

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

In the Matter of)	
)	
Verizon Communications Inc. and)	
MCI, Inc.)	WC Docket No. 05-75
Applications for Approval of)	
Transfer of Control)	

APPLICATION FOR TRANSFER OF CONTROL

Filed with the Federal Communications Commission
March 11, 2005

TABLE OF CONTENTS

Overview of the Transaction.....	i
Application for Consent to Transfer Control of Domestic Section 214 Authority.....	1
I. Description of the Transaction and the Applicants.....	2
II. Public Interest Showing	4
III. Information Required by Section 63.04.....	4
IV. Conclusion	8

Exhibits

1. Public Interest Statement

Attachment 1	Declaration of Gustavo E. Bamberger, Dennis W. Carlton, and Allan L. Shampine
Attachment 2	Declaration of Robert W. Crandall and Hal J. Singer
Attachment 3	Declaration of Eric J. Bruno and Shelley Murphy
Attachment 4	Declaration of Jeffrey E. Taylor
Attachment 5	Declaration of Quintin Lew and Ronald H. Lataille
Attachment 6	Declaration of Michael K. Hassett, Kathy Koelle, Katherine C. Linder and Vincent J. Woodbury
Attachment 7	Declaration of Ronald H. Lataille
Attachment 8	Declaration of Stephen E. Smith
Attachment 9	Declaration of Todd Buchanan
Attachment 10	Declaration of John J. Lack and Robert F. Pilgrim
Attachment 11	Declaration of Wayne Huyard
Attachment 12	Declaration of Ronald J. McMurtrie
Attachment 13	Declaration of Jonathan P. Powell and Stephen M. Owens
Attachment 14	Declaration of Vinton G. Cerf
Attachment 15	Declaration of Ihab S. Tarazi
Attachment 16	Declaration of Michael Kende

2. MCI Subsidiaries Holding Domestic 214 Authority

OVERVIEW OF THE TRANSACTION

Verizon Communications Inc. (“Verizon”) and MCI, Inc. (“MCI”) (together, “the Applicants”), pursuant to Sections 214 and 310(d) of the Communications Act of 1934, as amended, and Section 2 of the Cable Landing License Act, hereby request the Commission’s consent to transfer control of MCI’s domestic and international Section 214 authorizations, cable landing licenses, and various radio station authorizations to Verizon.

Verizon and MCI have entered into an Agreement and Plan of Merger under which MCI will become a wholly-owned subsidiary of Verizon. The proposed transaction is an outgrowth of the ongoing restructuring of the industry around new technologies, new services, and new providers, and, as detailed in the accompanying Public Interest Statement, will serve the public interest, convenience, and necessity by generating substantial benefits without harming competition in any relevant market.

This document provides an overview of the transaction, identifies applications that are today being filed with the Commission, requests that all pending and after-filed applications be considered part of the transaction for which approval is sought, and requests exemptions as necessary from any applicable cut-off rules. Attached is the lead application for authority to transfer control of MCI and its subsidiaries holding domestic 214 authority to Verizon. The other individual transfer of control applications (*e.g.*, international Section 214 submissions and applications on FCC Forms 312 and 603), concerning each of the various authorizations controlled by MCI, are being submitted concurrently with this application. The filing fees are being transmitted to Mellon Bank. The individual applications are listed on pages iv-v.

DESCRIPTION OF TRANSACTION

On February 14, 2005, Verizon and MCI announced an Agreement and Plan of Merger under which MCI will become a wholly-owned subsidiary of Verizon. Under the terms of the agreement, a wholly-owned subsidiary of Verizon will merge with and into MCI. MCI will be the surviving corporation, thereby becoming a wholly-owned subsidiary of Verizon. MCI shareholders will receive 0.4062 shares of Verizon common stock and \$1.50 for each MCI share owned. Shareholders also will receive a special dividend payment of \$4.50 per share.¹

Following consummation of the transaction, MCI will continue to own the stock of its subsidiaries and MCI and its subsidiaries will continue to hold all of the FCC authorizations that they hold prior to the transaction. As such, the transaction does not involve any assignment of MCI's licenses and authorizations, or any change in the licensees that hold such licenses and authorizations, and those companies will continue to provide service to the public. Similarly, the transaction will not result in any assignment of Verizon's existing licenses and authorizations, or any change in the licensees that hold such licenses and authorizations. Those companies also will continue to provide service to the public.

The parties intend to consummate the transaction as promptly as possible after the necessary FCC and other federal and state regulatory approvals have been received and certain other preconditions have been met.

DESCRIPTION OF APPLICANTS

MCI is a global provider of communications services. The company offers long-distance service, high-capacity connections, and a variety of other voice and data services, primarily to

¹ An FCC Form 602 describing Verizon's post-closing ownership and FCC-regulated holdings is being filed concurrently with this application.

business customers. MCI owns, operates, monitors and maintains extensive communications networks, with facilities in countries and cities throughout North America, Latin America, Europe, Africa, and the Asia-Pacific region.

Verizon is a holding company that owns operating subsidiaries that provide a range of communications services in the United States and select foreign countries. The company's operating subsidiaries offer local telephone service in 29 states, as well as broadband, nationwide long-distance and other services. Verizon also has investments in international wireline and wireless operators, primarily in the Americas and Europe. Further, Verizon is a majority owner of Verizon Wireless, which serves 43.8 million voice and data subscribers across the United States.

Verizon clearly has the qualifications necessary to acquire control of MCI's licenses and authorizations. Indeed, the Commission previously has found Verizon qualified to control FCC licenses.² Likewise, the Commission has found that MCI is qualified to be an FCC licensee.³ Accordingly, the parties are qualified to transfer the licenses at issue.

APPLICATIONS BEING FILED

The Applicants are filing with the Commission a total of 18 applications requesting consent to the transfer of control to Verizon of licenses and authorizations controlled by MCI or

² *Applications of Northcoast Communications, LLC and Cellco Partnership d/b/a Verizon Wireless For Consent to Assignment of Licenses*, 18 FCC Rcd 6490, 6492, ¶ 6 (2003); *Applications of GTE Corp. and Bell Atlantic Corp. For Consent to Transfer Control*, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14227-29, ¶¶ 429-32 (2000).

³ *WorldCom, Inc and Its Subsidiaries (Debtors-in-Possession) and MCI, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 26484, 26493-94, ¶13 (2003). As a general rule, the Commission does not re-evaluate the qualifications of transferors unless issues related to the basic qualifications of that entity have been designated for hearing by the Commission or have been sufficiently raised in petitions to warrant the designation of a hearing. No such issues exist here. *Id.*

its subsidiaries. These include MCI's existing domestic and international Section 214 authorizations, cable landing licenses, and Title III radio station authorizations as follows:

– Part 1 – Cable Landing Licenses

MCI, Inc. (SCL-LIC-19970421-0002, *et al.*)
MCI International, Inc. (SCL 90-003, *et al.*)
MCI Communications Corp. (SCL 92-002, *et al.*)
MFS Globenet, Inc. (SCL-LIC-19971014-00009)

– Part 22 – Paging and Radiotelephone Service Licenses

Skytel Corp. (KNKO426, *et al.*)

– Part 22 – General Aviation Air-Ground Radio Service Licenses

Skytel Corp. (KCC793, *et al.*)

– Part 22 – 931 MHz Paging Licenses

Skytel Corp. (WPZG507, *et al.*)

– Part 24 – PCS Narrowband Licenses

Skytel Corp. (KNKV205, *et al.*)

– Part 25 – Earth Station Licenses

MCI WorldCom International, Inc. (E881473, *et al.*)
MCI WorldCom Network Services, Inc. (E000011, *et al.*)

– Part 63 – Domestic Section 214 Authorizations

MCI, Inc. *et al.* (attached)

– Part 63 – International Section 214 Authorizations

MCI, Inc. (File No. ITC-214-19961212-00626, *et al.*)
MCI Communications Corporation (ITC-90-128, *et al.*)
MCI International, Inc. (ITC-89-155, *et al.*)
MCI WorldCom Communications, Inc. (ITC-93-065, *et al.*)
MCI WorldCom International, Inc. (ITC-214-19961003-00486, *et al.*)
MCI WorldCom Network Services, Inc. (ITC-87-184, *et al.*)
MFS Globenet, Inc. (ITC-98-622)

– Part 90 – Private Mobile Radio Service Licenses

MCI WorldCom Communications, Inc. (WPNU610, *et al.*)
MCI WorldCom Network Services, Inc. (KA78954, *et al.*)

– Part 101 – Point-to-Point Microwave Service Licenses

MCI WorldCom Network Services, Inc. (WAX65, *et al.*)
Intermedia Communications LLC (KCL96, *et al.*)

The domestic Section 214 application has been designated the lead application and contains the standard exhibits to which the other applications cross-reference.

ADDITIONAL AUTHORIZATIONS

In addition to seeking the Commission's consent to the transfer of control of the FCC licenses and authorizations contained in these applications, the Applicants also request the additional authority described below:

A. After-Acquired Authorizations

As set forth in each of the transfer of control applications, MCI and its subsidiaries hold numerous Commission licenses and other authorizations. While the applications are intended to list all such authorizations, the licensees involved in this proposed transaction may have on file, and may hereafter file, additional requests for authorizations for new or modified facilities which may be granted during the pendency of the transfer of control applications. Accordingly, it is requested that the grant of transfer of control applications include authority for Verizon to acquire control of (1) any authorization issued to MCI or its subsidiaries during the Commission's consideration of the transfer of control applications and the period required for consummation of the transaction following approval; (2) any construction permits held by such licensees that mature into licenses after closing; and (3) applications which are filed after the

date of these applications and that are pending at the time of consummation. Such action would be consistent with prior decisions of the Commission.⁴

B. Exemption from Cut-Off Rules

Pursuant to Sections 1.927(h), 1.929(a)(2), and 25.116(b)(4) of the Commission's Rules, 47 C.F.R. §§ 1.927(h), 1.929(a)(2), and 25.116(b)(4) to the extent necessary⁵ the Applicants request a blanket exemption from any applicable cut-off rules in cases where MCI or its subsidiaries file amendments to pending applications to reflect consummation of the proposed transfer of control. This exemption is requested so that amendments to pending applications to report the change in ultimate ownership of MCI or its subsidiaries, which are parties to these applications, would not be treated as major amendments. The scope of the transaction between Verizon and MCI demonstrates that the ownership change would not be made for the acquisition of any particular pending application, but as part of a larger transaction undertaken for an independent and legitimate business purpose. Grant of such application would be consistent with previous Commission decisions routinely granting a blanket exemption in cases involving similar transactions.⁶

⁴ See *Cingular/AWS*, 19 FCC Rcd at 21626, ¶¶69-71; *NYNEX/Bell Atlantic* 12 FCC Rcd at 20097, ¶¶ 246-48; *Applications of Pacific Telesis Group and SBC Communications Inc.*, Memorandum Opinion and Order, 12 FCC Rcd 2624, 2665, ¶¶ 92-93 (1997); *In re Applications of Craig O. McCaw and AT&T*, Memorandum Opinion and Order, 9 FCC Rcd 5836, 5909 n. 300 (1994).

⁵ At least with respect to cut-off rules under Sections 1.927(h) and 1.929(a)(2), the Commission has previously found that the public notice announcing the transaction will provide adequate notice to the public with respect to the licenses involved, including for any license modifications pending. In such cases, it determined that a blanket exemption of the cut-off rules was unnecessary. See *Applications of Ameritech Corp. and GTE Consumer Services Inc.*, Memorandum Opinion and Order, 15 FCC Rcd 6667, 6668 n.6 (1999); *In re Applications of Comcast Cellular Holdings, Co. and SBC Communications, Inc.*, Memorandum Opinion and Order, 14 FCC Rcd 10604, 10605 n.3 (1999).

⁶ See, e.g. *NYNEX/BellAtlantic*, 12 FCC Rcd at 20092, ¶ 234.

C. Unconstructed Facilities

To the extent that any authorizations for unconstructed systems are covered by this transaction, these authorizations are merely incidental to the larger transaction involving transfer of control of an ongoing, operating business. The transaction is based upon the valuation of MCI as a whole, with no separate payment being made for any individual authorization or facility. Thus, the transfer of control of these unbuilt facilities does not implicate any of the Commission's anti-trafficking rules.⁷

D. Unjust Enrichment

None of the authorizations held by MCI were obtained pursuant to set-asides or bidding credits for designated entities. Thus, the unjust enrichment provisions of the Commission's auction rules, 47 C.F.R. § 1.2111(b), (c), and (d), do not apply.

CONCLUSION

For the above reasons, and for the reasons set forth in the individual applications filed herewith, the proposed transaction complies with the Communications Act and all applicable Commission rules, and will serve the public interest. Verizon and MCI accordingly urge the Commission promptly to grant these applications.

⁷ See, e.g., 47 C.F.R. § 1.948(i).

**APPLICATION FOR CONSENT TO TRANSFER CONTROL OF
DOMESTIC SECTION 214 AUTHORITY**

Pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.04 of the Commission's rules, 47 C.F.R. § 63.04, MCI, Inc. ("MCI") (FRN 0010-8562-84) and Verizon Communications Inc. ("Verizon") (FRN 0003-2570-94) seek consent to the transfer of control of MCI and its subsidiaries to Verizon.¹ MCI and its subsidiaries provide domestic common carrier services in the contiguous 48 states and the District of Columbia, pursuant to the blanket Section 214 authority granted in Section 63.01(a) of the Commission's rules.²

Verizon and MCI have entered into a transaction that will result in MCI becoming a wholly-owned subsidiary of Verizon. Consequently, the Applicants seek to transfer control of MCI's subsidiaries holding domestic Section 214 authority to Verizon. The information required pursuant to Section 63.04 of the Commission's rules is provided below and in the attached exhibits.

I. DESCRIPTION OF THE TRANSACTION AND THE APPLICANTS

Verizon and MCI have entered into a transaction that will result in MCI becoming a wholly-owned subsidiary of Verizon. Under the terms of the agreement, a wholly-owned subsidiary of Verizon will merge with and into MCI. MCI will be the surviving corporation, thereby becoming a wholly-owned subsidiary of Verizon. MCI shareholders will receive 0.4062

¹ Verizon and MCI are collectively referred to herein as the "Parties" or the "Applicants."

² A list of all MCI subsidiaries holding domestic Section 214 authority is provided as Exhibit 2 to this application. MCI and/or its subsidiaries also hold international Section 214 authority, cable landing licenses, satellite earth station authorizations, paging licenses, aviation air-ground licenses, PCS narrowband licenses, microwave licenses, private radio licenses, and other wireless FCC authorizations. The Parties concurrently are filing applications for consent to the transfer of control of these authorizations.

shares of Verizon common stock and \$1.50 for each MCI share owned. Shareholders also will receive a special dividend payment of \$4.50 per share.

Following consummation of the transaction, MCI will continue to own the stock of its subsidiaries and MCI and its subsidiaries will continue to hold all of the FCC authorizations that they hold prior to the transaction. As such, the transaction does not involve any assignment of MCI's licenses and authorizations, or any change in the licensees that hold such licenses and authorizations, and those companies will continue to provide service to the public. Similarly, the transaction will not result in any assignment of Verizon's existing licenses and authorizations, or any change in the licensees that hold such licenses and authorizations. Those companies also will continue to provide service to the public.

MCI is a global provider of communications services. The company offers long-distance service, high-capacity connections, and a variety of other voice and data services, primarily to business customers. MCI owns, operates, monitors and maintains extensive communications networks, with facilities in countries and cities throughout North America, Latin America, Europe, Africa, and the Asia-Pacific region.

Verizon is a holding company that owns operating subsidiaries that provide a range of communications services in the United States and select foreign countries. The company's operating subsidiaries offer local telephone service in 29 states, as well as broadband, nationwide long-distance and other services. Verizon also has investments in international wireline and wireless operators, primarily in the Americas and Europe. Further, Verizon is a majority owner of Verizon Wireless, which serves 43.8 million voice and data subscribers across the United States.

Verizon clearly has the qualifications necessary to acquire control of MCI's licenses and authorizations. Indeed, the Commission previously has found Verizon qualified to control FCC licenses.³ Likewise, the Commission has found that MCI is qualified to be an FCC licensee.⁴ Accordingly, the parties are qualified to transfer the licenses at issue.

II. PUBLIC INTEREST SHOWING

A demonstration that a grant of this application will serve the public interest, convenience, and necessity is included in Exhibit 1 to this application.

III. INFORMATION REQUIRED BY SECTION 63.04

Pursuant to Section 63.04(a) of the Commission's rules, the Parties submit the following information in support of this application:

(1) Name, Address, And Telephone Number Of Each Applicant

Transferor: MCI, Inc.
22001 Loudoun County Parkway
Ashburn, VA 20147
(703) 886-5600

Transferee: Verizon Communications Inc.
1095 Avenue of the Americas
New York, NY 10036
(212) 395-2121

³ *Applications of Northcoast Communications, LLC and Cellco Partnership d/b/a Verizon Wireless For Consent to Assignment of Licenses*, 18 FCC Rcd 6490, 6492 (2003); *Applications of GTE Corp. and Bell Atlantic Corp. For Consent to Transfer Control*, Memorandum Opinion and Order, 15 FCC Rcd 14032, 14227-29, ¶ 429-32 (2000).

⁴ *In re WorldCom, Inc and Its Subsidiaries (Debtors-in-Possession) and MCI, Inc.*, Memorandum Opinion and Order, 18 FCC Rcd 26484, 26493-94 (2003). As a general rule, the Commission does not re-evaluate the qualifications of transferors unless issues related to the basic qualifications of that entity have been designated for hearing by the Commission or have been sufficiently raised in petitions to warrant the designation of a hearing. No such issues exist here. *Id.* at 26493.

(2) The Government, State, Or Territory Under The Laws Of Which Each Applicant Is Organized

MCI and Verizon are both corporations organized under the laws of the state of Delaware.

(3) Contact Information

For MCI, Inc.:

Anastasia Kelly, Executive VP and General Counsel
Richard S. Whitt
Dennis W. Guard, Jr.
MCI, Inc.
1133 19th Street NW
Washington, D.C. 20036
(202) 736-6148 (Tel.)
(202) 736-6359 (Fax)
Dennis.Guard@MCI.com

with a copy to:

Gil M. Strobel
Lawler, Metzger, Milkman & Keeney, LLC
2001 K Street NW, Suite 802
Washington, DC 20006
(202) 777-7700 (Tel.)
gstrobel@lmmk.com

For Verizon Communications Inc.:

Michael E. Glover, Senior Vice President and Deputy General Counsel
Suzanne Carmel
Verizon
1300 I St., NW Ste. 400
Washington, DC 20005
Tel: 202-515-2537
Fax: 202-336-7922
Email: scarmel@verizon.com

with a copy to:

Nancy J. Victory
Wiley Rein & Fielding LLP
1776 K Street NW
Washington, DC 20006

Tel: 202-719-7000
Fax: 202-719-7049
E-mail: nvictory@wrf.com

(4) Ten Percent Or Greater Interest Holders

MCI, Inc., the transferor, is a publicly traded company. No person or entity currently holds a ten percent or greater ownership interest in MCI.

Verizon Communications Inc., the transferee, is a publicly traded company. No person or entity currently holds a ten percent or greater ownership interest in Verizon, and no person or entity will hold a ten percent or greater interest in Verizon after the consummation of the proposed transaction.

(5) Anti-Drug Abuse Act Certification

MCI and Verizon hereby certify pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules that no party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of the Transaction

This application seeks Commission consent to the transfer of control of MCI and its subsidiaries to Verizon. A more detailed description of the transaction is provided in Section I above.

(7) Description of Geographic Service Area and Services in Each Area

MCI offers long-distance service, high-capacity connections, and a variety of other voice and data services, primarily to business customers throughout the contiguous 48 states.

Verizon's operating subsidiaries' domestic wireline communications services consist primarily of telephone operations that provide local telephone services in 29 states and the District of Columbia. These services include voice and data transport, enhanced and custom

calling features, network access, directory assistance, private lines and public telephones. Verizon's operating subsidiaries also provide long distance services, customer premises equipment distribution, data solutions and systems integration, billing and collections, Internet access services and inventory management services.

(8) Eligibility for Streamlined Processing

The parties do not request streamlined treatment for the instant application.

(9) Other Related Applications

As noted above, MCI and/or its subsidiaries hold international Section 214 authority, cable landing licenses, satellite earth station licenses, paging licenses, aviation air-ground licenses, PCS narrowband licenses, microwave licenses, private radio licenses, and other wireless FCC authorizations. The Parties are concurrently filing applications seeking Commission consent to the transfer of control of these authorizations.

(10) Statement of Imminent Business Failure

Not applicable.

(11) Separately Filed Waiver Requests

No waiver requests are being filed in conjunction with the transaction.

(12) Public Interest Statement

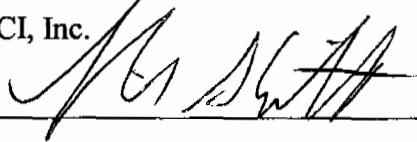
As stated above, a statement showing how grant of this application will serve the public interest, convenience, and necessity is included in Exhibit 1 to this application.

IV. CONCLUSION

For the foregoing reasons, the Parties respectfully request that the Commission consent to the transfer of control of MCI and its domestic telecommunications operations to Verizon.

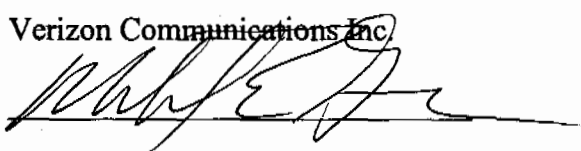
Respectfully submitted,

MCI, Inc.



Richard S. Whitt
Vice President of Federal Law and Policy
MCI, Inc.
1133 19th Street, NW
Washington, DC 20036
Tel: (202) 887-3845
Fax: (202) 736-6701

Verizon Communications Inc.



Michael E. Glover
Senior Vice President and Deputy General
Counsel
VERIZON
1515 North Court House Road
Arlington, VA 22201-2909
Tel: (703) 351-3860
Fax: (703) 351-3676