
Ivan Seidenberg

ACKNOWLEDGMENT

State of *New York*
County of *New York*

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)

The foregoing instrument was acknowledged before me this *23rd* day of *July*, 1999, by Ivan Seidenberg, Chairman and Chief Executive Officer of Bell Atlantic, a Delaware corporation, on behalf of the Corporation.

Linda J. Bauer

NOTARY PUBLIC
(My Commission Expires *8/10/2000*)

LINDA J. BAUER
Notary Public, State of New York
No. 01BAS00282
Qualified in Westchester County
Commission Expires August 10, 1999
2000

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "BELL ATLANTIC CORPORATION" IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-SECOND DAY OF JULY, A.D. 1999.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



A handwritten signature in cursive script, reading "Edward J. Freel".

Edward J. Freel, Secretary of State

2018751 8300

991301507

AUTHENTICATION: 9879797

DATE: 07-22-99

GTE CORPORATION

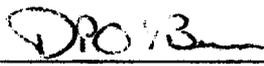
Delegation of Authority

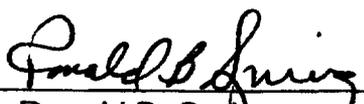
Pursuant to resolutions adopted by a Special Meeting of the Board of Directors of GTE Corporation (the "Corporation"), under date of July 27, 1998, a certified copy of which is attached hereto, authorizing each of the officers of the Corporation to enter into, execute and deliver a Merger Agreement on behalf of the Corporation and to make any required regulatory filings and to obtain any required approvals or consents to the Merger, the undersigned hereby delegates to attorneys Steven Zipperstein, Walter F. Chow and Edgardo Nieves, acting singly or jointly, the authority to represent the Corporation before the Puerto Rico Telecommunications Regulatory Board.

The authority herein granted is valid until December 31, 1999.

IN WITNESS WHEREOF, GTE Corporation has caused this Delegation of Authority to be executed in its name and on its behalf by Daniel P. O'Brien, its Executive Vice President-Finance, and by Ronald B. Spring, its Assistant Secretary, and has caused its corporate seal to be affixed hereto on the 4th day of August, 1999.

GTE CORPORATION

By: 
Daniel P. O'Brien
Executive Vice President-
Finance

By: 
Ronald B. Spring
Assistant Secretary 

GTE CORPORATION

Certified Copy of Resolutions

RESOLVED FURTHER: That each of the officers of the Corporation (each, an "Authorized Signatory"), acting alone, is authorized for, on behalf of and in the name and of the Corporation, to enter into, execute and deliver the Merger Agreement and the Option Agreements, substantially in the forms submitted to and approved at this meeting, with such changes therein or additions thereto or, after the Merger Agreement or Option Agreements have been executed, amendments thereto, as may, upon advice of counsel, be approved or deemed necessary, appropriate or advisable by the Authorized Signatory executing the same on behalf of the Corporation. The execution and delivery on behalf of the Corporation thereof (or of any amendment) by any such Authorized Signatory shall be deemed to be conclusive evidence of the approval by the Corporation of all such changes or additions;

* * * *

RESOLVED FURTHER: That each Authorized Signatory is authorized and directed in the name and on behalf of the Corporation to make any required regulatory filings and to seek to obtain any required approvals or consents to the Merger and to any and all actions contemplated in connection therewith of all necessary parties including, without limitation, Federal, state, municipal or foreign agencies, lessors, insurers and any other parties pursuant to any agreement, contract, lease, license, permit, easement or other document or instrument under which the Corporation or any of its subsidiaries or affiliates is bound;

RESOLVED FURTHER: That the Authorized Signatories are authorized and empowered in the name and on behalf of the Corporation to execute and deliver any and all other agreements, amendments, documents and instruments and to take any and all other actions as they or any of them in their reasonable discretion deem necessary or advisable for the purpose of consummating the Merger, carrying out the terms of the Merger Agreement or the Option Agreements and otherwise effecting and carrying out the foregoing resolutions, and that the authority of the Authorized Signatories to execute and deliver any such agreements, amendments, documents and instruments and to take any such other actions shall be conclusively evidenced by their execution and delivery thereof, and their taking any such actions;